



HCL Technologies

Quarterly Results 2009-10

Second Quarter Results FY 2009-10

Investor Release

Noida, NCR, India, January 25, 2010

Q2 Revenues at Rs.3,033 Crores; up 22.8% YoY

EBIT at Rs.502 Crores; up 13.9% YoY

Net Income at Rs.297 Crores

Q2 Revenues at US\$ 652 mn; up 28.5% YoY

EBIT at US\$ 108 mn; up 19.2% YoY

Net Income at US\$ 64 mn

Table of Contents	Financial Highlights	2
	Overview	3
	Business Highlights	4
	Financials	8
	Segment wise Profitability	11
	Revenue Analysis	13
	Constant Currency Reporting	14
	Client Metrics	15
	Operational Metrics - Software Services	16
	Employee Metrics	17
	Facility Details	19
	Cash and Cash Equivalent, Investments & Borrowing	20
	Financials in INR as per convenience translation	22

Financial Highlights

Highlights for the Quarter (INR)

- Revenue at **Rs.3,033 crores**; up **22.8% YoY** and marginally up sequentially
- EBIT at **Rs.502 crores**; up **13.9% YoY** and lower **8.1%** sequentially
- Net Income at **Rs. 297 crores**
- Announces dividend of **Re. 1 per share**, 28th consecutive quarter of dividend payout
- Gross employee addition of 5,508 made to take the headcount to 55,688. Net additions of 1,691 in IT Services

Highlights for the Quarter (US\$)

- Revenue at **US\$ 652 mn**; up **28.5% YoY** and up **3.4%** sequentially
- Revenue on constant currency basis, up **22.8% YoY** and up **2.4%** sequentially
- EBIT at **US\$ 108 mn**; up **19.2% YoY** and lower **5.0%** sequentially
- Net Income at **US\$ 64 mn**
- Announces dividend of **Re. 1 per share**, 28th consecutive quarter of dividend payout
- Gross employee addition of 5,508 made to take the headcount to 55,688. Net additions of 1,691 in IT Services



Overview

HCL continues to perform well in the current market environment and is well placed to continue its balanced growth trajectory in the coming times.

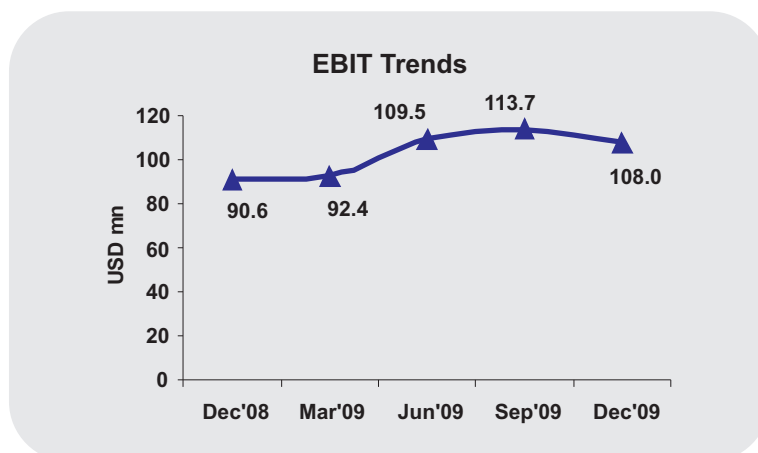
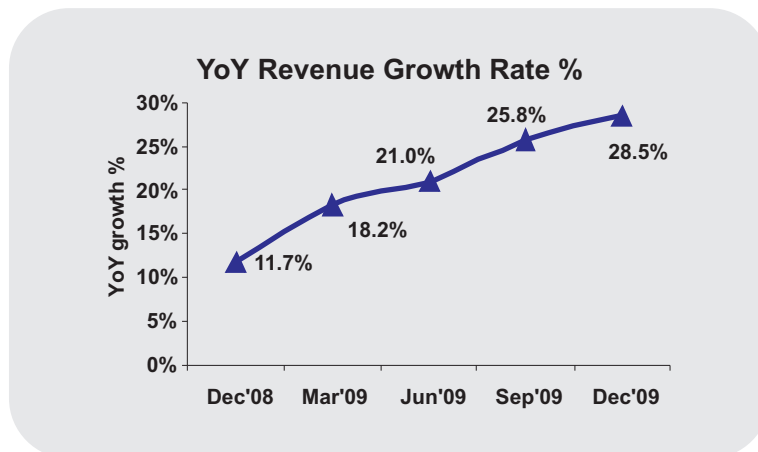
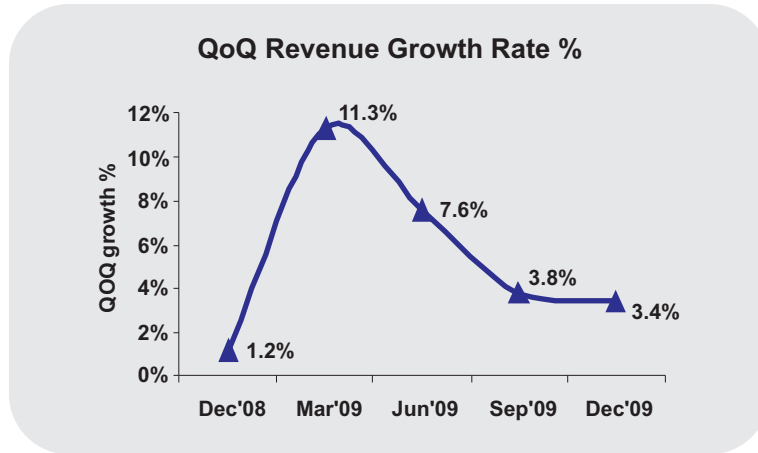
“2010 marks the end of the first decade of the millennium which began and ended with a recession and in its course brought about fundamental shifts in the Industry. We have delivered consistent and sustained growth over these years and now as we stand on the threshold of a new decade I am confident that HCL will stay on the forefront of change”, said **Shiv Nadar, Chairman and Chief Strategy Officer, HCL Technologies.**

