



HCL Technologies

Quarterly Results 2010-11

Second Quarter Results FY 2010-11

Investor Release

Noida, NCR, India, January 19, 2011

Q2 Revenues at US\$ 864 mn; up 7.5% QoQ & 32.6% YoY

Net Income at US\$ 89 mn; up 23.7% QoQ & 39.2% YoY

Q2 Revenues at Rs. 3,888 crores; up 4.9% QoQ & 27.8% YoY

Net Income at Rs. 400 crores; up 20.7% QoQ & 34.2% YoY

- *Volume-led robust growth across all Geographies, Verticals and Service Offerings*
- *Achieves revenues in excess of US\$ 3 Bn for the Calendar Year 2010*
- *Hiring in excess of 38,000 in Calendar Year 2010*
- *46 New Customers added in Calendar Year 2010, of which 12 customers are in G-500*
- *Declares Dividend of Rs. 2 per share. 33% increase in dividend per share*

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Financial Highlights

Highlights for the Quarter (US\$)

- Revenue at **US\$ 864 mn; up 32.6% YoY & 7.5% sequentially**
- Revenue on constant currency basis up **33.4% YoY & 6.5% sequentially**
- EBIT at **US\$ 113 mn; up 5.1% YoY & 9.5% sequentially**
- Net Income at **US\$ 89 mn; up 39.2% YoY & 23.7% sequentially**
- Announces dividend of **Rs. 2 per share. 32nd consecutive quarter** of dividend payout. **33% increase** in dividend per share
- Gross & Net Employee addition of **8,379 & 2,049** respectively taking total headcount to **72,267**

Highlights for the Quarter (INR convenience translation at an Average Rate of Rs.45.0/US\$)

- Revenue at **Rs. 3,888 crores; up 27.8% YoY & 4.9% sequentially**
- EBIT at **Rs. 511 crores; up 1.4% YoY & 6.8% sequentially**
- Net Income at **Rs. 400 crores; up 34.2 % YoY & 20.7% sequentially**
- Announces dividend of **Rs. 2 per share. 32nd consecutive quarter** of dividend payout. **33% increase** in dividend per share
- Gross & Net Employee addition of **8,379 & 2,049** respectively taking total headcount to **72,267**



Corporate Overview

HCL continues on a path of sustained balanced growth with yet another quarter of all-round performance.

“As we step into the New Year, the global economic environment is forcing the companies to redefine the concept of value. At HCL, we are in the business of creating value for our employees through our ‘Employees First, Customers Second’ philosophy; for our customers through continuous innovation; and for society by being a socially responsible organization. We believe that our continued impressive performance is a direct result of the success of this strategy and focus”, said **Shiv Nadar, Founder, HCL and Chairman, Shiv Nadar Foundation.**

Commenting on the results, **Vineet Nayar, Vice Chairman & CEO, HCL Technologies** said, “The dynamic demand environment necessitates a sharp focus on innovation and tangible value generation for customers. This is evident from our continued robust performance in CY10 with HCL exceeding USD 3 bn in revenue, posting 26% YoY growth and a four quarter CQGR of 7.3%. We also continued to register impressive win ratios and superior customer acquisitions with 50+ transformational deals signed during the year.”

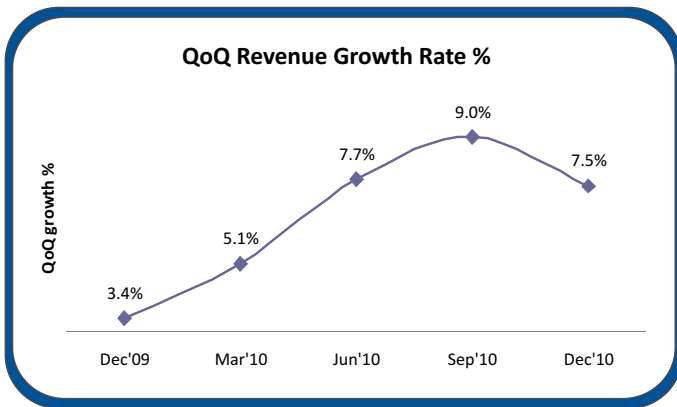
“HCL continues to focus on all-round growth across businesses and at the same time strengthening its financial position. The ratio of Net Income converted into cash flow from operations stands at 90% (For the whole year 2010 it has been 92%). The net income margin at 10.3% has increased this quarter by 135 bps sequentially”, added **Anil Chanana, CFO, HCL Technologies.**



