



HCL Technologies

Quarterly Results 2010-11

First Quarter Results FY 2010-11

Investor Release

Noida, India, October 20, 2010

Q1 Revenues at US\$ 804 mn; up 9.0% QoQ; up 27.6% YoY

Net Income at US\$ 72 mn; up 7.9% YoY

Q1 Revenues at Rs. 3,708 crores; up 10.0% QoQ; up 21.9% YoY

Net Income at Rs. 331 crores; up 3.1% YoY

- *Begins the financial year with high single digit growth of 9% QoQ*
- *3 out of 7 verticals post double digit sequential growth*
- *Net Headcount Addition in IT Services exceeds 5000 for second consecutive quarter*
- *Declares Dividend of Rs. 1.50 per Share. 50% Increase in dividend per share.*

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Financial Highlights

Highlights for the Quarter (US\$)

- Revenue at **US\$ 804 mn**; up **27.6% YoY** & **9.0% sequentially**
- Revenue on constant currency basis up **28.5% YoY** & **7.4% sequentially**
- EBIT at **US\$ 104 mn**; lower by **8.8% YoY**
- Net Income at **US\$ 72 mn**; up **7.9% YoY**
- Announces dividend of **Rs. 1.50 per share**, **31st consecutive quarter** of dividend payout. **50%** Increase in dividend per share
- Gross & Net Employee addition of **11,785 & 5,661** respectively taking total headcount to **70,218**

Highlights for the Quarter (INR convenience translation at Quarterly Average Rate of Rs.46.13/US\$)

- Revenue at **Rs. 3,708 crores**; up **21.9% YoY** & **10.0% sequentially**
- EBIT at **Rs. 478 crores**; lower by **12.9% YoY**
- Net Income at **Rs. 331 crores**; up **3.1% YoY**
- Announces dividend of **Rs. 1.50 per share**, **31st consecutive quarter** of dividend payout. **50%** Increase in dividend per share
- Gross & Net Employee addition of **11,785 & 5,661** respectively taking total headcount to **70,218**



Corporate Overview

The company continues to experience a broad-based and balanced growth across verticals, business lines and geographies.

“As we enter a new decade we are witnessing an era of dynamic demand, evolving consumer behavior and changing business models which necessitate a need for balanced growth. HCL is therefore committed to ensuring a sustained growth momentum by investing in emerging technologies and business areas while at the same time continuing to profitably capitalize on the existing opportunities”, said **Shiv Nadar, Chairman and Chief Strategy Officer, HCL Technologies**.

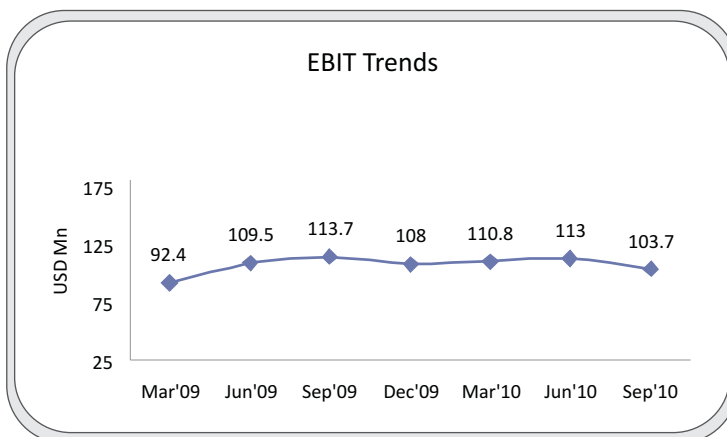
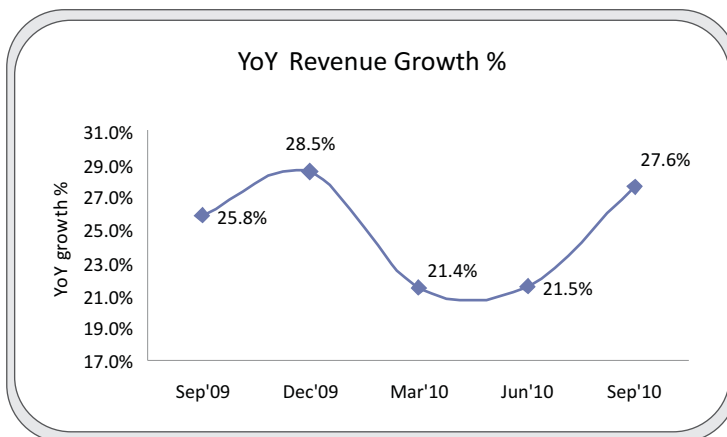
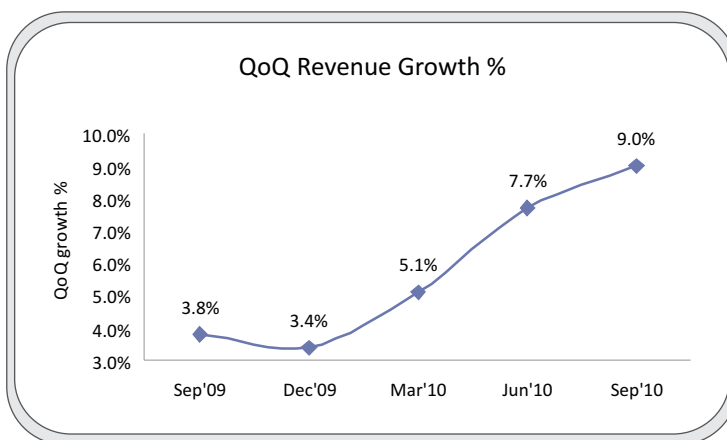
Commenting on the results, **Vineet Nayar, CEO, HCL Technologies** said, “We continue our growth momentum by posting another quarter of high sequential growth which is balanced across segments with 3 out of 7 verticals witnessing a double digit QoQ growth and all our business lines showing strong momentum. We also continue to invest in the future through an expansion of our workforce and global delivery base as well as focusing on incubating new businesses through the establishment of a dedicated group called Ecosystem and Business Incubation”.

