



# HCL Technologies

## Quarterly Results FY 2012

### Second Quarter FY 2012 Results

Investor Release

Noida, NCR, India, January 17<sup>th</sup>, 2012

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#### Q2 Revenues at US\$ 1,022 mn

- ✓ Up 3.7% QoQ & 18.7% YoY in constant currency
- ✓ Up 2.0% QoQ & 18.3% YoY on US\$ basis

Net Income at US\$ 112 mn; up 25.6% YoY

Deals won exceed US\$ 1 billion TCV

Q2 Revenues at ₹ 5,245 crores; up 12.8% QoQ & 34.9% YoY

Net Income at ₹ 573 crores; up 43.3% YoY

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## Milestones Achieved this Quarter

- Deals won exceed **US\$ 1 billion** TCV.
- Customer additions across categories in last 2 years.
  - ✓ Number of **US\$ 100 mn+** customers **tripled**.
  - ✓ Number of **US\$ 50 mn+** customers **doubled**.
  - ✓ Number of **US\$ 20 mn+** customers **doubled**.
- Top 5 and Top 10 customers post sequential growth of **7.7%** and **4.9%** respectively.

## Financial Highlights

### Highlights for the Quarter (US\$)

- Revenue in constant currency grows **3.7% sequentially**
- Revenue at **US\$ 1,022 mn; up 18.3% YoY & 2.0% sequentially** on US\$ basis
- EBIT at **US\$ 162 mn; up 42.6% YoY**
- Net Income at **US\$ 112 mn; up 25.6% YoY**
- GAAP EPS (Diluted) at **US\$ 0.62; up 29.0% YoY**
- Announces dividend of **₹ 2 per share; 36th consecutive quarter** of dividend payout
- Gross & Net Employee addition of **7,804 & 2,556** respectively taking total headcount to **83,076**

### Highlights for the Quarter (INR convenience translation at an Average Rate of ₹51.33/US\$)

- Revenue at **₹ 5,245 crores; up 34.9% YoY & 12.8% sequentially**
- EBIT at **₹ 831 crores; up 62.6% YoY**
- Net Income at **₹ 573 crores; up 43.3% YoY**
- GAAP EPS (Diluted) at **₹ 31.6; up 45.8% YoY**
- Announces dividend of **₹ 2 per share; 36th consecutive quarter** of dividend payout
- Gross & Net Employee addition of **7,804 & 2,556** respectively taking total headcount to **83,076**



## Corporate Overview

HCL continues to be focused on both market share and EPS expansion.

“As the uncertainty around economic environment continues, the world will demand companies to be deeply conscious of the accompanying social sensitivities. As economies contract and the job environment remains challenged, we at HCL are committed to creating local jobs, contributing to the welfare of local communities and pushing the pedal on enterprise philanthropy in continuing cognizance of our social responsibility”, said **Shiv Nadar, Chairman and Chief Strategy Officer, HCL Technologies.**

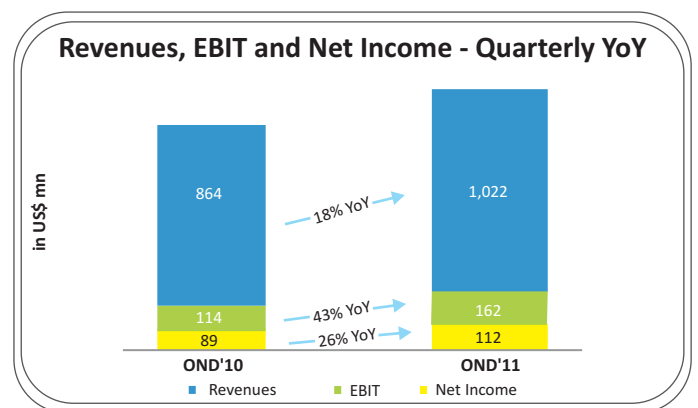
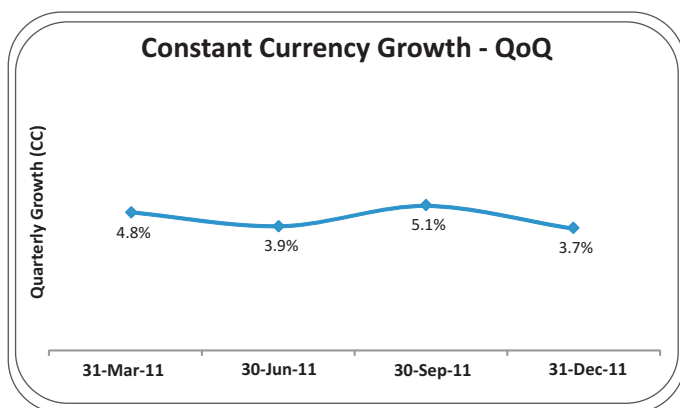
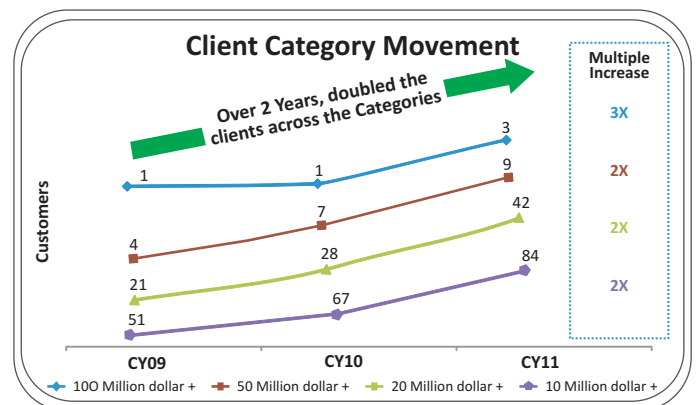
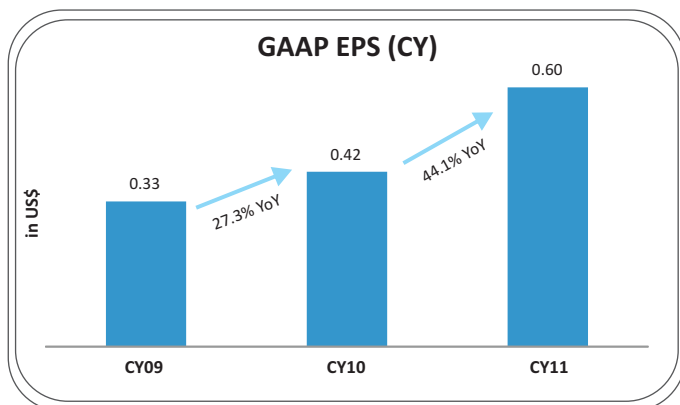
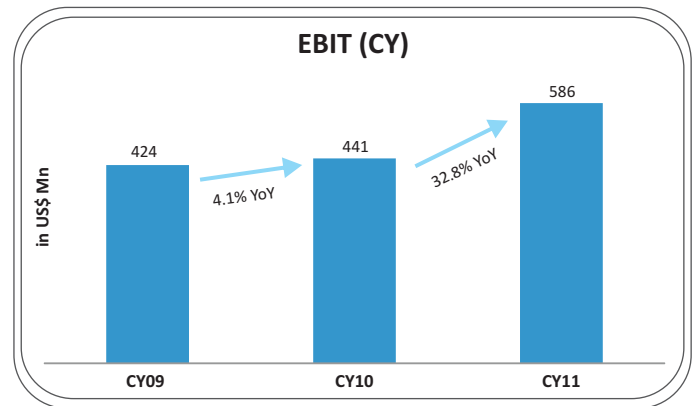
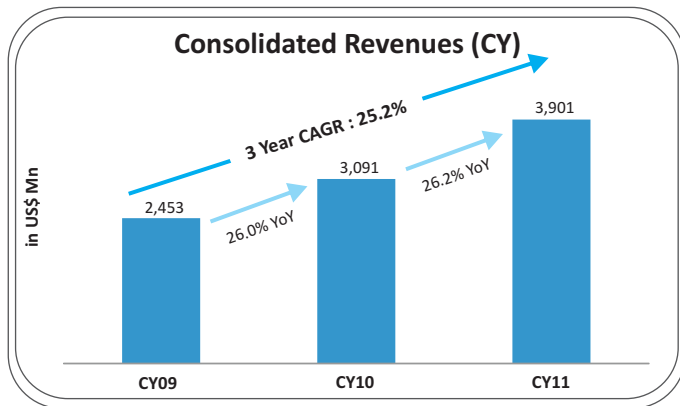
Commenting on the results, **Vineet Nayar, Vice Chairman & CEO, HCL Technologies** said, “HCL continues to increase its market share both qualitatively and quantitatively by leveraging its multi-service capability. On the existing customer front, our Top 10 clients, all of which are Global\ Fortune 500 companies, have seen a growth of 4.9%, with 2 clients moving into the US\$ 100 mn+ category. The Services Adoption Index of these customers is 3.4 out of 5 of HCL’s Service Lines. This combined with 18 new transformational deal wins bears testimony to the uniqueness of HCL’s business model in the current environment”.