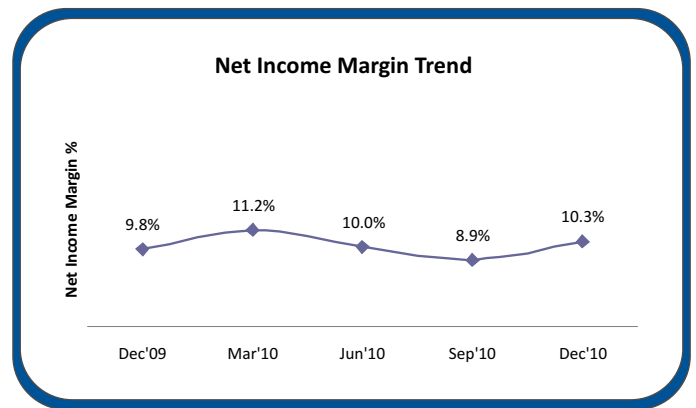
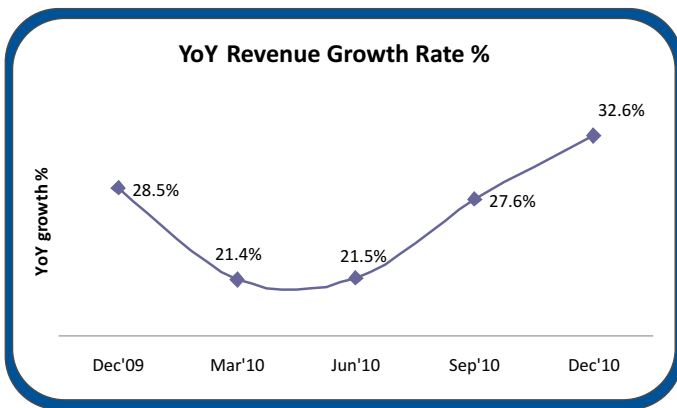
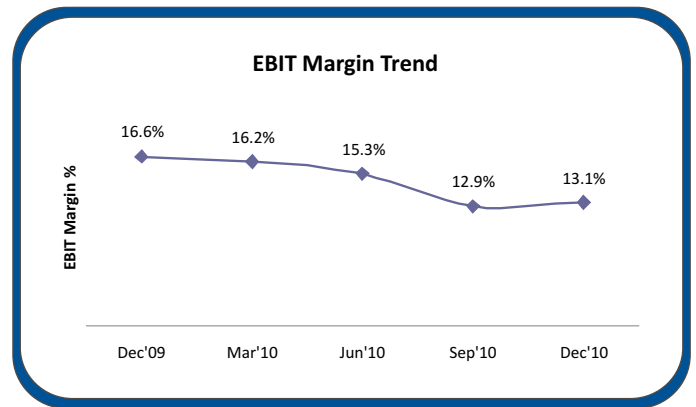
Performance Highlights

Overall Company

Growth Trends



Margin Trends



Key Catalysts for Growth

- Revenues grow by **7.5%** QoQ with IT Services continuing to lead the growth at **7.8%** QoQ.
- All geographies reported positive growth with Americas at **5.8%** QoQ, Europe at **7.2%** QoQ and ROW at **14.6%** QoQ.
- Positive growth across service offerings with Infrastructure Services and Custom Applications Services posting **9.4%** QoQ and **9.1%** QoQ respectively.
- All verticals reported strong growth with Retail & CPG at **15.5%** QoQ, Energy-Utilities-Public Services at **13.2%** QoQ and Healthcare at **7.4%**.

US\$ Growth					
Particulars	Segments	OND' 10			CY10 vs CY09
		QoQ	4Q CQGR#	YoY	
Consolidated	For the Company	7.5%	7.3%	32.6%	26.0%
Geography	Rest of the World	14.6%	12.5%	60.2%	50.7%
	Europe	7.2%	4.6%	19.9%	15.0%
	Americas	5.8%	7.3%	32.6%	26.1%
Service Offerings	Infrastructure Services	9.4%	10.5%	49.1%	55.3%
	Custom Application Services	9.1%	8.4%	38.0%	29.6%
	Engineering and R&D Services	6.3%	8.0%	36.0%	22.5%
	Enterprise Application Services	5.5%	5.9%	25.9%	18.1%
Verticals	Retail & CPG	15.5%	10.9%	51.1%	47.9%
	Energy-Utilities-Public Sector	13.2%	6.9%	30.5%	15.3%
	Healthcare	7.4%	11.6%	54.9%	56.1%
	Manufacturing	7.2%	8.9%	40.6%	19.9%
	Media, Publishing & Entertainment (MPE)	6.2%	5.8%	25.4%	47.5%
	Telecom	5.8%	3.6%	15.2%	11.6%
	Financial Services	5.2%	5.8%	25.1%	24.7%

CQGR numbers are for 4 quarters beginning from Oct-Dec'09 quarter.



Multi-Year, Multi-Million Dollar Transformational Deals

- HCL won 17 transformational deals during the last quarter. Most of these deals have been won from our existing customers across all services lines and verticals. New wins include leading names viz. Bank of Ireland, bioMérieux SA, a leading women's fashion apparel retailer headquartered in the USA and a leading commercial airline in North America.

Transformation @ HCL

- Shiv Nadar, Founder, HCL and Chairman, Shiv Nadar Foundation, has been conferred with the **'Economic Times Corporate Excellence Award for CSR'** for his outstanding philanthropic endeavors, and in recognition of the constructive philanthropy pioneered by the Shiv Nadar Foundation.
- Mr. Nadar has also been conferred with the **'Dataquest Lifetime Achievement Award'** for his contribution to the Indian IT industry in creating a successful global Indian IT brand and in recognition of his mark on Indian society through high-impact philanthropy.
- Vineet Nayar, Vice Chairman and CEO, HCL Technologies, has been conferred with the **'HRD Excellence - Pathfinder CEO Award 2010'** by the National HRD Network for his path-breaking thought leadership in employee engagement and management.
- Harvard Business Press book **'Employees First, Customers Second - Turning Conventional Management Upside Down'** authored by Vineet Nayar, Vice Chairman & CEO, HCL Technologies, has been ranked No. 17 on the Best Seller list in 800-CEO-READ, a leading global retailer of management books. The book has also been listed amongst the 'Best Business Books of 2010' by the Library Journal of America and ranked No. 7 on Amazon UK's listing of 'Best Business Books of 2010'.
- HCL has been ranked at the 19th position in the **'Best Company for Leaders'** global survey conducted by The Chief Executive Magazine. This ranking has been based on research conducted by analysts from the Harvard University, the University of Virginia's Darden School of Business, Chally Group Worldwide and others.
- HCL has unveiled **'Straight Talk'** – an exclusive **"for CIOs from CIOs"** publication. The first edition of **'Straight Talk'** saw 25 CIOs participating in the form of high quality articles, endorsed case studies and insightful excerpts. It is the first manifestation of the larger 'Straight Talk' platform, the company's newly launched CXO based peer-to-peer learning and networking platform for CXOs (available in print, online and physical event formats).