“HCL continues with the journey of financial consolidation while continuing to maintain growth momentum. It is reflected by increased debtor turnover ratio, fixed asset turnover ratio and significantly enhanced net worth. HCL has continued to invest in re-jigging it's BPO business and further strengthening its sales and delivery capability.”, said **Anil Chanana, CFO, HCL Technologies**.



Performance Highlights

Overall Company



Key Catalysts for Growth

- Revenue grows by **9.0%**
- IT Services leading the broad based revenue growth at **9.2%**
- Revenue growth across all IT Services offerings namely, Custom Applications at **15.0%**, Infrastructure Services at **8.9%**, Enterprise Applications at **6.3%** and Engineering and R&D at **4.0%**
- All verticals have reported positive growth with Retail & CPG, Healthcare and Financial Services posting a double digit growth.
- Retail & CPG grew **13.0%**, Healthcare by **11.7%** and Financial Services by **10.0%**
- All geographies reported positive growth

* Note: All numbers are on reported currency (US\$) basis and the growth rates given are Quarter on Quarter (QoQ)

US\$ Growth					
Particulars	Segments	JAS '10			
		YoY	QoQ	QoQ (CC)*	4Q CQGR#
Consolidated	For the Company	27.6%	9.0%	7.4%	6.3%
Geography	Rest of the World	58.6%	19.8%	16.7%	12.2%
	Europe	17.5%	18.2%	13.4%	4.1%
	Americas	26.0%	2.8%	2.8%	6.0%
Service Offering	Custom Application Services	30.3%	15.0%	12.9%	6.8%
	Infrastructure Services	46.9%	8.9%	7.6%	10.1%
	Enterprise Application Services	25.9%	6.3%	4.7%	5.9%
	Engineering and R&D Services	27.8%	4.0%	3.2%	6.3%
Industry	Retail & CPG	54.6%	13.0%	11.2%	11.5%
	Healthcare	68.2%	11.7%	10.5%	13.9%
	Financial Services	21.9%	10.0%	7.2%	5.1%
	Telecom	8.5%	9.9%	7.2%	2.1%
	Manufacturing	26.4%	8.7%	7.9%	6.0%
	Energy-Utilities-Public Sector	27.5%	7.9%	6.5%	6.3%
	Media, Publishing & Entertainment (MPE)	30.3%	1.9%	1.3%	6.8%

* Constant Currency

CQGR numbers are for 4 quarters beginning from Jul-Sep'09 quarter.



Multi-Year, Multi-Million Dollar Deals

- HCL won 14 major deals during the last quarter from leading global companies. These deals span across all services lines and the vertical segments including Financial Services, Manufacturing, Automobiles, Travel, Transportation & Logistics and Healthcare. These deals have been won from across geographies; Americas, followed by UK, Continental Europe and the Rest of the World.

Transformation @ HCL

- HCL continues to strengthen its relationship with the World Economic Forum (WEF). The company was invited to speak at WEF's Annual Meeting of New Champions 2010, at Tianjin, People's Republic of China and also chaired a 'Meet the Leader' workshop with the 'Young Global Leaders Forum', a multi-stakeholder community of exceptional young leaders identified by WEF from across the world.
- HCL was invited into the panel of "Mavericks" (the term used to describe management gurus in this forum) on the Management Innovation eXchange (MIX), an open innovation project (founded and led by Professor Gary Hamel of the London Business School) designed to socially collaborate with innovators across the world keen on developing Management 2.0 practices.
- At the Gartner Outsourcing & Vendor Management Summit 2010, two of our Customers namely, Pearson and Oncor Electric Delivery Company showcased the benefits derived as result of their successful engagement with HCL.
- HCL signed the largest IT contract for power distribution reforms in India which will enable 'Smart Grid' deployment for a power distribution agency. The company also contributed to World Economic Forum's Report on Smart Grids titled, 'Accelerating successful smart grid pilots' in its capacity as a Smart Grid Task Force Member.



Recognitions

- For the first time, HCL Technologies was included in Forbes magazine's prestigious 'Asia's Fab 50 List' for 2010. This List is Forbes' "annual compilation of the best big public companies in the Asia-Pacific region". The companies are shortlisted based on their five-year track record of revenues, operating earnings and return on capital. Other factors taken into account include most recent results, share-price movements, business outlook, transparency and accounting among others.
- HCL was named a leader in the August 2010 report 'Forrester Wave™: North American Applications Outsourcing', Q3 2010. HCL was among a select group of 12 vendors that Forrester evaluated based on current offerings, strategy and market presence. According to this report, "HCL is another company that is growing more rapidly than its direct competitors."
- HCL was positioned in the Gartner Magic Quadrant for Desktop Outsourcing, Europe and Gartner's Magic Quadrant for Helpdesk Outsourcing for Europe. It also received a positive rating MarketScope for Managed Security Services in Europe from Gartner.
- Gartner published a case study titled 'Genzyme Diagnostics Leverages Oracle and HCL Technologies to Eliminate Demand Latency', Sept 2010 by Michael Dominy.
- HCL rated 'Positive' in Gartner MarketScope for Managed Security Services in Europe.
- HCL was named a leader in IDC's MarketScape Global Discrete & Embedded Product Engineering Testing Services Vendor Assessment Report of September 2010. HCL was among a group of 13 vendors that IDC evaluated based on current offerings, strategy and market presence. HCL was also named a 'major player' in the Enterprise Application Testing Services vendor assessment.
- IDC identified HCL as one of the "rising players in the Nordic IT services" space. As per IDC, HCL's current position in the Nordics is a Challenger position with strong propositions in key verticals such as Manufacturing, Consumers Services (Retail & T&M), Financial Services, Healthcare and Energy/utilities.
- Information Week conferred the 'Value Honors' awards to 6 HCL ISD customers. The customers were recognized for their immense contribution in creating "value and transforming business" in their global sourcing engagements.
- The Harvard Business Press book "Employees First, Customers Second - Turning Conventional Management Upside Down" authored by HCL Technologies' CEO Vineet Nayar, was launched in Japan and talked about widely by leading analysts and publications. The book, available globally in English since June, is already being translated into several languages, including Spanish, Portuguese, Complex Chinese and Korean.