Commenting on the results, **Vineet Nayar, CEO, HCL Technologies** said “At HCL, in 2009 we have delivered industry leading growth. We see early signs of economic recovery, which we anticipate would gain momentum by middle of 2010. HCL is well positioned to leverage the structural shifts developing in the market place”.

“HCL has continued to maintain the volume led growth momentum this quarter in addition to focus on improving operational efficiency. Our sequential revenue growth of 4% in IT services is on back of 4.1% and 8% recorded sequentially in the previous two quarters. Our focus on cash flows generated unprecedented inflows of \$189 million from operations during the first 6 months of fiscal 2010 as compared to inflow of \$206 million for the whole of fiscal 2009”, said **Anil Chanana, CFO, HCL Technologies.**



Business Highlights



Key Catalysts for Growth

- HCL has reported 4.9% of CQGR growth in the last three quarters
- In this period, HCL's broad based portfolio of businesses witnessed a well balanced CQGR across verticals & geographies
 - Infrastructure and Custom Application recorded continued momentum of positive growth re-affirming HCL's focus on Total Outsourcing space
 - Media Publishing & Entertainment, BFSI, Retail & Life Sciences continue to demonstrate positive traction
 - HCL has witnessed positive growth in all the geographies let by renewed surge in emerging markets

Particulars	Segment (US \$) Growth	US \$ Growth			
		CY 2009 Vs. CY 2008	CQGR*	OND '09	
				QoQ	YoY
Consolidated	For the Company	23.5%	4.9%	3.4%	28.5%
Geography	Asia Pacific	10.8%	11.0%	13.4%	30.9%
	Europe	22.9%	7.2%	5.1%	38.7%
	US	26.8%	2.6%	0.5%	23.3%
Service Offering	Infrastructure Services	43.5%	15.6%	7.8%	56.2%
	Custom Application	3.9%	7.5%	3.0%	19.7%
	Enterprise Application Services	153.4%	1.8%	5.5%	129.5%
Industry	Media Publishing & Entertainment (MPE)	36.7%	18.8%	10.3%	68.7%
	Retail & CPG	7.0%	10.5%	18.2%	34.3%
	Life Sciences	41.7%	9.7%	16.6%	56.8%
	Financial Services	12.5%	8.5%	2.4%	20.9%

* CQGR numbers are for 3 quarters beginning from Jan - Mar'09 quarter to reflect organic growth which businesses have reported.



Multi-service, multi-year, multi-million dollar deals

- During October - December 2009, HCL won 12 new outsourcing deals. These include 2 large deals from financial services vertical. Deal wins have been predominantly from UK & US markets

Transformation @ HCL

- Shiv Nadar was conferred the 'CNBC Asia Business Leader Award 2009 for Corporate Social Responsibility' and the 'Asia Viewers' Choice Award'. He was also presented with the CNBC's 'India Business Leader Award' for 2009 by the CNBC Asia's International Jury.
- HCL is hosting a Panel Discussion on the theme 'CHANGING TIMES: The Big Ideas Shaping Tomorrow's Business' in collaboration with Financial Times at the World Economic Forum, Davos on 26th January 2010. This event has attracted global CEOs and thought leaders and boasts of speakers like Paul Bulcke, CEO, Nestle, Edie Weiner, President, Weiner Edrich and Brown, Martin Wolf, Chief Economics Commentator, Financial Times and Vineet Nayar, CEO, HCL Technologies