Recognitions

- HCL has been presented with the **'Service Provider of the Year'** award by the National Outsourcing Association, UK.
- HCL has been positioned as a Leader in **'Gartner Magic Quadrant for SAP ERP Implementation Service Providers, North America, November 2010'**.
- Six of HCL's customers: Cummins, Teradyne, Old Mutual Wealth Management: Skandia, Xerox and one of the world's leading mobile manufacturers, have been felicitated with 'ValueHonors Awards' by InformationWeek, a UBM TechWeb publication.
- Leading analyst group Technology Business Research Inc (TBR) has published a report titled **'Making the CIO the Most Valuable Client'** which highlighted HCL's unique strategy of empowering the CIOs.
- Ovum in its report titled **'HCL's CEO explains why the company is "different"'** has appreciated HCL's customer engagement strategy by stating that, 'The company is playing the long game: if customers "like" HCL, they will put more deals its way'.
- HCL has won the **'Best VLSI/Embedded Design Established Indian company'** award at the recently held Mentor Graphics Leadership Awards.
- HCL has been awarded two prestigious accolades at the internationally renowned Outsourcing Relationship Management **'RMMY'** Awards, organized by Vantage Partners and the Outsourcing Institute. HCL received two awards, namely **'The Few, The Proud, The RM's'** given to recognize HCL's superior relationship/account managers and **'Ain't no Valley of Despair here'**, in recognition of our best-in-class transition processes.



Business Highlights

Corporate

- HCL organized its annual Industry Analyst and Advisors Day, 2010, in North America and Europe. The North America event was attended by over 100 participants from 30 organizations, while Europe had 60+ attendees. Key analysts including IDC, Gartner, TBR, Ovum wrote exclusive reports on HCL's strategy post the event.
- HCL's Customer Advisory Council established two additional chapters viz. Europe Chapter consisting of 26 CXOs from our most Strategic European Accounts and North America Technology Chapter consisting of 22 CTOs/Head of R&D Engineering Services.
- HCL has been entrusted with the development and deployment of the second generation of a market leading mobility product involving end to end hardware redesign and complete software stack upgrade for a worldwide leader in networking & telecom products.
- HCL and Odessa Technologies, Inc. announced a strategic partnership to expand distribution channels, augment implementation capacity and increase speed-to-market for select installations of Odessa's end-to-end lease management system, LeaseWave(R).
- RightAnswers, Inc, the leader in providing knowledge management, self-service, and knowledge base development has conferred HCL with its 'Innovative Partner of the Year' Award.
- Pike Research, a U.S. based market research and consulting firm has featured HCL as an 'Innovative player making aggressive in-road in the Smart Grid Managed Services'.

Americas

Americas continue to be the largest market for HCL. During CY 2010, HCL recorded revenues in excess of US\$ 3 bn of which US\$ 1.8 bn came from Americas. This quarter Americas recorded 5.8% QoQ growth ahead of 2.8% QoQ reported in the last quarter

- HCL has been engaged by a long standing Aerospace customer to develop and support product development for a safety critical aerospace system development in a current generation plane upgrade program.
- HCL has been chosen by a US based medical devices manufacturer to support its ROHS (Restriction of Hazardous Substances) Compliance Management.
- HCL has signed a multi-year partnership with Lojas Renner, a leading fashion retailer in Brazil. Under this partnership, HCL will be responsible for supporting Oracle systems, deployed in more than 130 stores across Brazil. In addition, it has entered into an engagement with a leading electronic retailer in Brazil to support the Oracle E-business and Oracle Retail systems, deployed in more than 200 stores.
- HCL has also been signed up for Siebel on Demand Implementation by an automotive major in Brazil.
- HCL has been recognized as an Oracle Platinum partner for Oracle E-Business in Brazil.



Business Highlights

Europe

Europe continues to be the 2nd largest market for HCL. In CY 2010, HCL recorded revenues in excess of US\$ 3 bn of which US\$ 809 mn came from Europe. This quarter Europe recorded 7.2% QoQ growth in revenues

- HCL has been positioned as a **'Leader'** in the **'Forrester Wave™: EMEA Applications Outsourcing, Q4 2010'** that evaluated leading Application outsourcing solution vendors.
- HCL has won an engagement to provide end-to-end Fulfillment services for Cards and Online Savings to Bank of Ireland.
- HCL signed an Infrastructure Services engagement with bioMérieux SA., a leading in-vitro diagnostics company
- HCL signed a strategic Infrastructure Management partnership with Swisscom ITS for managing its IT infrastructure. As part of this agreement, Swisscom ITS will also be the Go-to-Market channel for HCL in Switzerland.
- Leading journalists from more than 20 European media houses visited HCL India campus to understand HCL and its strategy. As a follow on to this visit, HCL was covered extensively in leading European publications like The Financial Times, The BBC, The Daily Telegraph, Les Echos and La Tribune.

Rest of the World (ROW)

ROW continues to be the fastest growing market for HCL. In CY 2010, HCL recorded revenues in excess of US\$ 3 bn of which US\$ 461 mn came from ROW. This quarter ROW recorded 14.6% QoQ growth in revenues which is almost twice the growth of the company's QoQ.

- HCL has won the SAP Award for Customer Excellence 2010. The prestigious award was given in recognition of HCL's successful and unique implementation of HRM at Land Transport Authority Singapore.
- HCL Japan has been conferred with the Japan Management Association (JMA) HRD Excellence Award, 2010
- HCL has entered into a contract with a leading Japanese Electronics giant for a three year wing-to-wing Returns Material Management.
- HCL has been selected by a leading Japan based automotive company to provide end to end product development for next generation active safety system aligned to real time vision system based on front and rear mirror imagery.
- HCL has signed up with one of the largest banks in Africa for providing domain-led services to help the bank in devising its future strategy.
- HCL has signed a deal with Novotech, the largest independent clinical research organization in Australia to implement Oracle's Siebel Clinical Trial Management System (CTMS).
- HCL has announced a strategic partnership with Multipolar, a leading Indonesian company, part of the Lippo Group. The partnership entails a joint go-to-market plan for the Indonesian market leveraging HCL's global capabilities and Multipolar's local reach.