Business Highlights

Corporate

- HCL launched an on-premise software application - 'manageCarbon' that helps businesses aggregate, analyze, and manage carbon emissions data. This cloud application is delivered from the Windows Azure platform, lowering the investment required by customers, trimming deployment to one-quarter of the time, simplifying the development and maintenance of the application, and lowering the total cost of ownership.
- HCL entered into a strategic, go-to-market partnership with Oracle to help pharmaceutical organizations comply with new and increasingly stringent regulatory requirements while reducing business risk. This partnership will help support HCL's customers in the life sciences industry, to facilitate compliance and reduce business and reputational risk associated with the rising incidence of drug counterfeiting and product diversion.
- HCL tied up a strategic partnership with Daon, a leading provider of biometric identity assurance software, to help aviation, transportation, government and public sector clients solve their identity program challenges through innovative biometric technology solutions.
- HCL became a member of Texas Instruments (TI) Elite Design House program, a premier group of independent, well-established companies that offer system-level design services. HCL will leverage this partnership in building product components and solution accelerators for three major segments - Aerospace, Medical Electronics and Consumer Electronics, with a specific focus on medical imaging, wireless communication and analog system applications.
- HCL launched AeroPASS(TM), a future-proofed, flexible and secure biometric Airport Security Solution for expediting the passage of pilots and flight attendants through security checkpoints and into sterile airport areas.

Americas

During Q1 FY11, the Americas contributed US\$ 466 mn in revenues which is about 58% of overall revenues of HCL Technologies. Revenue grew 2.8% QoQ & 26% YoY during the quarter ended September 2010.

- HCL won several contracts across Americas this quarter including a SAP implementation engagement for a leading utility company and a multi-million, multi-year Infrastructure services contract from a leading consumer goods MNC; both in Latin America. It also won an IT Infrastructure services deal from a major Pharmaceutical company in North America and a strategic contract from a leading insurance provider in Canada
- HCL has undertaken a CRM strategy assessment for a top 3 Pharma company to define landscape for contact centers for processes, technology and people, develop a business case and help implement the roll out and another engagement for implementing SAP CRM, BI and Business Objects with a leading distributor of fuel and lubricants.
- HCL partnered with Health Language Inc. (HLI), the global leader in medical terminology management, to help healthcare entities lower the cost and simplify the ICD-10 conversion across the provider-payer continuum by leveraging HLI's Language Engine® as part of the company's end-to-end ICD-10 conversion solution.
- HCL's CapitalStream™ "Straight Through Processing" (STP) solution went live for the Boston Private Bank & Trust Company. The CapitalStream solution was selected by the Boston Private Bank for its proven track record of success along with the ability to automate and integrate into existing systems and functions throughout the lending process, providing faster and easier access to information.
- HCL announced that Central Bancshares (Central), a leading financial services holding company, is realizing significant operational benefits and improved processing efficiency by 23% in a little more than one year after implementing the CapitalStream™ straight through processing (STP) solution.



Business Highlights

Europe

During Q1 FY11, the Europe business has contributed US\$ 215 mn in revenues which is 26.7% of overall revenues of HCL Technologies. Europe witnessed 17.5% YoY and 18.2% QoQ growth.

- HCL inked several new contracts across Europe this quarter, including one of the largest financial institutions in Ireland and a top General Insurance company in the Nordics regions where HCL will be providing business transformation through development, implementation and support & maintenance of their claims management system.
- HCL reinforced its relationship with GFI Informatique, with an order for one of the major aerospace companies in France. HCL has a partnership with GFI, who is well positioned to provide on-site in-French IT Services for customers in France, allowing HCL to provide scalability and standardization.

Rest of the World

During Q1 FY11, the ROW region contributed US\$ 123 mn in revenues this year which is about 15.3 % of overall revenues of HCL Technologies. This geography posted an encouraging growth of 19.8% QoQ and 58.6% YoY.

- South East Asia's (SEA) largest telecommunication company entrusted HCL with implementation of their enterprise wide Data Warehousing system. This engagement marks a significant milestone in HCL's focus on the telecommunication markets in Emerging geographies.
- Other strategic deals in this region included a seven year Total IT Outsourcing Services agreement with Kingdom of Saudi Arabia based Al Majdouie Group, a large IT Infrastructure services deal with a Hong Kong based leading airline company for the roll out of best-of-breed IT Operations Tools and an IT Infrastructure support services contract with Australia's leading provider of general insurance and reinsurance services.
- HCL also inked a deal with New Zealand Department of Corrections to develop technology solutions for the country's prison system.



