



HCL Technologies

Quarterly Results FY 2012

First Quarter FY 2012 Results

Investor Release

Noida, NCR, India, October 18, 2011

Q1 Revenues at US\$ 1,002 mn

- ✓ Up 5.1% QoQ & 21.9% YoY in constant currency
- ✓ Up 4.1% QoQ & 24.7% YoY on reported basis

Net Income at US\$ 107 mn; up 49.1% YoY

Q1 Revenues at ₹ 4,651 crores; up 8.2% QoQ & 25.4% YoY

Net Income at ₹ 497 crores; up 50.0% YoY

Table of Contents

Financial Highlights	2
Corporate Overview	3
Performance Highlights	4
Financials	12
Segment wise Profitability	15
Revenue Analysis	17
Constant Currency Reporting	18
Client Metrics	19
Operational Metrics - Software Services	20
Employee Metrics	21
Facility Details	23
Cash and Cash Equivalent, Investments & Borrowing	23
Financials in INR as per convenience translation - Average Exchange Rate	24

Milestones Achieved this Quarter

- HCL crosses **US\$ 1 bn** in quarterly revenues; Revenues doubled in 3 years from **US\$ 501 mn** in JAS'08 to **1,002 mn** in JAS'11.
- Revenues from Americas cross **US \$2 bn** (LTM)
- Revenues from Europe cross **US\$1 bn** (LTM)
- Manufacturing Vertical revenues cross **US\$1 bn** (LTM)

Financial Highlights

Highlights for the Quarter (US\$)

- Revenue in constant currency grows **5.1% sequentially**
- Revenue at **US\$ 1,002 mn**; up **24.7% YoY** & **4.1% sequentially**
- EBIT at **US\$ 143 mn**; up **38.0% YoY**
- Net Income at **US\$ 107 mn**; up **49.1% YoY**
- Announces dividend of **₹ 2 per share**; **35th consecutive quarter** of dividend payout
- Announces **ONE TIME** Special **MILESTONE** Dividend of **₹ 2 per share** which will be paid together with the quarterly dividend as above
- Gross & Net Employee addition of **9,311** & **3,474** respectively taking total headcount to **80,520**

Highlights for the Quarter (INR convenience translation at an Average Rate of ₹46.41/US\$)

- Revenue at ₹ **4,651 crores**; up **25.4% YoY** & **8.2% sequentially**
- EBIT at ₹ **664 crores**; up **38.8% YoY**
- Net Income at ₹ **497 crores**; up **50.0% YoY**
- Announces dividend of **₹ 2 per share**; **35th consecutive quarter** of dividend payout
- Announces **ONE TIME** Special **MILESTONE** Dividend of **₹ 2 per share** which will be paid together with the quarterly dividend as above
- Gross & Net Employee addition of **9,311** & **3,474** respectively taking total headcount to **80,520**



Corporate Overview

HCL continues to respond well to the changing market dynamics driven by its differentiated business model.

“HCL has always been an organization focused on inclusive growth. In the current context of economic slowdown and job losses in US and EU, this commitment has resulted in our renewed emphasis on reverse investment in local economies and local job creation. This has resulted in substantial investment in the shape of new near-shore delivery hubs like the Redmond and Dublin Centers that we recently announced. We aspire to be valued by our customers as a socially responsible enterprise and a trusted partner.” said **Shiv Nadar, Founder, HCL and Chairman, HCL Technologies and Shiv Nadar Foundation.**