Financials

Unaudited consolidated financial results for the quarter ended 31st December, 2010 drawn under US GAAP

Consolidated Income Statement

Amount in US\$ million

Income Statement	Quarter Ending			Growth	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	651.7	803.8	864.1	32.6%	7.5%
Direct Costs	419.2	549.4	591.4		
Gross Profits	232.5	254.4	272.7	17.3%	7.2%
SG & A	95.2	123.6	131.6		
EBITDA	137.2	130.8	141.0	2.8%	7.8%
Depreciation	20.9	23.1	23.6		
Amortisation	8.3	4.0	3.9		
EBIT	108.0	103.7	113.5	5.1%	9.5%
Forex gain / (loss)	(27.0)	(14.2)	(3.0)		
Other Income, net	(2.9)	0.1	1.2		
Provision for Tax	14.6	17.9	22.9		
Share of Minority Interest	0.3	0.0	0.0		
Net Income	63.8	71.8	88.8	39.2%	23.7%
Gross Margin	35.7%	31.6%	31.6%		
EBITDA Margin	21.1%	16.3%	16.3%		
EBIT Margin	16.6%	12.9%	13.1%		
Net Income Margin	9.8%	8.9%	10.3%		
Earnings Per Share (EPS) - Annualized					
Basic – in US\$	0.38	0.42	0.52		
Diluted – in US\$	0.37	0.41	0.51		
“Weighted average number of Shares used in computing EPS”					
Basic	672,471,573	679,262,639	682,703,410		
Diluted	689,573,435	694,593,412	697,054,475		



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)	31-Dec-09	30-Sep-10	31-Dec-10
Option Charge	5.2	5.4	5.7
Tax benefit	0.3	0.5	0.1
Option Charge (Net-of Tax benefit)	4.9	4.9	5.6

Outstanding Options (in equivalent no of shares)	31-Dec-09	30-Sep-10	31-Dec-10
Options at market price	21,350,444	13,812,152	11,844,244
Options at less than market price	9,020,976	15,444,396	17,875,316

The options will vest in tranches till 2016

Consolidated Balance Sheet

Amount in US\$ million

Particulars	As on	
	30-Jun-10	31-Dec-10
Assets		
Cash & Cash Equivalents	100.9	68.6
Account Receivables, net	541.3	586.1
Unbilled Revenues	115.4	151.4
Fixed Deposits with Banks	235.0	322.8
Deposits with HDFC Ltd.	21.5	22.4
Investment Securities, held till maturity	-	11.0
Investment Securities, available for sale	168.4	47.6
Other Current Assets	190.5	261.7
Total Current Assets	1,373.0	1,471.5
Property and Equipments, net	398.1	461.7
Intangible Assets, net	928.6	937.8
Investment Securities, held to maturity	10.8	21.3
Deposits with HDFC Ltd.	-	11.2
Fixed Deposits with Banks	-	24.6
Investment in Equity Investee	4.5	4.6
Other Assets	207.6	232.6
Total Assets	2,922.4	3,165.2
Liabilities & Stockholders' Equity		
Total Current Liabilities	674.6	729.7
Borrowings	573.5	581.8
Other Liabilities	159.0	143.0
Total Liabilities	1,407.1	1,454.4
Total Stockholders Equity	1,515.3	1,710.8
Total Liabilities and Stockholders Equity	2,922.4	3,165.2



Consolidated Cash Flow Statement

Amount in US\$ million

Particulars	For the Quarter ended Dec'10	For the Half Year ended Dec'10
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	88.8	160.6
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	27.5	54.6
(Profit) /Loss on Redemption of Mutual Fund Investments	0.0	(1.2)
Others	(7.6)	(28.9)
Changes in Assets and Liabilities, net		
Accounts Receivable	(23.0)	(59.1)
Other Assets	(27.6)	(71.4)
Current Liabilities	21.9	35.2
Net Cash provided by operating Activities	80.0	89.9
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment (net)	(54.1)	(91.0)
(Purchase) / Sale of investments	13.5	104.4
Deposits with Banks	(30.0)	(101.6)
Deposits with HDFC Ltd.	(0.1)	(11.0)
Payments for Deferred Consideration on Business Acquisition	(0.1)	(2.2)
Net Cash used in Investing Activities	(70.9)	(101.3)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Employees Stock Options	5.3	12.4
Dividend	(43.7)	(43.7)
Loans	3.2	1.8
Others	(0.9)	(1.8)
Net Cash provided by (used in) Financing Activities	(36.2)	(31.4)
Effect of Exchange Rate on Cash and Cash Equivalents	1.0	10.5
Net Increase/ (Decrease) in Cash and Cash Equivalents	(26.1)	(32.3)
CASH AND CASH EQUIVALENTS		
Beginning of the Period	94.6	100.9
End of the Period	68.6	68.6



Segment wise Profitability

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

Amount in US\$ million

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	594.1	755.7	814.6	37.1%	7.8%
Direct Costs	377.6	510.0	551.6		
Gross Profits	216.5	245.7	263.0	21.5%	7.1%
SG & A	83.8	110.7	119.6		
EBITDA	132.7	135.0	143.4	8.1%	6.2%
Depreciation	18.4	20.4	20.8		
Amortisation	7.9	3.8	3.7		
EBIT	106.4	110.8	118.9	11.8%	7.3%
Gross Margin	36.4%	32.5%	32.3%		
EBITDA Margin	22.3%	17.9%	17.6%		
EBIT Margin	17.9%	14.7%	14.6%		