Financials

Unaudited consolidated financial results for the quarter ended 30th September, 2010 drawn under US GAAP

Consolidated Income Statement

Amt. in US\$ million

Income Statement	Quarter Ending			Growth	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	630.1	737.6	803.8	27.6%	9.0%
Direct Costs	398.0	493.6	549.4		
Gross Profits	232.1	244.0	254.4	9.6%	4.3%
SG & A	88.9	106.6	123.6		
EBITDA	143.2	137.4	130.8	-8.7%	-4.8%
Depreciation	20.4	21.8	23.1		
Amortisation	9.1	2.6	4.0		
EBIT	113.7	113.0	103.7	-8.8%	-8.3%
Forex gain / (loss)	(31.3)	(29.5)	(14.2)		
Other Income, net	(1.3)	(4.5)	0.1		
Provision for Tax	14.6	5.5	17.9		
Share of Minority Interest	(0.0)	0.0	(0.0)		
Net Income	66.5	73.6	71.8	7.9%	-2.5%
Gross Margin	36.8%	33.1%	31.6%		
EBITDA Margin	22.7%	18.6%	16.3%		
EBIT Margin	18.0%	15.3%	12.9%		
Earnings Per Share (EPS) - Annualized					
Basic – in US \$	0.40	0.43	0.42		
Diluted – in US \$	0.39	0.43	0.41		
“Weighted average number of Shares used in computing EPS”					
Basic	670,539,209	677,150,453	679,262,639		
Diluted	684,972,139	692,126,211	694,593,412		



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)	30-Sep-09	30-Jun-10	30-Sep-10
Option Charge	4.2	5.2	5.4
Tax benefit	0.3	0.2	0.5
Option Charge (net-of Tax benefit)	3.9	5.1	4.9

Outstanding Options (in equivalent no of shares)	30-Sep-09	30-Jun-10	30-Sep-10
Options at market price	23,408,288	15,806,128	13,812,152
Options at less than market price	9,630,216	8,006,468	15,444,396

The options will vest in tranches till 2015

Consolidated Balance Sheet

Amt. in US\$ million

Particulars	As on	
	30-Jun-10	30-Sep-10
Assets		
a) Cash & Cash Equivalents	100.9	94.6
b) Account Receivables, net	541.3	546.2
c) Unbilled Revenues*	115.4	168.2
d) Fixed Deposits with Banks	235.0	291.5
e) Deposits with HDFC Ltd.	21.5	22.3
f) Investment Securities, held till maturity	-	10.7
g) Investment Securities, available for sale	168.4	60.8
h) Other Current Assets	190.5	220.7
A) Total Current Assets (a+b+c+d+e+f+g+h)	1,373.0	1,415.1
B) Property and Equipments, net	398.1	424.4
C) Intangible Assets, net	928.6	945.8
D) Investment Securities, held to maturity	10.8	21.2
E) Deposits with HDFC Ltd.	-	11.1
F) Fixed Deposits with Banks	-	24.6
G) Investment in Equity Investee	4.5	4.4
H) Other Assets	207.6	239.0
Total Assets (A+B+C+D+E+F+G+H)	2,922.4	3,085.7
Liabilities & Stockholders' Equity		
a) Total Current Liabilities	674.6	691.4
b) Borrowings	573.5	577.3
c) Other Liabilities	159.0	159.2
I) Total Liabilities (a+b+c)	1,407.1	1,428.0
J) Total Stockholders Equity	1,515.3	1,657.7
Total Liabilities and Stockholders Equity (I+J)	2,922.4	3,085.7

* Note: Historically the Unbilled Revenues has remained in the range of 16-19 Days of Sales, which is 19 Days for the current Quarter.



Consolidated Cash Flow Statement

Amt. in US\$ million

Particulars	Period ended 30-September-10
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	71.7
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities	
Depreciation and Amortization	27.1
(Profit) /Loss on Redemption of Mutual Fund Investments	(1.1)
Others	(21.3)
Changes in Assets and Liabilities, net	
Accounts Receivable	(36.1)
Other Assets	(43.8)
Current Liabilities	13.3
Net Cash provided by operating Activities	9.9
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment (net)	(36.9)
(Purchase) / Sale of investments	90.9
Deposits with Banks	(71.5)
Deposits with HDFC Ltd.	(10.9)
Payments for Deferred Consideration on Business Acquisition	(2.1)
Net Cash used in Investing Activities	(30.5)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Issuance of Employees Stock Options	7.1
Loans	(1.4)
Others	(0.9)
Net Cash provided by (used in) Financing Activities	4.8
Effect of Exchange Rate on Cash and Cash Equivalents	9.5
Net Increase/ (Decrease) in Cash and Cash Equivalents	(6.3)
CASH AND CASH EQUIVALENTS	
Beginning of the Period	100.9
End of the Period	94.6



Segment wise Profitability

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

Amt. in US\$ million

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	571.3	692.1	755.7	32.3%	9.2%
Direct Costs	357.4	453.8	510.0		
Gross Profits	213.9	238.3	245.7	14.9%	3.1%
SG & A	79.1	95.7	110.7		
EBITDA	134.8	142.6	135.0	0.2%	-5.3%
Depreciation	17.9	19.4	20.4		
Amortisation	8.6	3.7	3.8		
EBIT	108.3	119.5	110.8	2.4%	-7.3%
Gross Margin	37.4%	34.4%	32.5%		
EBITDA Margin	23.6%	20.6%	17.9%		
EBIT Margin	19.0%	17.3%	14.7%		

