



HCL Technologies Quarterly Results

Third Quarter FY 2007-08

Investor Release

Noida, NCR, India, April 15, 2008

HCL Tech Q3 revenues up by 34% YoY

Deals worth US\$ 500 mn inked during the quarter

Fourth consecutive quarter of margin expansion

Fifth consecutive quarter with declining attrition

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Results Highlights

Highlights for the Quarter (US\$)

- Revenues at US\$484.9 mn; up 33.8% YoY and 5.2% sequentially
- LTM (last twelve months) revenues at US \$ 1.8 bn
- EBIT at US\$ 88.7 mn; up 28.3% YoY
- Net Income at US\$85.4 mn; up 12.0% YoY and 1.1% sequentially
- Interim dividend of 100%, the 21st consecutive quarterly dividend
- 1848 net additions in headcount

Highlights for the Quarter (INR)

- Revenues at Rs. 1944.8 crore; up 23.3% YoY and 7.1% sequentially
- LTM revenues at Rs. 7082.7 cr
- EBIT at Rs. 355.8 crore; up 18.3% YoY
- Net Income at Rs. 342.5 crore; up 3.2% YoY and 2.9% sequentially



Overview

Over the past few years, HCL has set the pace for the industry by pioneering **Value Centricity and Employee First** - a focus that has been a key ingredient of our continued leadership. Towards the end of 2007, we promised to continue this transformation journey, and enhance it by way of Collaboration. The quarter under review, once again witnesses results owing to the strong foundation laid with Collaborative Transformation as a way of doing business.

“The HCL strategy embodying a unique kind of disruptive innovation in its business model focusing on **Value Centricity** and internal organization focused on **Employee First** has resulted in deepening customer relationships and strategic partnerships where there is collaboration, goal alignment and substantive engagement”, said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies**.

“HCL continues its leadership in winning large transformational deals with this quarter closing **deals worth US\$ 500 mn**. Our **Blue Ocean approach** to business continues to pay rich dividends, this quarter being **fourth consecutive for margin expansion** and **fifth consecutive with declining attrition**. HCL’s **Global Services partnership with SAP** and **strategic acquisition of Capital Stream** are some specific steps we have taken towards enhancing value and accelerating growth for our customers,” said **Vineet Nayar, CEO, HCL Technologies**.

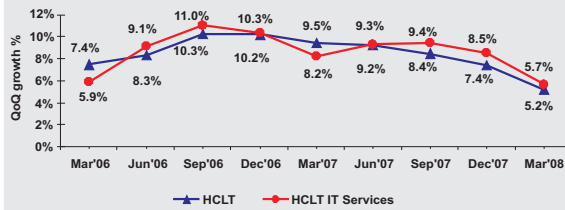
“This was a quarter of consolidation for the BPO Division. We managed to sustain our profitability in spite of the various pressures on margins. Attrition was one of the lowest during this quarter, and there was a net head count addition of 1374 employees during this quarter”, said **Ranjit Narasimhan, President & CEO, HCL Technologies-BPO Services**.



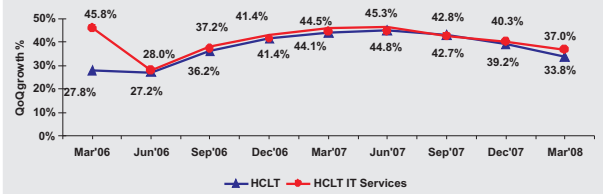
Business Highlights

HCL continues to demonstrate growth in revenues and expansion in margins while showing a decline in the attrition rates over the past few quarters as illustrated in the graphs below