B. BPO Services

Amount in US\$ million

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	57.6	48.1	49.5	-14.1%	2.9%
Direct Costs	41.6	39.4	39.8		
Gross Profits	16.0	8.7	9.7	-39.5%	11.2%
SG & A	11.4	12.9	12.1		
EBITDA	4.6	(4.2)	(2.4)	-152.2%	43.4%
Depreciation	2.6	2.7	2.8		
Amortisation	0.5	0.2	0.2		
EBIT	1.6	(7.1)	(5.4)	-447.0%	23.8%
Gross Margin	27.8%	18.1%	19.5%		
EBITDA Margin	7.9%	-8.8%	-4.8%		
EBIT Margin	2.7%	-14.8%	-11.0%		



A1. Software Services

Amount in US\$ million

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	462.1	575.7	617.7	33.7%	7.3%
Direct Costs	284.2	376.9	407.8		
Gross Profits	177.8	198.9	209.9	18.0%	5.5%
SG & A	68.5	95.8	102.0		
EBITDA	109.3	103.1	107.9	-1.3%	4.7%
Depreciation	13.7	14.0	13.9		
Amortisation	7.9	3.8	3.7		
EBIT	87.8	85.2	90.3	2.9%	6.0%
Gross Margin	38.5%	34.5%	34.0%		
EBITDA Margin	23.7%	17.9%	17.5%		
EBIT Margin	19.0%	14.8%	14.6%		

A2. Infrastructure Services

Amount in US\$ million

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	132.0	180.0	196.9	49.1%	9.4%
Direct Costs	93.4	133.2	143.8		
Gross Profits	38.6	46.8	53.1	37.5%	13.6%
SG & A	15.3	14.8	17.6		
EBITDA	23.4	32.0	35.5	52.0%	11.2%
Depreciation	4.7	6.3	6.9		
EBIT	18.6	25.6	28.6	53.4%	11.7%
Gross Margin	29.3%	26.0%	27.0%		
EBITDA Margin	17.6%	17.8%	18.0%		
EBIT Margin	14.1%	14.2%	14.5%		



Revenue Analysis

Geographic Mix (Quarter ended)	31-Dec-09	30-Sep-10	31-Dec-10	LTM
Americas	57.0%	58.0%	57.1%	58.9%
Europe	29.5%	26.7%	26.6%	26.2%
Rest of World	13.5%	15.3%	16.3%	14.9%

Service Offering Mix (Quarter ended)	31-Dec-09	30-Sep-10	31-Dec-10	LTM
Enterprise Application Services	22.4%	21.7%	21.3%	21.6%
Engineering and R&D Services	18.0%	18.7%	18.5%	18.9%
Custom Application Services	30.5%	31.3%	31.8%	30.7%
Infrastructure Services	20.3%	22.3%	22.8%	22.5%
BPO Services	8.8%	6.0%	5.7%	6.3%

Revenue by Contract Type (Qtr ended)	31-Dec-09	30-Sep-10	31-Dec-10
IT Services			
Time & Material (T&M)	60.4%	58.9%	58.5%
Fixed Price Projects	39.6%	41.1%	41.5%

Revenue by Vertical (Qtr end)	31-Dec-09	30-Sep-10	31-Dec-10
Financial Services	26.1%	25.2%	24.6%
Manufacturing	25.6%	27.2%	27.1%
Telecom	12.5%	11.0%	10.8%
Retail & CPG	8.0%	8.5%	9.1%
Media Publishing & Entertainment (MPE)	7.2%	6.9%	6.8%
Healthcare	7.2%	8.4%	8.4%
Energy-Utilities-Public Sector	7.3%	6.8%	7.2%
Others	6.1%	6.0%	5.8%

Rupee / US Dollar	31-Dec-09	30-Sep-10	31-Dec-10
Quarter Ended	46.5	44.9	44.7
Average for the Quarter	46.7	46.1	45.0

“LTM” - Last Twelve Months



Constant Currency (CC) Reporting

Reported	OND'09	JFM'10	AMJ'10	JAS'10	OND'10
Revenue (\$ mn)	651.7	685.2	737.6	803.8	864.1
Growth QoQ	3.4%	5.1%	7.7%	9.0%	7.5%
Growth YoY	28.5%	21.4%	21.5%	27.6%	32.6%
Constant Currency (QoQ)	OND'09	JFM'10	AMJ'10	JAS'10	OND'10
Revenue (\$ mn)	645.0	696.9	747.5	792.0	856.5
Growth QoQ	2.4%	6.9%	9.1%	7.4%	6.5%
Constant Currency (YoY)	OND'09	JFM'10	AMJ'10	JAS'10	OND'10
Revenue (\$ mn)	622.6	655.7	738.1	809.6	869.7
Growth YoY	22.8%	16.2%	21.6%	28.5%	33.4%

Average Rates for Qtr	OND'09	JFM'10	AMJ'10	JAS'10	OND'10
GBP	1.64	1.55	1.49	1.56	1.57
EURO	1.47	1.37	1.26	1.31	1.34
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.72	0.71	0.72	0.74	0.77
AUD	0.91	0.90	0.87	0.92	0.98

Particulars	Segment	US\$ Growth
		QoQ at CC
Consolidated	For the Company	6.5%
Geography	Americas	5.8%
	Europe	5.8%
	Rest of World	10.8%
Service Offerings	Enterprise Application Services	4.7%
	Engineering and R&D Services	5.9%
	Custom Application Services	7.6%
	Infrastructure Services	8.5%
	BPO Services	2.4%
Verticals	Financial Services	3.3%
	Manufacturing	6.7%
	Telecom	5.0%
	Retail & CPG	14.2%
	Media Publishing & Entertainment	6.0%
	Healthcare	7.1%
	Energy-Utilities-Public Sector	12.3%
Others	4.8%	
Clients(LTM)	Top 5	3.5%
	Top 10	6.8%
	Top 20	7.3%