B. BPO Services

Amt. in US\$ million

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	58.8	45.5	48.1	-18.2%	5.7%
Direct Costs	40.6	39.8	39.4		
Gross Profits	18.2	5.7	8.7	-52.2%	53.6%
SG & A	9.8	10.8	12.9		
EBITDA	8.4	(5.2)	(4.2)	-150.3%	18.4%
Depreciation	2.5	2.4	2.7		
Amortisation	0.5	(1.1)	0.2		
EBIT	5.4	(6.5)	(7.1)	-231.8%	-10.2%
Gross Margin	31.0%	12.5%	18.1%		
EBITDA Margin	14.3%	-11.4%	-8.8%		
EBIT Margin	9.2%	-14.2%	-14.8%		



A1. Software Services

Amt. in US\$ million

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	448.8	526.8	575.7	28.3%	9.3%
Direct Costs	272.9	335.3	376.9		
Gross Profits	175.9	191.5	198.9	13.1%	3.9%
SG & A	65.3	80.0	95.8		
EBITDA	110.6	111.4	103.1	-6.8%	-7.5%
Depreciation	13.6	13.1	14.0		
Amortisation	8.6	3.7	3.8		
EBIT	88.4	94.6	85.2	-3.6%	-10.0%
Gross Margin	39.2%	36.3%	34.5%		
EBITDA Margin	24.6%	21.2%	17.9%		
EBIT Margin	19.7%	18.0%	14.8%		

A2. Infrastructure Services

Amt. in US\$ million

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	122.5	165.3	180.0	46.9%	8.9%
Direct Costs	84.5	118.5	133.2		
Gross Profits	38.0	46.8	46.8	23.2%	-0.1%
SG & A	13.8	15.7	14.8		
EBITDA	24.2	31.1	32.0	32.2%	2.7%
Depreciation	4.3	6.3	6.3		
EBIT	19.9	24.9	25.6	28.9%	3.0%
Gross Margin	31.0%	28.3%	26.0%		
EBITDA Margin	19.7%	18.8%	17.8%		
EBIT Margin	16.2%	15.0%	14.2%		



Revenue Analysis

Geographic Mix (Quarter ended)	30-Sep-09	30-Jun-10	30-Sep-10	LTM
Americas	58.7%	61.5%	58.0%	59.0%
Europe	29.0%	24.6%	26.7%	26.8%
Rest of World	12.3%	13.9%	15.3%	14.2%

Service Offering Mix (Quarter ended)	30-Sep-09	30-Jun-10	30-Sep-10	LTM
Enterprise Application Services	21.9%	22.2%	21.7%	21.9%
Engineering and R&D Services	18.7%	19.6%	18.7%	18.8%
Custom Application (Industry Solutions)	30.7%	29.6%	31.3%	30.4%
Infrastructure Services	19.4%	22.4%	22.3%	21.8%
BPO Services	9.3%	6.2%	6.0%	7.1%

Revenue by Contract Type (Qtr ended)	30-Sep-09	30-Jun-10	30-Sep-10
IT Services			
Time & Material (T&M)	60.0%	59.1%	58.9%
Fixed Price Projects	40.0%	40.9%	41.1%

Revenue by Vertical (Qtr end)	30-Sep-09	30-Jun-10	30-Sep-10
Financial Services	26.3%	24.9%	25.2%
Manufacturing	27.4%	27.3%	27.2%
Telecom	13.0%	10.9%	11.0%
Retail & CPG	7.0%	8.2%	8.5%
Media Publishing & Entertainment (MPE)	6.8%	7.4%	6.9%
Healthcare	6.4%	8.2%	8.4%
Energy-Utilities-Public Sector	6.8%	6.9%	6.8%
Others	6.3%	6.2%	6.0%

Rupee / US Dollar	30-Sep-09	30-Jun-10	30-Sep-10
Quarter Ended	48.11	46.44	44.93
Average for the Quarter	48.29	45.72	46.13

"LTM" - Last Twelve Months



Constant Currency (CC) Reporting

Reported	JAS'09	OND'09	JFM'10	AMJ'10	JAS 10
Revenue (\$ mn)	630.1	651.7	685.2	737.6	803.8
Growth QoQ	3.8%	3.4%	5.1%	7.7%	9.0%
Growth YoY	25.8%	28.5%	21.4%	21.5%	27.6%
Constant Currency (QoQ)	JAS'09	OND'09	JFM'10	AMJ'10	JAS 10
Revenue (\$ mn)	621.3	645.0	696.9	747.5	792.0
Growth QoQ	2.3%	2.4%	6.9%	9.1%	7.4%
Constant Currency (YoY)	JAS'09	OND'09	JFM'10	AMJ'10	JAS 10
Revenue (\$ mn)	646.9	622.6	655.7	738.1	809.6
Growth YoY	29.1%	22.8%	16.2%	21.6%	28.5%

Average Rates for Qtr	JAS'09	OND'09	JFM'10	AMJ'10	JAS 10
GBP	1.62	1.64	1.55	1.49	1.56
EURO	1.43	1.47	1.37	1.26	1.31
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.70	0.72	0.71	0.72	0.74
AUD	0.84	0.91	0.90	0.87	0.92

Particulars	Segment	US\$ Growth
		QoQ at CC
Consolidated	For the Company	7.4%
Geography	Americas	2.8%
	Europe	13.4%
	Rest of World	16.7%
Service Offering	Enterprise Application Services	4.7%
	Engineering and R&D Services	3.2%
	Custom Application	12.9%
	Infrastructure Services	7.6%
	BPO Services	2.9%
Industry	Financial Services	7.2%
	Manufacturing	7.9%
	Telecom	7.2%
	Retail & CPG	11.2%
	Media Publishing & Entertainment	1.3%
	Healthcare	10.5%
	Energy-Utilities-Public Sector	6.5%
	Others	4.5%
Clients(LTM)	Top 5	5.7%
	Top 10	5.9%
	Top 20	6.8%