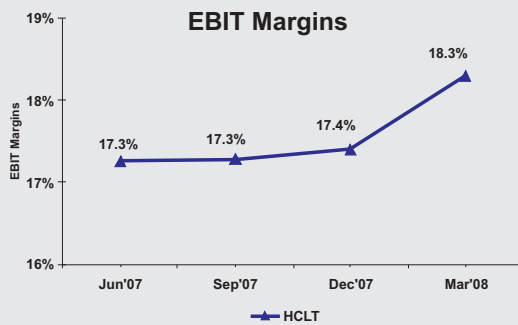
QoQ Revenue Growth Rate - %



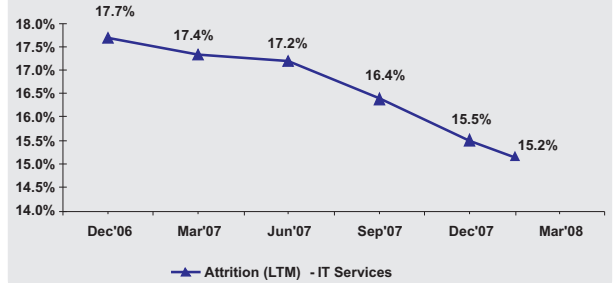
YoY Revenue Growth Rate - %



EBIT Margins



Attrition(LTM) - IT Services



Key Catalysts for Growth

- The growth in the US geography for HCL has been consistent over the last two quarters, and trend continues in this quarter as well. This is in addition to geographies like Europe that continues its steady performance
- Engineering & R&D services (ERS), Infrastructure services, Custom Applications witnessed accelerated growth, reaffirming HCL's dominant market position in these service lines
- Over the last four quarters, HCL has witnessed growth in Life Sciences, Financial Services, Hi - tech & Manufacturing and Media Publishing & Entertainment verticals
- The traction from existing large customers maintains its momentum in this quarter as well, which is reflected in the company average growth rate

Particulars	Segment (US \$) Growth	CQGR (Last 4 Qtrs)	YoY
Consolidated	For the Company	7.6%	33.8%
Geography	US	8.4%	37.8%
	Europe	7.0%	31.0%
Service Offering	Engineering and R&D Services	9.9%	45.9%
	Infrastructure Services	9.3%	42.8%
	Custom Application Services (Industry Solutions)	8.8%	40.0%
Industry	Life Sciences	12.8%	61.6%
	Financial Services	8.4%	37.9%
	Hi - tech & Manufacturing	8.1%	36.6%
	Media Publishing & Entertainment	7.7%	34.3%
Clients	Top 5	7.1%	31.7%
	Top 10	8.5%	38.6%
	Top 20	8.6%	39.2%



Leading the way with Collaborative Transformation

- This quarter, HCL inks **deals worth US\$ 500 mn** spread across five deals covering Telecom, Financial Services, Hi Tech verticals and US, Europe, Australia geographies
- HCL becomes an **SAP Global Services partner** to deliver joint business value through Customer Centric Ecosystem. This **milestone partnership based on Blue Ocean thinking** is aimed at enabling customers to access the business benefits of SAP's enterprise service-oriented architecture (enterprise SOA) and draw upon HCL's strengths in emerging geographies, strong domain experience, risk taking and service innovation capabilities
- HCL acquired **Capital Stream, Inc.**, a US based industry leader in lending automation solutions. This strategic acquisition is a part of HCL's well structured M&A strategy and will enhance HCL's ability to provide end-to-end solutions through product and multi-service delivery capability to commercial and retail financial institutions globally

Transformation @ HCL

- HCL announces the fourth chapter of its **Global Customer Meet 2008** for the 17th and 18th of November. This meet, the first conclave of its kind on "Transformation", will engage thought leaders and practitioners from around the world to debate and discuss trends that impact the business of technology
- HCL's series of Financial Services Thought leadership event - **InvesTECH@HCL** successfully conducted across 8 locations globally including London, Krakow, Germany, Malaysia, Singapore, New York, Atlanta and Sydney. With a theme of Transformational Technology for Financial Services, this forum sets the stage for industry leaders to debate on new technology trends in the Financial Services domain
- HCL was a part of the **World Economic Forum** Annual Meeting 2008 at Davos. HCL was amongst the two examples of companies with "Authentic Leadership" at the discussion led by the CEO, HCL Technologies on "Creating a culture of Leadership"