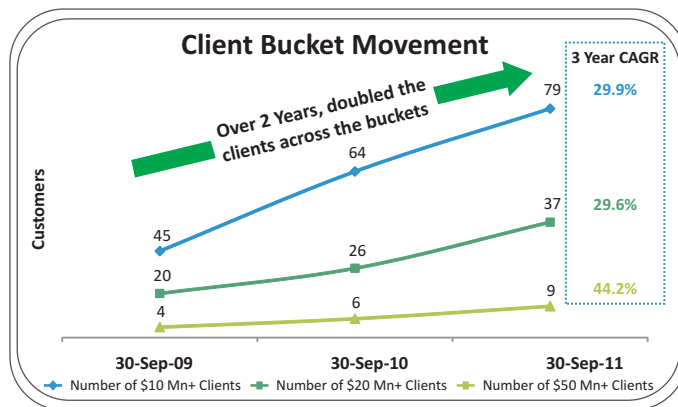
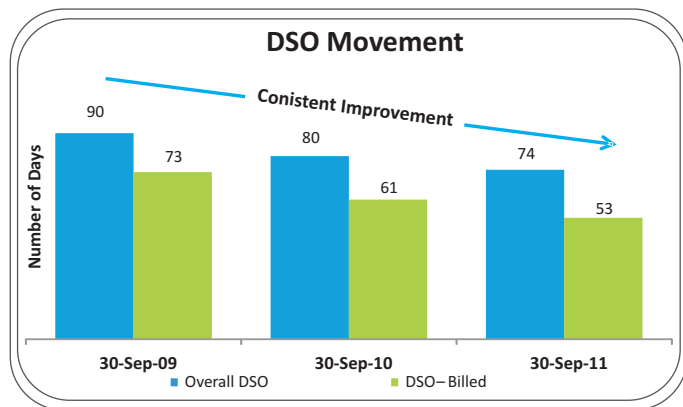
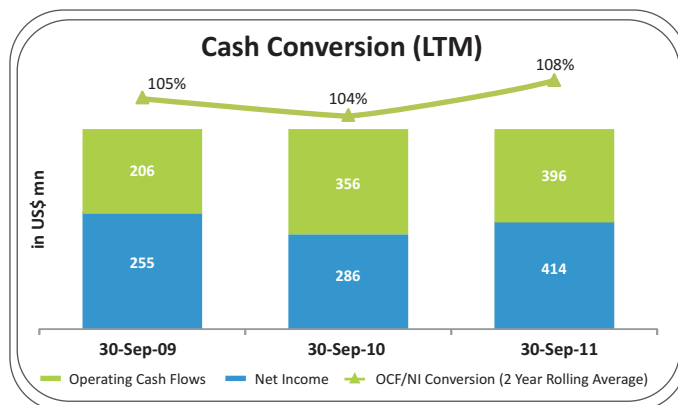
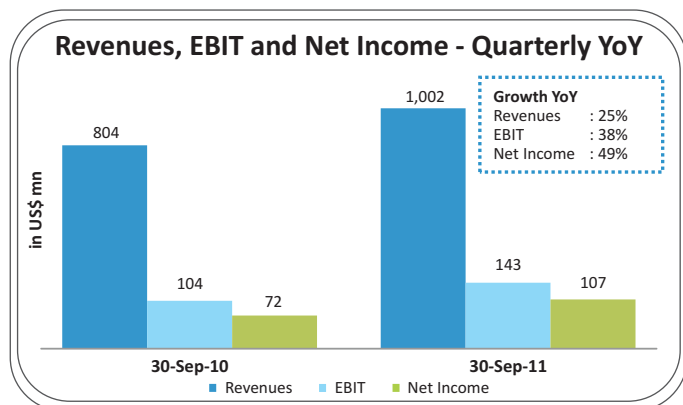
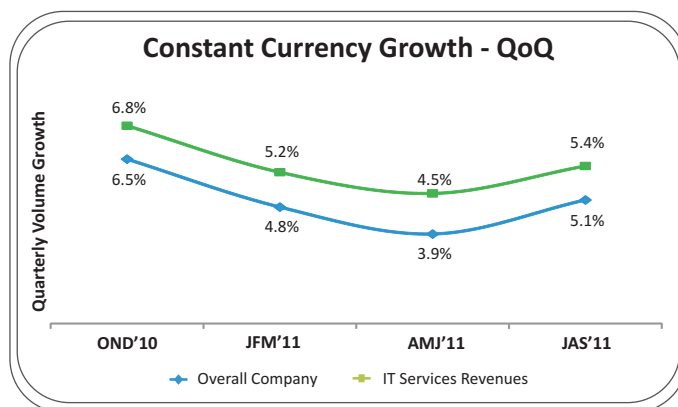
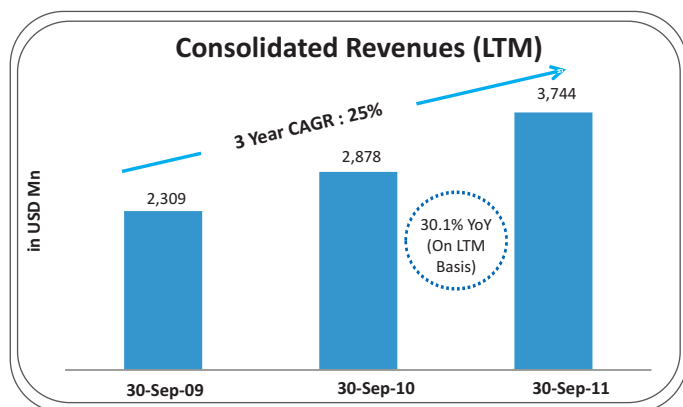
Commenting on the results, **Vineet Nayar, Vice Chairman and CEO, HCL Technologies** said, “We have doubled our quarterly revenues in just three years to record a billion dollar quarter despite the tough economic environment. This tremendous momentum has been achieved thanks to our Employees First philosophy which has fuelled a high performance organization, ensured enhanced customer delight and created disruptive thought leadership which is today recognized globally. I want to thank all our 80,520 employees, ~500 customers, investors and partners who have supported us in this journey”.

“We continue to see growth both in revenue and earnings. Our revenues grew 5.1% sequentially in constant currency and 25% YoY this quarter, accompanied by operating and net income growth of 38% YoY and 49% YoY respectively. While the currency markets continue to be volatile, we at HCL follow layered hedging program to cover our foreign currency exposure”, added **Anil Chanana, CFO, HCL Technologies.**



Performance Highlights

Overall Company Performance - Past Trends



Key Catalysts for Growth

- Revenues grow by **5.1%**.
- Positive growth across geographies with Americas at **6.8%** and Europe at **4.5%**.
- Broad based growth across service offerings with Engineering and R&D Services at **8.6%**, Custom Applications at **7.3%** and Infrastructure Services at **5.8%**
- Verticals reported strong broad based growth led by Retail & CPG at **12.0%** and Manufacturing at **8.2%**

Note: - All above growth rates are QoQ in Constant Currency (CC)

Revenue Growth (US\$)					
Particulars	Segments	JAS '11			
		YoY	QoQ	QoQ (CC)	4Q CQGR [#]
Consolidated	For the Company	24.7%	4.1%	5.1%	5.7%
Geography	Americas	20.0%	6.8%	6.8%	4.7%
	Europe	24.3%	2.1%	4.5%	5.6%
Service Offering	Engineering and R&D Services	24.2%	8.9%	8.6%	5.6%
	Custom Application Services	29.1%	6.0%	7.3%	6.6%
	Infrastructure Services	36.8%	4.3%	5.8%	8.2%
Industry	Retail & CPG	24.0%	10.9%	12.0%	5.5%
	Manufacturing	33.0%	8.0%	8.2%	7.4%

#CQGR numbers are for 4 quarters beginning from JAS'10 quarter



Multi-Year, Multi-Million Dollar Transformational Deals

- HCL signed 12 transformational deals this quarter. Some customers with whom we signed these multi-million dollar engagements this quarter include EMI Group, Norfolk Southern and a leading life sciences organization.