“The sequential margin expansion of 150 bps and EBIT and EPS growth of 42.6% and 29.0% YoY respectively in this quarter is a result of our continued investment in business that has resulted in higher returns for our shareholders. Going forward, we remain watchful of the volatile currency movements and will continue with our layered hedging policy”, added **Anil Chanana, CFO, HCL Technologies.**



## Performance Highlights

### Overall Company Performance - Past Trends



## Key Catalysts for Growth

### QoQ Revenue Growth in Constant Currency

- Revenues grow by **3.7%**.
- IT Services Revenue grow by **3.8%** and Software Services by **5.3%**.
- Americas and Europe grow by **7.3%** and **6.3%** respectively.
- Positive growth across key Service Offerings led by Enterprise Application Services at **6.5%**, Custom Application Services at **5.4%** and Engineering and R&D Services at **4.0%**.
- Infrastructure Services marginally down QoQ and grow **23.1%** YoY.
- Broad based strong growth across Verticals led by Healthcare at **16.9%**, Retail & CPG at **7.8%**, Financial Services at **6.1%** and Manufacturing at **4.6%**

### QoQ Revenue Growth in US\$

Particulars	Segments	OND '11			CY11vs CY10
		YoY	QoQ	4Q CQGR <sup>#</sup>	
<b>Consolidated</b>	<b>For the Company</b>	<b>18.3%</b>	<b>2.0%</b>	<b>4.3%</b>	<b>26.2%</b>
Geography	Americas	21.7%	7.3%	5.0%	19.8%
	Europe	19.1%	2.7%	4.5%	29.6%
Service Offering	Enterprise Application Services	13.2%	4.8%	3.1%	20.4%
	Engineering and R&D Services	20.8%	3.4%	4.8%	22.0%
	Custom Application Services	22.3%	3.4%	5.2%	32.6%
	Infrastructure Services*	21.4%	-2.9%	5.0%	34.8%
Industry	Healthcare	20.9%	15.9%	4.8%	24.3%
	Retail & CPG	13.3%	5.5%	3.2%	27.2%
	Manufacturing	28.8%	3.8%	6.5%	32.7%
	Financial Services	21.8%	3.1%	5.0%	29.4%

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

\* INR depreciation and softness in India SI business is reflected in this quarter performance of Infrastructure and Public Services. Outside this, both businesses continue to demonstrate positive sequential growth.



## Multi-Year, Multi-Million Dollar Transformational Deals

- HCL has won 18 multi-year, multi-million dollar deals this quarter excluding HCL contract renewals. The total contract value for these 18 deals exceed US\$ 1 billion. These deals pan across all service lines covering sectors like BFSI, Healthcare, Aerospace, MPE, HiTech, Logistics, Telecom, Manufacturing etc. In terms of value, Europe including UK led the list, followed by US and Asia. The customers with whom we signed these engagements include AstraZeneca, BD - a leading global medical technology company and CEVA.