Client Metrics

Client Data (LTM)	31-Dec-09	30-Sep-10	31-Dec-10
Number of Clients			
Active Client Relationship	399	426	434
New Client Relationship	36	48	46
Accounting for > 5% of revenue	1	1	1

Number of Million Dollar Clients (LTM)	31-Dec-09	30-Sep-10	31-Dec-10	QoQ Change	YoY Change
100 Million dollar +	1	1	1	-	-
50 Million dollar +	4	6	7	1	3
40 Million dollar +	7	7	9	2	2
30 Million dollar +	9	14	16	2	7
20 Million dollar +	21	26	28	2	7
10 Million dollar +	51	64	67	3	16
5 Million dollar +	104	112	113	1	9
1 Million dollar +	281	292	312	20	31

Client Contribution to Revenue (LTM)	31-Dec-09	30-Sep-10	31-Dec-10	QoQ growth LTM Basis
Top 5 Clients	18.0%	17.5%	16.8%	2.8%
Top 10 Clients	26.2%	25.8%	25.6%	6.3%
Top 20 Clients	36.9%	36.8%	36.6%	6.9%

Client Business - (LTM)	31-Dec-09	30-Sep-10	31-Dec-10
Repeat Business	94.4%	93.7%	94.3%
Days Sales Outstanding	64	61	61

"LTM" - Last Twelve Months



Operational Metrics - Software Services

Software Services (Quarter Ended)	31-Dec-09	30-Sep-10	31-Dec-10
Efforts			
Offshore	71.5%	72.2%	72.4%
Onsite	28.5%	27.8%	27.6%
Revenue			
Offshore	40.9%	41.7%	41.9%
Onsite	59.1%	58.3%	58.1%
Utilization			
Offshore - Including trainees	76.4%	70.1%	70.1%
Offshore - Excluding trainees	77.9%	74.1%	75.0%
Onsite	96.7%	95.7%	95.9%

Software Services Efforts (Man Months)	31-Dec-09	30-Sep-10	31-Dec-10
Efforts Billed - Offshore	51,530	66,396	71,090
Efforts Billed - Onsite	20,504	25,609	27,040
Total Billed Efforts	72,034	92,005	98,130
Not Billed	15,278	24,347	24,847
Trainee	1,365	5,075	6,651
Not Billed (including trainees)	16,643	29,422	31,498



Employee Metrics

Manpower Details	31-Dec-09	30-Sep-10	31-Dec-10
Total Employee Count	55,688	70,218	72,267
IT Services (Software Services [A1] + Infrastructure Services [A2])	44,772	58,660	60,919
Technical	39,717	52,558	54,713
Support	5,055	6,102	6,206
Gross addition	3,590	8,333	4,989
Net addition	1,691	5,327	2,259
Gross lateral employee addition	2,980	5,598	3,971
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	12.8%	16.7%	17.2%
BPO Services - Total	10,916	11,558	11,348
Offshore	7,579	8,064	8,162
Onsite	1,996	2,148	2,083
Support	1,341	1,346	1,103
Gross addition	1,939	3,452	3,390
Net addition	(446)	334	(210)
Gross lateral employee addition	692	746	734
Offshore Attrition – Quarterly	21.0%	10.3%	10.8%
Offshore Attrition - Quarterly (excluding attrition of joinees less than 6 months)	13.9%	6.4%	7.7%

* Excludes involuntary attrition



A1. Software Services

	31-Dec-09	30-Sep-10	31-Dec-10
Software Services - Total	33,455	45,460	46,935
Technical	29,383	40,595	41,993
Support	4,072	4,865	4,942
Gross addition	2,595	6,595	3,530
Net addition	1,143	4,347	1,475
Gross lateral employee addition	1,989	4,489	2,625
Attrition (LTM)	12.9%	16.6%	17.1%

A2. Infrastructure Services

	31-Dec-09	30-Sep-10	31-Dec-10
Infrastructure Services - Total	11,317	13,200	13,984
Technical	10,334	11,963	12,720
Support	983	1,237	1,264
Gross addition	995	1,738	1,459
Net addition	548	980	784
Gross lateral employee addition	991	1,109	1,346
Attrition (LTM)	12.6%	16.9%	17.5%



Facility Details

As on 31st December 2010	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	285,127	2,510			
Noida (NCR)	1,936,012	21,861	741,081	5,800	22
Chennai	2,963,956	26,175	560,450	5,095	27
Bangalore	1,098,719	9,715	203,670	2,263	13
Mumbai	27,273	270			
Kolkata	95,467	1,039			
Hyderabad	166,916	1,704			
Manesar			430,000	3,400	
Global (Outside India)	452,835	4,853	32,680	255	
Total	7,026,305	68,127	2,000,561	17,068	62

Cash & Cash Equivalent, Investments and Borrowing

Amount in US\$ million

	31-Dec-10
Cash and Cash Equivalent	68.6
Fixed Deposits with Banks	347.4
Deposits with HDFC Ltd.	33.6
Investment Securities, available for sale	32.2
Investment Securities, held to maturity	47.6
Grand Total	529.4
	31-Dec-10
Borrowings	581.8

* Note: For details please refer: http://www.hcltech.com/investors/downloads/Details of Cash & Bank Balances_Q2'11.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 = Rs. 45.00 for the quarter ended on 31 Dec 2010; US\$ 1 = Rs. 46.13 for the quarter ended on 30 Sep 2010; US\$ 1 = Rs. 46.67 for the quarter ended 31 Dec 2009)

Unaudited consolidated financial results for the quarter ended 31st December, 2010 drawn under US GAAP

