

HCL TECHNOLOGIES LIMITED
FINANCIAL RESULTS UPDATE
QUARTER ENDED 31ST MARCH, 2005

HCL Technologies records 7th successive quarter of growth

- ***Strong 31.3% YoY growth in revenues***
- ***EBITDA jumps 46.4%***

Financial Highlights

On a YTD basis,

- ❑ Revenue up 35.2%
- ❑ EBITDA up 62.7%
- ❑ Net income up 46.5%

On a YOY basis for the quarter,

- ❑ Revenue up 31.3%
- ❑ EBITDA up 46.4%
- ❑ Net income up 24.4%

Sequentially for the quarter,

- ❑ Revenue up 6.4%
- ❑ EBITDA up 5.2%
- ❑ Net income up 20.9%

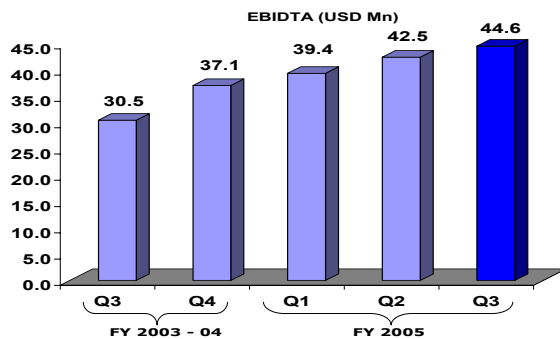
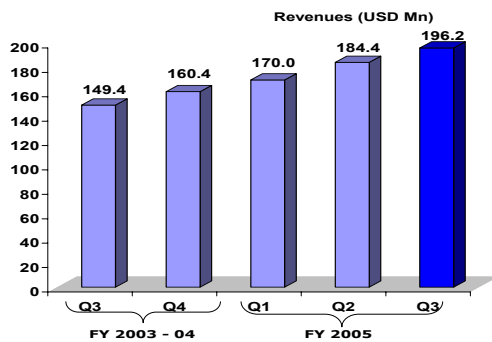
- ❑ **Third interim dividend of 200% of face value of share. Payout of USD 29.1 mn – total of USD 84.1 mn for the nine months**
- ❑ **Manpower ramps up to 22,034 from 20,249 last quarter; addition of 1,785**

Business Highlights

- ❑ **Strong growth in BPO and Remote Infrastructure growth while software services consolidate**
- ❑ **Validation of HCL's strategic realignment undertaken in 2001 and the non linear growth model**
- ❑ **New leadership to take over Software Services and Remote Infrastructure Management business (85% of revenues)**

Q3 FY2005- FINANCIAL HIGHLIGHTS

- ❑ Revenues at USD 196.2 million up by 31.3% YoY, up 6.4% QoQ
- ❑ EBITDA up by 46.4% YoY, up 5.2% QoQ
- ❑ Net income up 24.4% YoY, up 20.9% QoQ
- ❑ Consolidated net income at USD 35.9 million
- ❑ Days sale outstanding at 68 days
- ❑ Interim dividend of 200% of face value of each share declared.



Q3 FY2005 – BUSINESS HIGHLIGHTS

- ❑ Total clients at 489, including 66 Fortune 500 clients & 126 clients with a run rate of more than \$1mn
- ❑ 18 new clients added during this quarter, including 2 Fortune 500 organizations
- ❑ Addition of 1,785 employees; 1,122 added in the software services business and 498 in BPO



SHIV NADAR
 Chairman & CEO
 HCL Technologies Ltd.
 Founder, HCL Group

This quarter records HCL's 7th successive quarter of growth. For a young company which kicked off its global IT services journey in 1996-97, we now have in 8 years an impressive array of services with beachhead practices in Product Engineering & IT Applications, which remain our core business contributing to 75% of our revenues. We have grown them with marquee global partnerships and joint ventures. In addition our two star businesses BPO and Remote Infrastructure Management now accounting for 25% of revenues gives our business strategic balance and positions us in key future growth spaces. To drive this momentum we have appointed a young President who represents the very spirit of an inventive, entrepreneurial, and resurgent HCL. I remain confident of the future of your company as the building blocks of our next growth phase are in place.

Q3 FY2005 Results

PERFORMANCE REVIEW

Continued ramp up in revenues

Revenues for HCL Technologies grew by 6.4% in the current quarter – the seventh successive quarter of sequential growth.