Client Metrics

Client Data (LTM)	30-Sep-09	30-Jun-10	30-Sep-10
Number of Clients			
Active Client Relationship	373	408	426
New Client Relationship	28	51	48
Accounting for > 5% of revenue	1	1	1

Number of Million Dollar Clients (LTM)	30-Sep-09	30-Jun-10	30-Sep-10	QoQ Change	YoY Change
100 Million dollar +	1	1	1	-	-
50 Million dollar +	4	5	6	1	2
40 Million dollar +	7	7	7	-	-
30 Million dollar +	9	12	14	2	5
20 Million dollar +	20	24	26	2	6
10 Million dollar +	45	58	64	6	19
5 Million dollar +	94	107	112	5	18
1 Million dollar +	264	283	292	9	28

Client Contribution to Revenue (LTM)	30-Sep-09	30-Jun-10	30-Sep-10	QoQ growth LTM Basis
Top 5 Clients	19.0%	17.8%	17.7%	4.9%
Top 10 Clients	27.2%	26.0%	25.9%	5.7%
Top 20 Clients	38.1%	36.8%	36.6%	6.6%

Client Business - (LTM)	30-Sep-09	30-Jun-10	30-Sep-10
Repeat Business	93.7%	91.9%	93.7%
Days Sales Outstanding	73	66	61

"LTM" - Last Twelve Months



Operational Metrics - Software Services

Software Services (Quarter Ended)	30-Sep-09	30-Jun-10	30-Sep-10
Efforts			
Offshore	71.9%	72.1%	72.2%
Onsite	28.1%	27.9%	27.8%
Revenue			
Offshore	41.5%	41.4%	41.7%
Onsite	58.5%	58.6%	58.3%
Utilization			
Offshore - Including trainees	76.0%	72.9%	70.1%
Offshore - Excluding trainees	77.9%	77.0%	74.1%
Onsite	97.2%	95.2%	95.7%

Software Services Efforts (Man Months)	30-Sep-09	30-Jun-10	30-Sep-10
Efforts Billed - Offshore	51,167	61,518	66,396
Efforts Billed - Onsite	19,950	23,777	25,609
Total Billed Efforts	71,117	85,295	92,005
Not Billed	15,128	19,533	24,347
Trainee	1,590	4,502	5,075
Not Billed (including trainees)	16,718	24,035	29,422



Employee Metrics

Manpower Details	30-Sep-09	30-Jun-10	30-Sep-10
Total Employee Count	54,443	64,557	70,218
IT Services (Software Services [A1] + Infrastructure Services [A2])	43,081	53,333	58,660
Technical	38,211	47,716	52,558
Support	4,870	5,617	6,102
Gross addition	2,612	8,293	8,333
Net addition	665	5,409	5,327
Gross lateral employee addition	1,671	6,854	5,598
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	12.8%	15.7%	16.7%
BPO Services - Total	11,362	11,224	11,558
Offshore	7,883	7,973	8,064
Onsite	2,087	1,891	2,148
Support	1,392	1,360	1,346
Gross addition	1,710	3,295	3,452
Net addition	-438	1,019	334
Gross lateral employee addition	424	1,297	746
Offshore Attrition – Quarterly	17.4%	15.3%	10.3%
Offshore Attrition - Quarterly (excluding attrition of joinees less than 6 months)	11.1%	7.2%	6.4%

* Excludes involuntary attrition



A1. Software Services

	30-Sep-09	30-Jun-10	30-Sep-10
Software Services - Total	32,312	41,113	45,460
Technical	28,382	36,655	40,595
Support	3,930	4,458	4,865
Gross addition	1,520	7,088	6,595
Net addition	-52	4,944	4,347
Gross lateral employee addition	1,063	5,742	4,489
Attrition (LTM)	12.7%	15.5%	16.6%

A2. Infrastructure Services

	30-Sep-09	30-Jun-10	30-Sep-10
Infrastructure Services - Total	10,769	12,220	13,200
Technical	9,829	11,061	11,963
Support	940	1,159	1,237
Gross addition	1,092	1,205	1,738
Net addition	717	465	980
Gross lateral employee addition	608	1,112	1,109
Attrition (LTM)	13.2%	16.0%	16.9%



Facility Details

As on 30th September 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	438,241	4,672			
Total	7,011,711	67,946	1,935,201	16,558	62

Cash & Cash Equivalent, Investments and Borrowing

Amt. in US\$ million

	30-Sep-10
A. Cash and Cash Equivalent	94.6
B. Fixed Deposit with Banks	316.1
C. Deposits with Corporates	33.4
D. Investment Securities, available for sale	60.8
E. Investment Securities, held to maturity	31.9
Grand Total (A+B+C+D+E)	536.8

* Note: For details please refer: http://www.hcltech.com/investors/downloads/Details of Cash & Bank Balances_Q1'11.pdf



Financials in INR as per convenience translation - Average Exchange Rate for the Quarter

(The financials in INR are based on a convenience translation using the average rate for the quarter: US\$1 = Rs.46.13 for the quarter ended on 30 Sep 2010; US \$1 = Rs. 45.72 for the quarter ended on 30 June 2010; US\$1 = Rs. 48.29 for the quarter ended 30 Sep 2009)

Unaudited consolidated financial results for the quarter ended 30 September, 2010 drawn under US GAAP