Transformation @ HCL

- HCL was invited to be a Mentor of the World Economic Forum's Annual Meeting of New Champions (AMNC) Summit which was held in Dalian, China.
- HCL's employee idea exchange platform, Value Portal, has been honored with a *Forrester Groundswell Award* in the 'Management: Innovation System' category. The *Forrester Groundswell Awards* recognizes excellence in achieving business and organizational goals with social technology applications. HCL's Value Portal is an online platform where employees collaborate, innovate and lead the implementation of their ideas to deliver value to HCL's customers. Since the Value Portal was launched in April 2007, 7,312 ideas have been generated by more than 5,000 HCL employees.
- HCL has established the *HCLT Foundation* –a dedicated group to support community work identified and run by the employees. This initiative fuelled on the theme of "Power of 1", aims to provide a platform for individual intervention towards social causes. The goal of the foundation is to provide dignified life for 100,000+ underprivileged people in India with core focus groups being school students and women.
- HCL has released its first Sustainability Report which has been confirmed with an A+ rating by DNV, one of the world's leading certification and assurance agency on sustainability issues. This report covers the performance of all the business units under HCLT and follows reporting principles and methodology in accordance with the GRI (Global Reporting Initiative) G3.1 guidelines.
- HCL also organized a diversity conference on the theme of 'Rebalancing the workplace for Sustainability' with eminent speakers from World Economic Forum, TAC Global, WILL Forum India and Hindustan Times amongst others.



Recognitions

- HCL was chosen by *Fortune* magazine in its first ever global “Executive Dream Team” which the publication described as an “all star leadership” that could lead any company through turbulent times and “could coalesce and dominate in any industry”. Vineet Nayar, Vice Chairman and CEO of HCL Technologies was included in this prestigious list and also emerged as a reader’s choice in a worldwide poll which selected eight other global stalwarts for the prominent honor including Late Steve Jobs, ex- Chairman, Apple, Anne Mulcahy, Former Chair & CEO, Xerox, Tim Cook, CEO, Apple, Patrick Pichette, CFO, Google, Joe Tripodi, CMO, Coca Cola, Jonathan Ive, SVP of Industrial Design, Apple, Rob Carter, CIO, FedEx and Susan Chambers, EVP, Global People Division, WalMart.
- HCL has been ranked in *Forbes* Asia's prestigious annual listing of the 50 best publicly traded companies in Asia-Pacific called 'Asia's Fab 50 Companies'. HCLT has made it to this list for the second consecutive year.
- HCL has been conferred with the prestigious *Asian Human Capital Summit 2011 Award* by Ministry of Manpower Singapore and INSEAD for its innovative and impactful people practices centered on its Employees First, Customers Second (EFCS) philosophy. HCL’s Vice Chairman and CEO Vineet Nayar received the award from Brigadier General (NS) Tan Chuan-Jin, Minister of State for Manpower and National Development, Singapore. The Human Capital Leadership Institute (an initiative of Ministry of Manpower Singapore and The Singapore Economic Development Board) also published a case study on EFCS 2.0
- *InformationWeek* conferred *ValueHonors™ Awards* on eight HCL customers including Avago Technologies, Cathay Pacific Airways, Cummins Inc., Electrolux, Old Mutual Wealth Management, Purdue Pharma, Xerox and a Fortune 500 pharmaceutical company. *InformationWeek* evaluated more than 100 Fortune 1000 and Global 2000 companies from across the globe for these awards. There was a stringent nomination process in which enterprises demonstrated objective evidence of value creation across five categories: *Best Service Desk, Best Data Center Transformation, Best Cloud Strategy, Best Transition Management and Most Responsive to Business.*
- Forrester Research Inc. has published a dedicated case-study on HCL’s EFCS philosophy titled ‘*Case Study: HCL Technologies Puts Employees First, Customers Second (August 2011)*. This report provides a detailed analysis of the impact of the EFCS philosophy on HCL’s customers and the organization at large. “For HCL customers, improved engagement and employee passion translates into greater flexibility, proactive innovation, and a desire to do the right thing for the customer, regardless of what the rules might say”, it says.
- HCL Technologies has been recognized as a Leader in Gartner’s *Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America*, authored by William Maurer, David Edward Ackerman, Bryan Britz and Helen Huntley, published on 20 July 2011.

(The Gartner Magic Quadrant is copyrighted 2011 by Gartner, Inc., and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner’s analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the “Leaders” quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose).



Recognitions

- HCL Technologies has been rated *Positive* in Gartner's *MarketScope for Managed Security Services in Asia/Pacific*, authored by Andrew Walls and Rob McMillan, published on 30 September 2011. The Asia/Pacific market for managed security services has grown, despite continuing global economic instability.

(The MarketScope is copyrighted 2011 by Gartner, Inc. and is reused with permission. The MarketScope is an evaluation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the MarketScope, and does not advise technology users to select only those vendors with the highest rating. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.)

- IDC showcased HCL's capabilities in the *Mobile Enterprise Application Development Life-Cycle Services and Mobility Testing Services* in two recent reports. "Enterprise and ISV customers are looking to achieve a time-to-market advantage and can take advantage of HCL's product development expertise and accelerator solutions", the IDC report* said.

*(Source: *IDC, Strategies and Opportunities Driving, Doc #229772, Aug 2011 and IDC: Providers' Cross-Platform and Usability Expertise Helps Customers Build Strategic Advantage, Doc # 229878, Sept 2011)*

- HCL bagged four awards at the *Top Ranking Performers Awards 2011*, APAC hosted by ContactCenterWorld – The Global Association for Contact Center Best Practices & Networking. HCL won two Gold Medals for *Best Customer Service* and *Best Incentive Scheme*, a Silver Medal for *Best Recruitment Campaign*, and a Bronze Medal for *Best Large Contact Centre*. HCL won ContactCenterWorld's Top Ranking Performers Awards for the second consecutive year.
- HCL was felicitated with three prestigious recognitions at the *Asia's Best Employer Brand Awards 2011*, hosted jointly by World HRD Congress, Employer Branding Institute and Stars of the Industry Group. HCL won the awards under three categories namely '*HR Professional of the Year*', '*Innovation in Recruitment*' and '*Managing Health at Work*'.
- HCL has been included in the list of 15 Major Insurance BPO service providers by Operational Capability in Everest's report *Insurance BPO – Rising Demand, Increasing Competition* published by Rishabh Gupta, Saurabh Gupta, Abhishek Menon and Rajesh Ranjan, Everest.
- HCL has been awarded the *SICCI-DBS India Enterprise Award 2011* by the Singapore Indian Chamber of Commerce and Industry (SICCI) for making a positive impact on Singapore's socio-economic development.