Recognitions

- Gartner showcased a case study on HCL's SAP engagement with Queensland Rail (QR), one of Australia's largest integrated transport providers. The case highlights how the CRM solution was integrated with the core SAP platform for QR's National Coal business and how QR was able to achieve cost savings and modernize its IT environment
(Report name: Case Study: Queensland Rail Improves Efficiency With Redesigned Business Processes Supported by an Auditable Solution - Twiggy Lo (Dec 2009)
- AMR published a case study on SAP implementation by HCL AXON for Birmingham City Council highlighting the 'huge business value' generated (£400M worth of savings over just three years) by HCL. AMR categorized this as a 'business transformation' case
(Report name: HCL AXON Helps Birmingham City Council Realize Huge Business Value From SAP - Derek Prior (Nov 2009)
- HCL featured in the prestigious FinTech Top 25 Enterprise Technology Companies ranking for the first time in 2009. HCL's entry into the FinTech Enterprise 25, comprising the world's largest horizontal technology providers to the financial services sector, re-affirms its strong position in this vertical



Business Highlights

- HCL opened a Global Development Center in Brazil to service growing client base in Latin America, North America and Europe
- HCL launched XpressMigrate suite of offerings for Windows 7 migration enabling enterprises to minimize risk, bring higher visibility and reduce Windows 7 deployment cost up to 25%
- During October - December 2009, HCL entered into some key strategic partnerships with companies such as:
 - **SAP** to provide value added services and solutions to Utilities segment. The partnership will enable both HCL and SAP to improve the win rate and effectiveness of customer relationship and billing demonstrations in North America
 - **Varicient Software** to build upon its Enterprise Application Services strengths in Microsoft Dynamics. The partnership will focus on providing clients with SPM solutions in the Asia-Pacific region
 - **iLumen** to power CapitalStream, HCL's business and commercial lending system. The partnership will include both technical product integrations and co-marketing arrangements
 - **Tibco** for a global reseller agreement, becoming the only Indian Service Provider to have this status
 - **SoftwareAG** to migrate business critical systems from 6.x integration server platform to 7.x or 8.x



Financials

Unaudited consolidated financial results for the quarter ended 31st December, 2009 drawn under US GAAP

Consolidated Income Statement

Amt. in US \$ million

Income Statement	Quarter ending...			Growth	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	507.0	630.1	651.7	28.5%	3.4%
Direct Costs	307.5	398.0	419.2		
Gross Profits	199.5	232.1	232.5		
SG & A	89.0	88.9	95.2		
EBITDA	110.5	143.2	137.2	24.1%	-4.1%
Depreciation	17.8	20.4	20.9		
Amortisation	2.1	9.1	8.3		
EBIT	90.6	113.7	108.0	19.2%	-5.0%
Forex gain / (loss)	(24.7)	(31.3)	(27.0)		
Other Income, net	24.8	(1.3)	(2.9)		
Provision for Tax	14.0	14.6	14.6		
Share from Equity Investment /of Minority Interest	-	(0.0)	0.3		
Net Income	76.6	66.5	63.8	-16.7%	-4.1%
Net Income before Forex gain/(loss)	101.3	97.8	90.8	-10.4%	-7.2%
Gross Margin	39.4%	36.8%	35.7%		
EBITDA Margin	21.8%	22.7%	21.1%		
EBIT Margin	17.9%	18.0%	16.6%		
Earnings Per Share (EPS) - Annualized					
Basic – in US \$	0.46	0.40	0.38		
Diluted – in US \$	0.46	0.39	0.37		
“Weighted average number of Shares used in computing EPS”					
Basic	669,239,052	670,539,209	672,471,573		
Diluted	670,392,497	684,972,139	689,573,435		



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-08	30-Sep-09	31-Dec-09
Options at market price	0.5	0.0	0.0
Options at less than market price	3.7	4.2	5.2
Total	4.2	4.2	5.2
Tax benefit	0.3	0.3	0.3
Total (net of tax)	3.8	3.9	4.9

Outstanding Options (in equivalent no of shares)	31-Dec-08	30-Sep-09	31-Dec-09
Options at market price	25,226,296	23,408,288	21,350,444
Options at less than market price	10,517,744	9,630,216	9,020,976