Consolidated Income Statement

Income Statement	Quarter ending...			Growth	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
	Amt. in Rs Crores				
Revenues	3,042.5	3,372.2	3,708.1	21.9%	10.0%
Direct Costs	1,921.7	2,256.7	2,534.6		
Gross Profits	1,120.8	1,115.4	1,173.5	4.7%	5.2%
SG & A	429.4	487.3	570.1		
EBITDA	691.3	628.2	603.3	-12.7%	-4.0%
Depreciation	98.5	99.6	106.4		
Amortisation	43.9	11.8	18.5		
EBIT	549.0	516.8	478.3	-12.9%	-7.4%
Foreign Exchange Gains / (loss)	(151.0)	(134.8)	(65.5)		
Other Income, net	(6.4)	(20.5)	0.5		
Provision for Tax	70.4	25.0	82.4		
Share of Minority Interest	(0.0)	(0.0)	(0.2)		
Net Income	321.3	336.5	331.1	3.1%	-1.6%
Gross Margin	36.8%	33.1%	31.6%		
EBITDA Margin	22.7%	18.6%	16.3%		
EBIT Margin	18.0%	15.3%	12.9%		
Earnings Per Share (EPS) - Annualized					
Basic – in INR	19.2	19.9	19.5		
Diluted – in INR	18.8	19.4	19.1		
“Weighted average number of Shares used in computing EPS”					
Basic	670,539,209	677,150,453	679,262,639		
Diluted	684,972,139	692,126,211	694,593,412		



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)	30-Sep-09	30-Jun-10	30-Sep-10
Option Charge	20.3	23.8	25.0
Tax benefit	1.4	0.9	2.4
Option Charge (net-of Tax benefit)	18.8	23.3	22.6

Outstanding Options (in equivalent no of shares)	30-Sep-09	30-Jun-10	30-Sep-10
Options at market price	23,408,288	15,806,128	13,812,152
Options at less than market price	9,630,216	8,006,468	15,444,396

The options will vest in tranches till 2015

Consolidated Balance Sheet (At Quarter Closing Exchange Rate of RS. 44.93/US\$)

Amt. in Rs. Crore

Particulars	As on	
	30-Jun-10	30-Sep-10
Assets		
a) Cash & Cash Equivalents	468.6	425.2
b) Account Receivables, net	2,513.9	2,454.1
c) Unbilled Revenues*	535.7	755.9
d) Fixed Deposits with Banks	1,091.3	1,309.9
e) Deposits with HDFC Ltd.	100.0	100.0
f) Investment Securities, held till maturity	-	48.2
g) Investment Securities, available for sale	782.0	273.2
h) Other Current Assets	884.5	991.6
A) Total Current Assets (a+b+c+d+e+f+g+h)	6,376.0	6,358.0
B) Property and Equipments, net	1,848.6	1,906.9
C) Intangible Assets, net	4,312.2	4,249.5
D) Investment Securities, held to maturity	50.0	95.2
E) Deposit with HDFC Ltd.	-	50.0
F) Fixed Deposits with Banks	-	110.6
G) Investment in Equity Investee	20.7	19.7
H) Other Assets	964.0	1,074.0
Total Assets (A+B+C+D+E+F+G+H)	13,571.5	13,863.9
Liabilities & Stockholders' Equity		
a) Total Current Liabilities	3,132.9	3,106.6
b) Borrowings	2,663.2	2,593.9
c) Other Liabilities	738.6	715.5
I) Total Liabilities (a+b+c)	6,534.7	6,416.0
J) Total Stockholders Equity	7,036.8	7,447.9
Total Liabilities and Stockholders Equity (I+J)	13,571.5	13,863.9



Segment wise Profitability

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

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	2,758.6	3,164.1	3,486.1	26.4%	10.2%
Direct Costs	1,725.8	2,074.6	2,352.9		
Gross Profits	1,032.8	1,089.5	1,133.3	9.7%	4.0%
SG & A	382.0	437.7	510.5		
EBITDA	650.8	651.8	622.8	-4.3%	-4.5%
Depreciation	86.3	88.6	94.0		
Amortisation	41.7	16.8	17.5		
EBIT	522.9	546.4	511.3	-2.2%	-6.4%
Gross Margin	37.4%	34.4%	32.5%		
EBITDA Margin	23.6%	20.6%	17.9%		
EBIT Margin	19.0%	17.3%	14.7%		

B. BPO Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	283.9	208.0	221.9	-21.8%	6.7%
Direct Costs	195.9	182.1	181.7		
Gross Profits	88.0	25.9	40.2	-54.4%	55.0%
SG & A	47.5	49.6	59.6		
EBITDA	40.5	(23.7)	(19.5)	-148.0%	17.7%
Depreciation	12.2	11.0	12.5		
Amortisation	2.2	(5.0)	1.0		
EBIT	26.2	(29.6)	(32.9)	-225.9%	-11.2%
Gross Margin	31.0%	12.5%	18.1%		
EBITDA Margin	14.3%	-11.4%	-8.8%		
EBIT Margin	9.2%	-14.2%	-14.8%		



A1. Software Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	2,167.0	2,408.3	2,655.9	22.6%	10.3%
Direct Costs	1,317.8	1,532.9	1,738.4		
Gross Profits	849.3	875.4	917.4	8.0%	4.8%
SG & A	315.2	365.9	442.0		
EBITDA	534.1	509.5	475.4	-11.0%	-6.7%
Depreciation	65.5	60.0	64.7		
Amortisation	41.7	16.8	17.5		
EBIT	426.9	432.7	393.2	-7.9%	-9.1%
Gross Margin	39.2%	36.3%	34.5%		
EBITDA Margin	24.6%	21.2%	17.9%		
EBIT Margin	19.7%	18.0%	14.8%		

A2. Infrastructure Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	591.5	755.9	830.3	40.4%	9.8%
Direct Costs	408.1	541.7	614.4		
Gross Profits	183.5	214.1	215.8	17.7%	0.8%
SG & A	66.8	71.9	68.4		
EBITDA	116.7	142.3	147.4	26.3%	3.6%
Depreciation	20.8	28.6	29.3		
EBIT	95.9	113.7	118.1	23.1%	3.9%
Gross Margin	31.0%	28.3%	26.0%		
EBITDA Margin	19.7%	18.8%	17.8%		
EBIT Margin	16.2%	15.0%	14.2%		