Business Highlights

Corporate

- HCL opened a new state-of-the-art Global Delivery Center in Redmond, Washington. With an initial investment of \$4 million in this facility, HCL will create more than 400 jobs in the Seattle area over the next two years. HCL's 'Collaborative Engineering Hub' in Redmond will support its continued global expansion and increased focus on business innovation in software product development, test engineering and business critical platform development and will be a strong focal point for HCL's nearshore complex engineering programs.
- HCL established a software delivery centre in Dublin which will create 80 local jobs over the next 3 years for IT graduates. With this center HCL will service a growing number of its clients and prospects in the Financial services, Insurance and Healthcare/Pharmaceutical industries.
- HCL has earned Microsoft's *Gold Desktop Competency* certification, the highest citation of its kind on Microsoft Windows operating system and Microsoft Office suites. This certification further strengthens HCL's credentials and expertise to sell, deploy and support Windows 7, Microsoft Office 2010, and Microsoft Desktop Optimization Pack (MDOP).
- HCL has emerged as the first globally qualified partner of SAP Rapid Deployment Solutions for Project and Portfolio Management (RDS for PPM). The SAP RDS for PPM helps organizations align their projects to their portfolio strategy enabling portfolio-based decision making for new projects and the monitoring of current projects on a portfolio level including financial integration and standard analytics.
- HCL announced its strategic partnership with Basware, a leading provider of purchase-to-pay solutions. HCL will leverage Basware's industry leading Invoice Automation, Travel & Expense, Procurement and Connectivity solutions to deliver customers with process enhancements and increased cost reductions. With the Basware P2P model, HCL will help customers align their procurement and finance organizations as well as ensure effective networking of P2P processes with the supply base.
- HCL announced partnership with CAST, a world leader in software analysis and measurement, to further strengthen HCL's Software Assessment Services 'ASSESS-SMART' through the suite of CAST tools. 'ASSESS-SMART', that provides best-in-class software quality assessment service to HCL's worldwide clients, will be augmented by the CAST AIP tool that allows analysis and measurement of essential structural quality attributes such as reliability, performance, security, maintainability and sizing of applications with varying complexity.



Business Highlights

Americas

- HCL has undertaken a strategic implementation of the SAP® Customer Relationship Management (SAP CRM) application and an upgrade of SAP® for Utilities solutions at Sacramento Municipal Utility District (SMUD), a community-owned electric utility serving more than 1.4 million people. SMUD is utilizing HCL to help support its smart-grid initiatives through a comprehensive customer service and billing upgrade. SMUD has one of the most innovative smart-grid programs in North America.
- Vancouver City Savings Credit Union has selected HCL's CapitalStream™ *Straight Through Processing* (STP) solution to be its enterprise-wide lending platform. Through this engagement Vancity is expanding its relationship with HCL that began seven years ago when CapitalStream™ was selected to manage all lines of business lending (small, medium and large businesses). The solution is now being extended for use at Vancity's 59 retail banking locations thus providing a single solution to manage all of the credit union's lending operations.

Europe

- HCL has signed a strategic, multi-year & integrated IT Services engagement with EMI Music. As part of this engagement HCL will be providing a managed services offering for delivering reliable IT services to EMI businesses globally.
- HCL has won a transformational deal and completed the first successful "go live" of the Global SAP Template solution to support the international financial, manufacturing and trading operations of a global leader of rapid point-of-care diagnostic products and health management solutions company.



Business Highlights

Rest of the World (ROW)

- Eli Lilly, a global pharmaceutical corporation and HCL opened a Co-Innovation Lab in Singapore for developing novel technologies and improving operational efficiencies to enhance Eli Lilly's global competitiveness. This unique collaboration, the first globally for both companies, will accelerate the process of bringing ideas to fruition by leveraging the Co-Innovation lab and HCL's wider collaborative ecosystem, using new disruptive technologies and solutions, and through rapid development of Proof of Concept (PoCs).
- HCL won a deal from one of the leading gaming companies in Japan for developing a web based 3D photo contest application.
- A large corporate bank in the UAE has entered into an engagement with HCL for the development and implementation of a secure transaction banking platform. This engagement encompasses comprehensive cash management, trade finance, liquidity management, financial supply chain management and host-to-host solutions.



Financials

Consolidated financial results for the Quarter ended 30th September, 2011 drawn under US GAAP

Consolidated Income Statement

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	803.8	962.9	1,002.2	24.7%	4.1%
Direct Costs	549.4	650.8	686.7		
Gross Profits	254.4	312.0	315.5	24.0%	1.1%
SG & A	123.6	134.2	144.2		
EBITDA	130.8	177.8	171.3	30.9%	-3.7%
Depreciation	23.1	25.1	25.4		
Amortisation	4.0	3.7	2.8		
EBIT	103.7	149.0	143.1	38.0%	-4.0%
Foreign Exchange Gains/(loss)	(14.2)	1.9	(3.8)		
Other Income, net	0.1	1.6	5.1		
Provision for Tax	17.9	38.1	37.2		
Share of income / (loss) of minority shareholders	-	0.1	0.1		
Net Income	71.8	114.3	107.0	49.1%	-6.4%
Gross Margin	31.6%	32.4%	31.5%		
EBITDA Margin	16.3%	18.5%	17.1%		
EBIT Margin	12.9%	15.5%	14.3%		
Net Income Margin	8.9%	11.9%	10.7%		
Earnings Per Share (EPS)					
Annualized in US \$					
Basic	0.42	0.67	0.62	47.0%	
Diluted	0.41	0.65	0.61	48.1%	
Earnings Per Share (EPS) - GAAP*					
Annualized in US \$					
Basic	0.39	0.64	0.60	52.3%	
Diluted	0.39	0.63	0.59	53.5%	
“Weighted average Number of Shares used in computing EPS”					
Basic	679,262,639	687,153,050	689,169,555		
Diluted	694,593,412	700,936,391	699,267,872		

