

HCL INFOSYSTEMS LTD.

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Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.

Corporate Identity Number - L72200DL1986PLC023955

www.hclinfosystems.com

www.hcl.com25th October, 2018

To

The General Manager Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	The Vice President Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051
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Sub: Press Release.**Symbol: NSE : HCL-INSYS**
BSE (For Physical Form): 179
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Dear Sirs,

We are forwarding a copy of the press release being made by HCL Infosystems Limited on the Unaudited financial results of the Company for the quarter ended 30th September, 2018.

Please take this on record.

Very Truly Yours,
For HCL Infosystems Limited**Sushil Kumar Jain**
Company Secretary

Encl: As above.

HCL Infosystems Reports Revenue of Rs 1,084 Crore in Q2 FY 2019 from continuing operations, an increase of 44% Y-o-Y

October 25, 2018, New Delhi

Business Highlights of Continuing Operations

- Q2 FY19 revenue at Rs. 1,084 Crore vs. Rs. 1,129 Crore in Q1 FY19 and Rs. 754 Crore in Q2 FY18
- Distribution business revenue at Rs. 936 Crore in Q2FY19 vs. Rs. 986 Crore in Q1FY18
 - Enterprise Distribution revenue was at Rs. 414 Crore in Q2FY19 vs Rs. 457 Crore in Q1FY19
 - Consumer Distribution revenue was at Rs. 522 Crore in Q2FY19 vs. Rs.529 Crore in Q1FY19
- Loss before interest, tax and exceptional items was Rs. 2.8 Crore in Q2FY19 vs. Rs. 6.4 Crore in Q1FY19

Revenue from discontinued operations in Q2FY19 was Rs. 9 Crore and Profit before tax was Rs. 0.7 Crore.

HCL Infosystems, India's premier Distribution, IT Services & Solutions Company, today announced its financial results for the quarter ended September 30th, 2018.

Mr. Rangarajan Raghavan, Managing Director, HCL Infosystems Ltd., commenting on the results said, *"Our Distribution business continues to maintain its steady journey in this quarter. The overseas services business in Singapore did well this quarter also. We are moving forward as per our roadmap of focusing on our core businesses of Enterprise & Consumer Distribution."*

There was a key development for the company shortly after the end of the quarter. The Board of Directors on 15th October, 2018 approved the decision to sell most of the company's operations in the Middle East. These include operations in Dubai, Abu Dhabi and Qatar. The sale will be made to a consortium of individuals and the consideration of the transaction is AED 3,440,780 (to be adjusted on the date of transfer of the shares based on the terms and conditions as specified in the transaction documents). The closure of transaction is subject to certain conditions mentioned in the Share Purchase Agreement.

Distribution Business:

The Distribution Business reported revenue of Rs. 936 Crore in the quarter.

Enterprise Distribution had revenue of Rs. 414 Crore in the quarter with a growth of 31% Y-o-Y. However there was a 9% Q-o-Q decline in revenues due to weak demand because of rupee devaluation and general market conditions. The channel business continued its momentum and did well in this quarter. Existing relationships with OEM's were expanded to enhance the product portfolio of the business such as the new Dell EMC partnership for Storage Solutions. In the quarter, Enterprise Distribution realigned its team and enhanced capabilities to gain traction in emerging digital technologies including its Security and Cloud practice.

Consumer Distribution reported revenue of Rs. 522 Crore in the quarter versus Rs. 529 Crore in the preceding quarter. The distribution partnership with HMD Global for Nokia handsets again delivered a good performance and was the chief contributor to the revenues of the business in the quarter. The multi



channel strategy of Consumer Distribution continued to gain traction with both e-Brandstore and MFI (Micro Finance Institutions) channels under Direct to Consumer Segment producing good results. The partnerships with both Samsung and Microsoft Surface also gained ground. The contract with Apple India Pvt Ltd ended as of September 30, 2018.

Global Services:

In the quarter, revenue for the Global Services business increased by 5%. The focus on automation continued this quarter too in the End User Computing and Data Center space.

System Integration (SI) & Solutions:

The SI and Solutions business registered revenue of Rs. 38 Crore in Q2FY19. The business continued its focus on project execution and collection of receivables.

We have been associated with the Power Projects of certain states under the RAPDRP Programme (Restructured Accelerated Power Development and Reforms Programme). These are System integration projects, an initiative of Ministry of Power, being delivered by the company. The implementation phase is either completed or nearing completion and support phase is starting. Currently, work done is being validated & audited by an independent agency appointed by the customer.

We are working closely with the customer, for taking the validation & audit work to closure and expedite payments which are overdue.

About HCL Infosystems

HCL Infosystems is a Distribution, IT Services, and Solutions Company, enabling organizations attain and sustain competitive advantage by leveraging Information and Communication Technologies. It offers a portfolio of capabilities spanning IT & System Integration services to value-added distribution of technology, mobility and consumer products. For more information, please visit us at www.hclinfosystems.in

About HCL

Founded in 1976 as one of India's original IT garage start-ups, HCL is a pioneer of modern computing with many firsts to its credit, including the introduction of the 8-bit microprocessor-based computer in 1978 well before its global peers. Today, the HCL enterprise has a presence across varied sectors that include technology, healthcare and talent management solutions and comprises three companies - HCL Infosystems, HCL Technologies and HCL Healthcare. The enterprise generates annual revenues of over US \$ 8.1 billion with more than 127,000 employees from 140 nationalities operating across 43 countries, including over 500 points of presence in India.

Media Contact Information			
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