## Transformation @ HCL

- HCL organized its 6th Global Customer Meet attended by nearly 1000+ senior business and technology executives from 400 global companies who gathered in Orlando from 13-15 November under the banner of "I Have An Idea". The Meet featured President Bill Clinton and Malcolm Gladwell, author of *The Tipping Point and Blink* as Keynote Speakers and covered a potent mix of topics ranging from astrophysics to cloud computing, from 'big history' to big data.
- HCL Technologies received an IT Services Marketing Association (IT SMA) 2011 Diamond Award for marketing excellence in the 'Building Client Loyalty and Trust' category in recognition of its Customer Advisory Council (CAC) - a global, collaborative forum where HCL's customers convene to exchange ideas and best practices.
- Vineet Nayar, Vice Chairman & CEO, HCL Technologies has been selected in the 'Thinkers 50 List' - the definitive listing of the world's top 50 business thinkers. Nayar joins global stalwarts like Jim Collins, Michael Porter, Tom Peters, Seth Godin, Malcolm Gladwell, Don Tapscott, Thomas Friedman, Steven Covey amongst others in this prestigious group described as the "most influential living management thinkers".
- HCL has been listed in the Carbon Disclosure Project Report for 2011. HCL scored 66/100 on the carbon disclosure metrics, exceeding the industry average. This participation and listing in the CDP Report is an important milestone amongst various other sustainability initiatives being undertaken by the company.
- The 2011 edition of HCL's Employee Passion Indicative Count™ (EPIC) assessment survey witnessed an overwhelming response with participation from 50,000+ employees across the world. The EPIC initiative measures and identifies the Passion Indicators of the employees and the company at large therefore enabling an alignment of the personal and professional drivers of HCLites.
- HCL organized the 'O2 - League of the extraordinary' event to recognize its 'Outstanding' employees across the world. The O2 platform has been designed to recognize and applaud the success of the company's high achievers and their extraordinary performances and contributions. The 2011 edition has so far recognized approximately 2,500 'O2' employees along with their family members.



## Recognitions

- HCL has been felicitated with the European HCM Excellence Award 2011 in “Business HR Champion Category” at Human Asset 2011 Summit, in recognition of its excellence in Human Capital Management practices.
- Institute of Company Secretaries of India awarded ‘Certificate of Recognition to HCL Technologies’ for adopting excellent practices in Corporate Governance in the year 2011. The jury was headed by Hon’ble Mr. Justice R C Lahoti, Former Chief Justice of India. The Institute congratulated HCL for its dynamic leadership and inculcating a culture of good governance in the organization.
- HCL has been awarded the '2011 Leadership award' for the 'Best Electronic System Design Company in the embedded systems and Very-Large-Scale Integration (VLSI) segment for the second consecutive year at the Silicon India-Mentor Graphics Leadership Awards.
- HCL received the Hamilton Sundstrand Supplier of the Year Award in recognition of its efforts towards ‘productivity savings and cost avoidance’. HCL has won this award for second consecutive year.
- Technology Business Research (TBR) published an exclusive report dated Dec 2011 on HCL titled “Designing a Better Engineering Outsourcing Process: A Candid Discussion with HCL Clients”. This report was drawn from TBR analysts’ experiences of talking to HCL clients at the company’s Global Customer Meet (GCM)
- HCL was presented with the SAP® Mobility Showcase Award for SAP partners at the SAPPHIRE® NOW conference in Madrid. This award was presented in recognition of HCL’s expertise and capabilities in enterprise mobility applications space.
- Shiv Nadar, Founder, HCL and Chairman, HCL Technologies, has been conferred the “Philanthropist of the Year” Award at the Asian Awards 2011. The Asian Awards pay tribute to inspirational role models in the fields of business, sports, entertainment, philanthropy and popular arts and culture.
- Vineet Nayar, Vice Chairman & CEO, HCL Technologies has been adjudged the “CEO of the Year-India” by BloombergUTV CXO Awards 2011.



## Business Highlights

### Corporate

- HCL has announced the release of a SAP-endorsed business solution - iMRO® version 4.5.2, evolved from iMRO version 4.0. iMRO is HCL's maintenance, repair and overhaul industry solution add-on for the SAP® ERP application. It complements and extends SAP ERP, particularly for use by organizations that maintain complex, expensive and regulated assets such as in travel and transportation, high-tech, energy, aerospace and defense.
- HCL announced a partnership with Apacheta Corporation, a leading mobile workflow application provider, to provide global delivery of mobile sales, delivery and merchandising solutions to the consumer goods industry. Through this partnership, HCL will provide value-added services to Apacheta's mobile applications folio, including consulting, application enhancements, and back-end integration with ERP systems, delivering a complete solution for consumer packaged goods (CPG) companies.
- HCL, has become an Oracle Enablement 2.0 Delivery Partner in recognition of its subject matter expertise across select Oracle products including the Oracle E-Business Suite, Oracle's JD Edwards, Oracle's Siebel CRM, Oracle's Demantra, Oracle's PeopleSoft, Oracle Transportation Management, Oracle's Agile Product Lifecycle Management and Oracle Fusion Middleware products. As an Oracle Enablement 2.0 Delivery Partner, HCL is now also authorized to train other partners using the Oracle-supplied Partner Boot Camp curriculum materials.
- HCL announced its Integrated Development platform for Life Science R&D as part of a comprehensive suite of services specifically designed to accelerate the pharmaceutical R&D process with particular focus on clinical operations.
- HCL launched an end-to-end Clinical Transformation Solution portfolio developed to meet ICD 9-10 compliance needs of global health and life sciences organizations. This clinical transformation solution delivers specific business benefits such as reduced medical expenditure and improved operational efficiency.
- HCL has devised a Business Value Model (BVM) methodology that measures business value of IT keeping in context the qualitative and quantitative aspects of an IT investment. This methodology focuses on prioritization of IT initiatives to maximize the return on investment while maintaining an acceptable risk-reward ratio for the organization.

