



## Press Release

### **Reader's Digest Association signs a \$350mn+ Total IT Outsourcing engagement with HCL**

- *The complex transformational engagement covers end-to-end of RDA's IT landscape from IT Infrastructure to applications.*
- *HCL's solution to RDA is based upon creation of globally focused business transformation CoEs (Centers of Excellence) for Global Fulfillment, Marketing, Digital Interactive and Shared Business Services leading to media, publishing and entertainment domain led innovation*
- *It significantly leverages HCL's global delivery and onsite support capabilities by supporting RDA's operations in 45 countries and 14 languages across North America, Latin America, East and West Europe, and Asia.*
- *The engagement involves re-badging a number of employees globally into HCL's diverse multi-cultural workforce.*
- *HCL will Centralize and simplify RDA's IT from a "Site Heavy" model to a "Central Heavy and Site Lite" model by bringing common processes worldwide.*

**Sunnyvale/London/Noida/Dubai/Sydney, March 16, 2009** – HCL Technologies Ltd. (HCL), leading global IT services provider, has entered into a 7 year Total IT Outsourcing Services engagement with The Reader's Digest Association Inc (RDA), a global multi-brand media and marketing company. The value of the agreement is estimated to be approximately \$350 million over a seven-year contract term.

The scope of this complex transformational engagement includes applications development and infrastructure support across the applications stack of Oracle Universe, Open Technologies and Mainframe; Infrastructure support for network, security, storage, end user computing and data centers (DC) including disaster recovery services. The scope also includes DC and Application Portfolio optimization to consolidate applications globally and refresh of legacy assets to modernize RDA's IT environment. As part of this engagement HCL will also rebuild and migrate RDA's mainframe environment in its New Jersey Data centre facility. Additionally HCL will implement cutting-edge tools framework to provide business-aligned, unified, real-time visibility into the health of the IT environment.

This global solution is enabled through an Integrated Helpdesk in 14 global languages of Portuguese, French, Russian, Czech, Spanish, Polish, Finnish, German, Hungarian, Bulgarian, Chinese, Romanian, Slovak and Turkish. These will be supported across 45 countries through HCL's global delivery locations in Poland, US and India supported by a worldwide onsite support network. HCL will also re-badge a number of RDA employees on its rolls.

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**Al Perruzza, Senior Vice President for Global Operations, IT and Business Redesign for RDA**, said, "IT is a key enabler to our business. We expect that HCL will bring down cost of operations significantly, while improving services and bringing cutting-edge technology and capabilities to transform our IT functionality and service. We look forward to a long relationship of mutual trust with them."

On the sourcing side, HCL will be taking over several existing IT contracts from RDA and will manage them over the engagement period. This will also involve providing Telecom Expense



Management Services for its worldwide network through HCL's ControlPoint solution providing the company another significant cost reduction avenue.

"RDA partnership is a unique service offering in which HCL blends all its outsourcing strengths — applications and infrastructure capabilities, industry knowledge, and global reach, to help RDA achieve fundamental transformation at the enterprise level" said **HCL Technologies Corporate Vice President Sanjeev Nikore**.

**R Srikrishna, Sr. VP – North America; HCL Technologies ISD**, said, "This is yet another landmark engagement not only for HCL but the entire Indian IT industry. With its large scale and complex scope and global scale it re-asserts our capabilities in delivering truly transformational and globally delivered IT Services. We are pleased to have been selected by RDA and are working hard on flawless execution."

HCL pioneered the concept of Remote Infrastructure Management (RIM) with a co-sourcing engagement model, which has added substantial value to customers including 90+ Fortune/Global 1000 enterprises. The company was cited as a leader in Global IT Infrastructure Outsourcing in an independent vendor evaluation study by Forrester Wave™, Q2, 2007 and No.1 'Specialty Offshore Infrastructure Services Provider' by NeoIT and 'Managing Offshore' magazine. The company currently manages more than 800,000 mission critical devices systems and supports 500,000 business users. HCL has also been ranked as the World No.1 Best Performing IT Infrastructure Services by Global Services 100 Survey 2008.

#### **About HCLT ISD**

HCLT ISD is a leading IT services company and a subsidiary of HCL Technologies Ltd. (also known as HCL Comnet in the domestic market). A focused player in the IT services arena, HCLT ISD seeks to provide simplified infrastructure solutions through delivering high-performance management services for complex, distributed infrastructure environments encompassing the Internet, Client and legacy based infrastructures. HCLT ISD addresses the growing demand for the cost-effective management of technology infrastructure across geographically dispersed locations. With a mission to develop innovative solutions for enterprises worldwide, the company has developed a unique model for Remote IT infrastructure management that enables customer organizations to achieve superior infrastructure performance and significantly reduced costs through a global delivery model. For more information, please visit

#### **About HCL Technologies**

HCL Technologies is a leading global IT services company, working with clients in the areas that impact and redefine the core of their businesses. Since its inception into the global landscape after its IPO in 1999, HCL focuses on 'transformational outsourcing', underlined by innovation and value creation, and offers integrated portfolio of services including software-led IT solutions, remote infrastructure management, engineering and R&D services and BPO. HCL leverages its extensive global offshore infrastructure and network of offices in 19 countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Aerospace & Defense, Telecom, Retail & CPG, Life Sciences & Healthcare, Media & Entertainment, Travel, Transportation & Logistics, Automotive, Government and Energies & Utilities. HCL takes pride in its philosophy of 'Employee First' which empowers our 52,957 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had last twelve months revenues of US\$ 2.0 billion (Rs. 8974 crores), as on 31st December 2008. For more information, please visit [www.hcltech.com](http://www.hcltech.com)

#### **About HCL Enterprise**

HCL is a \$5 billion 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 spans Product Engineering, Custom & Package Applications, BPO, IT Infrastructure Services, IT Hardware, Systems Integration, and distribution of ICT products. The HCL team comprises over 59,000 professionals of diverse nationalities, who operate from 20 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](http://www.hcl.in)

#### **About RDA**



The Reader's Digest Association, Inc., is a global multi-brand media and marketing company that educates, entertains and connects audiences around the world. The company builds multi-platform communities based on branded content in areas like Food & Entertaining, Health & Wellness, and Home & Garden. With offices in 45 countries, it markets books, magazines, and music, video and educational products reaching a customer base of 130 million households in 79 countries. It publishes 92 magazines, including 50 editions of Reader's Digest, the world's largest-circulation magazine, operates 65 branded websites generating 18 million unique visitors per month, and sells approximately 68 million books, music and video products across the world each year. Its global headquarters are in Pleasantville, N.Y.

### **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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### **For details, contact**

#### **Kirsten Paragona**

Direct Line +978 356-3342

Email: [kparagona@hcl.in](mailto:kparagona@hcl.in)

#### **Zulfia Nafees**

Mob +91 9810495138

Email: [zulfian@hcl.in](mailto:zulfian@hcl.in)

#### **William Adler**

The Reader's Digest Association, Inc.

(914) 244-7585

Email: [William.adler@rd.com](mailto:William.adler@rd.com)