The options will vest in tranches till 2011

Consolidated Balance Sheet

Amt. in US \$ million

Particulars	As on	
	30-Jun-09	31-Dec-09
Assets		
a) Cash & Cash Equivalents	87.7	73.0
b) Account Receivables, net	565.4	592.4
c) Deposit with Banks	303.9	186.0
d) Investment Securities, available for sale	4.8	134.6
e) Other Current Assets	223.4	178.1
A) Total Current Assets (a+b+c+d+e)	1,185.3	1,164.0
B) Property and Equipments, net	331.1	361.7
C) Intangible Assets, net	946.2	973.3
D) Investment Securities, held to maturity	4.2	4.3
E) Investment in Equity Investee	3.5	3.8
F) Other Assets	179.7	208.8
Total Assets (A+B+C+D+E+F)	2,650.1	2,715.8
Liabilities & Stockholders' Equity		
a) Current Liabilities	682.1	648.4
b) Loans	621.5	533.9
c) Other Liabilities	159.4	169.4
A) Total Liabilities (a+b+c)	1,463.0	1,351.6
B) Total Stockholders Equity	1,187.0	1,364.2
Total Liabilities and Stockholders Equity (A+B)	2,650.1	2,715.8



Consolidated Cash Flow Statement

Amt. in US \$ million

Particulars	Period ended 31-Dec-09
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	130.3
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities	
Depreciation and Amortization	58.7
(Profit) /Loss on Redemption of Mutual Fund Investments	(0.5)
Others	(17.8)
Changes in Assets and Liabilities, net	
Accounts Receivable	(26.5)
Other Assets	18.8
Current Liabilities	25.1
Net Cash provided by operating Activities	188.2
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment (net)	(61.2)
Short term deposits with Banks	124.5
(Purchase) / Sale of investments	(127.2)
Payments for business acquisitions, net of cash acquired	(8.0)
Net Cash used in Investing Activities	(71.9)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Issuance of Employees Stock Options	9.3
Proceeds from Issuance of Debenture	210.9
Loans	(323.4)
Others	(34.2)
Net Cash provided by (used in) Financing Activities	(137.4)
Effect of Exchange Rate on Cash and Cash Equivalents	6.3
Net Increase/ (Decrease) in Cash and Cash Equivalents	(14.7)
CASH AND CASH EQUIVALENTS	
Beginning of the Period	87.7
End of the Period	73.0



Segment wise Profitability

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

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	444.1	571.3	594.1	33.8%	4.0%
Direct Costs	267.3	357.4	377.6		
Gross Profits	176.8	213.9	216.5		
SG & A	74.4	79.1	83.8		
EBITDA	102.3	134.8	132.7	29.6%	-1.6%
Depreciation	15.1	17.9	18.4		
Amortisation	1.7	8.6	7.9		
EBIT	85.6	108.3	106.4	24.3%	-1.7%
Gross Margin	39.8%	37.4%	36.4%		
EBITDA Margin	23.0%	23.6%	22.3%		
EBIT Margin	19.3%	19.0%	17.9%		

B. BPO Services

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	63.0	58.8	57.6	-8.5%	-2.0%
Direct Costs	40.2	40.6	41.6		
Gross Profits	22.7	18.2	16.0		
SG & A	14.5	9.8	11.4		
EBITDA	8.2	8.4	4.6	-44.2%	-45.5%
Depreciation	2.6	2.5	2.6		
Amortisation	0.6	0.5	0.5		
EBIT	5.0	5.4	1.6	-68.9%	-71.1%
Gross Margin	36.1%	31.0%	27.8%		
EBITDA Margin	13.0%	14.3%	7.9%		
EBIT Margin	8.0%	9.2%	2.7%		



A1. Software Services

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	359.6	448.8	462.1	28.5%	3.0%
Direct Costs	210.9	272.9	284.2		
Gross Profits	148.7	175.9	177.8		
SG & A	62.8	65.3	68.5		
EBITDA	85.9	110.6	109.3	27.3%	-1.2%
Depreciation	11.3	13.6	13.7		
Amortisation	1.6	8.6	7.9		
EBIT	72.9	88.4	87.8	20.3%	-0.7%
Gross Margin	41.3%	39.2%	38.5%		
EBITDA Margin	23.9%	24.6%	23.7%		
EBIT Margin	20.3%	19.7%	19.0%		

A2. Infrastructure Services

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	84.5	122.5	132.0	56.3%	7.8%
Direct Costs	56.4	84.5	93.4		
Gross Profits	28.1	38.0	38.6		
SG & A	11.6	13.8	15.3		
EBITDA	16.5	24.2	23.4	41.5%	-3.3%
Depreciation	3.9	4.3	4.7		
EBIT	12.6	19.9	18.6	47.4%	-6.1%
Gross Margin	33.3%	31.0%	29.3%		
EBITDA Margin	19.5%	19.7%	17.7%		
EBIT Margin	15.0%	16.2%	14.1%		