Recognitions

- HCL once again ranked **World's Best Infrastructure Services** provider by **Global Services 100 Survey 2008** following the recent recognitions of being the world's best Infrastructure Services provider by **Brown & Wilson Black Book of Outsourcing** and **National Outsourcing Association, Europe**
- HCL ranked **No. 1 in IT Services** in **DQ-IDC Customer Satisfaction Audit 2008** for the second consecutive year
- **People Management** magazine, a prominent HR publication in Europe talks about HCL's people management practices with **Employee First having a positive impact on employee attrition** rates both in India and Europe
- **The Banker**, one of the most influential publication in the Financial Services space **recognizes HCL's thought leadership position** in the way service companies look at employees globally
- HCL recognized as the **Top Partner of Singapore Region** for its commitment and approach to work alongside SAP as a part of crucial deals in the region across verticals – Government, Utilities and Retail; and championing and evangelising new SAP solutions to the customer ecosystem
- **IDC** recognizes **HCL's vision of SoA** as a way of integrating and automating business processes. SOA driven integration and test automation, an offshore connector factory, SOA road map and engineering include methods used by HCL in promoting an evolution toward plug-and-play IT environments
- **Forrester** rates HCL as **a leader with its SAP and Oracle retail implementations**. HCL is differentiated by a strong focus on enabling supply chain visibility solutions and helping customers pull together their Oracle product suite to get the maximum return on investment (ROI)

Core Software Services Highlights

- HCL's Blue Ocean approach and strategy of focusing on domain expertise and service offerings has reaped rich dividends leading to growth in key verticals and horizontals, in addition to the multi-million dollar engagements
 - HCL enters into strategic partnership with **Chordiant Software**, leading provider of Customer Experience (Cx™) software and services to provide world class “Customer Experience” solutions to the global financial services industry
 - HCL announces an **SAP Retail engagement** with a leading Grocery & Supermarket Retail chain in the Asia Pacific region
 - HCL achieves path breaking **Greenfield SAP ECC 6.0** Implementation win in Hi-Tech space for Zep Inc., a leading provider of specialty chemicals, in the US
 - HCL inks deal with **leading airline company** based in Asia for Microsoft CRM and an SAP based implementation of their financial systems
 - **AMR** recognizes HCL's Enterprise Application Management Services for flexible capabilities across infrastructure, legacy, and packaged applications
 - HCL wins **Independent Testing Service** project dedicated to promoting workplace health and safety for the workers and employers
 - HCL wins a legacy conversion deal with a top **worldwide manufacturer of medical imaging equipment**
 - HCL wins design & development of ultrasound imaging system for one of the **world's leading manufacturers of advanced imaging systems**
- Revenues for Q3 at US\$356.8 mn; up 36.0% YoY
- EBIT at US\$67.9 mn; up 27.4% YoY



Infrastructure Services Highlights

- HCL inks a **Global System Integration Partnership with VMware** to offer best-of-world Virtualization Solutions
- HCL becomes the first Company in India and 9th Worldwide to achieve **Cisco Master Security Specialization** for its Infrastructure Services
- Revenues for Q3 at \$71.7 mn; up 42.7% YoY
- EBIT at \$9.2 mn; up 51.8% YoY

BPO Services Highlights

- HCL adds one client in **Financials & Accounting**, one in **Supply Chain Management** and two in **Technical Support Services** space
- Revenues for Q3 at \$56.5 mn; up 13.6% YoY
- EBIT at \$11.6 mn; up 18.8% YoY



Financials

Un-audited Financial results for the quarter ended 31st March 2008

Consolidated Income Statement

Figures in US \$ million

Income Statement	Quarter ending...			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	362.4	461.0	484.9	33.8%	5.2%
Direct Costs	223.8	285.7	297.9		
Gross Profits	138.6	175.3	187.1	34.9%	6.7%
SG & A	54.4	76.7	79.1		
EBITDA	84.3	98.6	108.0	28.2%	9.5%
Depreciation & Amortisation	15.1	18.4	19.3		
EBIT	69.1	80.2	88.7	28.3%	10.6%
Foreign Exchange Gains/(loss)	9.6	1.5	(6.8)		
Other Income, net	4.5	12.3	12.4		
Provision for Tax	6.5	9.0	9.2		
Share from Equity Investment /of Minority Interest	(0.6)	(0.5)	0.2		
Net Income	76.2	84.5	85.4	12.0%	1.1%
Gross Margin	38.3%	38.0%	38.6%		
EBITDA Margin	23.3%	21.4%	22.3%		
EBIT Margin	19.1%	17.4%	18.3%		
Net Income Margin	21.0%	18.3%	17.6%		
Earnings Per Share (EPS) - Annualized					
Basic – in US \$	0.47	0.51	0.51		
Diluted – in US \$	0.44	0.50	0.50		
“Weighted average number of Shares used in computing EPS”					
Basic	650,655,513	663,786,975	664,659,051		
Diluted	686,791,214	682,427,142	679,052,239		