Consolidated Income Statement

Amount in Rs Crores

Income Statement	Quarter ending...			Growth	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	3,041.4	3,708.1	3,888.4	27.8%	4.9%
Direct Costs	1,956.5	2,534.6	2,661.3		
Gross Profits	1,084.9	1,173.5	1,227.1	13.1%	4.6%
SG & A	444.5	570.1	592.4		
EBITDA	640.5	603.3	634.7	-0.9%	5.2%
Depreciation	97.7	106.5	106.2		
Amortisation	38.8	18.5	17.7		
EBIT	503.9	478.3	510.8	1.4%	6.8%
Foreign Exchange Gains / (loss)	(126.1)	(65.5)	(13.4)		
Other Income, net	(12.2)	0.5	5.4		
Provision for Tax	68.1	82.4	103.1		
Share of Minority Interest	(0.1)	(0.2)	0.0		
Net Income	297.7	331.1	399.7	34.2%	20.7%
Gross Margin	35.7%	31.6%	31.6%		
EBITDA Margin	21.1%	16.3%	16.3%		
EBIT Margin	16.6%	12.9%	13.1%		
Net Income Margin	9.8%	8.9%	10.3%		
Earnings Per Share (EPS) - Annualized					
Basic – in INR	17.7	19.5	23.6		
Diluted – in INR	17.3	19.1	23.1		
“Weighted average number of Shares used in computing EPS”					
Basic	672,471,573	679,262,639	682,703,410		
Diluted	689,573,435	694,593,412	697,054,475		



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 Rs. Crore)	31-Dec-09	30-Sep-10	31-Dec-10
Option Charge	24.3	25.0	25.8
Tax benefit	1.4	2.4	0.6
Option Charge (Net-of Tax benefit)	22.9	22.6	25.2

Outstanding Options (in equivalent no of shares)	31-Dec-09	30-Sep-10	31-Dec-10
Options at market price	21,350,444	13,812,152	11,844,244
Options at less than market price	9,020,976	15,444,396	17,875,316

The options will vest in tranches till 2016

Consolidated Balance Sheet (At Quarter Closing Exchange Rate of RS. 44.70/US\$)

Amount in Rs. Crore

Particulars	As on	
	30-Jun-10	31-Dec-10
Assets		
Cash & Cash Equivalents	468.6	306.6
Account Receivables, net	2,513.9	2,619.8
Unbilled Revenues	535.7	676.7
Fixed Deposits with Banks	1,091.3	1,442.9
Deposits with HDFC Ltd.	100.0	100.0
Investment Securities, held till maturity	-	49.0
Investment Securities, available for sale	782.0	212.6
Other Current Assets	884.5	1,169.9
Total Current Assets	6,376.0	6,577.5
Property and Equipments, net	1,848.6	2,063.8
Intangible Assets, net	4,312.2	4,192.1
Investment Securities, held to maturity	50.0	95.1
Deposits with HDFC Ltd.	-	50.0
Fixed Deposits with Banks	-	110.0
Investment in Equity Investee	20.7	20.5
Other Assets	964.0	1,039.5
Total Assets	13,571.5	14,148.6
Liabilities & Stockholders' Equity		
Total Current Liabilities	3,132.9	3,261.6
Borrowings	2,663.2	2,600.7
Other Liabilities	738.6	639.1
Total Liabilities	6,534.7	6,501.4
Total Stockholders Equity	7,036.8	7,647.2
Total Liabilities and Stockholders Equity	13,571.5	14,148.6



Segment wise Profitability

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

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	2,772.5	3,486.1	3,665.5	32.2%	5.1%
Direct Costs	1,762.2	2,352.9	2,482.0		
Gross Profits	1,010.2	1,133.3	1,183.5	17.2%	4.4%
SG & A	391.1	510.5	538.1		
EBITDA	619.1	622.8	645.5	4.3%	3.6%
Depreciation	85.8	94.0	93.5		
Amortisation	36.7	17.5	16.7		
EBIT	496.6	511.3	535.2	7.8%	4.7%
Gross Margin	36.4%	32.5%	32.3%		
EBITDA Margin	22.3%	17.9%	17.6%		
EBIT Margin	17.9%	14.7%	14.6%		

B. BPO Services

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	268.9	221.9	222.8	-17.1%	0.4%
Direct Costs	194.2	181.7	179.3		
Gross Profits	74.7	40.2	43.5	-41.7%	8.4%
SG & A	53.3	59.6	54.3		
EBITDA	21.4	(19.5)	(10.7)	-150.3%	44.8%
Depreciation	11.9	12.5	12.7		
Amortisation	2.1	1.0	1.0		
EBIT	7.3	(32.9)	(24.5)	-434.7%	25.7%
Gross Margin	27.8%	18.1%	19.5%		
EBITDA Margin	7.9%	-8.8%	-4.8%		
EBIT Margin	2.7%	-14.8%	-11.0%		



A1. Software Services

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	2,156.3	2,655.9	2,779.5	28.9%	4.7%
Direct Costs	1,326.4	1,738.4	1,835.1		
Gross Profits	829.9	917.4	944.4	13.8%	2.9%
SG & A	319.9	442.0	458.8		
EBITDA	510.1	475.4	485.6	-4.8%	2.2%
Depreciation	63.8	64.7	62.3		
Amortisation	36.7	17.5	16.7		
EBIT	409.6	393.2	406.5	-0.7%	3.4%
Gross Margin	38.5%	34.5%	34.0%		
EBITDA Margin	23.7%	17.9%	17.5%		
EBIT Margin	19.0%	14.8%	14.6%		

A2. Infrastructure Services

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	616.1	830.3	886.1	43.8%	6.7%
Direct Costs	435.9	614.4	647.0		
Gross Profits	180.3	215.8	239.1	32.6%	10.8%
SG & A	71.3	68.4	79.3		
EBITDA	109.0	147.4	159.8	46.6%	8.4%
Depreciation	22.0	29.3	31.1		
EBIT	87.0	118.1	128.7	47.9%	8.9%
Gross Margin	29.3%	26.0%	27.0%		
EBITDA Margin	17.7%	17.8%	18.0%		
EBIT Margin	14.1%	14.2%	14.5%		



