

HCL

At HCL there's only thing more important than brains.



GUTS.

HCL Technologies Limited

FINANCIAL RESULTS UPDATE

QUARTER & YEAR ENDED 30th JUNE, 2005
Consolidated under US GAAP (Figures in USD)

HCL Technologies blazes new trails

- ***Revenues up 35% YoY***
- ***EBITDA jumps 52%***
- ***Beefs up talent pool by 47% to 24,090 employees***
- ***Work to begin on third campus in Chennai***

Financial Highlights

On a YOY basis for the quarter,

- ❑ Revenue up 32.9%
- ❑ EBITDA up 30.8%

Sequentially for the quarter,

- ❑ Consolidated revenues up 8.7%; **software services revenues up by 9.5%**
- ❑ EBITDA up 8.7%

**Final dividend of 200% (Rs.4 per share).
Payout of USD 29.3mn – total of USD 113.4mn for the current fiscal year**

Manpower ramps up to 24,090 from 22,034 at the end of last quarter; addition of 2,056 in June quarter

50-acre plot in Chennai; site for third campus after Noida and Bangalore

Business Highlights

- ❑ **Strong ramp up in software service, healthy pipeline**
- ❑ **BPO crosses the USD 100mn mark**
- ❑ **Continued growth in infrastructure management services**

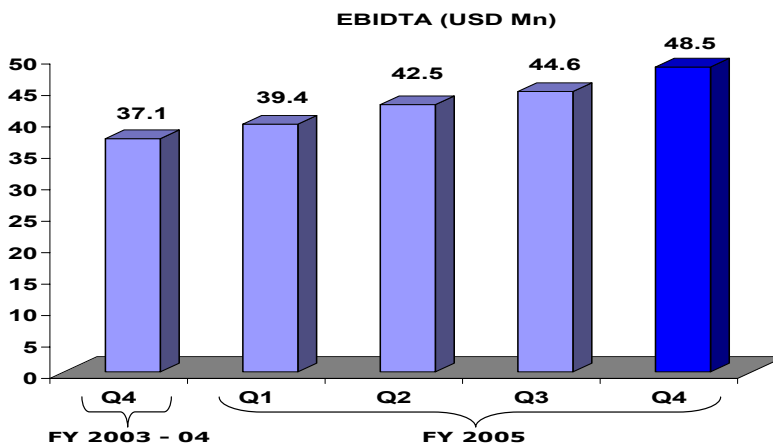
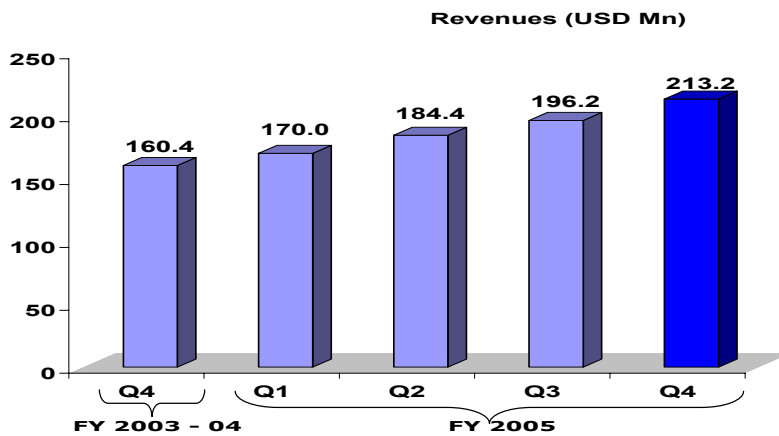


SHIV NADAR
Chairman & CEO
HCL Technologies Ltd.
Founder, HCL Group

“HCL is on the cusp of a serious transformation. We have over the last few years quietly gone about our job of transforming the company, often unnoticed. We will continue to make investments to reinforce our competitiveness.”