USD Mn	Q1FY05	Q2FY05	Q3FY05
HCL revenues	170.0	184.4	196.2
Δ QoQ	6.0%	8.5%	6.4%

EBITDA margins maintained

The company's EBITDA margin for the quarter stood at 22.8%. EBITDA margins have remained stable over the last 4 quarters.

	Q4FY04	Q1FY05	Q2FY05	Q3FY05
EBITDA margin	23.1%	23.2%	23.0%	22.8%

Continued ramp up on manpower

Manpower addition continued to remain strong, with the addition of 1,785 people. 1,122 were added in software services and 498 in BPO.

Nos	Q1FY05	Q2FY05	Q3FY05
Manpower strength	18,474	20,249	22,034
Net addition	2,116	1,775	1,785

Improved client mix

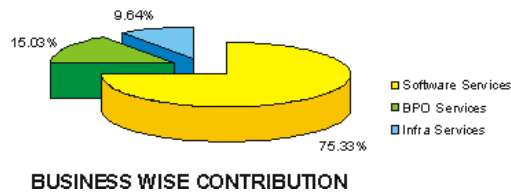
The company's client mix has improved substantially over the past few quarters as can be seen from the increasing number of million-dollar clients.

Clients with annualized billing of	Q1FY05	Q2FY05	Q3FY05
\$1 million or more	110	117	126
\$5 million or more	20	22	25

200% INTERIM DIVIDEND DECLARED

The company has declared an interim dividend of 200% of the face value of each share for the quarter ended Mar 31, 2005. This is in line with the company's policy of considering quarterly dividends, subject to adequacy of profits and compliance with all applicable legal requirements.

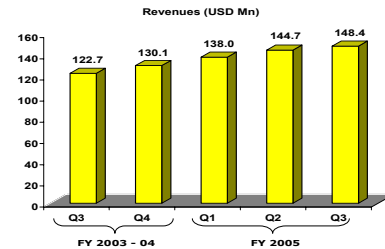
Q3 FY2005 Update on Business Categories



SOFTWARE SERVICES

Revenues from software services have grown by 2.6% QoQ. The EBITDA margins in this business have been maintained.

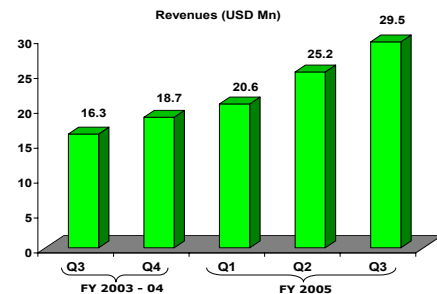
1,122 people were added to this business during the quarter, taking the total headcount in software services to 15,199.



BPO SERVICES

HCL Technologies BPO recorded a strong QoQ growth of 17.1% in revenues. The annualized revenue run rate in this business is now well over USD 100 mn.

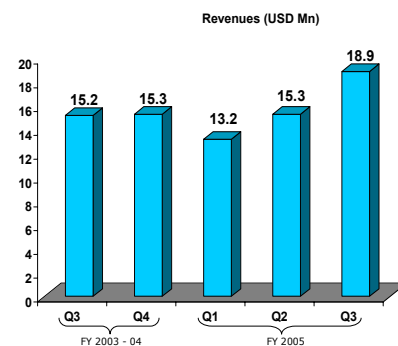
EBITDA for the business grew by 18.1%. EBITDA margins in BPO have substantially expanded to 23.5% as compared to 13.1% in the same quarter in the previous year. This quarter saw the addition of 498 employees, taking the permanent headcount to 5,393.



INFRASTRUCTURE SERVICES

The Infrastructure services business witnessed strong QoQ Growth of 23.3%. The EBITDA has grown by 6.3% QoQ and 62.7% on a YoY basis. This business witnessed a net addition of 165 people during the quarter.

The business witnessed significant migration of contracts from Traditional Global outsourcers to offshore co-sourcing with HCL. The organization also received accolades from industry bodies and various publications. The company was ranked 'No. 1' in Dataquest-IDC customer satisfaction audit with respect to parameters like 'post contract experience' and the 'final product vs. customer's specific needs'. Forrester acknowledged the organization as one of the global leaders in Remote infrastructure Management in its study – Trends 2005 "Offshore Infrastructure Management".