Revenue Analysis

Geographic Mix (Quarter ended)	31-Dec-08	30-Sep-09	31-Dec-09	LTM
US	59.5%	58.7%	57.0%	58.8%
Europe	27.3%	29.0%	29.5%	28.7%
Asia Pacific	13.2%	12.3%	13.5%	12.5%

Service Offering Mix (Quarter ended)	31-Dec-08	30-Sep-09	31-Dec-09	LTM
Enterprise Application Services	12.5%	21.9%	22.4%	23.1%
Engineering and R&D Services	25.6%	18.7%	18.0%	19.4%
Custom Application (Industry Solutions)	32.8%	30.7%	30.5%	29.9%
Infrastructure Services	16.7%	19.4%	20.3%	18.2%
BPO Services	12.4%	9.3%	8.8%	9.4%

Revenue by Contract Type (Qtr ended)	31-Dec-08	30-Sep-09	31-Dec-09
IT Services			
Time & Material (T&M)	63.8%	60.0%	60.4%
Fixed Price Projects	36.2%	40.0%	39.6%

Revenue by Vertical (Qtr end)	31-Dec-08	30-Sep-09	31-Dec-09
Financial Services	27.7%	26.3%	26.1%
Manufacturing	30.0%	27.4%	25.6%
Telecom	15.8%	13.0%	12.5%
Retail & CPG	7.7%	7.0%	8.0%
Media Publishing & Entertainment (MPE)	5.5%	6.8%	7.2%
Life Sciences	5.9%	6.4%	7.2%
Energy-Utilities-Public Sector	3.2%	6.8%	7.3%
Others	4.2%	6.3%	6.1%

Rupee / US Dollar	31-Dec-08	30-Sep-09	31-Dec-09
Quarter Ended	48.70	48.11	46.53
Average for the Quarter	49.41	48.29	46.67

"LTM" - Last Twelve Months



Constant Currency (CC) Reporting

Reported	OND 08	JFM 09	AMJ 09	JAS 09	OND 09
Revenue (\$ mn)	507.0	564.4	607.2	630.1	651.7
Growth QoQ	1.2%	11.3%	7.6%	3.8%	3.4%
Growth YoY	11.7%	18.2%	21.0%	25.8%	28.5%
Constant Currency (QoQ)	OND 08	JFM 09	AMJ 09	JAS 09	OND 09
Revenue (\$ mn)	540.8	572.2	586.2	621.3	645.0
Growth QoQ	8.0%	12.9%	3.9%	2.3%	2.4%
Constant Currency (YoY)	OND 08	JFM 09	AMJ 09	JAS 09	OND 09
Revenue (\$ mn)	555.3	608.7	645.3	646.9	622.6
Growth YoY	22.4%	27.5%	28.6%	29.1%	22.8%
Average Rates for Qtr	OND 08	JFM 09	AMJ 09	JAS 09	OND 09
GBP	1.54	1.43	1.58	1.62	1.64
EURO	1.32	1.30	1.38	1.43	1.47
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.68	0.66	0.69	0.70	0.72
AUD	0.67	0.66	0.78	0.84	0.91

Particulars	Segment	US \$ Growth
		QoQ at CC
Consolidated	For the Company	2.4%
Geography	US	0.5%
	Europe	3.3%
	Asia Pacific	9.0%
Service Offering	Enterprise Application Services	4.6%
	Engineering and R&D Services	-0.4%
	Custom Application	1.4%
	Infrastructure Services	6.4%
	BPO Services	-2.6%
Industry	Financial Services	0.4%
	Manufacturing	-4.1%
	Telecom	-0.9%
	Retail & CPG	16.5%
	Media Publishing & Entertainment	10.1%
	Life Sciences	16.2%
	Energy-Utilities-Public Sector	10.0%
	Others	-0.1%
Clients(LTM)	Top 5	0.7%
	Top 10	1.7%
	Top 20	2.7%



Client Metrics

Client Data (LTM)	31-Dec-08	30-Sep-09	31-Dec-09
Number of Clients			
Active Client Relationship	315	373	399
New Client Relationship	26	28	36
Accounting for > 5% of revenue	2	1	1

Number of Million Dollar Clients (LTM)	31-Dec-08	30-Sep-09	31-Dec-09	QoQ Change	YoY Change
100 Million dollar +	2	1	1	-	(1)
50 Million dollar +	4	4	4	-	-
40 Million dollar +	8	7	7	-	(1)
30 Million dollar +	12	9	9	-	(3)
20 Million dollar +	19	20	21	1	2
10 Million dollar +	39	45	51	6	12
5 Million dollar +	68	94	104	10	36
1 Million dollar +	218	264	281	17	63