FINANCIAL HIGHLIGHTS FOR THE QUARTER

- ❑ Revenues at USD 213.18 million up by 32.9% YoY, up 8.7% QoQ
- ❑ EBITDA at USD 48.52 up by 30.8% YoY, up 8.7% QoQ
- ❑ Consolidated net income at USD 37.23 million, up 3.6% QoQ
- ❑ Days sale outstanding sharply reduces - at 63 days at the end of the quarter
- ❑ Final dividend of 200%



BUSINESS HIGHLIGHTS

- ❑ Total clients at 490, including 66 Fortune 500 clients and 137 clients with a run rate of more than \$1mn
- ❑ 19 new clients added during this quarter
- ❑ Addition of 2,056 employees; 1,420 added in the software services business and 479 in BPO

PERFORMANCE REVIEW

Growth in software services comes roaring back..

The company's software services revenues surged by 9.5% in the current quarter, the highest growth in the last 4 quarters.

Software services	Q2FY05	Q3FY05	Q4FY05
Δ QoQ	4.8%	2.6%	9.5%

.... driving a sharp ramp up in consolidated revenues

Revenues for HCL grew at an accelerated rate of 8.7% in the current quarter – again the highest in the trailing four quarters.

USD Mn	Q2FY05	Q3FY05	Q4FY05
HCL revenues	184.4	196.2	213.2
Δ QoQ	8.5%	6.4%	8.7%

Continued scale-up on manpower

Manpower addition continued to remain strong, with the addition of 2,056 people. 1,420 were added in software services and 479 in BPO. In the fiscal year 2005, the company has added 7,732 people.

Nos	Q2FY05	Q3FY05	Q4FY05
Manpower strength	20,249	22,034	24,090
Net addition	1,775	1,785	2,056

Improved client mix

The company's client mix has improved substantially with an increasing number of million-dollar clients.

Clients with annualized billing of	Q2FY05	Q3FY05	Q4FY05
\$1 million or more	117	126	137
\$5 million or more	22	25	25

200% FINAL DIVIDEND

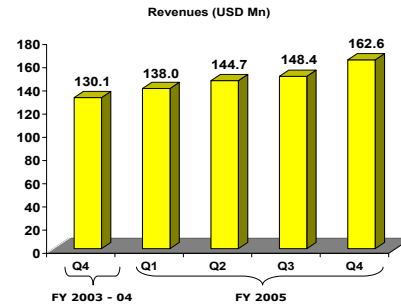
The Board of Directors have recommended a final dividend of 200% of the face value of each share for the quarter ended June 30, 2005. During each of the previous 3 quarters of the current financial year, HCL has declared interim dividends of Rs.4 per share. This is in line with the company's policy of considering quarterly dividends, subject to adequacy of profits and compliance with all applicable legal requirements.

UPDATE ON BUSINESS CATEGORIES

SOFTWARE SERVICES

The Software services business has shown strong resurgence. Revenues for the current quarter have grown by 9.5% QoQ. The EBITDA margins stood at 23.1% in the current quarter.

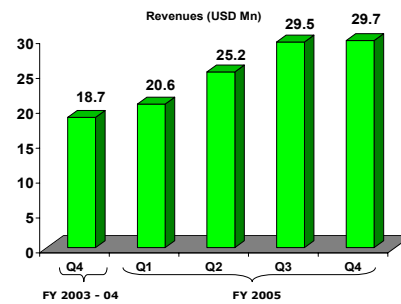
1,420 people were added to this business during the quarter, taking the total headcount in software services to 16,619.



BPO SERVICES

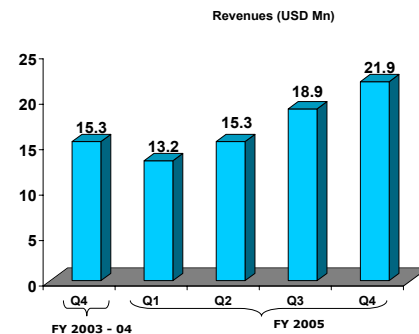
HCL's BPO services recorded YoY growth of 58.7% in revenues. The business has crossed the USD 100mn mark in the current fiscal.