APPOINTMENT OF NEW PRESIDENT

During the quarter, Mr. Vineet Nayar has been appointed as President of the company and would be responsible for HCL's Software & Infrastructure businesses. Mr. Vineet Nayar is an HCL veteran with 20 yrs of association with the organization. He began his career with HCL in 1985 and has held diverse portfolio in Sales & Strategic Marketing. He has proven track record of building new businesses within HCL. He succeeds Mr. S. Raman, Co Founder of HCL and President & COO of HCL's Software business who has been the key architect of HCL's rich history of IT inventions. Mr. Raman would continue to guide HCL with his rich experience & technical expertise in his capacity as Chief Technology Advisor and through his continued role on the board of HCL Technologies.



BUYOUT OF STAKES IN JOINT VENTURES

HCL announced acquisition of the balance 43% in Aquila Technologies Ltd, India, thus making it a 100% subsidiary of the company. This acquisition consolidates HCL's Engineering Services Practice and enhances full product development capabilities. Aquila's expertise in CAD/CAM/CAE, spanning industrial design from modeling & detailing to analysis, PDM/PLM experience, as well as capabilities in customizing or developing engineering software packages, combine seamlessly with HCL Technologies' prototyping, product testing and manufacturing capabilities.

The company also acquired the last tranche of 16.33% stake in HCL Enterprise Solutions (HES), from Computech Corporation, through its wholly owned subsidiary, HCL Technologies (Bermuda) Ltd. HCL has now completely taken over the Joint Venture which will henceforth be solely owned and managed as HCL Technologies (Illinois) Inc. (HCLTI) from Illinois, US. The acquisition has enabled HCL to gain a strong onsite presence in the US ERP market and the company is leveraging this onsite capability to provide end to end ERP solutions to several Fortune 2000 companies. HCL also proposes to leverage HCLTI's strengths to enhance its presence and offerings in the Peoplesoft and SAP domains.

NEW CLIENTS & PROJECTS

During the quarter, HCL Technologies added 18 new clients, taking the total number of active clients to 489.

New clients acquired and significant engagements undertaken during the quarter are as follows :

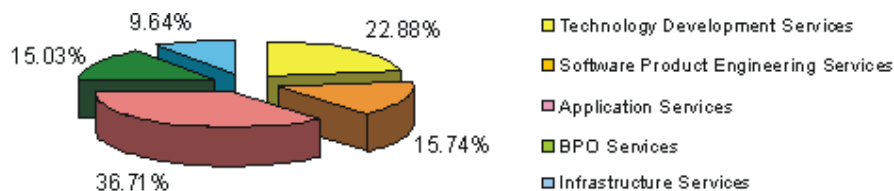
- HCL entered into a partnership agreement with JDA to become the prime implementer for JDA solutions in India and preferred implementation partner for APAC. The technical knowledge & domain expertise of HCL's Retail & Consumer Practice can leverage this partnership to cater to the growing Indian Retail Market and provide un-matched service to the clients with global aspirations.
- The Boeing Company (Boeing) selected HCL as a software development partner for the 787 Dreamliner (formerly known as the 7E7) program. A multiyear, multi-

million dollar software development agreement has been signed between Boeing and HCL. Under this contract HCL will provide software services to Boeing as well as its Tier 1 systems suppliers for the 787 program, which opens a new chapter in HCL's aerospace services practice. The 787 integrates diverse leading edge technologies to deliver an environmentally preferred solution with hitherto unmatched efficiency, for medium capacity long-range aircraft. Aerospace being one of HCL's key verticals the signing of this landmark agreement augments HCL's existing position as the leading aerospace software and hardware services supplier from India, and will firmly position HCL in the list of preferred services providers to the Aerospace industry worldwide.

- HCL has been selected by the Bangalore Development Authority (BDA) to design, develop, implement and support an Integrated Management Information System to automate the business processes in its various departments. This association will reduce the current paper work by 80% for various business processes of BDA, thereby reducing the turnaround time.
- HCL has been engaged by a leading IT service provider in the field of International banking, healthcare & financial services markets, for outsourcing the development of their flag ship Commercial Lending product on loan origination & tracking. This project is based on Smalltalk which is a rare skill in the market.
- HCL has been awarded the project to develop corporate credit rating systems for the lending business of a leading public sector bank. The rating system would cover commercial & corporate lending business of the bank, including small, medium & large corporates. The system would also offer flexibility of comparison between two corporates.
- Globus (India) & Pyramid (India) have selected HCL for JDA implementation. While Globus (India) has engaged HCL for JDA MMS enhancements and upgrades, Pyramid (India) is looking at JDA MMS and Arthur Planning roll out.