### Americas

- HCL has been chosen by a US based Fortune 500 health care company to support its transition to ICD-10 diagnostic and procedure codes. As per the agreement, the company will incorporate HCL's Proprietary ICD Crosswalk Mapping tool into its healthcare management portfolio to ensure a smooth transition from ICD-9 to ICD-10.
- HCL has been chosen by a US based Fortune 500 software product company for a multi-year engagement to enable reporting capabilities for its Enterprise Services business. HCL was chosen over current incumbents due to its differentiated ability to deliver the project in a managed services mode.
- HCL has bagged a multi-year, multi-million dollar deal from a leading US based industrial manufacturer to enable deployment of its multiple product categories onto an e-commerce platform.
- HCL has won a deal from a leading Global Bank for development of a framework which will help the client in cross-leveraging content across repositories using the Enterprise Content Management and Portals platform.





## Business Highlights

### Europe

- HCL has been selected by AstraZeneca, one of the world's leading biopharmaceutical company, as a strategic infrastructure outsourcing partner. HCL will be responsible for the provision, management and transformation of AstraZeneca's global hosting and collaboration environment. As part of the five year engagement, HCL will be responsible for managing AstraZeneca's entire Data Centre environment across over 60 locations globally including hosting and migration of some of the existing large Data Centers into state-of-the-art facilities. In addition, HCL will manage AstraZeneca's global Collaboration environment including email, messaging and collaboration services for users worldwide. HCL will also deliver transformational projects including server virtualization, storage and backup transformation and implementation of the hybrid cloud.
- HCL has been selected by a leading European bank for a multi-million Business Services (BServ) engagement and implementation of SAP AMS and BASIS support services.
- HCL organized an event titled '*Industry ENsight*' in Eindhoven, Netherlands to serve as a platform for thought leadership on Smart Products.

### Rest of the World (ROW)

- HCL has signed a deal with a leading company in the office automation space in Japan for providing User Documentation Services in multiple languages.
- HCL has been selected by a leading chemical product manufacturer in Japan for SAP development and rollout.
- HCL has been selected by a large corporate bank in UAE for a multi-million, multi-year IT operations outsourcing engagement.
- HCL has been chosen by a large financial services group in South Africa for delivering multiple IT projects.



## Financials

Consolidated financial results for the Quarter ended 31st December, 2011 drawn under US GAAP

### Consolidated Income Statement

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>864.1</b>	<b>1,002.2</b>	<b>1,021.9</b>	<b>18.3%</b>	<b>2.0%</b>
Direct Costs	591.4	686.7	684.6		
<b>Gross Profits</b>	<b>272.7</b>	<b>315.5</b>	<b>337.3</b>	<b>23.7%</b>	<b>6.9%</b>
SG & A	131.6	144.2	148.2		
<b>EBITDA</b>	<b>141.0</b>	<b>171.3</b>	<b>189.0</b>	<b>34.0%</b>	<b>10.4%</b>
Depreciation	23.6	25.4	24.9		
Amortisation	3.9	2.8	2.3		
<b>EBIT</b>	<b>113.5</b>	<b>143.1</b>	<b>161.8</b>	<b>42.6%</b>	<b>13.1%</b>
Foreign Exchange Gains/(loss)	(3.0)	(3.8)	(14.8)		
Other Income, net	1.2	5.1	1.7		
Provision for Tax	22.9	37.2	37.2		
Share of income / (loss) of minority shareholders	-	0.1	-		
<b>Net Income</b>	<b>88.8</b>	<b>107.0</b>	<b>111.6</b>	<b>25.6%</b>	<b>4.2%</b>
Gross Margin	31.6%	31.5%	33.0%		
EBITDA Margin	16.3%	17.1%	18.5%		
EBIT Margin	13.1%	14.3%	15.8%		
Net Income Margin	10.3%	10.7%	10.9%		
<b>Earnings Per Share (EPS)</b>					
Annualized in US \$					
Basic	0.52	0.62	0.65	<b>24.2%</b>	
Diluted	0.51	0.61	0.64	<b>25.2%</b>	
<b>Earnings Per Share (EPS) - GAAP*</b>					
Annualized in US \$					
Basic	0.49	0.60	0.62	<b>28.0%</b>	
Diluted	0.48	0.59	0.62	<b>29.0%</b>	
<b>“Weighted average Number of Shares used in computing EPS”</b>					
Basic	682,703,410	689,169,555	690,319,989		
Diluted	697,054,475	699,267,872	699,197,467		

\*After adjusting for non cash employee stock options charge



Note: - The above results do not take into account non cash employee stock options charge computed under ASC 718, as per details given here:-

Particulars (in US \$ mn)	Quarter Ended		
	31-Dec-10	30-Sep-11	31-Dec-11
Options Charge	5.7	4.0	4.2
Tax benefit	0.1	0.3	0.3
<b>Option Charge (net-of tax benefit)</b>	<b>5.6</b>	<b>3.7</b>	<b>3.9</b>
Outstanding Options (in equivalent no of shares)	31-Dec-10	30-Sep-11	31-Dec-11
Options at market price	11,844,244	8,112,676	7,568,404
Options at less than market price	17,875,316	14,785,572	14,704,176

The options will vest in tranches till 2016

## Consolidated Balance Sheet

Amount in US\$ million

Particulars	As on	
	30-Sep-11	31-Dec-11
<b>Assets</b>		
Cash and Cash Equivalents	95.9	113.2
Accounts Receivables, net	591.8	629.6
Unbilled Receivables	229.6	231.6
Fixed Deposits with Banks	246.8	189.1
Deposits with HDFC Ltd.	10.2	9.4
Investment Securities, available for sale	61.6	2.0
Other Current Assets	263.7	249.6
<b>Total current assets</b>	<b>1,499.6</b>	<b>1,424.6</b>
Property and Equipments, net	478.9	467.7
Intangible Assets, net	911.7	894.9
Investment Securities, held to maturity	19.4	17.9
Deposits with HDFC Ltd.	10.2	9.4
Fixed Deposits with Banks	22.5	20.7
Investments in Equity Investee	5.6	6.2
Other Assets	228.2	218.6
<b>Total assets</b>	<b>3,176.0</b>	<b>3,060.0</b>
<b>Liabilities &amp; Stockholders' Equity</b>		
Current Liabilities	720.0	741.6
Borrowings	442.2	393.7
Other Liabilities	138.6	159.0
<b>Total Liabilities</b>	<b>1,300.8</b>	<b>1,294.3</b>
<b>Total Stockholders Equity</b>	<b>1,875.3</b>	<b>1,765.7</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>3,176.0</b>	<b>3,060.0</b>