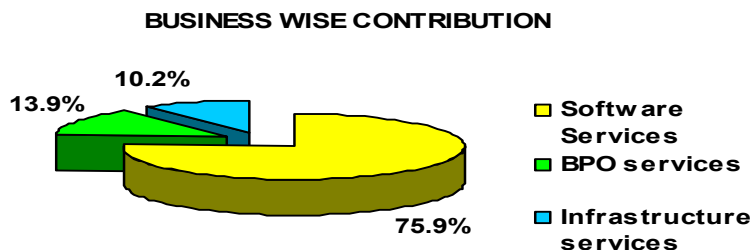
EBITDA for the business grew by 23.1%. EBITDA margins in BPO have substantially expanded to 28.7% as compared to 19.2% in the same quarter in the previous year. The EBITDA margins in BPO are comparable to that of the software services business. This quarter saw the addition of 479 employees, taking the permanent headcount to 5,872.



INFRASTRUCTURE SERVICES

The Infrastructure services business witnessed strong QoQ Growth of 15.5%. The EBITDA has grown by 13.0% on a QoQ basis. This business witnessed a net addition of 157 people during the quarter. In the current fiscal the EBITDA in this business has increased by 49%.





HUMAN RESOURCE INITIATIVES

- ❑ HCL registered strong manpower growth during the quarter. The company added 2,056 people during the quarter of which 1,420 were added in the software services business and 479 in the BPO business.
- ❑ The total manpower strength of the company (including subsidiaries) at the end of the quarter stood at 24,090, up from 22,034 at the end of the previous quarter.
- ❑ During the fiscal 2004-05, the company has added 7,732 to its headcount, a growth of 47%.

INFRASTRUCTURE

- ❑ During the current quarter, the company spent USD 13.67mn on capital expenditure. A total sum of USD 69.9mn has been spent during the full year.
- ❑ The total seat capacity for the software services business at the end of the quarter stood at 15,585.
- ❑ The company has acquired a 50-acre plot in Chennai to construct HCL's third campus after Noida and Bangalore. It is expected that an initial seating capacity of more than 2.5 million square feet will be created at this campus.

HCL TECHNOLOGIES : CONSOLIDATED					
BUSINESS DETAILS		MANPOWER DETAILS		As on	
				June 30 '05	Mar 31 '05
<u>REVENUE BREAK UP (%)</u>					
Geography		TOTAL		24,090	22,034
US	58.5				
Europe	25.3	Software Services		16,619	15,199
Asia Pacific	16.2	Technical		15,170	13,812
		Offshore		13,438	12,150
		Onsite		1,732	1,662
Service Offerings		Support		1,449	1,387
Technology Development Services	21.8	Offshore		1,183	1,114
Software Product Engg Services	15.3	Onsite		263	273
Applications Services	38.8				
Infrastructure Services	10.2	BPO		5,872	5,393
BPO Services	13.9	Technical		5,437	4,960
		Offshore		4,778	4,559
		Onsite		659	401
Repeat Business (%)	89	Support		435	433
		Offshore		386	386
		Onsite		49	47
<u>CLIENT CONCENTRATION</u>		Infrastructure services		1,599	1,442
No. of Million \$ Clients	137	Technical		1,222	1,077
No. of 5 Million \$ Clients	25	Support		377	365
No. of 10 Million \$ Clients	14				
No. of 20 Million \$ Clients	5				
No. of Fortune 500 Clients	66				
% Contribution from:					
Top 5 clients	33.3				
Top 10 clients	42.8				
Top 20 clients	54.4				
DETAILS OF SOFTWARE SERVICES					
<u>REVENUE BREAKUP (%)</u>					
Offshore Centric	87.3				
Onsite	12.7				
Efforts billed (manmonths)					
Offshore Centric	29,821				
Onsite	2,118				
Capacity Utilisation (%)					
Offshore Centric	70.5				
Onsite	91.0				