GEOGRAPHIC DISTRIBUTION



BREAK UP BY SERVICES

TECHNOLOGY ALLIANCES & INITIATIVES

HCL has signed an MoU with the Supercomputing Facility for Bioinformatics and Computational Biology at IIT Delhi to work collaboratively on high-end projects in the area of drug discovery and development. HCL will use its CMMI processes and robust software design methodology to leverage the domain expertise of the Computational biology team at IIT Delhi. Both would work together to address computational problems in genomics and proteomics.

UNIQUE DEVELOPMENTS

HCL has developed a Loan Origination and Tracking Solution, LOTS, that covers the complete cycle of Loan processing from Loan Pre-Qualification, through Application (Origination), Processing, Underwriting, Closure and Servicing / Collections (Delinquent Loans) and associated features of Reporting and Documentation, specifically for the North American market. Unlike established products available in the market that require users to customize their processes to derive maximum benefits from the product features, the LOTS solution set offers a highly flexible framework that can be molded to maximize the effectiveness of processes designed by customers. Comprising independent modules, this solution strictly adheres to the latest standards specified by the Mortgage Industry Standards Maintenance Organization (MISMO).

MARKETING INITIATIVES

As a part of marketing initiative under its retail Practice, HCL participated in the **Multi Channel Retail Show** (MCRS) 2005 held at UK's prestigious venue London Excel Centre on 15th & 16th March 2005. HCL participated under Customer Management Zone and was the only Indian Firm having representations at the event. It was the only off-shore firm amongst over 100 exhibitors. This show proved to be an ideal platform for HCL to showcase its offerings in the Retail Vertical (RFID/ CXO Dashboard / Kiosk / NCR's Fast Lane Self Serve Kiosk) to UK / European Market.

QUALITY INITIATIVES

HCL IBTO was assessed at CMMI Level 5 on January 17, 2005. The objective of CMMI model implementation was to strengthen Application Development in the areas of Requirements Engineering, Technical Solutioning, Integrated Project Management & Quantitative Project Management. HCL joins the club of elite few who have this certification. Globally, only 80 companies have qualified for this certification.

HUMAN RESOURCE INITIATIVES

- ❑ HCL Technologies registered strong manpower growth during the quarter. The company added 1,785 people during the quarter of which 1,122 were added in the software services business and 498 in the BPO business.
- ❑ The total manpower strength of the company (including subsidiaries) at the end of the quarter stood at 22,034, up from 20,249 at the end of the previous quarter.

INFRASTRUCTURE

During the current quarter, the company spent USD 22.96mn on capital expenditure. The total seat capacity for the software services business increased by 1,619 during the quarter.

Q3 FY 2005 Results

HCL TECHNOLOGIES : CONSOLIDATED					
BUSINESS DETAILS		MANPOWER DETAILS		As on	
				Mar 31 '05	Dec 31 '04
REVENUE BREAK UP (%)		TOTAL		22,034	20,249
Geography		Software Services		15,199	14,077
US	57.1	Technical		13,812	12,782
Europe	26.0	Offshore		12,150	11,115
Asia Pacific	16.9	Onsite		1,662	1,667
Service Offerings		Support		1,387	1,295
Technology Development Services	22.9	Offshore		1,114	1,021
Software Product Engg Services	15.8	Onsite		273	274
Applications Services	36.7	BPO		5,393	4,895
Infrastructure Services	9.6	Technical		4,960	4,487
BPO Services	15.0	Offshore		4,559	4,246
Repeat Business (%)		Onsite		401	241
	89%	Support		433	408
CLIENT CONCENTRATION		Offshore		386	363
No. of Million \$ Clients	126	Onsite		47	45
No. of 5 Million \$ Clients	25	Infrastructure services		1,442	1,277
No. of 10 Million \$ Clients	12	Technical		1,077	806
No. of 20 Million \$ Clients	4	Support		365	471
No. of Fortune 500 Clients	66				
% Contribution from:					
Top 5 clients	36.1				
Top 10 clients	46.1				
Top 20 clients	57.8				
KEY OPERATIONAL METRICS					
SOFTWARE SERVICES					
REVENUE BREAKUP (%)					
Offshore Centric	86.4				
Onsite	13.6				
Efforts billed (manmonths)					
Offshore Centric	26,987				
Onsite	2,072				
Capacity Utilisation (%)					
Offshore Centric	70.2				
Onsite	90.8				