Note:- The above result does not take into account

- a) Unrealized gains on treasury investments of US\$19.1mn as on Mar 31, 2008 (US \$ 20.3 mn as on Dec 31, 2007 and US\$ 18.1 mn as on Mar 31, 2007)



b) Non cash employee stock options charge computed under FAS 123R, are not part of reported net income. Details as under:

Particulars (in US \$ mn)	31-Mar-07	31-Dec-07	31-Mar-08
Options at market price	2.8	1.4	1.3
Options at less than market price	4.4	4.7	4.7
Total	7.2	6.1	5.9
Tax benefit	0.2	0.5	0.4
Total (net of tax)	7.0	5.6	5.5

Outstanding Options (in equivalent no of shares)	31-Mar-07	31-Dec-07	31-Mar-08
Options at market price	35,997,632	32,281,456	29,240,604
Options at less than market price	14,610,200	13,862,000	13,658,200

These options will vest in tranches from year 2007 to 2011

Consolidated Balance Sheet

Figures in US \$ million

Particulars	As on	
	30-Jun-07	31-Mar-08
Assets		
a) Cash & Cash Equivalents	88.0	62.2
b) Account Receivables, net	301.4	414.1
c) Treasury Investments	472.9	531.1
d) Other Current Assets	174.7	236.2
A) Total Current Assets (a+b+c+d)	1037.0	1243.7
B) Property and Equipments, net	257.6	319.7
C) Intangible Assets, net	197.9	235.5
D) Investment in Equity Investee	2.4	2.1
E) Other Assets	57.6	58.0
Total Assets (A+B+C+D+E)	1552.5	1859.0
Liabilities & Stockholders' Equity		
e) Total Current Liabilities	286.2	432.3
f) Other Liabilities	31.7	28.4
F) Total Liabilities (e+f)	317.9	460.7
G) Minority Interest	3.6	4.4
H) Total Stockholders Equity	1231.0	1393.9
Total Liabilities and Stockholders Equity (F+G+H)	1552.5	1859.0



Consolidated Cash Flow Statement

Figures in US \$ million

Particulars	Nine months ended 31-Mar-08
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	247.3
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities	
Depreciation and Amortization	54.9
Loss / (Profit) on Sale of Investment Securities	(23.4)
Others	7.4
Changes in Assets and Liabilities, net	
Accounts Receivable	(103.8)
Other Assets	(9.3)
Current Liabilities	(50.9)
Net Cash Provided by Operating Activities	122.1
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment (net)	(103.8)
(Purchase) / Sale of Investments	53.0
Investment in Capital Stream	(36.6)
Net Cash used in Investing Activities	(87.4)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Issuance of Employees Stock Options	5.5
Dividend	(116.8)
Others	47.8
Net Cash Provided by (used in) Financing Activities	(63.4)
Effect of Exchange Rate on Cash and Cash Equivalents	2.9
Net increase/ (decrease) in Cash and Cash Equivalents	(28.7)
CASH AND CASH EQUIVALENTS	
Beginning of the year	88.0
End of the year	62.2



Segment wise Profitability

A. Consolidated IT Services (Core software [A1] & Infrastructure services [A2])

Figures in US \$ million

Particulars	Quarter ended			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	312.7	405.5	428.5	37.0%	5.7%
Direct Costs	193.2	252.7	263.6		
Gross Profits	119.4	152.9	164.9	38.0%	7.8%
SG & A	48.4	68.7	71.6		
EBITDA	71.1	84.2	93.3	31.2%	10.8%
Depreciation & Amortisation	11.7	15.0	16.2		
EBIT	59.3	69.2	77.1	29.9%	11.4%
Gross Margin	38.2%	37.7%	38.5%		
EBITDA Margin	22.7%	20.8%	21.8%		
EBIT Margin	19.0%	17.1%	18.0%		

B. BPO Services

Figures in US \$ million

Particulars	Quarter ended			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	49.7	55.4	56.5	13.6%	1.9%
Direct Costs	30.5	33.0	34.2		
Gross Profits	19.2	22.4	22.3	16.1%	-0.6%
SG & A	6.0	8.0	7.5		
EBITDA	13.2	14.4	14.7	11.7%	2.4%
Depreciation & Amortisation	3.4	3.4	3.1		
EBIT	9.8	11.0	11.6	18.8%	5.5%
Gross Margin	38.6%	40.4%	39.5%		
EBITDA Margin	26.5%	26.0%	26.1%		
EBIT Margin	19.7%	19.9%	20.6%		



