HCL TECHNOLOGIES LTD.

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December 7, 2018

The General Manager
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

The Manager
National Stock Exchange of India Limited
Listing Department
Exchange Plaza
5th Floor, Plot No. C-1, Block-G
Bandra-Kurla Complex, Bandra(E)
Mumbai-400 051

BSE Scrip Code: 532281

NSE Scrip Code: HCLTECH

Subject: "HCL Technologies to Acquire Select IBM Software Products for $1.8B"
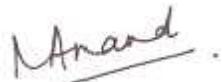
Dear Sirs,

Enclosed please find a release on the captioned subject being issued by the Company today along with the information as required in terms of the Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

This is for your information and records.

Thanking you,

Yours faithfully,
for **HCL Technologies Limited**

Manish Anand
Company Secretary

Encl. a/a

HCL Technologies to Acquire Select IBM Software Products for $1.8B

ARMONK, NY – Dec 6th, 2018 and NOIDA, INDIA – Dec 7th, 2018 - IBM (NYSE:IBM) and HCL Technologies (HCL) today announced a definitive agreement under which HCL will acquire select IBM software products for $1.8 billion. The transaction is expected to close by mid-2019, subject to completion of applicable regulatory reviews.

The software products in scope represent a total addressable market of more than $50 billion and include:

- **Appscan** for secure application development,
- **BigFix** for secure device management,
- **Unica** (on-premise) for marketing automation,
- **Commerce** (on-premise) for omni-channel eCommerce,
- **Portal** (on-premise) for digital experience,
- **Notes & Domino** for email and low-code rapid application development, and
- **Connections** for workstream collaboration.

HCL and IBM have an ongoing IP Partnership for five of these products.

"We continue to see great opportunities in the market to enhance our Mode-3 (Products and Platforms) offerings. The products that we are acquiring are in large growing market areas like Security, Marketing and Commerce which are strategic segments for HCL. Many of these products are well regarded by clients and positioned in the top quadrant by industry analysts." said **C Vijayakumar, President & CEO, HCL Technologies**.

He further added, "The large-scale deployments of these products provide us with a great opportunity to reach and serve thousands of global enterprises across a wide range of industries and markets. I am confident that these products will see good growth trajectory backed by our commitment to invest in product innovation coupled with our strong client focus and agile product development. In addition, we see tremendous potential for creating compelling 'as-a-service' offerings by combining these products with our Mode-1 and Mode-2 services".

"Over the last four years, we have been prioritizing our investments to develop integrated capabilities in areas such as AI for business, hybrid cloud, cybersecurity, analytics, supply chain and blockchain as well as industry-specific platforms and solutions including healthcare, industrial IOT, and financial services. These are among the emerging, high-value segments of the IT industry. As a result, IBM is a leader in these segments today," said **John Kelly, IBM senior vice president, Cognitive Solutions and Research**. "We believe the time is right to divest these select collaboration, marketing and commerce software assets, which are increasingly delivered as stand-alone products. At the same time, we believe these products are a strong strategic fit for HCL, and that HCL is well positioned to drive innovation and growth for their customers."

About HCL Technologies

HCL Technologies (HCL) is a leading global technology company that helps global enterprises re–imagine and transform their businesses through Digital technology transformation. HCL operates out of 43 countries and has consolidated revenues of US$ 8.2 billion, for 12 Months ended 30th September 2018. HCL focuses on providing an integrated portfolio of services underlined by its Mode 1–2–3 growth strategy. Mode 1 encompasses the core services in the areas of Applications, Infrastructure, BPO and Engineering & R&D services, leveraging DRYiCE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'. Mode 2 focuses on experience–centric and outcome–oriented integrated offerings of Digital & Analytics, IoT WoRKS™, Cloud Native Services and Cybersecurity & GRC services to drive business outcomes and enable enterprise digitalization. Mode 3 strategy is ecosystem–driven, creating innovative IP–partnerships to build products and platforms business. HCL leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi–service delivery in key industry verticals including Financial Services, Manufacturing, Telecommunications, Media, Publishing, Entertainment, Retail & CPG, Life Sciences & Healthcare, Oil & Gas, Energy & Utilities, Travel, Transportation & Logistics and Government. With 127,875 professionals from diverse nationalities, HCL focuses on creating real value for customers by taking 'Relationships Beyond the Contract'. For more information, please visit www.hcltech.com

About IBM

For more information, please visit ibm.com

Contacts

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IBM
Ian Colley at colley@us.ibm.com

Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of the target entity, details in brief such as size, turnover etc.;	Asset purchase of seven software products from IBM Corporation (Headquartered in USA).
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?	No
3	Industry to which the entity being acquired belongs;	Technology – Software
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	With this acquisition, the Company would get- 1. Software products that are well recognized by clients and industry analysts with large addressable market in areas of Marketing, Commerce, Security and Collaboration. 2. Highly profitable revenue stream, with a significant annuity component. 3. Access to 5000 plus large clients across a wide range of industries and geographic markets, along with sales & marketing teams. 4. Large clients base with existing software license contracts. 5. Acquiring SaaS hosting and operations for two products – Collaborations & AppScan.

5	Brief details of any Governmental or regulatory approvals required for the acquisition;	• US Government HSR (Hart–Scott Rodino). • Other Antitrust approvals where applicable. • Both parties will file for CFIUS (Committee on Foreign Investment in the United States) approval. • Approval under FEMA (Foreign Exchange Management Act, 1999), as required for remittance of funds outside India.
6	Indicative time period for completion of the acquisition;	Expected close mid CY 2019, with an option to defer closing of two products by one quarter.
7	Nature of consideration - whether cash consideration or share swap and details of the same;	US $1,775 million payable in cash including earn-out (Approx. 50% to be paid at close). Funded largely through internal accruals, with US $300 million of debt.
8	Cost of acquisition or the price at which the shares are acquired;	Total Purchase price: US $1775 million including earnout.
9	Percentage of shareholding / control acquired and / or number of shares acquired;	It is an asset carve-out deal with 100% control on the assets being acquired; No shareholding / voting rights to be acquired.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, country in which the acquired entity has presence and any other significant information (in brief);	Select software product carve out from IBM Corporation (Headquartered in USA), the products across three portfolios: ▪ Security – AppScan and BigFix ▪ Marketing – Commerce Software, Unica and DX Software ▪ Collaboration Solutions – Notes/Domino and Connections ▪ Global customer base with substantial revenue from US, Germany, Japan, France and UK.