Q3 FY 2005 Results

Financials

(Third Quarter Results Analysis based on the unaudited US GAAP financial results for Q3FY 2004-05)

Consolidated Income Statement (as per US GAAP)

in USD mn

	Quarterly details			Growth		Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	149.43	184.42	196.17	6.4%	31.3%	407.31	550.58	35.2%
Direct Costs	96.39	115.81	124.19			262.47	347.36	
Gross Profits	53.04	68.61	71.98	4.9%	35.7%	144.85	203.22	40.3%
SG & A	22.54	26.16	27.34			67.11	76.76	
EBITDA before Forex Gains/ (Loss)	30.50	42.45	44.64	5.2%	46.4%	77.74	126.46	62.7%
Foreign Exchange Gains/ (Loss)	3.75	1.04	2.04			5.36	(0.02)	
EBIDTA after Forex Gains/ (Loss)	34.25	43.49	46.68	7.3%	36.3%	83.10	126.44	52.1%
Depreciation & Amortisation	6.15	8.37	9.42			17.88	24.67	
EBIT	28.10	35.12	37.26	6.1%	32.6%	65.22	101.77	56.0%
Other Income, net	6.12	3.69	1.67			19.03	20.91	
EBT	34.22	38.81	38.93	0.3%	13.7%	84.25	122.68	45.6%
Provision for Tax	1.77	3.13	4.28			8.08	11.98	
EAT	32.46	35.68	34.65	-2.9%	6.8%	76.17	110.70	45.3%
Share from equity investments	(0.16)	(0.14)	0.82			2.84	(0.33)	
Share of (income) / loss of minority shareholders	(3.41)	5.82	(0.47)			(10.20)	9.55	
Net Income	28.89	29.72	35.94	20.9%	24.4%	68.82*	100.82	46.5%

* Excludes one time gain of \$ 57.76 million on divestment of stake in HPS.

Key ratios

	Quarterly details			Nine Months Ended	
	Q3FY'04	Q2FY'05	Q3FY'05	Mar 31'04	Mar 31'05
Gross Margin	35.5%	37.2%	36.7%	35.6%	36.9%
Opex/Gross revenue	15.1%	14.2%	13.9%	16.5%	13.9%
EBIDTA Margin before Forex Gain/ (Loss)	20.4%	23.0%	22.8%	19.1%	23.0%
EBIDTA Margin after Forex Gain/ (Loss)	22.9%	23.6%	23.8%	20.4%	23.0%
Net income/Gross revenue	19.3%	16.1%	18.3%	16.9%	18.3%

Q3 FY2005 Results

Consolidated Balance Sheet (as per US GAAP)

In USD mn

	As On		
	Mar 31'04	Dec 31'04	Mar 31'05
ASSETS			
a. Cash and cash equivalents	30.7	32.8	33.6
b. Accounts receivable, net	108.4	140.3	152.5
c. Treasury Investments	456.5	421.9	398.8
d. Other current assets	61.3	61.1	79.1
A. Total current assets (a+b+c+d)	656.8	656.2	664.0
B. Property and equipment, net	83.4	129.2	144.6
C. Intangible assets, net	49.9	62.5	193.7
D. Investments in Venture Funds / Equity investees	20.4	21.2	20.2
E. Other Assets	9.6	14.5	14.0
Total assets (A+B+C+D+E)	820.1	883.5	1036.5
LIABILITIES AND STOCKHOLDERS' EQUITY			
e. Total current liabilities	120.4	121.4	136.6
f. Long -term debt	30.0	30.0	35.6
g. Other liabilities	4.7	4.0	4.6
E. Total liabilities (e+f+g)	155.1	155.4	176.8
F. Minority Interest	22.9	35.5	1.2
G. Total Stockholders equity	642.1	692.6	858.5
Total liabilities and stockholders equity (E+F+G)	820.1	883.5	1036.5

Note: Unrealized gains on Treasury Investments as of March 31, 2005 stood at \$ 5.8 mn.

