



# HCL Technologies

## First Quarter Results FY 2013

Investor Release  
Noida, NCR, India, October 17th, 2012

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### Q1'13 Results

**Revenues at ₹ 6,091 crores; Up 31.0% YoY**

**Net Income at ₹ 885 crores; Up 78.1% YoY**

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**Revenues at US\$ 1,114 mn; Up 11.1% YoY & 3.2% QoQ**

**Net Income at US\$ 162 mn; Up 51.2% YoY & 3.9% QoQ**

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## Financial Highlights

### Highlights for the Quarter (₹) : Q1 2013 (₹ convenience translation at an Average Rate of ₹ 54.69/US\$)

- Revenue at ₹ **6,091** crores; up **31.0% YoY** & **2.9%** sequentially
- Volume growth of **4.5%** sequentially at company level
- EBIT at ₹ **1,182** crores; up **78.0% YoY** & **2.9%** sequentially
- Net Income at ₹ **885** crores; up **78.1% YoY** & **3.6%** sequentially
- GAAP EPS (Diluted) at ₹ **49.1**; up **70.1% YoY**
- Announces dividend of ₹ **2.0** per share, **39th** consecutive quarter of dividend payout
- Total headcount at 85,335

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### Highlights for the Quarter (US\$) : Q1 2013

- Revenue at **US\$ 1,114 mn**; up **11.1% YoY** & **3.2%** sequentially
- Volume growth of **4.5%** sequentially at company level
- EBIT at **US\$ 216 mn**; up **51.1% YoY** & **3.2%** sequentially
- Net Income at **US\$ 162 mn**; up **51.2% YoY** & **3.9%** sequentially
- GAAP EPS (Diluted) at **US\$ 0.90**; up **51.9% YoY**
- Announces dividend of ₹ **2.0** per share, **39th** consecutive quarter of dividend payout
- Total headcount at 85,335



## Corporate Overview

HCL's balanced business portfolio continues to gather momentum.

"At HCL we have fostered a culture of pursuing business growth hand-in-hand with social inclusiveness and sustainability. Having posted a strong 5 year CAGR growth of 23% while displaying high standards of social responsibility like local job creation, diversity and environmental commitment, we have created a business model which is both competitive and sustainable," said **Shiv Nadar, Chairman and Chief Strategy Officer, HCL Technologies.**

"A 31% YoY growth in revenues and a 78% growth in net income this quarter reiterates the fact that robust revenue growth can be achieved profitably. Increased wins in Fortune 500 accounts have resulted in Americas and Europe geographies growing at 34% and 37% YoY respectively", said **Vineet Nayar, Vice Chairman & CEO, HCL Technologies.**