A1. Core Software Services

Figures in US \$ million

Particulars	Quarter ended			Growth %	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	262.4	334.9	356.8	36.0%	6.5%
Direct Costs	158.9	203.8	214.5		
Gross Profits	103.6	131.2	142.3	37.4%	8.5%
SG & A	41.3	58.9	61.9		
EBITDA	62.2	72.3	80.4	29.2%	11.2%
Depreciation & Amortisation	8.9	11.5	12.5		
EBIT	53.3	60.8	67.9	27.4%	11.8%
Gross Margin	39.5%	39.2%	39.9%		
EBITDA Margin	23.7%	21.6%	22.5%		
EBIT Margin	20.3%	18.1%	19.0%		

A2. Infrastructure Services

Figures in US \$ million

Particulars	Quarter ended			Growth %	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	50.2	70.6	71.7	42.7%	1.5%*
Direct Costs	34.4	48.9	49.1		
Gross Profits	15.9	21.7	22.5	42.0%	3.9%
SG & A	7.0	9.8	9.7		
EBITDA	8.8	11.9	12.9	45.4%	8.2%
Depreciation & Amortisation	2.8	3.4	3.7		
EBIT	6.1	8.5	9.2	51.8%	8.6%
Gross Margin	31.6%	30.7%	31.4%		
EBITDA Margin	17.6%	16.8%	18.0%		
EBIT Margin	12.1%	12.0%	12.8%		

*Service revenues have increased by 11.5% QoQ from US\$ 51.7 mn (OND 07) to US\$ 57.6 mn (JFM 08)



Revenue Analysis

Geographic Mix (Quarter ended)	31-Mar-07	31-Dec-07	31-Mar-08	LTM
US	54.3%	55.0%	55.9%	54.9%
Europe	30.2%	29.7%	29.6%	30.1%
Asia Pacific	15.5%	15.3%	14.5%	15.0%

Service Offering Mix (Quarter ended)	31-Mar-07	31-Dec-07	31-Mar-08	LTM
Enterprise Application Services	13.2%	11.1%	10.7%	11.3%
Engineering and R&D Services	23.3%	24.9%	25.4%	24.8%
Custom Application (Industry Solutions)	35.8%	36.7%	37.5%	36.3%
Infrastructure Services	13.8%	15.3%	14.8%	15.0%
BPO Services	13.7%	12.0%	11.6%	12.5%

Revenue by Contract Type (Qtr ended)	31-Mar-07	31-Dec-07	31-Mar-08
IT Services			
Time & Material (T&M)	71.6%	67.8%	65.0%
Fixed Price Projects	28.4%	32.2%	35.0%

Revenue by Vertical (Quarter ended)	31-Mar-07	31-Dec-07	31-Mar-08
Financial Services	27.5%	29.2%	28.4%
Hi-tech	28.9%	28.5%	29.5%
Telecom	17.2%	16.1%	16.4%
Retail	9.4%	8.8%	8.4%
Media Publishing & Entertainment (MPE)	5.6%	5.9%	5.7%
Life Sciences	4.5%	5.6%	5.5%
Others	6.8%	5.9%	6.2%

Rupee / US Dollar Rate	31-Mar-07	31-Dec-07	31-Mar-08
Quarter Ended	43.52	39.41	40.11
Average for the Quarter	43.98	39.45	39.83

“LTM” - Last Twelve Months



Client Metrics

Client Data (LTM)	31-Mar-07	31-Dec-07	31-Mar-08	QoQ Increase
Number of Clients				
Active Client Relationship	236	256	269	13
New Client Relationship	26	29	32	
Multi Service Delivery Clients	49	57	57	-

Number of Million Dollar Clients (LTM)	31-Mar-07	31-Dec-07	31-Mar-08	QoQ Increase	YoY Increase
100 Million dollar +	2	2	2	-	-
50 Million dollar +	3	3	3	-	-
40 Million dollar +	4	5	6	1	2
30 Million dollar +	5	10	11	1	6
20 Million dollar +	10	15	15	-	5
10 Million dollar +	25	29	31	2	6
5 Million dollar +	48	59	64	5	16
1 Million dollar +	147	175	186	11	39