Q3 FY 2005 Results

Revenue breakup between various business categories in USD mn

	Software Services					Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	122.67	144.65	148.42	2.6%	21.0%	341.67	431.09	26.2%
Direct Costs	78.21	90.41	93.14			216.00	270.64	
Gross Profits	44.47	54.24	55.29	1.9%	24.3%	125.66	160.45	27.7%
SG & A	17.43	19.69	19.74			53.93	57.24	
EBITDA before Forex Gains/ (Loss)	27.03	34.55	35.55	2.9%	31.5%	71.73	103.20	43.9%
Foreign Exchange Gains/ (Loss)	2.97	0.65	1.86			4.24	(0.12)	
EBIDTA after Forex Gains/ (Loss)	30.00	35.20	37.41	6.3%	24.7%	75.97	103.08	35.7%
Depreciation & Amortisation	3.85	5.25	5.88			11.37	15.48	
EBIT	26.15	29.95	31.53	5.3%	20.6%	64.60	87.60	35.6%

	IT Enabled Services					Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	16.27	25.17	29.47	17.1%	81.1%	39.26	75.26	91.7%
Direct Costs	11.70	16.49	19.11			30.51	49.09	
Gross Profits	4.57	8.67	10.36	19.4%	126.7%	8.75	26.17	199.2%
SG & A	2.44	2.82	3.44			5.70	8.53	
EBITDA before Forex Gains/ (Loss)	2.13	5.86	6.92	18.1%	225.0%	3.05	17.64	478.1%
Foreign Exchange Gains/ (Loss)	0.59	0.35	0.10			0.87	0.16	
EBIDTA after Forex Gains/ (Loss)	2.72	6.21	7.02	13.0%	158.0%	3.93	17.80	353.3%
Depreciation & Amortisation	1.75	2.08	2.45			4.69	6.43	
EBIT	0.97	4.13	4.57	10.6%	371.2%	-0.77	11.37	

	Infrastructure Mgt					Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	15.23	15.34	18.91	23.3%	24.2%	40.04	47.42	18.4%
Direct Costs	11.23	9.65	12.58			29.60	30.82	
Gross Profits	4.00	5.69	6.33	11.2%	58.2%	10.44	16.60	59.1%
SG & A	2.66	3.65	4.15			7.48	10.99	
EBITDA before Forex Gains/ (Loss)	1.34	2.05	2.17	6.3%	62.7%	2.96	5.62	89.9%
Foreign Exchange Gains/ (Loss)	0.19	0.04	0.08			0.25	-0.06	
EBIDTA after Forex Gains/ (Loss)	1.53	2.09	2.25	8.0%	47.6%	3.20	5.56	73.6%
Depreciation & Amortisation	0.55	1.04	1.10			1.81	2.76	
EBIT	0.98	1.04	1.16	11.0%	18.4%	1.39	2.80	101.7%

	Inter Co Adjustment			Nine Months Ended	
	Q3FY'04	Q2FY'05	Q3FY'05	Mar 31'04	Mar 31'05
Gross Revenues	(4.7)	(0.7)	(0.6)	(13.6)	(3.2)
Direct Costs	(4.7)	(0.7)	(0.6)	(13.6)	(3.2)

Q3 FY 2005 Results

Financials in INR as per convenience translation

(The financials are based on a convenience translation using the closing US\$ rates for the last day of the quarter: US\$1 = Rs.43.75 for Q3FY'05; US\$1 = Rs.43.45 for Q2FY'05; US\$1 = Rs.43.55 for Q3FY'04)

Third Quarter Results Analysis based on the unaudited US GAAP financial results for Q3FY 2004-05