FINANCIALS

(Fourth Quarter Results Analysis based on the audited US GAAP financial results for FY 2004-05)

Consolidated Income Statement (as per US GAAP)

in USD mn

	Quarterly details			Growth		Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	160.39	196.17	213.18	8.7%	32.9%	567.71	763.73	34.5%
Direct Costs	100.18	124.19	132.32			362.64	479.65	
Gross Profits	60.22	71.98	80.86	12.3%	34.3%	205.07	284.08	38.5%
SG & A	23.11	27.34	32.34			90.22	109.10	
EBITDA before Forex Gains/ (Loss)	37.10	44.64	48.52	8.7%	30.8%	114.85	174.98	52.4%
Foreign Exchange Gains/ (Loss)	(2.36)	2.04	1.21			3.00	1.19	
EBIDTA after Forex Gains/ (Loss)	34.74	46.68	49.73	6.5%	43.1%	117.85	176.17	49.5%
Depreciation & Amortisation	7.26	9.42	10.64			25.14	35.31	
EBIT	27.48	37.26	39.09	4.9%	42.2%	92.71	140.86	51.9%
Other Income, net	19.07	1.67	1.98			36.42	22.91	
EBT	46.55	38.93	41.07	5.5%	-11.8%	129.13	163.75	26.8%
Provision for Tax	0.76	4.28	3.22			8.85	15.20	
EAT	45.79	34.65	37.85	9.2%	-17.3%	120.28	148.55	23.5%
Share from equity investments	0.99	0.82	(0.25)			3.84	(0.58)	
Share of (income) / loss of minority shareholders	(3.15)	0.47	(0.37)			(13.35)	(9.92)	
Net Income	43.63	35.94	37.23	3.6%	-14.7%	*110.77	138.05	24.6%

* Excludes one time gain of \$ 61.18 million on divestment of stake in HPS.

Key ratios

	Quarterly details			Twelve Months Ended	
	Q4FY'04	Q3FY'05	Q4FY'05	Jun 30'04	Jun 30'05
Gross Margin	37.5%	36.7%	37.9%	36.1%	37.2%
Opex/Gross revenue	14.4%	13.9%	15.2%	15.9%	14.3%
EBIDTA Margin before Forex Gain/ (Loss)	23.1%	22.8%	22.8%	20.2%	22.9%
EBIDTA Margin after Forex Gain/ (Loss)	21.7%	23.8%	23.3%	20.8%	23.1%
Net income/Gross revenue	27.2%	18.3%	17.5%	19.5%	18.1%

Consolidated Balance Sheet (as per US GAAP)

In USD mn

	As On		
	Jun 30'04	Mar 31'05	Jun 30'05
ASSETS			
a. Cash and cash equivalents	49.0	33.6	53.0
b. Accounts receivable, net	107.1	152.5	147.3
c. Treasury Investments	419.6	398.8	404.3
d. Other current assets	50.9	79.1	77.0
A. Total current assets (a+b+c+d)	626.6	664.0	681.6
B. Property and equipment, net	102.9	144.6	151.6
C. Intangible assets, net	59.9	193.7	193.6
D. Investments in Venture Funds / Equity investees	22.5	20.2	20.1
E. Other Assets	12.8	14.0	15.9
Total assets (A+B+C+D+E)	824.6	1036.5	1062.8
LIABILITIES AND STOCKHOLDERS' EQUITY			
e. Total current liabilities	124.9	136.6	152.5
f. Long -term debt	30.0	35.6	30.1
g. Other liabilities	4.3	4.6	7.3
E. Total liabilities (e+f+g)	159.2	176.8	189.9
F. Minority Interest	24.6	1.2	2.5
G. Total Stockholders equity	640.8	858.5	870.4
Total liabilities and stockholders equity (E+F+G)	824.6	1036.5	1062.8

Note: Unrealized gains on Treasury Investments as of June 30, 2005 stood at \$6.7 mn.