*After adjusting for non cash employee stock options charge



Note: - The above result does not take into account non cash employee stock options charge computed under FAS 123R, as per details given here:-

Particulars (in US \$ mn)	Quarter Ended		
	30-Sep-10	30-Jun-11	30-Sep-11
Options Charge	5.4	4.8	4.0
Tax benefit	0.5	0.4	0.3
Option Charge (net-of tax benefit)	4.9	4.4	3.7

Outstanding Options (in equivalent no of shares)	30-Sep-10		
	30-Sep-10	30-Jun-11	30-Sep-11
Options at market price	13,812,152	9,134,072	8,112,676
Options at less than market price	15,444,396	15,503,052	14,785,572

The options will vest in tranches till 2016

Consolidated Balance Sheet

Amount in US\$ million

Particulars	As on	
	30-Jun-11	30-Sep-11
Assets		
Cash and Cash Equivalents	116.3	95.9
Accounts Receivables, net	579.6	591.8
Unbilled Receivables	182.5	229.6
Fixed Deposits with Banks	241.3	246.8
Deposits with HDFC Ltd.	-	10.2
Investment Securities, available for sale	143.8	61.6
Other Current Assets	280.7	263.7
Total current assets	1,544.2	1,499.6
Property and Equipments, net	495.9	478.9
Intangible Assets, net	937.0	911.7
Investment Securities, held to maturity	21.2	19.4
Deposits with HDFC Ltd.	11.2	10.2
Fixed Deposits with Banks	24.6	22.5
Investments in Equity Investee	5.2	5.6
Other Assets	232.5	228.2
Total assets	3,271.9	3,176.0
Liabilities & Stockholders' Equity		
Current Liabilities	755.4	720.0
Borrowings	475.2	442.2
Other Liabilities	154.1	138.6
Total Liabilities	1,384.7	1,300.8
Total Stockholders Equity	1,887.1	1,875.3
Total Liabilities and Stockholders Equity	3,271.9	3,176.0



Consolidated Cash Flow Statement

Amount in US \$ million

Particulars	For the Year Ended Jun'11	For the Quarter Ended Sep'11
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	378.4	107.1
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	110.0	28.2
Others	(7.3)	13.4
Changes in Assets and Liabilities, net		
Accounts Receivable	(81.1)	(95.1)
Other Assets	(86.4)	(6.8)
Current Liabilities	66.4	(21.0)
Net Cash provided by operating Activities	380.0	25.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment (net)	(172.1)	(44.5)
(Purchase) / Sale of investments	21.6	71.9
Deposits with Banks	(21.6)	(27.0)
Deposits with HDFC Ltd.	11.1	(10.7)
Payment for Deferred consideration on Business Acquisition	(2.2)	-
Payments for business acquisitions, net of cash acquired	(13.4)	-
Proceeds from Sale of Business	3.2	-
Net Cash used in Investing Activities	(173.4)	(10.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Employees Stock Options	19.9	3.0
Proceeds from Issuance/(Redemption) of Debentures	-	(36.3)
Dividend	(114.7)	-
Loans	(107.6)	22.9
Others	(1.3)	(0.4)
Net Cash provided by (used in) Financing Activities	(203.6)	(10.8)
Effect of Exchange Rate on Cash and Cash Equivalents	12.5	(25.2)
Net Increase/ (Decrease) in Cash and Cash Equivalents	15.4	(20.4)
CASH AND CASH EQUIVALENTS		
Beginning of the Period	100.9	116.3
End of the Period	116.3	95.9



Segment wise Profitability

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

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	755.7	915.2	955.7	26.5%	4.4%
Direct Costs	510.0	612.3	649.8		
Gross Profits	245.7	302.9	305.9	24.5%	1.0%
SG & A	110.7	124.1	133.9		
EBITDA	135.0	178.8	172.0	27.4%	-3.8%
Depreciation	20.4	22.2	22.8		
Amortisation	3.8	3.7	2.8		
EBIT	110.8	152.9	146.4	32.1%	-4.2%
Gross Margin	32.5%	33.1%	32.0%		
EBITDA Margin	17.9%	19.5%	18.0%		
EBIT Margin	14.7%	16.7%	15.3%		

B. BPO Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	48.1	47.7	46.5	-3.4%	-2.5%
Direct Costs	39.4	38.5	36.9		
Gross Profits	8.7	9.2	9.6	9.9%	4.5%
SG & A	12.9	10.1	10.3		
EBITDA	(4.2)	(0.9)	(0.7)		
Depreciation	2.7	3.0	2.6		
Amortisation	0.2	-	-		
EBIT	(7.1)	(3.9)	(3.4)		
Gross Margin	18.1%	19.2%	20.6%		



A1. Software Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	575.7	679.0	709.4	23.2%	4.5%
Direct Costs	376.9	443.7	471.2		
Gross Profits	198.9	235.3	238.3	19.8%	1.3%
SG & A	95.8	102.9	110.8		
EBITDA	103.1	132.4	127.5	23.7%	-3.7%
Depreciation	14.0	14.6	15.3		
Amortisation	3.8	3.7	2.8		
EBIT	85.2	114.0	109.4	28.4%	-4.0%
Gross Margin	34.5%	34.7%	33.6%		
EBITDA Margin	17.9%	19.5%	18.0%		
EBIT Margin	14.8%	16.8%	15.4%		

A2. Infrastructure Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	180.0	236.2	246.3	36.8%	4.3%
Direct Costs	133.2	168.6	178.6		
Gross Profits	46.8	67.6	67.7	44.6%	0.1%
SG & A	14.8	21.2	23.1		
EBITDA	32.0	46.4	44.5	39.3%	-4.1%
Depreciation	6.3	7.5	7.5		
EBIT	25.6	38.9	37.0	44.6%	-4.7%
Gross Margin	26.0%	28.6%	27.5%		
EBITDA Margin	17.8%	19.6%	18.1%		
EBIT Margin	14.2%	16.5%	15.0%		