Consolidated Income Statement (as per US GAAP) in Rs.mn

	Quarterly details			Growth		Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	6507.6	8013.8	8582.2	7.1%	31.9%	17,738.5	24,087.7	35.8%
Direct Costs	4197.9	5032.4	5433.3			11,430.4	15,197.0	
Gross Profits	2309.8	2981.4	3148.9	5.6%	36.3%	6,308.2	8,890.7	40.9%
SG & A	981.5	1136.6	1195.9			2,922.5	3,358.3	
EBITDA before Forex Gains/ (Loss)	1328.3	1844.7	1953.0	5.9%	47.0%	3,385.7	5,532.4	63.4%
Foreign Exchange Gains/ (Loss)	163.3	45.1	89.1			233.4	(0.8)	
EBIDTA after Forex Gains/ (Loss)	1491.6	1889.9	2042.1	8.1%	36.9%	3,619.1	5,531.6	52.8%
Depreciation & Amortisation	267.8	363.8	412.2			778.7	1,079.1	
EBIT	1223.8	1526.1	1629.9	6.8%	33.2%	2,840.4	4,452.5	56.8%
Other Income, net	266.7	160.5	73.2			828.8	914.9	
EBT	1490.4	1686.6	1703.1	1.0%	14.3%	3,669.2	5,367.3	46.3%
Provision for Tax	76.9	136.0	187.2			351.9	524.2	
EAT	1413.5	1550.6	1516.0	-2.2%	7.3%	3,317.3	4,843.1	46.0%
Share from equity investments	(6.8)	(6.2)	36.0			123.8	(14.3)	
Share of (income) / loss of minority shareholders	(148.5)	252.9	(20.5)			(444.0)	417.9	
Net Income	1258.2	1291.4	1572.5	21.8%	25.0%	2,997.1*	4,410.9	47.2%

* Excludes one-time gain of Rs 2633.2 million on divestment of stake in HPS.

Key ratios

	Quarterly details			Nine Months Ended	
	Q3FY'04	Q2FY'05	Q3FY'05	Mar 31'04	Mar 31'05
Gross Margin	35.5%	37.2%	36.7%	35.6%	36.9%
Opex/Gross revenue	15.1%	14.2%	13.9%	16.5%	13.9%
EBIDTA Margin before Forex Gain/ (Loss)	20.4%	23.0%	22.8%	19.1%	23.0%
EBIDTA Margin after Forex Gain/ (Loss)	22.9%	23.6%	23.8%	20.4%	23.0%
Net income/Gross revenue	19.3%	16.1%	18.3%	16.9%	18.3%

Q3 FY2005 Results

Consolidated Balance Sheet (as per US GAAP)

In Rs.mn

	As On		
	Mar 31'04	Dec 31'04	Mar 31'05
ASSETS			
a. Cash and cash equivalents	1,335.1	1,425.9	1,470.6
b. Accounts receivable, net	4,719.0	6,098.7	6,670.8
c. Treasury Investments	19,880.7	18,332.6	17,445.9
d. Other current assets	2,670.1	2,655.7	3,461.8
A. Total current assets (a+b+c+d)	28,604.9	28,513.0	29,049.1
B. Property and equipment, net	3,632.8	5,613.3	6,324.3
C. Intangible assets, net	2,173.4	2,716.0	8,475.4
D. Investments in Venture Funds / Equity investees	887.3	919.9	886.6
E. Other Assets	416.9	629.8	611.2
Total assets (A+B+C+D+E)	35,715.4	38,391.8	45,346.6
LIABILITIES AND STOCKHOLDERS' EQUITY			
e. Total current liabilities	5,245.3	5,275.2	5,973.5
f. Long -term debt	1,306.5	1,303.6	1,559.5
g. Other liabilities	204.7	174.4	200.3
E. Total liabilities (e+f+g)	6,756.5	6,753.2	7,733.3
F. Minority Interest	996.9	1,542.2	52.2
G. Total Stockholders equity	27,962.0	30,096.4	37,561.1
Total liabilities and stockholders equity (E+F+G)	35,715.4	38,391.8	45,346.6

Note: Unrealized gains on Treasury Investments as of March 31, 2005 stood at Rs. 255.7 mn.

Q3 FY 2005 Results

Revenue breakup between various business categories

in Rs.mn

	Software Services					Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	5342.5	6285.8	6493.6	3.3%	21.5%	14,879.6	18,860.0	26.8%
Direct Costs	3405.9	3928.7	4074.8			9,406.9	11,840.5	
Gross Profits	1936.6	2357.1	2418.8	2.6%	24.9%	5,472.7	7,019.5	28.3%
SG & A	759.2	855.8	863.6			2,348.7	2,504.3	
EBITDA before Forex Gains/ (Loss)	1177.4	1501.3	1555.2	3.6%	32.1%	3,124.0	4,515.1	44.5%
Foreign Exchange Gains/ (Loss)	129.3	28.2	81.3			184.6	(5.3)	
EBIDTA after Forex Gains/ (Loss)	1306.6	1529.5	1636.5	7.0%	25.2%	3,308.6	4,509.8	36.3%
Depreciation & Amortisation	167.7	228.1	257.0			495.3	677.2	
EBIT	1139.0	1301.3	1379.4	6.0%	21.1%	2,813.3	3,832.6	36.2%