Client Contribution to Revenue (LTM)	31-Mar-07	31-Dec-07	31-Mar-08	QoQ growth
Top 5 Clients	29.2%	27.2%	27.5%	8.7%
Top 10 Clients	38.5%	37.8%	38.2%	8.6%
Top 20 Clients	50.9%	50.5%	50.6%	7.7%

Client Business - (LTM)	31-Mar-07	31-Dec-07	31-Mar-08
Repeat Business - Consolidated	92.2%	94.7%	94.5%
Days Sales Outstanding	68	72	77

“LTM” - Last Twelve Months



Operational Metrics - Core Software

Core Software Services (Quarter Ended)	31-Mar-07	31-Dec-07	31-Mar-08
Efforts			
Offshore	72.8%	74.6%	75.0%
Onsite	27.2%	25.4%	25.0%
Revenue			
Offshore	47.7%	50.5%	50.7%
Onsite	52.3%	49.5%	49.3%
Utilization			
Offshore - Including trainees	69.8%	69.1%	71.3%
Offshore - Excluding trainees	74.8%	75.5%	74.4%
Onsite	95.6%	96.4%	95.1%

Effort (Man Months)	31-Mar-07	31-Dec-07	31-Mar-08
Efforts Billed - Offshore	34,965	44,660	47,263
Efforts Billed – Onsite	13,088	15,185	15,781
Total Billed Efforts	48,053	59,845	63,044
Not Billed	12,361	15,091	17,048
Trainee	3,351	5,427	2,814
Not Billed (including trainees)	15,712	20,518	19,862



Employee Metrics

Manpower Details	31-Mar-07	31-Dec-07	31-Mar-08
Total Employee Count	40,149	47,954	49,802
Core Software – Total	23,796	30,484	30,387
Technical	21,013	26,778	26,567
Support	2,783	3,706	3,820
Gross addition	2,367	2,676	1,026
Net addition	1,273	1,327	-97
Gross lateral employee addition	1,558	1,541	1,013
Attrition (LTM) *	17.5%	15.5%	15.2%
Infrastructure Services - Total	3,999	5,605	6,176
Technical	3,418	4,894	5,436
Support	581	711	740
Gross addition	654	656	947
Net addition	386	382	571
Gross lateral employee addition	590	551	748
Attrition (LTM)*	16.4%	15.6%	15.4%
Attrition (LTM)* - IT Services (Core Software + Infrastructure Services)	17.4%	15.5%	15.2%
BPO Services - Total	12,354	11,865	13,239
Offshore	9,922	9,184	10,470
Onsite	1,485	1,620	1,694
Support	947	1,061	1,075
Gross addition	2,910	2,306	3,342
Net addition	173	603	1,374
Gross lateral employee addition	1,307	749	1,217
Offshore Attrition – Quarterly**	19.5%	12.3%	12.0%
Offshore Attrition - Quarterly** (excluding attrition of joiners less than 6 months)	8.8%	8.4%	6.9%

* Excludes involuntary attrition

** Excludes UK BPO



Facility Details

As of 31 March 2008	Completed		Work in Progress		Land Available for expansion - in acres
	Delivery Locations	Built Up area (Sq. ft.)	No. of seats	Built Up area (Sq. ft.)	
Gurgaon	343,200	2,900	17,200	200	
Noida (NCR)	1,355,029	15,414	495,371	3,986	31.00
Chennai	2,079,543	18,935	1,019,557	7,965	27.00
Bangalore	864,900	7,800	518,000	4,400	13.00
Mumbai	28,300	300			
Kolkatta	35,600	300			
Hyderabad	66,000	700			
Northern Ireland (NI)	100,000	1,400			
Manesar (Haryana)	-				10.0
Poland	16,100	190			
China	15,300	140			
Total	4,903,972	48,079	2,050,128	16,551	81.00



Financials in INR as per convenience translation

(The financials in INR are based on a convenience translation using the closing rate as of the last day of the quarter: US\$1 = Rs. 40.11 for the quarter ended on 31 Mar' 08; US \$1 = Rs. 39.41 for the quarter ended on 31 Dec'07; US\$1 = Rs. 43.52 for the quarter ended 31 Mar'07)