Revenue Analysis

Geographic Mix (Quarter ended)	30-Sep-10	30-Jun-11	30-Sep-11	LTM
Americas	58.0%	54.4%	55.8%	55.4%
Europe	26.7%	27.1%	26.6%	26.8%
Rest of World	15.3%	18.5%	17.5%	17.8%

Service Offering Mix (Quarter ended)	30-Sep-10	30-Jun-11	30-Sep-11	LTM
Enterprise Application Services	21.7%	20.9%	19.8%	20.8%
Engineering and R&D Services	18.7%	17.8%	18.6%	18.1%
Custom Application Services	31.3%	31.8%	32.4%	32.0%
Infrastructure Services	22.3%	24.5%	24.6%	23.9%
BPO Services	6.0%	4.9%	4.6%	5.2%

Revenue by Contract Type for IT Services (Quarter ended)	30-Sep-10	30-Jun-11	30-Sep-11
Time & Material (T&M)	58.9%	57.5%	56.0%
Fixed Price Projects	41.1%	42.5%	44.0%

Revenue by Vertical (Quarter ended)	30-Sep-10	30-Jun-11	30-Sep-11
Financial Services	25.2%	26.0%	25.1%
Manufacturing	27.2%	28.0%	29.0%
Telecom	11.0%	9.1%	8.5%
Retail & CPG	8.5%	7.9%	8.5%
Media, Publishing & Entertainment (MPE)	6.9%	7.1%	6.8%
Healthcare	8.4%	7.9%	7.6%
Energy-Utilities-Public Sector	6.8%	8.3%	8.0%
Others	6.0%	5.7%	6.6%

Rupee / US Dollar Rate	30-Sep-10	30-Jun-11	30-Sep-11
Quarter Ended	44.93	44.70	48.97
Average for the Quarter	46.13	44.65	46.41

“LTM” - Last Twelve Months



Constant Currency (CC) Reporting

Reported	JAS'10	OND'10	JFM'11	AMJ'11	JAS'11
Revenue (\$ Mn)	803.8	864.1	914.5	962.9	1,002.2
Growth QoQ	9.0%	7.5%	5.8%	5.3%	4.1%
Growth YoY	27.6%	32.6%	33.5%	30.5%	24.7%
Constant Currency (QoQ)	JAS'10	OND'10	JFM'11	AMJ'11	JAS'11
Revenue (\$ Mn)	792.0	856.5	906.0	950.6	1,011.8
Growth QoQ	7.4%	6.5%	4.8%	3.9%	5.1%
Constant Currency (YoY)	JAS'10	OND'10	JFM'11	AMJ'11	JAS'11
Revenue (\$ Mn)	809.6	869.7	896.9	919.7	979.7
Growth QoQ	28.5%	33.4%	30.9%	24.7%	21.9%

Average Rates for Quarter	JAS'10	OND'10	JFM'11	AMJ'11	JAS'11
GBP	1.56	1.57	1.61	1.64	1.61
EURO	1.31	1.34	1.39	1.46	1.41
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.74	0.77	0.79	0.81	0.81
AUD	0.92	0.98	1.01	1.08	1.04

Particulars	Segment (US \$) Growth	QoQ at CC
Consolidated	For the Company	5.1%
Geography	Americas	6.8%
	Europe	4.5%
	Rest of World	0.7%
Service Offering	Enterprise Application Services	-0.6%
	Engineering and R&D Services	8.6%
	Custom Application	7.3%
	Infrastructure Services	5.8%
	BPO Services	-1.3%
Industry	Financial Services	2.1%
	Manufacturing	8.2%
	Telecom	-2.0%
	Retail & CPG	12.0%
	Media Publishing & Entertainment (MPE)	0.4%
	Healthcare	0.0%
	Energy-Utilities-Public Sector	1.6%
	Others	23.1%
Clients (LTM)	Top 5 (LTM)	3.9%
	Top 10 (LTM)	2.7%
	Top 20 (LTM)	1.5%



Client Metrics

Client Data (LTM)	30-Sep-10	30-Jun-11	30-Sep-11
Number of Clients			
Active Client Relationship	426	467	480
New Client Relationship	48	70	66
Accounting for >5% of revenue	1	1	1

Number of Million Dollar Clients (LTM)	30-Sep-10	30-Jun-11	30-Sep-11	QoQ Change	YoY Change
100 Million dollar +	1	1	1	-	-
50 Million dollar +	6	9	9	-	3
40 Million dollar +	7	10	11	1	4
30 Million dollar +	14	22	23	1	9
20 Million dollar +	26	35	37	2	11
10 Million dollar +	64	73	79	6	15
5 Million dollar +	112	126	135	9	23
1 Million dollar +	292	332	349	17	57

Client Contribution to Revenue (LTM)	30-Sep-10	30-Jun-11	30-Sep-11	QoQ growth
Top 5 Clients	17.7%	15.4%	15.3%	5.1%
Top 10 Clients	25.9%	24.6%	24.1%	3.6%
Top 20 Clients	36.6%	35.3%	34.2%	2.4%

Client Business - (LTM)	30-Sep-10	30-Jun-11	30-Sep-11
Repeat Business - Consolidated	93.7%	94.7%	94.9%
Days Sales Outstanding - excluding unbilled receivables	61	54	53



Operational Metrics - Software Services

Software Services (Quarter Ended)	30-Sep-10	30-Jun-11	30-Sep-11
Efforts			
Offshore	72.2%	73.0%	72.7%
Onsite	27.8%	27.0%	27.3%
Revenue			
Offshore	41.7%	42.7%	42.3%
Onsite	58.3%	57.3%	57.7%
Utilization			
Offshore - Including trainees	70.1%	72.5%	69.7%
Offshore - Excluding trainees	74.1%	76.1%	76.5%
Onsite	95.7%	96.2%	96.0%
Blended Utilization (Excl. Trainees)	79.1%	80.7%	81.0%

Software Services Efforts (Man Months)	30-Sep-10	30-Jun-11	30-Sep-11
Efforts Billed - Offshore	66,396	77,333	80,171
Efforts Billed – Onsite	25,609	28,673	30,074
Total Billed Efforts	92,005	106,006	110,246
Not Billed	24,347	25,396	25,808
Trainee	5,075	5,020	10,357
Not Billed (including trainees)	29,422	30,416	36,164