## Consolidated Cash Flow Statement

Amount in US \$ million

Particulars	For 6 Months Ended Dec'11	For the Quarter Ended Dec'11
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Income</b>	<b>218.7</b>	<b>111.6</b>
<b>Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities</b>		
Depreciation and Amortization	55.4	27.2
Others	38.0	24.6
<b>Changes in Assets and Liabilities, net</b>		
Accounts Receivable	(161.0)	(65.9)
Other Assets	(6.6)	0.2
Current Liabilities	13.6	34.6
<b>Net Cash provided by Operating Activities</b>	<b>158.0</b>	<b>132.2</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment (net)	(81.5)	(37.0)
(Purchase) / Sale of investments	128.2	56.2
Deposits with Banks	15.3	42.2
Deposits with HDFC Ltd.	(10.2)	0.5
Payment for Deferred consideration on Business Acquisition	(19.9)	(19.9)
<b>Net Cash used in Investing Activities</b>	<b>31.9</b>	<b>42.1</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Employees Stock Options	4.4	1.4
Proceeds from Issuance/(Redemption) of Debentures	(34.5)	1.8
Dividend	(97.8)	(97.8)
Loans	(14.1)	(37.0)
Others	(0.5)	(0.1)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>(142.5)</b>	<b>(131.7)</b>
Effect of Exchange Rate on Cash and Cash Equivalents	(50.5)	(25.3)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(3.1)	17.3
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the Period	116.3	95.9
<b>End of the Period</b>	<b>113.2</b>	<b>113.2</b>



## Segment wise Profitability

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

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>814.6</b>	<b>955.7</b>	<b>975.4</b>	<b>19.7%</b>	<b>2.1%</b>
Direct Costs	551.6	649.8	648.0		
<b>Gross Profits</b>	<b>263.0</b>	<b>305.9</b>	<b>327.4</b>	<b>24.5%</b>	<b>7.0%</b>
SG & A	119.6	133.9	137.4		
<b>EBITDA</b>	<b>143.4</b>	<b>172.0</b>	<b>190.0</b>	<b>32.5%</b>	<b>10.5%</b>
Depreciation	20.8	22.8	22.3		
Amortisation	3.7	2.8	2.3		
<b>EBIT</b>	<b>118.9</b>	<b>146.4</b>	<b>165.4</b>	<b>39.0%</b>	<b>12.9%</b>
Gross Margin	32.3%	32.0%	33.6%		
EBITDA Margin	17.6%	18.0%	19.5%		
EBIT Margin	14.6%	15.3%	17.0%		

### B. BPO Services

Amount in US \$ million

Income Statement	Quarter ended		
	31-Dec-10	30-Sep-11	31-Dec-11
<b>Revenues</b>	<b>49.5</b>	<b>46.5</b>	<b>46.4</b>
Direct Costs	39.8	36.9	36.6
<b>Gross Profits</b>	<b>9.7</b>	<b>9.6</b>	<b>9.8</b>
SG & A	12.1	10.3	10.8
<b>EBITDA</b>	<b>(2.4)</b>	<b>(0.7)</b>	<b>(1.0)</b>
Depreciation	2.8	2.6	2.5
Amortisation	0.2	-	-
<b>EBIT</b>	<b>(5.4)</b>	<b>(3.4)</b>	<b>(3.5)</b>
Gross Margin	19.5%	20.6%	21.2%



## A1. Software Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>617.7</b>	<b>709.4</b>	<b>736.4</b>	<b>19.2%</b>	<b>3.8%</b>
Direct Costs	407.8	471.2	477.7		
<b>Gross Profits</b>	<b>209.9</b>	<b>238.3</b>	<b>258.7</b>	<b>23.3%</b>	<b>8.6%</b>
SG & A	102.0	110.8	114.6		
<b>EBITDA</b>	<b>107.9</b>	<b>127.5</b>	<b>144.1</b>	<b>33.5%</b>	<b>13.0%</b>
Depreciation	13.9	15.3	14.6		
Amortisation	3.7	2.8	2.3		
<b>EBIT</b>	<b>90.3</b>	<b>109.4</b>	<b>127.2</b>	<b>40.8%</b>	<b>16.3%</b>
Gross Margin	34.0%	33.6%	35.1%		
EBITDA Margin	17.5%	18.0%	19.6%		
EBIT Margin	14.6%	15.4%	17.3%		

## A2. Infrastructure Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>196.9</b>	<b>246.3</b>	<b>239.1</b>	<b>21.4%</b>	<b>-2.9%</b>
Direct Costs	143.8	178.6	170.4		
<b>Gross Profits</b>	<b>53.1</b>	<b>67.7</b>	<b>68.7</b>	<b>29.3%</b>	<b>1.6%</b>
SG & A	17.6	23.1	22.8		
<b>EBITDA</b>	<b>35.5</b>	<b>44.5</b>	<b>45.9</b>	<b>29.3%</b>	<b>3.2%</b>
Depreciation	6.9	7.5	7.8		
<b>EBIT</b>	<b>28.6</b>	<b>37.0</b>	<b>38.1</b>	<b>33.3%</b>	<b>3.0%</b>
Gross Margin	27.0%	27.5%	28.7%		
EBITDA Margin	18.0%	18.1%	19.2%		
EBIT Margin	14.5%	15.0%	16.0%		



## Revenue Analysis

Geographic Mix (Quarter ended)	31-Dec-10	30-Sep-11	31-Dec-11	LTM
Americas	57.1%	55.8%	58.8%	55.9%
Europe	26.6%	26.6%	26.8%	26.9%
ROW	16.3%	17.5%	14.4%	17.2%

Service Offering Mix (Quarter ended)	31-Dec-10	30-Sep-11	31-Dec-11	LTM
Enterprise Application Services	21.3%	19.8%	20.3%	20.6%
Engineering and R&D Services	18.5%	18.6%	18.9%	18.3%
Custom Application Services	31.8%	32.4%	32.8%	32.3%
Infrastructure Services	22.8%	24.6%	23.4%	24.0%
BPO Services	5.7%	4.6%	4.5%	4.9%