Un-audited Financial results for the quarter ended 31st March, 2008 drawn under US GAAP

Consolidated Income Statement

Figures in rupees crore

Income Statement	Quarter ending...			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	1577.1	1816.6	1944.8	23.3%	7.1%
Direct Costs	973.8	1125.8	1194.5		
Gross Profits	603.3	690.8	750.3	24.4%	8.6%
SG & A	236.6	302.3	317.2		
EBITDA	366.7	388.5	433.1	18.1%	11.5%
Depreciation & Amortisation	65.9	72.4	77.3		
EBIT	300.9	316.2	355.8	18.3%	12.5%
Foreign Exchange Gains / (loss)	41.8	5.8	(27.1)		
Other Income, net	19.7	48.4	49.9		
Provision for Tax	28.3	35.5	36.8		
Share from Equity Investment / of					
Minority Interest	(2.3)	(2.1)	0.7		
Net Income	331.8	332.9	342.5	3.2%	2.9%
Gross Margin	38.3%	38.0%	38.6%		
EBITDA Margin	23.3%	21.4%	22.3%		
EBIT Margin	19.1%	17.4%	18.3%		
Net Income Margin	21.0%	18.3%	17.6%		
Earnings Per Share (EPS) - Annualized					
Basic – in Rupees (FV Rs. 2/-)	20.40	20.1	20.3		
Diluted – in Rupees (FV Rs. 2/-)	19.33	19.5	19.8		
“Weighted average number of Shares used in computing EPS”					
Basic	650,655,513	663,786,975	664,659,051		
Diluted	686,791,214	682,427,142	679,052,239		

Note:- The above result does not take into account

a) Unrealized gains on treasury investments of Rs 76.6 as on Mar 31, 2008 (Rs. 80.0 crores as on Dec 31,2007 and Rs 78.9 crores as on Mar 31, 2007)



b) Non cash employee stock options charge computed under FAS 123R, are not part of reported net income. Details as under:

Particulars (in Rs crores)	31-Mar-07	31-Dec-07	31-Mar-08
Options at market price	12.2	5.6	5.0
Options at less than market price	19.1	18.4	18.6
Total	31.3	24.0	23.6
Tax benefit	0.9	1.8	1.7
Total (net of tax)	30.5	22.2	21.9

Outstanding Options (in equivalent no of shares)	31-Mar-07	31-Dec-07	31-Mar-08
Options at market price	35,997,632	32,281,456	29,240,604
Options at less than market price	14,610,200	13,862,000	13,658,200

These options will vest in tranches from year 2007 to 2011

Consolidated Balance Sheet

Figures in Rs crores

Particulars	As on	
	31-June-07	31-Mar-08
Assets		
a) Cash and Cash Equivalents	358.7	249.6
b) Accounts Receivable, net	1,227.8	1660.6
c) Treasury Investments	1,926.4	2130.3
d) Other Current Assets	711.7	947.4
A) Total current assets (a+b+c+d)	4,224.6	4987.9
B) Property and Equipment, net	1,049.5	1282.3
C) Intangible Assets, net	806.1	944.5
D) Investment in Equity Investee	9.6	8.5
E) Other Assets	234.5	232.4
Total assets (A+B+C+D+E)	6,324.7	7455.6
Liabilities and Stockholders' Equity		
e) Total Current Liabilities	1,166.0	1733.8
f) Other Liabilities	129.2	113.8
F) Total Liabilities (e+f)	1,295.2	1847.6
G) Minority Interest	14.5	17.7
H) Total Stockholders equity	5,015.0	5590.3
Total liabilities and stockholders equity (F+G+H)	6,324.7	7455.6



Segment wise Profitability

A. Consolidated IT Services (Core software [A1] & Infrastructure services [A2])

Figures in Rs crores

Particulars	Quarter ended			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	1360.7	1598.2	1718.4	26.3%	7.5%
Direct Costs	840.9	995.8	1057.5		
Gross Profits	519.8	602.5	660.9	27.1%	9.7%
SG & A	210.5	270.7	286.9		
EBITDA	309.3	331.8	374.0	20.9%	12.7%
Depreciation & Amortisation	51.1	59.0	64.8		
EBIT	258.3	272.8	309.2	19.7%	13.3%
Gross Margin	38.2%	37.7%	38.5%		
EBITDA Margin	22.7%	20.8%	21.8%		
EBIT Margin	19.0%	17.1%	18.0%		