Client Contribution to Revenue (LTM)	31-Dec-08	30-Sep-09	31-Dec-09	QoQ growth LTM Basis
Top 5 Clients	25.3%	19.0%	18.0%	1.9%
Top 10 Clients	35.1%	27.2%	26.2%	3.0%
Top 20 Clients	47.9%	38.1%	36.9%	3.7%

Client Business - (LTM)	31-Dec-08	30-Sep-09	31-Dec-09
Repeat Business - Consolidated	90.9%	93.7%	94.4%
Days Sales Outstanding	82	90	82
Days Sales Outstanding - excluding unbilled revenue	67	73	64

"LTM" - Last Twelve Months



Operational Metrics - Software Services

Software Services (Quarter Ended)	31-Dec-08	30-Sep-09	31-Dec-09
Efforts			
Offshore	75.3%	71.9%	71.5%
Onsite	24.7%	28.1%	28.5%
Revenue			
Offshore	53.5%	41.5%	40.9%
Onsite	46.5%	58.5%	59.1%
Utilization			
Offshore - Including trainees	74.5%	76.0%	76.4%
Offshore - Excluding trainees	75.0%	77.9%	77.9%
Onsite	97.4%	97.2%	96.7%

Software Services Efforts (Man Months)	31-Dec-08	30-Sep-09	31-Dec-09
Efforts Billed - Offshore	50,419	51,167	51,530
Efforts Billed - Onsite	16,565	19,950	20,504
Total Billed Efforts	66,984	71,117	72,034
Not Billed	17,286	15,128	15,278
Trainee	426	1,590	1,365
Not Billed (including trainees)	17,712	16,718	16,643



Employee Metrics

Manpower Details	31-Dec-08	30-Sep-09	31-Dec-09
Total Employee Count	55,018	54,443	55,688
IT Services (Software Services [A1] + Infrastructure Services [A2])	42,268	43,081	44,772
Technical	37,265	38,211	39,717
Support	5,003	4,870	5,055
Gross addition	2,216	2,612	3,590
Net addition	2,718	665	1,691
Gross lateral employee addition	1,715	1,671	2,980
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	13.4%	12.8%	12.8%
BPO Services - Total	12,750	11,362	10,916
Offshore	8,944	7,883	7,579
Onsite	2,152	2,087	1,996
Support	1,654	1,392	1,341
Gross addition	1,731	1,710	1,939
Net addition	(414)	(438)	(446)
Gross lateral employee addition	556	424	692
Offshore Attrition – Quarterly	12.7%	17.4%	21.0%
Offshore Attrition - Quarterly (excluding attrition of joiners less than 6 months)	7.4%	11.1%	13.9%

* Excludes involuntary attrition



A1. Software Services

	31-Dec-08	30-Sep-09	31-Dec-09
Software Services - Total	33,298	32,312	33,455
Technical	29,174	28,382	29,383
Support	4,124	3,930	4,072
Gross addition	1,275	1,520	2,595
Net addition	2,027	(52)	1,143
Gross lateral employee addition	922	1,063	1,989
Attrition (LTM)	13.4%	12.7%	12.9%

A2. Infrastructure Services

	31-Dec-08	30-Sep-09	31-Dec-09
Infrastructure Services - Total	8,970	10,769	11,317
Technical	8,091	9,829	10,334
Support	879	940	983
Gross addition	941	1,092	995
Net addition	691	717	548
Gross lateral employee addition	793	608	991
Attrition (LTM)	13.5%	13.2%	12.6%



Facility Details

As on 31st December 2009	Completed		Work in Progress		Land Available for expansion - in acres
	Delivery Locations	Built Up area (Sq. ft.)	No. of seats	Built Up area (Sq. ft.)	
Gurgoan	285,127	2,510			
Noida(NCR)	1,936,012	21,861			31
Chennai	2,558,096	24,006	418,166	2,414	27
Bangalore	1,021,039	8,744	361,861	3,654	13
Mumbai	28,300	300			
Kolkata	95,467	1,042			
Hyderabad	166,916	1,704			
Manesar (Haryana)			430,000	3,400	10
UK	79,564	922			
USA	96,532	607			
Nortern Ireland(NI)	100,000	1,400			
Singapore	15,656	187			
Australia	24,145	198			
Poland	16,100	199			
China	15,300	147			
Malaysia	40,955	540			
Others	27,443	232			
Total	6,506,652	64,599	1,210,027	9,468	81



Cash & Cash Equivalent, Investments and Borrowing

Amt. in US \$ million

	31-Dec-09
A. Cash and Cash Equivalent	73.0
B. Fixed Deposit with Banks	186.0
C. Investment Securities, held to maturity	4.3
D. Mutual Funds Liquid Schemes	134.6
Total (A+B+C+D)	397.9