Employee Metrics

Manpower Details	30-Sep-10	30-Jun-11	30-Sep-11
Total Employee Count	70,218	77,046	80,520
IT Services (Software Services [A1] + Infrastructure Services [A2])	58,660	66,485	70,321
Technical	52,558	59,944	63,635
Support	6,102	6,541	6,686
Gross Addition	8,333	7,086	6,927
Net Addition	5,327	3,949	3,836
Gross Lateral Employee Addition	5,598	3,781	3,786
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	16.7%	16.5%	15.9%
BPO Services - Total	11,558	10,561	10,199
Technical	10,212	9,677	9,378
Support	1,346	884	821
Gross Addition	3,452	2,486	2,384
Net Addition	334	(323)	(362)
Gross Lateral Employee Addition	746	2,486	2,384
Offshore Attrition – Quarterly	10.3%	9.2%	8.5%
Offshore Attrition - Quarterly (excluding attrition of joinees less than 6 months)	6.4%	7.4%	7.6%

* Excludes involuntary attrition



A1. Software Services

	30-Sep-10	30-Jun-11	30-Sep-11
Software Services - Total	45,460	50,218	53,271
Technical	40,595	44,991	47,950
Support	4,865	5,227	5,321
Gross Addition	6,595	4,763	5,343
Net Addition	4,347	2,416	3,053
Gross Lateral Employee Addition	4,489	2,244	2,602
Attrition (LTM)	16.6%	16.3%	15.8%

A2. Infrastructure Services

	30-Sep-10	30-Jun-11	30-Sep-11
Infrastructure Services - Total	13,200	16,267	17,050
Technical	11,963	14,953	15,685
Support	1,237	1,314	1,365
Gross Addition	1,738	2,323	1,584
Net Addition	980	1,533	783
Gross Lateral Employee Addition	1,109	1,537	1,184
Attrition (LTM)	16.9%	17.0%	16.4%



Facilities

As on 30th Sep 2011	Completed		Work in Progress		Land Available for expansion - in acres
	Built Up area (Sq. ft.)	No. of seats	Built Up area (Sq. ft.)	No. of seats	
Gurgaon+Manesar	336,697	3,156	376,420	2,830	-
Noida(NCR)	1,936,012	21,861	822,429	6,500	12
Chennai	3,203,385	28,849	550,000	5,300	27
Bangalore	1,135,511	10,994	290,000	2,760	13
Mumbai	12,785	153	-	-	-
Kolkatta	95,467	1,039	-	-	-
Hyderabad	347,141	2,913	-	-	-
Pune	50,000	562	-	-	-
Global (Outside India)	525,348	5,465	16,205	240	-
Total	7,642,346	74,992	2,055,053	17,630	52

Cash & Cash Equivalents, Investments and Borrowings

Amount in US \$ million

	30-Sep-11
Cash and Cash Equivalents	95.9
Fixed Deposit with Banks	269.2
Deposits with HDFC Ltd.	20.4
Investment Securities, available for sale	61.6
Investment Securities, held to maturity	19.4
Grand Total	466.5

	30-Sep-11
Borrowings	442.2

* Note: For details please refer: <http://www.hcltech.com/investors/downloads/Details-of-Cash-&-Bank-Balances-Q1-12.pdf>



Financials in INR as per convenience translation - Average Exchange Rate

The financials in INR are based on a convenience translation using the average rate for the quarter: US\$1 = ₹ 46.41 for the quarter ended on 30 Sep 2011; US\$1 = ₹ 44.65 for the quarter ended on 30 Jun 2011; US\$1 = ₹ 46.13 for the quarter ended 30 Sep 2010.

Financial results for the Quarter ended 30th September 2011 drawn under US GAAP

Consolidated Income Statement

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	3,708.1	4,299.5	4,651.3	25.4%	8.2%
Direct Costs	2,534.6	2,906.1	3,187.1		
Gross Profits	1,173.5	1,393.4	1,464.2	24.8%	5.1%
SG & A	570.1	599.2	669.3		
EBITDA	603.3	794.1	794.9	31.8%	0.1%
Depreciation	106.4	112.1	117.8		
Amortisation	18.5	16.7	13.1		
EBIT	478.3	665.3	664.0	38.8%	-0.2%
Foreign Exchange Gains/(loss)	(65.5)	8.3	(17.9)		
Other Income, net	0.5	7.1	23.8		
Provision for Tax	82.4	169.9	172.8		
Share of income / (loss) of minority shareholders	(0.2)	0.2	0.3		
Net Income	331.1	510.5	496.7	50.0%	-2.7%
Gross Margin	31.6%	32.4%	31.5%		
EBITDA Margin	16.3%	18.5%	17.1%		
EBIT Margin	12.9%	15.5%	14.3%		
Net Income Margin	8.9%	11.9%	10.7%		
Earnings Per Share (EPS) *					
Annualized in US \$					
Basic	19.5	29.7	28.8	47.9%	
Diluted	19.1	29.1	28.4	49.0%	
Earnings Per Share (EPS) - GAAP					
Annualized in US \$					
Basic	18.2	28.6	27.8	53.2%	
Diluted	17.8	28.0	27.4	54.4%	
“Weighted average Number of Shares used in computing EPS”					
Basic	679,262,639	687,153,050	689,169,555		
Diluted	694,593,412	700,936,391	699,267,872		

*After adjusting for non cash employee stock options charge



Note: - The above result does not take into account non cash employee stock options charge computed under FAS 123R, as per details given here:-

Particulars (in ₹ Crores)	Quarter Ended		
	30-Sep-10	30-Jun-11	30-Sep-11
Options Charge	25.0	21.7	18.5
Tax benefit	2.4	1.8	1.4
Option Charge (net-of tax benefit)	22.6	19.9	17.1
Outstanding Options (in equivalent no of shares)			
	30-Sep-10	30-Jun-11	30-Sep-11
Options at market price	13,812,152	9,134,072	8,112,676
Options at less than market price	15,444,396	15,503,052	14,785,572