B. BPO Services

Figures in Rs crores

Particulars	Quarter ended			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	216.4	218.4	226.5	4.6%	3.7%
Direct Costs	132.9	130.1	137.1		
Gross Profits	83.5	88.3	89.4	7.0%	1.2%
SG & A	26.1	31.6	30.3		
EBITDA	57.4	56.7	59.1	3.0%	4.2%
Depreciation & Amortisation	14.8	13.3	12.5		
EBIT	42.6	43.4	46.6	9.4%	7.4%
Gross Margin	38.6%	40.4%	39.5%		
EBITDA Margin	26.5%	26.0%	26.1%		
EBIT Margin	19.7%	19.9%	20.6%		



A1. Core Software Services

Figures in Rs crores

Particulars	Quarter ended			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	1142.1	1319.9	1430.9	25.3%	8.4%
Direct Costs	691.3	802.9	860.4		
Gross Profits	450.7	516.9	570.5	26.6%	10.4%
SG & A	179.9	232.0	248.1		
EBITDA	270.8	284.9	322.4	19.0%	13.1%
Depreciation & Amortisation	38.9	45.5	50.1		
EBIT	231.9	239.4	272.3	17.4%	13.7%
Gross Margin	39.5%	39.2%	39.9%		
EBITDA Margin	23.7%	21.6%	22.5%		
EBIT Margin	20.3%	18.1%	19.0%		

A2. Infrastructure Services

Figures in Rs crores

Particulars	Quarter ended			Growth	
	31-Mar-07	31-Dec-07	31-Mar-08	YoY	QoQ
Revenues	218.6	278.3	287.5	31.5%	3.3%
Direct Costs	149.5	192.8	197.1		
Gross Profits	69.1	85.5	90.4	30.9%	5.7%
SG & A	30.6	38.7	38.8		
EBITDA	38.5	46.9	51.6	34.0%	10.1%
Depreciation & Amortisation	12.2	13.5	14.7		
EBIT	26.3	33.3	36.9	39.9%	10.6%
Gross Margin	31.6%	30.7%	31.4%		
EBITDA Margin	17.6%	16.8%	18.0%		
EBIT Margin	12.1%	12.0%	12.8%		

*Service revenues have increased by 13.5% QoQ from Rs. 203.7Cr (OND 07) to Rs. 231.2 Cr(JFM 08)



About HCL Technologies

HCL Technologies is one of India's leading global IT Services companies, providing software-led IT solutions, remote infrastructure management services and BPO. Having made a foray into the global IT landscape in 1999 after its IPO, HCL Technologies focuses on Transformational Outsourcing, working with clients in areas that impact and re-define the core of their business. The company leverages an extensive global offshore infrastructure and its global network of offices in 18 countries to deliver solutions across select verticals including Financial Services, Retail & Consumer, Life Sciences & Healthcare, Hi-Tech, Telecom and Media & Entertainment (M&E). For the quarter ended 31st March 2008, HCL Technologies, along with its subsidiaries had last twelve months (LTM) revenue of US \$ 1.8 billion (Rs. 7083 crores) and employed 49,802 professionals. For more information, please visit www.hcltech.com

About HCL Enterprise

HCL Enterprise is a \$ 4.7 billion (Rs. 19,215 crore) leading Global Technology and IT enterprise that comprises two companies listed in India - HCL Technologies & HCL Infosystems. The 3-decade-old enterprise, founded in 1976, is one of India's original IT garage start-ups. Its range of offerings span Product Engineering, Custom & Package Applications, BPO, IT Infrastructure Services, IT Hardware, Systems Integration, and distribution of ICT products. The HCL team comprises over 53,000 professionals of diverse nationalities, who operate from 18 countries including 360 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

Forward-looking Statements

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in IT services, Business Process Outsourcing and consulting services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and fee structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost effective and timely manner, 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, the success of our brand development efforts, 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, other risks, uncertainties and general economic conditions affecting our industry. There can be no assurance that the forward looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved. All forward looking statements made herein are based on information presently available to the management of the Company and 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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