Revenue by Contract Type for IT Services (Quarter ended)	31-Dec-10	30-Sep-11	31-Dec-11
Time & Material (T&M)	58.5%	56.0%	53.9%
Fixed Price Projects	41.5%	44.0%	46.1%

Revenue by Vertical (Quarter ended)	31-Dec-10	30-Sep-11	31-Dec-11
Financial Services	24.6%	25.1%	25.3%
Manufacturing	27.1%	29.0%	29.5%
Telecom	10.8%	8.5%	8.0%
Retail & CPG	9.1%	8.5%	8.8%
Media, Publishing & Entertainment (MPE)	6.8%	6.8%	6.4%
Healthcare	8.4%	7.6%	8.6%
Energy-Utilities-Public Sector	7.2%	8.0%	6.4%
Others	5.8%	6.6%	6.9%

Rupee / US Dollar Rate	31-Dec-10	30-Sep-11	31-Dec-11
Quarter Ended	44.70	48.97	53.10
Average for the Quarter	45.00	46.41	51.33



## Constant Currency (CC) Reporting

Reported	OND'10	JFM'11	AMJ'11	JAS'11	OND'11
Revenue (\$ Mn)	864.1	914.5	962.9	1,002.2	1,021.9
Growth QoQ	7.5%	5.8%	5.3%	4.1%	2.0%
Growth YoY	32.6%	33.5%	30.5%	24.7%	18.3%
Constant Currency (QoQ)	OND'10	JFM'11	AMJ'11	JAS'11	OND'11
Revenue (\$ Mn)	856.5	906.0	950.6	1,011.8	1,038.9
Growth QoQ	6.5%	4.8%	3.9%	5.1%	3.7%
Constant Currency (YoY)	OND'10	JFM'11	AMJ'11	JAS'11	OND'11
Revenue (\$ Mn)	869.7	896.9	919.7	979.7	1,025.3
Growth YoY	33.4%	30.9%	24.7%	21.9%	18.7%

Average Rates for Quarter	OND'10	JFM'11	AMJ'11	JAS'11	OND'11
GBP	1.57	1.61	1.64	1.61	1.57
EURO	1.34	1.39	1.46	1.41	1.34
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.77	0.79	0.81	0.81	0.78
AUD	0.98	1.01	1.08	1.04	1.03

Particulars	Segment	US\$ QoQ Growth at CC
Consolidated	For the Company	3.7%
Geography	Americas	7.3%
	Europe	6.3%
	ROW	-11.7%
Service Offering	Enterprise Application Services	6.5%
	Engineering and R&D Services	4.0%
	Custom Application Services	5.4%
	<b>Software Services</b>	<b>5.3%</b>
	Infrastructure Services	-0.7%
	<b>IT Services</b>	<b>3.8%</b>
	BPO	1.6%
Industry	Financial Services	6.1%
	Manufacturing	4.6%
	Telecom	-3.1%
	Retail & CPG	7.8%
	Media Publishing & Entertainment (MPE)	-2.2%
	Healthcare	16.9%
	Energy-Utilities-Public Sector	-15.8%
	Others	8.0%
Clients (LTM)	Top 5 (LTM)	7.5%
	Top 10 (LTM)	4.7%
	Top 20 (LTM)	3.3%





## Client Metrics

Client Data (LTM)	31-Dec-10	30-Sep-11	31-Dec-11
<b>Number of Clients</b>			
Active Client Relationship	434	480	516
New Client Relationship	46	66	57
Accounting for >5% of revenue	1	1	1

Number of Million Dollar Clients (LTM)	31-Dec-10	30-Sep-11	31-Dec-11	QoQ Change	YoY Change
100 Million dollar +	1	1	3	2	2
50 Million dollar +	7	9	9	-	2
40 Million dollar +	9	11	12	1	3
30 Million dollar +	16	23	23	-	7
20 Million dollar +	28	37	42	5	14
10 Million dollar +	67	79	84	5	17
5 Million dollar +	113	135	144	9	31
1 Million dollar +	312	349	362	13	50

Client Contribution to Revenue (LTM)	31-Dec-10	30-Sep-11	31-Dec-11	QoQ growth
Top 5 Clients	16.8%	15.3%	15.8%	7.7%
Top 10 Clients	25.6%	24.1%	24.2%	4.9%
Top 20 Clients	36.6%	34.2%	33.9%	3.5%

Client Business - (LTM)	31-Dec-10	30-Sep-11	31-Dec-11
Repeat Business - Consolidated	94.3%	94.9%	94.4%
<b>Days Sales Outstanding - excluding unbilled receivables</b>	<b>61</b>	<b>53</b>	<b>55</b>



## Operational Metrics - Software Services

Software Services (Quarter Ended)	31-Dec-10	30-Sep-11	31-Dec-11
<b>Efforts</b>			
Offshore	72.4%	72.7%	72.5%
Onsite	27.6%	27.3%	27.5%
<b>Revenue</b>			
Offshore	41.9%	42.3%	42.1%
Onsite	58.1%	57.7%	57.9%
<b>Utilization</b>			
Offshore - Including trainees	70.1%	69.7%	69.6%
Offshore - Excluding trainees	75.0%	76.5%	76.1%
Onsite	95.9%	96.0%	95.9%
Blended Utilization (Excl. Trainees)	79.8%	81.0%	80.7%

Software Services Efforts (Man Months)	31-Dec-10	30-Sep-11	31-Dec-11
Efforts Billed - Offshore	71,090	80,171	83,831
Efforts Billed – Onsite	27,040	30,074	31,782
<b>Total Billed Efforts</b>	<b>98,130</b>	<b>110,246</b>	<b>115,613</b>
Not Billed	24,847	25,808	27,691
Trainee	6,651	10,357	10,268
Total Not Billed (Including Trainees)	31,498	36,164	37,959