A. Details of Cash & Cash Equivalent

Amt. in US \$ million

Bank Name	Country	31-Dec-09
HSBC	India	4.5
Royal Bank of Scotland	UK	4.0
Standard Chartered Bank	UK	3.8
Deutsche Bank	USA	3.8
Silicon Valley	USA	3.5
Bank of Tokyo	Japan	1.9
Citi Bank	India	1.7
Axis Bank	India	1.3
Barclays Bank	UK	1.3
Indian Overseas Bank	Singapore	0.9
Standard Chartered Bank	South Africa	0.9
ICICI	India	0.9
Societe Generale EEFC A/c	India	0.9
HSBC	Malaysia	0.9
Others including funds in transit		42.9
Grand Total		73.0



Cash & Cash Equivalent, Investments and Borrowing

B. Fixed Deposit with Banks	Amt. in US \$ million
	31-Dec-09
Bank of Baroda	36.4
Bank of India	32.2
Canara Bank	33.7
Corporation Bank	4.1
Punjab National Bank	40.9
State Bank of India	37.7
Others	0.9
Total Fixed Deposit with Banks	186.0
C. Investment Securities, held to maturity	
- Exim Bank Bonds 2008-09	4.3
D. Investment Securities, available for Sale	
- Mutual Funds Liquid Schemes	134.6
Grand Total (A+B+C+D)	397.9
E. Details of Loans	
Dollar Loan	300.0
Rupee-denominated Redeemable Secured NCDs	214.9
Other working capital loans (including Rupee denominated supplier financing of \$16.4 million)	18.9
Total Loans	533.9



Financials in INR as per convenience translation

(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.46.53 for the quarter ended on 31 Dec 2009; US \$1 = Rs. 48.11 for the quarter ended on 30 Sep 2009; US\$1 = Rs. 48.70 for the quarter ended 31 Dec 2008)

Unaudited consolidated financial results for the quarter ended 31 December, 2009 drawn under US GAAP

Consolidated Income Statement

Amt. in Rs Crores

Income Statement	Quarter ending...			Growth	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	2,469.1	3,031.4	3,032.5	22.8%	0.0%
Direct Costs	1,497.5	1,914.7	1,950.7		
Gross Profits	971.6	1,116.7	1,081.8		
SG & A	433.2	427.9	443.2		
EBITDA	538.4	688.8	638.6	18.6%	-7.3%
Depreciation	86.5	98.1	97.4		
Amortisation	10.6	43.7	38.7		
EBIT	441.3	547.0	502.4	13.9%	-8.1%
Forex gain / (loss)	(120.3)	(150.4)	(125.7)		
Other Income, net	120.6	(6.3)	(13.3)		
Provision for Tax	68.4	70.2	67.9		
Share from Equity Investment /of					
Minority Interest	(0.1)	(0.1)	1.2		
Net Income	373.3	320.1	296.7	-20.5%	-7.3%
Net Income before Forex gain/(loss)	493.5	470.5	422.4	-14.4%	-10.2%
Gross Margin	39.4%	36.8%	35.7%		
EBITDA Margin	21.8%	22.7%	21.1%		
EBIT Margin	17.9%	18.0%	16.6%		
Earnings Per Share (EPS) - Annualized					
Basic – in INR	22.3	19.3	17.6		
Diluted – in INR	22.3	18.7	17.2		
“Weighted average number of Shares used in computing EPS”					
Basic	669,239,052	670,539,209	672,471,573		
Diluted	670,392,497	684,972,139	689,573,435		



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. Crores)	31-Dec-08	30-Sep-09	31-Dec-09
Options at market price	2.3	0.0	0.0
Options at less than market price	18.0	20.1	24.2
Total	20.3	20.2	24.2
Tax benefit	1.7	1.5	1.4
Total (net of tax)	18.6	18.6	22.8

Outstanding Options (in equivalent no of shares)	31-Dec-08	30-Sep-09	31-Dec-09
Options at market price	25,226,296	23,408,288	21,350,444
Options at less than market price	10,517,744	9,630,216	9,020,976

The options will vest in tranches till 2011

Consolidated Balance Sheet

Amt. in Rs crores

Particulars	As on	
	30-Jun-09	31-Dec-09
Assets		
a) Cash and Cash Equivalents	420.3	339.8
b) Accounts Receivable, net	2,708.3	2,756.2
c) Deposit with Banks	1,455.9	865.3
d) Investment Securities, available for sale	23.2	626.2
e) Other Current Assets	1,069.9	828.5
A) Total current assets (a+b+c+d+e)	5,677.6	5,416.1
B) Property and Equipment, net	1,586.2	1,682.8
C) Intangible Assets, net	4,532.5	4,528.5
D) Investment Securities, held to maturity	20.0	20.0
E) Investment in Equity Investee	16.9	17.5
F) Other Assets	860.8	971.6
Total assets (A+B+C+D+E+F)	12,693.9	12,636.5
Liabilities and Stockholders' Equity		
a) Current Liabilities	3,267.5	3,016.8
b) Loans	2,977.1	2,484.1
c) Other Liabilities	763.4	788.2
A) Total Liabilities (a+b+c)	7,008.0	6,289.1
B) Total Stockholders equity	5,685.9	6,347.5
Total liabilities and stockholders equity (A+B)	12,693.9	12,636.5