Revenue breakup between business categories

in USD mn

	Software Services					Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	130.15	148.42	162.55	9.5%	24.9%	471.81	593.63	25.8%
Direct Costs	81.38	93.14	101.16			297.38	371.80	
Gross Profits	48.77	55.28	61.39	11.0%	25.9%	174.43	221.83	27.2%
SG & A	17.71	19.74	23.83			71.64	81.06	
EBITDA before Forex Gains/ (Loss)	31.06	35.54	37.56	5.6%	20.9%	102.79	140.77	36.9%
Foreign Exchange Gains/ (Loss)	(1.35)	1.87	1.17			2.89	1.05	
EBIDTA after Forex Gains/ (Loss)	29.71	37.41	38.73	3.5%	30.3%	105.68	141.82	34.2%
Depreciation & Amortisation	4.31	5.88	6.84			15.69	22.32	
EBIT	25.40	31.53	31.89	1.1%	25.6%	90.00	119.50	32.8%

	BPO Services					Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	18.69	29.47	29.67	0.7%	58.7%	57.95	104.93	81.1%
Direct Costs	12.68	19.11	17.28			43.19	66.37	
Gross Profits	6.01	10.36	12.39	19.6%	106.1%	14.76	38.56	161.3%
SG & A	2.42	3.44	3.88			8.12	12.42	
EBITDA before Forex Gains/ (Loss)	3.59	6.92	8.51	23.1%	137.2%	6.64	26.14	293.7%
Foreign Exchange Gains/ (Loss)	(0.68)	0.10	-0.24			0.20	-0.08	
EBIDTA after Forex Gains/ (Loss)	2.91	7.02	8.27	17.9%	184.1%	6.84	26.06	281.2%
Depreciation & Amortisation	1.93	2.45	2.61			6.63	9.04	
EBIT	0.98	4.57	5.66	23.9%	479.2%	0.21	17.02	

	Infrastructure Mgt					Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	15.30	18.91	21.85	15.5%	42.8%	55.34	69.27	25.2%
Direct Costs	9.86	12.58	14.76			39.46	45.58	
Gross Profits	5.44	6.33	7.09	12.0%	30.3%	15.88	23.69	49.2%
SG & A	2.98	4.15	4.63			10.47	15.62	
EBITDA before Forex Gains/ (Loss)	2.46	2.18	2.46	13.0%	0.0%	5.41	8.07	49.1%
Foreign Exchange Gains/ (Loss)	(0.34)	0.08	0.27			-0.09	0.22	
EBIDTA after Forex Gains/ (Loss)	2.12	2.26	2.73	21.2%	28.9%	5.32	8.29	55.8%
Depreciation & Amortisation	1.01	1.10	1.19			2.82	3.95	
EBIT	1.11	1.16	1.54	33.0%	38.9%	2.50	4.34	73.8%

	Inter Co Adjustment			Twelve Months Ended	
	Q4FY'04	Q3FY'05	Q4FY'05	Jun 30'04	Jun 30'05
Gross Revenues	(3.7)	(0.6)	(0.9)	(17.4)	(4.1)
Direct Costs	(3.7)	(0.6)	(0.9)	(17.4)	(4.1)

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.43.51 for Q4FY'05; US\$1 = Rs.43.75 for Q3FY'05; US\$1 = Rs.46.03 for Q4FY'04)

Fourth Quarter Results Analysis based on the audited US GAAP financial results for FY 2004-05

Consolidated Income Statement (as per US GAAP)