## Employee Metrics

Manpower Details	31-Dec-10	30-Sep-11	31-Dec-11
<b>Total Employee Count</b>	<b>72,267</b>	<b>80,520</b>	<b>83,076</b>
<b>IT Services (Software Services [A1] + Infrastructure Services [A2])</b>	<b>60,919</b>	<b>70,321</b>	<b>72,055</b>
Technical	54,713	63,635	65,266
Support	6,206	6,686	6,789
Gross Addition	4,989	6,927	4,931
Net Addition	2,259	3,836	1,734
Gross Lateral Employee Addition	3,971	3,786	3,144
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	17.2%	15.9%	15.7%
<b>BPO Services - Total</b>	<b>11,348</b>	<b>10,199</b>	<b>11,021</b>
Technical	10,245	9,378	10,106
Support	1,103	821	915
Gross Addition	3,390	2,384	2,873
Net Addition	(210)	(362)	822
Gross Lateral Employee Addition	734	2,384	2,873
Offshore Attrition – Quarterly	10.8%	8.5%	6.1%
Offshore Attrition - Quarterly (excluding attrition of joinees less than 6 months)	7.7%	7.6%	5.6%



	31-Dec-10	30-Sep-11	31-Dec-11
<b>Software Services - Total</b>	<b>46,935</b>	<b>53,271</b>	<b>54,624</b>
Technical	41,993	47,950	49,223
Support	4,942	5,321	5,401
Gross Addition	3,530	5,343	3,635
Net Addition	1,475	3,053	1,353
Gross Lateral Employee Addition	2,625	2,602	1,854
Attrition (LTM)	17.1%	15.8%	15.3%

	31-Dec-10	30-Sep-11	31-Dec-11
<b>Infrastructure Services - Total</b>	<b>13,984</b>	<b>17,050</b>	<b>17,431</b>
Technical	12,720	15,685	16,043
Support	1,264	1,365	1,388
Gross Addition	1,459	1,584	1296
Net Addition	784	783	381
Gross Lateral Employee Addition	1,346	1,184	1290
Attrition (LTM)	17.5%	16.4%	17.0%



## Facilities

As on 31st Dec 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	
National Capital Region	2,372,709	26,006	1,098,849	8,241	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	90,000	650	
Pune	50,000	562	-	-	
Global (Outside India)	553,628	5,888	6,843	56	
<b>Total</b>	<b>7,770,626</b>	<b>76,404</b>	<b>2,035,692</b>	<b>17,007</b>	<b>52</b>

## Cash & Cash Equivalents, Investments and Borrowings

Amount in US \$ million

	31-Dec-11
Cash and Cash Equivalents	113.2
Fixed Deposit with Banks	209.8
Deposits with HDFC Ltd.	18.8
Investment Securities, available for sale	2.0
Investment Securities, held to maturity	17.9
<b>Grand Total</b>	<b>361.7</b>
	<b>31-Dec-11</b>
<b>Borrowings</b>	<b>393.7</b>

\* Note: For details please refer: <http://www.hcltech.com/investors/downloads/Details-of-Cash-&-Bank-Balances-Q2-12.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 = ₹ 51.33 for the quarter ended on 31 Dec 2011; US\$1 = ₹ 46.41 for the quarter ended on 30 Sep 2011; US\$1 = ₹ 45.00 for the quarter ended 31 Dec 2010.

Financial results for the Quarter ended 31st December 2011 drawn under US GAAP

### Consolidated Income Statement

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>3,888.4</b>	<b>4,651.3</b>	<b>5,245.2</b>	<b>34.9%</b>	<b>12.8%</b>
Direct Costs	2,661.3	3,187.1	3,514.1		
<b>Gross Profits</b>	<b>1,227.1</b>	<b>1,464.2</b>	<b>1,731.1</b>	<b>41.1%</b>	<b>18.2%</b>
SG & A	592.4	669.3	760.9		
<b>EBITDA</b>	<b>634.7</b>	<b>794.9</b>	<b>970.2</b>	<b>52.9%</b>	<b>22.1%</b>
Depreciation	106.2	117.8	127.8		
Amortisation	17.7	13.1	11.7		
<b>EBIT</b>	<b>510.8</b>	<b>664.0</b>	<b>830.7</b>	<b>62.6%</b>	<b>25.1%</b>
Foreign Exchange Gains/(loss)	(13.4)	(17.9)	(75.8)		
Other Income, net	5.4	23.8	8.8		
Provision for Tax	103.1	172.8	191.1		
Share of income / (loss) of minority shareholders	-	0.3	-		
<b>Net Income</b>	<b>399.7</b>	<b>496.7</b>	<b>572.7</b>	<b>43.3%</b>	<b>15.3%</b>
Gross Margin	31.6%	31.5%	33.0%		
EBITDA Margin	16.3%	17.1%	18.5%		
EBIT Margin	13.1%	14.3%	15.8%		
Net Income Margin	10.3%	10.7%	10.9%		
<b>Earnings Per Share (EPS)</b>					
Annualized in US \$					
Basic	23.6	28.8	33.2	<b>40.6%</b>	
Diluted	23.1	28.4	32.8	<b>41.8%</b>	
<b>Earnings Per Share (EPS) - GAAP*</b>					
Annualized in US \$					
Basic	22.1	27.8	32.0	<b>44.7%</b>	
Diluted	21.7	27.4	31.6	<b>45.8%</b>	
<b>“Weighted average Number of Shares used in computing EPS”</b>					
Basic	682,703,410	689,169,555	690,319,989		
Diluted	697,054,475	699,267,872	699,197,467		

\*After adjusting for non cash employee stock options charge



Note: - The above results do not take into account non cash employee stock options charge computed under ASC 718, as per details given here:-

Particulars (in ₹ Crores)	Quarter Ended		
	31-Dec-10	30-Sep-11	31-Dec-11
Options Charge	25.8	18.5	21.5
Tax benefit	0.6	1.4	1.5
<b>Option Charge (net-of tax benefit)</b>	<b>25.2</b>	<b>17.1</b>	<b>19.9</b>
<b>Outstanding Options (in equivalent no of shares)</b>			
	31-Dec-10	30-Sep-11	31-Dec-11
Options at market price	11,844,244	8,112,676	7,568,404
Options at less than market price	17,875,316	14,785,572	14,704,176