Financials in INR as per convenience translation - Closing Rate for the Quarter

(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.44.93 for the quarter ended on 30 Sep 2010; US \$1 = Rs. 46.44 for the quarter ended on 30 June 2010; US\$ 1 = Rs. 48.11 for the quarter ended 30 Sep 2009)

Unaudited consolidated financial results for the quarter ended 30 September, 2010 drawn under US GAAP

Consolidated Income Statement

Income Statement	Quarter ending...			Growth	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
	Amt. in Rs Crores				
Revenues	3,031.4	3,425.4	3,611.6	19.1%	5.4%
Direct Costs	1,914.7	2,292.3	2,468.7		
Gross Profits	1,116.7	1,133.1	1,142.9	2.4%	0.9%
SG & A	427.9	495.0	555.3		
EBITDA	688.8	638.1	587.6	-14.7%	-7.9%
Depreciation	98.1	101.1	103.7		
Amortisation	43.7	12.0	18.1		
EBIT	547.0	524.9	465.9	-14.8%	-11.2%
Forex gain / (loss)	(150.4)	(137.0)	(63.8)		
Other Income, net	(6.3)	(20.8)	0.4		
Provision for Tax	70.2	25.4	80.2		
Share of Minority Interest	(0.1)	0.0	(0.2)		
Net Income	320.1	341.8	322.5	0.8%	-5.6%
Gross Margin	36.8%	33.1%	31.6%		
EBITDA Margin	22.7%	18.6%	16.3%		
EBIT Margin	18.0%	15.3%	12.9%		
Earnings Per Share (EPS) - Annualized					
Basic – in INR	19.3	20.2	19.0		
Diluted – in INR	18.7	19.8	18.6		
“Weighted average number of Shares used in computing EPS”					
Basic	670,539,209	677,150,453	679,262,639		
Diluted	684,972,139	692,126,211	694,593,412		



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)	30-Sep-09	30-Jun-10	30-Sep-10
Option Charge	20.2	24.3	24.4
Tax benefit	1.5	0.8	2.4
Option Charge (net-of Tax benefit)	18.6	23.5	22.0

Outstanding Options (in equivalent no of shares)	30-Sep-09	30-Jun-10	30-Sep-10
Options at market price	23,408,288	15,806,128	13,812,152
Options at less than market price	9,630,216	8,006,468	15,444,396

The options will vest in tranches till 2015

Segment wise Profitability

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

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
	Amt. in Rs crores				
Revenues	2,748.5	3,214.1	3,395.5	23.5%	5.6%
Direct Costs	1,719.5	2,107.4	2,291.6		
Gross Profits	1,029.0	1,106.7	1,103.8	7.3%	-0.3%
SG & A	380.6	444.6	497.2		
EBITDA	648.4	662.1	606.6	-6.5%	-8.4%
Depreciation	86.0	90.0	91.5		
Amortisation	41.5	17.1	17.1		
EBIT	520.9	555.0	498.0	-4.4%	-10.3%
Gross Margin	37.4%	34.4%	32.5%		
EBITDA Margin	23.6%	20.6%	17.9%		
EBIT Margin	19.0%	17.3%	14.7%		



B. BPO Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	282.9	211.3	216.1	-23.6%	2.3%
Direct Costs	195.2	185.0	177.0		
Gross Profits	87.7	26.3	39.1	-55.4%	48.6%
SG & A	47.3	50.3	58.1		
EBITDA	40.4	(24.0)	(19.0)	-146.9%	21.1%
Depreciation	12.1	11.2	12.1		
Amortisation	2.2	(5.1)	1.0		
EBIT	26.1	(30.1)	(32.1)	-223.1%	-6.6%
Gross Margin	31.0%	12.5%	18.1%		
EBITDA Margin	14.3%	-11.4%	-8.8%		
EBIT Margin	9.2%	-14.2%	-14.8%		

A1. Software Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	2,159.1	2,446.3	2,586.8	19.8%	5.7%
Direct Costs	1,312.9	1,557.1	1,693.2		
Gross Profits	846.2	889.2	893.6	5.6%	0.5%
SG & A	314.0	371.6	430.5		
EBITDA	532.2	517.6	463.0	-13.0%	-10.5%
Depreciation	65.3	60.9	63.0		
Amortisation	41.5	17.1	17.1		
EBIT	425.4	439.5	382.9	-10.0%	-12.9%
Gross Margin	39.2%	36.3%	34.5%		
EBITDA Margin	24.6%	21.2%	17.9%		
EBIT Margin	19.7%	18.0%	14.8%		



A2. Infrastructure Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	30-Sep-09	30-Jun-10	30-Sep-10	YoY	QoQ
Revenues	589.4	767.8	808.7	37.2%	5.3%
Direct Costs	406.6	550.3	598.4		
Gross Profits	182.8	217.5	210.2	15.0%	-3.4%
SG & A	66.5	73.0	66.7		
EBITDA	116.3	144.5	143.6	23.5%	-0.7%
Depreciation	20.7	29.0	28.5		
EBIT	95.6	115.5	115.1	20.4%	-0.4%
Gross Margin	31.0%	28.3%	26.0%		
EBITDA Margin	19.7%	18.8%	17.8%		
EBIT Margin	16.2%	15.0%	14.2%		



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 70,218 in the 8th row transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US\$ 2.9 billion (Rs. 13,145 crores), as on 30th September 2010 (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 72,000 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.



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