The options will vest in tranches till 2016

Consolidated Balance Sheet (At Quarter Closing Exchange Rate of ₹ 48.97/US\$)

Amount in ₹ Crores

Particulars	As on		
		30-Jun-11	30-Sep-11
Assets			
Cash and Cash Equivalents		519.8	469.4
Accounts Receivables, net		2,590.7	2,898.0
Unbilled Receivables		815.8	1,124.4
Fixed Deposits with Banks		1,078.5	1,208.5
Deposits with HDFC Ltd.		-	50.0
Investment Securities, available for sale		642.6	301.9
Other Current Assets		1,254.6	1,291.4
Total current assets		6,902.0	7,343.6
Property and Equipments, net		2,216.5	2,345.2
Intangible Assets, net		4,187.8	4,464.7
Investment Securities, held to maturity		94.9	94.9
Deposits with HDFC Ltd.		50.0	50.0
Fixed Deposits with Banks		110.0	110.0
Investments in Equity Investee		23.1	27.5
Other Assets		1,039.2	1,117.3
Total assets		14,623.5	15,553.0
Liabilities & Stockholders' Equity			
Current Liabilities		3,376.3	3,525.8
Borrowings		2,124.0	2,165.4
Other Liabilities		688.7	678.7
Total Liabilities		6,189.0	6,369.9
Total Stockholders Equity		8,434.5	9,183.1
Total Liabilities and Stockholders Equity		14,623.5	15,553.0



Segment wise Profitability

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

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	3,486.1	4,086.7	4,435.7	27.2%	8.5%
Direct Costs	2,352.9	2,734.2	3,015.9		
Gross Profits	1,133.3	1,352.5	1,419.8	25.3%	5.0%
SG & A	510.5	554.2	621.5		
EBITDA	622.8	798.3	798.3	28.2%	0.0%
Depreciation	94.0	99.0	105.6		
Amortisation	17.5	16.7	13.1		
EBIT	511.3	682.6	679.7	32.9%	-0.4%
Gross Margin	32.5%	33.1%	32.0%		
EBITDA Margin	17.9%	19.5%	18.0%		
EBIT Margin	14.7%	16.7%	15.3%		

B. BPO Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	221.9	212.8	215.7	-2.8%	1.4%
Direct Costs	181.7	171.9	171.3		
Gross Profits	40.2	40.9	44.4	10.6%	8.6%
SG & A	59.6	45.0	47.8		
EBITDA	(19.5)	(4.1)	(3.4)		
Depreciation	12.5	13.2	12.2		
Amortisation	1.0	-	-		
EBIT	(32.9)	(17.3)	(15.6)		
Gross Margin	18.1%	19.2%	20.6%		



A1. Software Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	2,655.9	3,032.0	3,292.7	24.0%	8.6%
Direct Costs	1,738.4	1,981.4	2,186.9		
Gross Profits	917.4	1,050.6	1,105.8	20.5%	5.3%
SG & A	442.0	459.6	514.1		
EBITDA	475.4	591.0	591.7	24.5%	0.1%
Depreciation	64.7	65.3	70.8		
Amortisation	17.5	16.7	13.1		
EBIT	393.2	509.0	507.8	29.2%	-0.2%
Gross Margin	34.5%	34.7%	33.6%		
EBITDA Margin	17.9%	19.5%	18.0%		
EBIT Margin	14.8%	16.8%	15.4%		

A2. Infrastructure Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-10	30-Jun-11	30-Sep-11	YoY	QoQ
Revenues	830.3	1,054.7	1,142.9	37.7%	8.4%
Direct Costs	614.4	752.8	828.9		
Gross Profits	215.8	301.8	314.0	45.5%	4.0%
SG & A	68.4	94.6	107.4		
EBITDA	147.4	207.2	206.6	40.2%	-0.3%
Depreciation	29.3	33.7	34.8		
EBIT	118.1	173.5	171.8	45.4%	-1.0%
Gross Margin	26.0%	28.6%	27.5%		
EBITDA Margin	17.8%	19.6%	18.1%		
EBIT Margin	14.2%	16.5%	15.0%		



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 26 countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare. HCL takes pride in its philosophy of 'Employee First, Customer Second' which empowers our 80,520 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, has reported consolidated revenues of US\$ 3.7 billion (₹ 16,977 crores), as on 30 September 2011 (on LTM basis). For more information, please visit www.hcltech.com

About HCL Enterprise

HCL is a \$6 billion leading global technology and IT enterprise comprising two companies listed in India - HCL Technologies and HCL Infosystems. Founded in 1976, HCL is one of India's original IT garage start-ups. A pioneer of modern computing, HCL is a global transformational enterprise today. Its range of offerings includes product engineering, custom & package applications, BPO, IT infrastructure services, IT hardware, systems integration, and distribution of information and communications technology (ICT) products across a wide range of focused industry verticals. The HCL team consists of over 85,000 professionals of diverse nationalities, who operate from 31 countries including over 500 points of presence in India. HCL has partnerships with several leading global 1000 firms, including leading IT and technology firms. For more information, please visit www.hcl.com

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.



Talk to me

For details, contact:

MEDIA RELATIONS

Ajay Davessar

ajay.davessar@hcl.com

+91 - 9650122336

Deepika Bansal

deepikab@sixdegreespr.co.in

+91-9811292247

INVESTOR RELATIONS

Sanjay Mendiratta

sanjay.mendiratta@hcl.com

+91- 9312065108

Animesh Aggarwal

animesh.a@hcl.com

+91- 9560304999

HCL Technologies Ltd.,

A 10-11, Sector-III, Noida - 201301

www.hcltech.com



Hello there. I'm from HCL. We work behind the scenes, helping our customers to shift paradigms & start revolutions. We use digital engineering to build superhuman capabilities. We make sure that the rate of progress far exceeds the price. And right now, over 85,000 of us bright sparks are busy developing solutions for over 500 customers in 31 countries across the world. How can I help you?