The options will vest in tranches till 2016

### Consolidated Balance Sheet (At Quarter Closing Exchange Rate of ₹ 53.10/US\$)

Amount in ₹ Crores

Particulars	As on	
	30-Sep-11	31-Dec-11
<b>Assets</b>		
Cash and Cash Equivalents	469.4	601.0
Accounts Receivables, net	2,898.0	3,343.2
Unbilled Receivables	1,124.4	1,229.9
Fixed Deposits with Banks	1,208.5	1,004.1
Deposits with HDFC Ltd.	50.0	50.0
Investment Securities, available for sale	301.9	10.8
Other Current Assets	1,291.4	1,325.4
<b>Total current assets</b>	<b>7,343.6</b>	<b>7,564.4</b>
Property and Equipments, net	2,345.2	2,483.5
Intangible Assets, net	4,464.7	4,752.1
Investment Securities, held to maturity	94.9	94.8
Deposits with HDFC Ltd.	50.0	50.0
Fixed Deposits with Banks	110.0	110.0
Investments in Equity Investee	27.5	33.0
Other Assets	1,117.3	1,160.7
<b>Total assets</b>	<b>15,553.0</b>	<b>16,248.4</b>
<b>Liabilities &amp; Stockholders' Equity</b>		
Current Liabilities	3,525.8	3,937.9
Borrowings	2,165.4	2,090.5
Other Liabilities	678.7	844.1
<b>Total Liabilities</b>	<b>6,369.9</b>	<b>6,872.5</b>
<b>Total Stockholders Equity</b>	<b>9,183.1</b>	<b>9,375.9</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>15,553.0</b>	<b>16,248.4</b>



## Segment wise Profitability

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

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>3,665.5</b>	<b>4,435.7</b>	<b>5,006.9</b>	<b>36.6%</b>	<b>12.9%</b>
Direct Costs	2,482.0	3,015.9	3,326.3		
<b>Gross Profits</b>	<b>1,183.5</b>	<b>1,419.8</b>	<b>1,680.6</b>	<b>42.0%</b>	<b>18.4%</b>
SG & A	538.1	621.5	705.3		
<b>EBITDA</b>	<b>645.5</b>	<b>798.3</b>	<b>975.3</b>	<b>51.1%</b>	<b>22.2%</b>
Depreciation	93.5	105.6	114.7		
Amortisation	16.7	13.1	11.7		
<b>EBIT</b>	<b>535.2</b>	<b>679.7</b>	<b>848.9</b>	<b>58.6%</b>	<b>24.9%</b>
Gross Margin	32.3%	32.0%	33.6%		
EBITDA Margin	17.6%	18.0%	19.5%		
EBIT Margin	14.6%	15.3%	17.0%		

### B. BPO Services

Amount in ₹ Crores

Income Statement	Quarter ended		
	31-Dec-10	30-Sep-11	31-Dec-11
<b>Revenues</b>	<b>222.8</b>	<b>215.7</b>	<b>238.3</b>
Direct Costs	179.3	171.3	187.8
<b>Gross Profits</b>	<b>43.5</b>	<b>44.4</b>	<b>50.6</b>
SG & A	54.3	47.8	55.6
<b>EBITDA</b>	<b>(10.7)</b>	<b>(3.4)</b>	<b>(5.1)</b>
Depreciation	12.7	12.2	13.1
Amortisation	1.0	-	-
<b>EBIT</b>	<b>(24.5)</b>	<b>(15.6)</b>	<b>(18.2)</b>
Gross Margin	19.5%	20.6%	21.2%





## A1. Software Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>2,779.5</b>	<b>3,292.7</b>	<b>3,779.7</b>	<b>36.0%</b>	<b>14.8%</b>
Direct Costs	1,835.1	2,186.9	2,451.9		
<b>Gross Profits</b>	<b>944.4</b>	<b>1,105.8</b>	<b>1,327.8</b>	<b>40.6%</b>	<b>20.1%</b>
SG & A	458.8	514.1	588.2		
<b>EBITDA</b>	<b>485.6</b>	<b>591.7</b>	<b>739.6</b>	<b>52.3%</b>	<b>25.0%</b>
Depreciation	62.3	70.8	74.7		
Amortisation	16.7	13.1	11.7		
<b>EBIT</b>	<b>406.5</b>	<b>507.8</b>	<b>653.1</b>	<b>60.7%</b>	<b>28.6%</b>
Gross Margin	34.0%	33.6%	35.1%		
EBITDA Margin	17.5%	18.0%	19.6%		
EBIT Margin	14.6%	15.4%	17.3%		

## A2. Infrastructure Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-10	30-Sep-11	31-Dec-11	YoY	QoQ
<b>Revenues</b>	<b>886.1</b>	<b>1,142.9</b>	<b>1,227.2</b>	<b>38.5%</b>	<b>7.4%</b>
Direct Costs	647.0	828.9	874.4		
<b>Gross Profits</b>	<b>239.1</b>	<b>314.0</b>	<b>352.8</b>	<b>47.5%</b>	<b>12.4%</b>
SG & A	79.3	107.4	117.1		
<b>EBITDA</b>	<b>159.8</b>	<b>206.6</b>	<b>235.7</b>	<b>47.5%</b>	<b>14.1%</b>
Depreciation	31.1	34.8	39.9		
<b>EBIT</b>	<b>128.7</b>	<b>171.8</b>	<b>195.8</b>	<b>52.1%</b>	<b>13.9%</b>
Gross Margin	27.0%	27.5%	28.7%		
EBITDA Margin	18.0%	18.1%	19.2%		
EBIT Margin	14.5%	15.0%	16.0%		



## 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 83,076 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, has reported consolidated revenues of US\$ 3.9 billion (₹ 18,334 crores), as on 31 December 2011 (on LTM basis). For more information, please visit [www.hcltech.com](http://www.hcltech.com)

## About HCL Enterprise

HCL is a \$6.2 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 and a transformational enterprise, HCL's diverse range of hardware and software offerings span a wide array of focused industry verticals. The HCL team consists of 88,000 professionals of diverse nationalities, who operate from 31 countries including over 500 points of presence in India. For more on HCL, please visit [www.hcl.com](http://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:

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