Segment wise Profitability

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

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	2,162.5	2,748.5	2,764.3	27.8%	0.6%
Direct Costs	1,301.6	1,719.5	1,757.1		
Gross Profits	860.9	1,029.0	1,007.3		
SG & A	362.5	380.6	390.1		
EBITDA	498.4	648.4	617.3	23.9%	-4.8%
Depreciation	73.6	86.0	85.5		
Amortisation	8.0	41.5	36.6		
EBIT	416.8	520.9	495.2	18.8%	-4.9%
Gross Margin	39.8%	37.4%	36.4%		
EBITDA Margin	23.0%	23.6%	22.3%		
EBIT Margin	19.3%	19.0%	17.9%		

B. BPO Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	306.6	282.9	268.2	-12.5%	-5.2%
Direct Costs	195.9	195.2	193.7		
Gross Profits	110.7	87.7	74.5		
SG & A	70.7	47.3	53.2		
EBITDA	40.0	40.4	21.3	-46.7%	-47.3%
Depreciation	12.9	12.1	11.9		
Amortisation	2.6	2.2	2.1		
EBIT	24.5	26.1	7.3	-70.2%	-72.0%
Gross Margin	36.1%	31.0%	27.8%		
EBITDA Margin	13.0%	14.3%	7.9%		
EBIT Margin	8.0%	9.2%	2.7%		



A1. Software Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	1,751.1	2,159.1	2,150.0	22.8%	-0.4%
Direct Costs	1,027.1	1,312.9	1,322.5		
Gross Profits	724.0	846.2	827.5		
SG & A	306.0	314.0	318.9		
EBITDA	418.0	532.2	508.6	21.7%	-4.4%
Depreciation	54.8	65.3	63.6		
Amortisation	8.0	41.5	36.6		
EBIT	355.2	425.4	408.4	15.0%	-4.0%
Gross Margin	41.3%	39.2%	38.5%		
EBITDA Margin	23.9%	24.6%	23.7%		
EBIT Margin	20.3%	19.7%	19.0%		

A2. Infrastructure Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Dec-08	30-Sep-09	31-Dec-09	YoY	QoQ
Revenues	411.5	589.4	614.3	49.3%	4.2%
Direct Costs	274.5	406.6	434.6		
Gross Profits	136.9	182.8	179.8		
SG & A	56.5	66.5	71.0		
EBITDA	80.4	116.3	108.7	35.2%	-6.5%
Depreciation	18.8	20.7	21.9		
EBIT	61.6	95.6	86.8	40.9%	-9.2%
Gross Margin	33.3%	31.0%	29.3%		
EBITDA Margin	19.5%	19.7%	17.7%		
EBIT Margin	15.0%	16.2%	14.1%		



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 55,688 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US\$ 2.5 billion (Rs. 11,833 crores), as on 31st December 2009 (on LTM basis). For more information, please visit www.hcltech.com

About HCL Enterprise

HCL is a \$5 billion leading global Technology and IT Enterprise that comprises two companies listed in India - HCL Technologies & HCL Infosystems. Founded in 1976, HCL is one of India's original IT garage start-ups, a pioneer of modern computing, and a global transformational enterprise today. Its range of offerings spans Product Engineering, Custom & Package Applications, BPO, IT Infrastructure Services, IT Hardware, Systems Integration, and distribution of ICT products across a wide range of focused industry verticals. The HCL team comprises over 60,000 professionals of diverse nationalities, who operate from 26 countries including over 500 points of presence in India. HCL has global partnerships with several leading Fortune 1000 firms, including leading IT and Technology firms. For more information, please visit www.hcl.in

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

Geetanjali Bhatia

geetanjali.bhatia@hcl.in

+91- 98119 87765

Zulfia Nafees

zulfian@hcl.in

+91-9810495138

Kunal Takalkar

kunal.takalkar@adfactorspr.com

+91-98110073217

INVESTOR RELATIONS

Sanjay Mendiratta

sanjay.mendiratta@hcl.in

+91- 9312065108

Ronit Dutta

ronit.dutta@hcl.in

+91- 9711002816

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 60,000 of us bright sparks are busy developing solutions for over 500 customers in 26 countries across the world. How can I help you?