in Rs.mn

	Quarterly details			Growth		Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	7382.1	8582.2	9275.7	8.1%	25.7%	26,128.7	33,229.7	27.2%
Direct Costs	4610.6	5433.3	5757.4			16,690.5	20,870.4	
Gross Profits	2771.5	3148.9	3518.3	11.7%	26.9%	9,438.2	12,360.3	31.0%
SG & A	1063.8	1195.9	1407.0			4,152.4	4,746.6	
EBITDA before Forex Gains/ (Loss)	1707.7	1953.0	2111.3	8.1%	23.6%	5,285.8	7,613.7	44.0%
Foreign Exchange Gains/ (Loss)	(108.6)	89.1	52.4			138.0	51.3	
EBIDTA after Forex Gains/ (Loss)	1599.1	2042.1	2163.7	6.0%	35.3%	5,423.8	7,665.0	41.3%
Depreciation & Amortisation	334.1	412.2	463.0			1,157.0	1,536.3	
EBIT	1265.0	1629.9	1700.7	4.3%	34.4%	4,266.8	6,128.7	43.6%
Other Income, net	877.6	73.2	86.3			1,676.3	996.2	
EBT	2142.6	1703.1	1787.0	4.9%	-16.6%	5,943.1	7,124.9	19.9%
Provision for Tax	35.1	187.1	140.1			407.1	661.5	
EAT	2107.5	1516.0	1646.9	8.6%	-21.9%	5,536.0	6,463.4	16.8%
Share from equity investments	45.6	36.0	(11.0)			176.6	(25.2)	
Share of (income) / loss of minority shareholders	(145.2)	20.5	(16.0)			(614.5)	(431.6)	
Net Income	2007.9	1572.5	1619.9	3.0%	-19.3%	*5,098.0	6,006.6	17.8%

* Excludes one-time gain of Rs 2815.9 million on divestment of stake in HPS.

Key ratios

	Quarterly details			Twelve Months Ended	
	Q4FY'04	Q3FY'05	Q4FY'05	Jun 30'04	Jun 30'05
Gross Margin	37.5%	36.7%	37.9%	36.1%	37.2%
Opex/Gross revenue	14.4%	13.9%	15.2%	15.9%	14.3%
EBIDTA Margin before Forex Gain/ (Loss)	23.1%	22.8%	22.8%	20.2%	22.9%
EBIDTA Margin after Forex Gain/ (Loss)	21.7%	23.8%	23.3%	20.8%	23.1%
Net income/Gross revenue	27.2%	18.3%	17.5%	19.5%	18.1%

Consolidated Balance Sheet (as per US GAAP)

In Rs.mn

	As On		
	Jun 30'04	Mar 31'05	Jun 30'05
ASSETS			
a. Cash and cash equivalents	2,256.1	1,470.6	2,304.1
b. Accounts receivable, net	4,928.6	6,670.8	6,408.0
c. Treasury Investments	19,313.8	17,445.9	17,595.0
d. Other current assets	2,340.5	3,461.8	3,351.0
A. Total current assets (a+b+c+d)	28,839.0	29,049.1	29,658.1
B. Property and equipment, net	4,734.6	6,324.3	6,595.5
C. Intangible assets, net	2,754.9	8,475.4	8,422.8
D. Investments in Venture Funds / Equity investees	1,035.8	886.6	873.9
E. Other Assets	588.6	611.2	691.4
Total assets (A+B+C+D+E)	37,952.9	45,346.6	46,241.7
LIABILITIES AND STOCKHOLDERS' EQUITY			
e. Total current liabilities	5,748.1	5,973.5	6,633.1
f. Long -term debt	1,380.8	1,559.5	1,308.1
g. Other liabilities	196.8	200.3	318.8
E. Total liabilities (e+f+g)	7,325.7	7,733.3	8,260.0
F. Minority Interest	1,136.3	52.2	110.6
G. Total Stockholders equity	29,490.9	37,561.1	37,871.1
Total liabilities and stockholders equity (E+F+G)	37,952.9	45,346.6	46,241.7

Note: Unrealized gains on Treasury Investments as of June 30, 2005 stood at Rs. 292.4mn.