Financials in INR as per convenience translation - Closing Exchange Rate

(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.44.70 for the quarter ended on 31 Dec 2010; US\$ 1 = Rs. 44.93 for the quarter ended on 30 Sep 2010; US\$ 1 = Rs. 46.53 for the quarter ended 31 Dec 2009)

Unaudited consolidated financial results for the quarter ended 31st December, 2010 drawn under US GAAP

Consolidated Income Statement

Amount in Rs Crores

Income Statement	Quarter ending...			Growth	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	3,032.5	3,611.6	3,862.5	27.4%	6.9%
Direct Costs	1,950.7	2,468.7	2,643.6		
Gross Profits	1,081.8	1,142.9	1,218.9	12.7%	6.6%
SG & A	443.2	555.3	588.4		
EBITDA	638.6	587.6	630.5	-1.3%	7.3%
Depreciation	97.4	103.7	105.5		
Amortisation	38.7	18.1	17.6		
EBIT	502.4	465.9	507.4	1.0%	8.9%
Forex gain / (loss)	(125.7)	(63.8)	(13.3)		
Other Income, net	(13.3)	0.4	5.4		
Provision for Tax	67.9	80.2	102.4		
Share of Minority Interest	1.2	(0.2)	0.0		
Net Income	296.7	322.5	397.0	33.7%	23.1%
Gross Margin	35.7%	31.6%	31.6%		
EBITDA Margin	21.1%	16.3%	16.3%		
EBIT Margin	16.6%	12.9%	13.1%		
Net Income Margin	9.8%	8.9%	10.3%		
Earnings Per Share (EPS) - Annualized					
Basic – in INR	17.7	19.0	23.4		
Diluted – in INR	17.2	18.6	22.9		
“Weighted average number of Shares used in computing EPS”					
Basic	672,471,573	679,262,639	682,703,410		
Diluted	689,573,435	694,593,412	697,054,475		



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 Rs. Crore)	31-Dec-09	30-Sep-10	31-Dec-10
Option Charge	24.2	24.4	25.6
Tax benefit	1.4	2.4	0.5
Option Charge (Net-of Tax benefit)	22.8	22.0	25.1

Outstanding Options (in equivalent no of shares)	31-Dec-09	30-Sep-10	31-Dec-10
Options at market price	21,350,444	13,812,152	11,844,244
Options at less than market price	9,020,976	15,444,396	17,875,316

The options will vest in tranches till 2016

Segment wise Profitability

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

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	2,764.3	3,395.5	3,641.1	31.7%	7.2%
Direct Costs	1,757.1	2,291.6	2,465.5		
Gross Profits	1,007.3	1,103.8	1,175.6	16.7%	6.5%
SG & A	390.1	497.2	534.5		
EBITDA	617.3	606.6	641.2	3.9%	5.7%
Depreciation	85.5	91.5	92.9		
Amortisation	36.6	17.1	16.6		
EBIT	495.2	498.0	531.7	7.4%	6.8%
Gross Margin	36.4%	32.5%	32.3%		
EBITDA Margin	22.3%	17.9%	17.6%		
EBIT Margin	17.9%	14.7%	14.6%		



B. BPO Services

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	268.2	216.1	221.4	-17.5%	2.4%
Direct Costs	193.7	177.0	178.1		
Gross Profits	74.5	39.1	43.3	-41.9%	10.6%
SG & A	53.2	58.1	53.9		
EBITDA	21.3	(19.0)	(10.7)	-150.1%	43.7%
Depreciation	11.9	12.1	12.6		
Amortisation	2.1	1.0	1.0		
EBIT	7.3	(32.1)	(24.3)	-433.4%	24.2%
Gross Margin	27.8%	18.1%	19.5%		
EBITDA Margin	7.9%	-8.8%	-4.8%		
EBIT Margin	2.7%	-14.8%	-11.0%		

A1. Software Services

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	2,150.0	2,586.8	2,760.9	28.4%	6.7%
Direct Costs	1,322.5	1,693.2	1,822.8		
Gross Profits	827.5	893.6	938.1	13.4%	5.0%
SG & A	318.9	430.5	455.7		
EBITDA	508.6	463.0	482.4	-5.2%	4.2%
Depreciation	63.6	63.0	61.9		
Amortisation	36.6	17.1	16.6		
EBIT	408.4	382.9	403.8	-1.1%	5.5%
Gross Margin	38.5%	34.5%	34.0%		
EBITDA Margin	23.7%	17.9%	17.5%		
EBIT Margin	19.0%	14.8%	14.6%		



A2. Infrastructure Services

Amount in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-09	30-Sep-10	31-Dec-10	YoY	QoQ
Revenues	614.3	808.7	880.2	43.3%	8.8%
Direct Costs	434.6	598.4	642.6		
Gross Profits	179.8	210.2	237.5	32.1%	13.0%
SG & A	71.0	66.7	78.8		
EBITDA	108.7	143.6	158.8	46.0%	10.6%
Depreciation	21.9	28.5	30.9		
EBIT	86.8	115.1	127.8	47.3%	11.1%
Gross Margin	29.3%	26.0%	27.0%		
EBITDA Margin	17.7%	17.8%	18.0%		
EBIT Margin	14.1%	14.2%	14.5%		



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' which empowers our 72,267 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US\$ 3.1 billion (Rs. 14,101 crores), as on 31st December 2010 (on LTM basis). For more information, please visit www.hcltech.com

About HCL Enterprise

HCL is a \$5.5 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 77,000 professionals of diverse nationalities, who operate from 29 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.



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