	IT Enabled Services					Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	708.7	1093.7	1289.5	17.9%	81.9%	1,709.7	3292.5	92.6%
Direct Costs	509.7	716.8	836.3			1,328.8	2147.7	
Gross Profits	199.0	376.9	453.3	20.3%	127.8%	380.9	1144.8	200.6%
SG & A	106.3	122.4	150.6			248.0	373.2	
EBITDA before Forex Gains/ (Loss)	92.7	254.5	302.7	18.9%	226.5%	132.9	771.6	480.8%
Foreign Exchange Gains/ (Loss)	25.7	15.2	4.3			38.1	7.0	
EBIDTA after Forex Gains/ (Loss)	118.4	269.8	307.0	13.8%	159.2%	171.0	778.6	355.4%
Depreciation & Amortisation	76.2	90.3	107.2			204.4	281.3	
EBIT	42.2	179.5	199.8	11.3%	373.3%	(33.4)	497.3	

	Infrastructure Mgt					Nine Months Ended		Growth
	Q3FY'04	Q2FY'05	Q3FY'05	QoQ	YoY	Mar 31'04	Mar 31'05	YoY
Gross Revenues	663.1	666.7	827.4	24.1%	24.8%	1743.7	2074.7	19.0%
Direct Costs	488.9	419.3	550.5			1289.1	1348.2	
Gross Profits	174.2	247.4	276.9	11.9%	59.0%	454.6	726.4	59.8%
SG & A	116.0	158.5	181.8			325.8	480.7	
EBITDA before Forex Gains/ (Loss)	58.2	88.9	95.1	7.0%	63.4%	128.8	245.7	90.8%
Foreign Exchange Gains/ (Loss)	8.3	1.7	3.5			10.7	(2.5)	
EBIDTA after Forex Gains/ (Loss)	66.5	90.7	98.6	8.7%	48.3%	139.5	243.2	74.4%
Depreciation & Amortisation	23.9	45.3	47.9			78.9	120.5	
EBIT	42.6	45.3	50.6	11.7%	18.9%	60.5	122.6	102.6%

	Inter Co Adjustment			Nine Months Ended	
	Q3FY'04	Q2FY'05	Q3FY'05	Mar 31'04	Mar 31'05
Gross Revenues	(206.6)	(32.4)	(28.3)	(594.4)	(139.4)
Direct Costs	(206.6)	(32.4)	(28.3)	(594.4)	(139.4)

ABOUT HCL ENTERPRISE

HCL Enterprise is a leading Global Technology and IT enterprise with annual revenues in excess of \$2.0 billion. IT Products and Services contribute to revenues of over \$1.1 billion. The HCL Enterprise comprises of two companies listed in India, HCL Technologies & HCL Infosystems. The 29 year old enterprise, founded in 1976, is one of India's original IT garage start ups. Its range of offerings span Product Engineering, Technology and Application Services, BPO, Infrastructure Services, IT Hardware, Systems Integration, and distribution of technology and telecom products. The HCL team comprises of 25,000 professionals of diverse nationalities, who operate from 15 countries including 300 points of presence in India. HCL has global partnerships with several leading Fortune 1000 firms, including leading IT and Technology firms. For more information please visit www.hcl.in

About HCL Technologies

HCL Technologies is one of India's leading global IT Services Company, providing software- led IT solutions, BPO and Remote Infrastructure Management services. Making a foray into the services domain in 1997-98, HCL Technologies focuses on technology and R&D outsourcing, working with clients in areas at the core of their business. The company leverages an extensive offshore infrastructure and its global network of 26 offices in 15 countries to deliver solutions across select verticals including Banking, Insurance, Retail & Consumer, Aerospace, Automotive, Semiconductors, Telecom and Life Sciences. For the twelve month period ended 31st March 2005, HCL Technologies along with its subsidiaries had revenues of \$ 711 million and employed 22,034 professionals. For more information, please visit www.hcltech.com

FORWARD LOOKING STATEMENTS

Certain statements in this release are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies/ entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

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