Revenue breakup between various business categories

in Rs.mn

	Software Services					Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	5990.0	6493.6	7072.4	8.9%	18.1%	21,715.2	25,828.9	18.9%
Direct Costs	3745.5	4074.8	4401.6			13,687.0	16,177.2	
Gross Profits	2244.5	2418.8	2670.8	10.4%	19.0%	8,028.2	9,651.7	20.2%
SG & A	815.1	863.6	1036.9			3,297.2	3,526.9	
EBITDA before Forex Gains/ (Loss)	1429.4	1555.2	1633.9	5.1%	14.3%	4,731.0	6,124.8	29.5%
Foreign Exchange Gains/ (Loss)	(61.9)	81.3	51.1			133.2	45.8	
EBIDTA after Forex Gains/ (Loss)	1367.5	1636.5	1685.0	3.0%	23.2%	4,864.2	6,170.6	26.9%
Depreciation & Amortisation	198.6	257.1	297.5			722.1	971.3	
EBIT	1168.9	1379.4	1387.5	0.6%	18.7%	4,142.2	5,199.3	25.5%

	BPO Services					Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	860.2	1289.5	1290.9	0.1%	50.1%	2,667.1	4565.3	71.2%
Direct Costs	583.4	836.2	751.6			1,987.8	2887.5	
Gross Profits	276.8	453.3	539.3	19.0%	94.8%	679.3	1677.8	147.0%
SG & A	111.6	150.6	168.8			373.7	540.2	
EBITDA before Forex Gains/ (Loss)	165.2	302.7	370.5	22.4%	124.2%	305.6	1137.6	272.2%
Foreign Exchange Gains/ (Loss)	(31.2)	4.3	-10.6			9.0	(3.6)	
EBIDTA after Forex Gains/ (Loss)	134.0	307.0	359.9	17.2%	168.6%	314.6	1134.0	260.4%
Depreciation & Amortisation	89.0	107.2	113.6			305.0	393.5	
EBIT	45.0	199.8	246.3	23.2%	447.5%	9.6	740.5	

	Infrastructure Mgt					Twelve Months Ended		Growth
	Q4FY'04	Q3FY'05	Q4FY'05	QoQ	YoY	Jun 30'04	Jun 30'05	YoY
Gross Revenues	704.2	827.4	950.6	14.9%	35.0%	2547.0	3013.9	18.3%
Direct Costs	453.9	550.5	642.3			1816.3	1983.2	
Gross Profits	250.3	276.9	308.3	11.3%	23.2%	730.7	1030.7	41.1%
SG & A	137.2	181.8	201.4			481.5	679.4	
EBITDA before Forex Gains/ (Loss)	113.1	95.1	106.9	12.4%	-5.4%	249.2	351.3	41.0%
Foreign Exchange Gains/ (Loss)	(15.6)	3.5	12.0			(4.3)	9.4	
EBIDTA after Forex Gains/ (Loss)	97.5	98.6	118.9	20.6%	21.9%	244.9	360.7	47.3%
Depreciation & Amortisation	46.5	48.0	51.9			129.9	171.8	
EBIT	51.0	50.6	67.0	32.3%	31.3%	115.0	188.9	64.3%

	Inter Co Adjustment			Twelve Months Ended	
	Q4FY'04	Q3FY'05	Q4FY'05	Jun 30'04	Jun 30'05
Gross Revenues	(172.4)	(28.3)	(38.2)	(800.6)	(176.9)
Direct Costs	(172.4)	(28.3)	(38.2)	(800.6)	(176.9)

ANNEXURE

DEVELOPMENTS DURING THE QUARTER

JOINT VENTURE WITH NEC

HCL entered into a strategic partnership with **NEC Corporation, Japan**, world's leading provider of internet, broadband network and enterprise business solutions to provide offshore led software engineering solutions in **embedded software, hardware design, network & security, R&D, high performance computing, and mobile technology** to NEC, its subsidiaries and their clients, in Japan and globally. NEC Corporation and its subsidiary, NEC System Technologies, Ltd, will have a 51% stake in the joint venture while remaining 49% will be held by HCL.



NEW CLIENTS & PROJECTS

During the quarter, HCL Technologies added 19 new clients, taking the total number of active clients to 490.

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

- HCL expanded its Enterprise Consulting Services (ECS) portfolio by entering into a Reseller & Systems Integrator (SI) agreement with Microsoft Corporation. This has fortified HCL's position in the Hi-Tech and Semi-Conductor market. HCL will partner Microsoft as a Systems Integrator (SI) and resell their Microsoft Business Solutions (MBS) product suite in the North American Region.
- A multi million dollar agreement with Securities and Exchange Board of India (SEBI) was signed in May 2005 for implementing a comprehensive integrated market surveillance system for monitoring the market activities across stock exchanges and market segments (including both equities and derivatives). The project involves implementation of application software, hardware, networking and communication infrastructure. The solution from HCL, and its partners, was chosen over those of some of the leading IT companies on account of strong surveillance domain expertise, system integration capabilities, and proven technology delivery competencies. The application software product for surveillance being implemented has been developed by SMARTS Pty Ltd., which is a leader in the provision of real time market surveillance systems for securities markets & regulators and is currently being used in 16 exchanges and 4 regulators globally.
- Kana, a leading provider of service resolution management (SRM) solutions, & HCL announced the launch of '**Resolution**', a process driven customer service solution, which can reduce service costs, improve customer satisfaction and increase revenue opportunities by enabling contact center agents to solve customer inquiries faster, more

Results for the year ended June 30, 2005

accurately and consistently across service channels. The HCL-KANA Resolution service has been created to improve the delivery of service by leveraging intelligence to automatically provide agents with the information and process required to resolve customer requests, thus reducing first call resolution rates and decreasing the call handling time.

- A strategic partnership was forged with Trend Micro, to provide India's first Experts Services (ESO) in Remote anti-virus Management

TECHNOLOGY ALLIANCES & INITIATIVES

HCL signed up for **Power.org**, the movement dedicated to accelerating collaborative innovation on the Power™ microprocessor technology. Power.org is dedicated to promoting the IBM Power Architecture as the preferred open-standard hardware-development platform for electronic systems for consumer electronics, networking, storage, military and automotive markets. The community is comprised of a range of leading innovators across the value chain spanning IT industry segments and consumer electronics providers.

UNIQUE DEVELOPMENTS

HCL was awarded the 2005 Semiconductor Factory Automation Solutions Customer Value Enhancement Award from Frost & Sullivan. The award was presented in a ceremony at the



Boston Marriott Long Wharf Hotel in Boston, MA on July 20, 2005. HCL is the first Indian company to receive such an award from Frost & Sullivan in the semiconductor domain.

☆ HCL has been awarded the "Excellence in Education" by LOMA (Life Office Management Association, USA) for the second consecutive year.

☆ HCL Enterprise has been **ranked #5** amongst India's **Top five groups impacting the dynamics of the IT industry**, by **Dataquest**, a leading publication covering IT & ITES Industry, ranked.

☆ NASSCOM ranked HCL Technologies #5 amongst Top 20 IT Software & Services Exporters in India.

☆ NASSCOM ranked **HCL's BPO Services # 3** amongst top 15 third party ITES (Call Center and BPO) companies in India.

Results for the year ended June 30, 2005

✧ HCL Infrastructure Services was ranked for the second year consecutively as the **No. 1** Network Services (VSAT) provider, Network Management Service provider and Security Services Provider in India by Voice & Data 100 Survey.

✧ A dedicated IPR Laboratory was set up by our Banking & Financial practice. The Lab will house over 30 professionals dedicated to building Solution Sets and reusable components and creating intellectual property leveraging on the domain knowledge within the practice and technology skills across the organization.

MARKETING INITIATIVES

- HCL launched its first ever brand campaign which symbolizes extraordinary vision to have not only taken the bold courageous steps into the future but also to have ridden the IT wave. This sense of "fearlessness", has found expression in the "Courage – Guts – Fearlessness" campaign. The campaign has been running in print media.



ABOUT HCL ENTERPRISE

HCL Enterprise is a leading Global Technology and IT enterprise with annual revenues of \$2.5 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 28,000 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 30th June 2005, HCL Technologies along with its subsidiaries had revenues of \$ 764 million and employed 24,090 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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