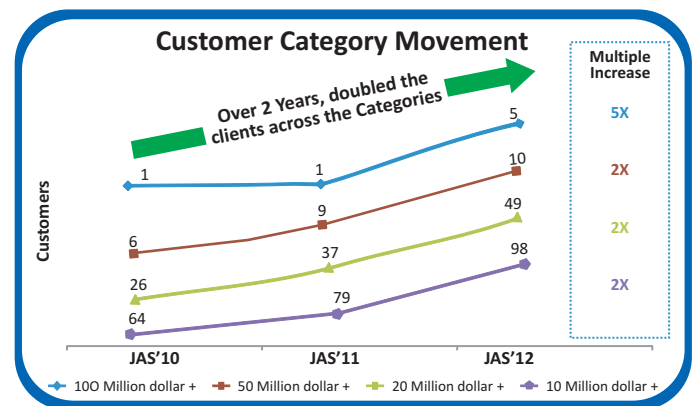
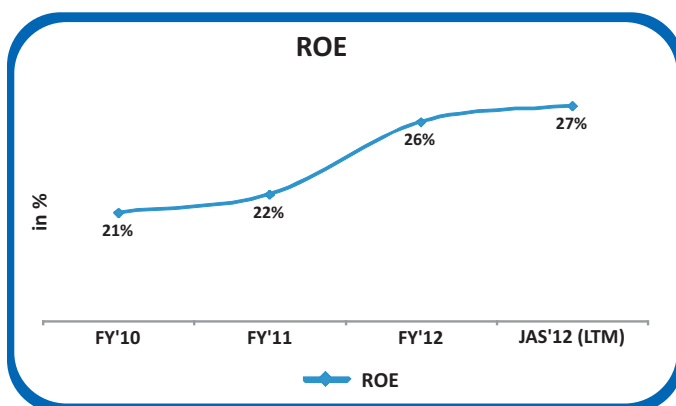
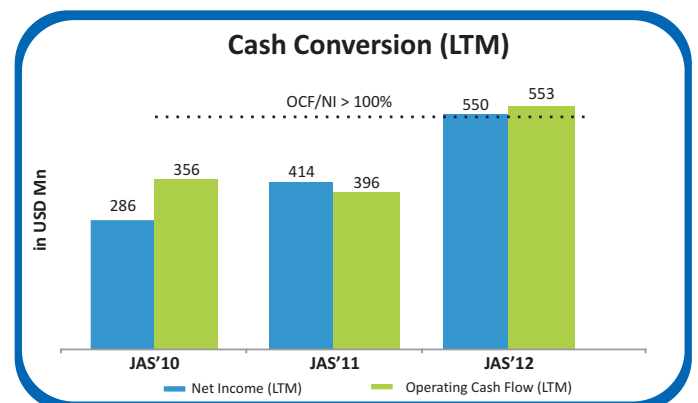
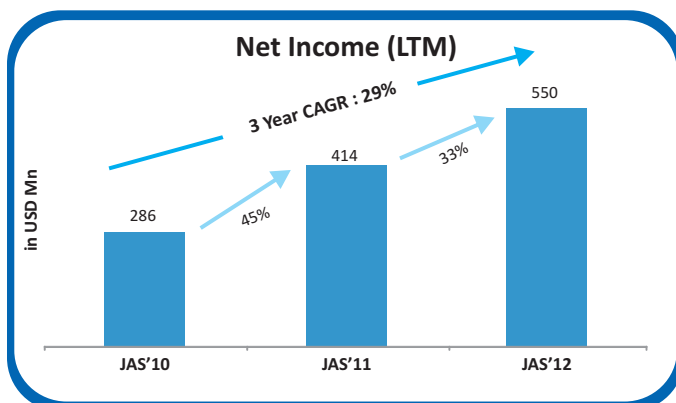
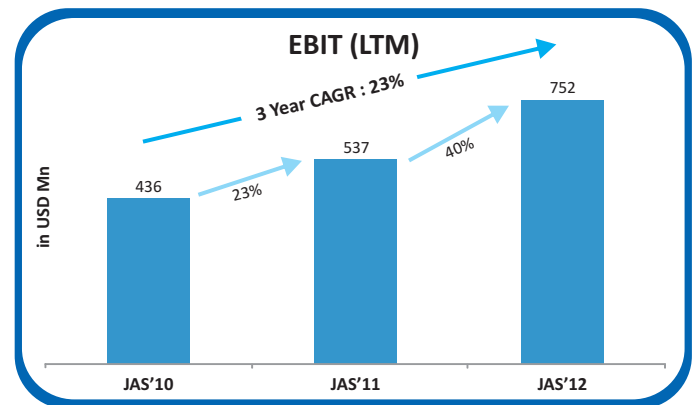
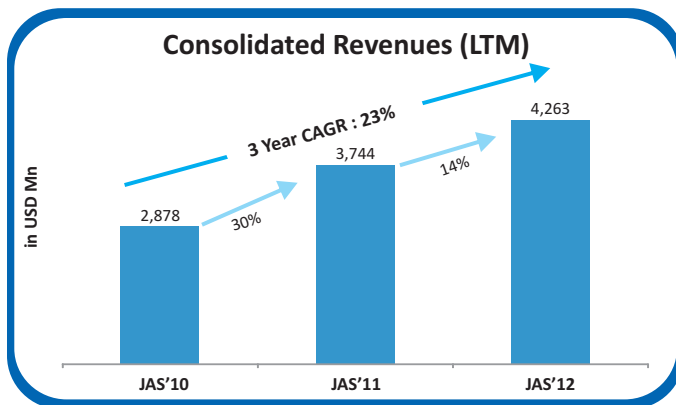
"78% YoY EBIT growth and a 500 bps margin expansion including wage hikes this quarter is a result of our focus on operations and delivery excellence", said **Anant Gupta, President & COO, HCL Technologies.**

"Higher operating profits coupled with the efficient management of working capital, has enabled us to report 27% return on equity on LTM basis which is in the upper quartile of our industry. We continue to convert more than 100% of the net income to operating cash flow on LTM basis" said **Anil Chanana, Chief Financial Officer, HCL Technologies.**



## Performance Highlights

### Overall Company : Performance Trends



## Key Catalysts for Growth

### QoQ Revenue Growth in Constant Currency

- Revenues grow by **2.9%**
- Americas and Europe grow **4.0%** and **2.7%** respectively
- Growth witnessed across key Service Offerings led by Infrastructure Services at **10.3%**, BPO Services at **4.8%** and Custom Application Services at **1.6%**
- Broad based growth across Verticals led by Healthcare at **14.6%**, Retail & CPG at **10.2%**, Financial Services at **3.6%** and Media Publishing & Entertainment at **7.3%**

### YoY Revenue Growth (on LTM basis)

- Americas and Europe grow **17.7%** and **17.0%** respectively
- Growth posted by Infrastructure Services at **18.0%**, Engineering and R&D Services at **16.4%**, Custom Application Services at **13.0%** and Enterprise Application Services **11.7%**
- Growth led by Healthcare at **45.1%**, Retail & CPG at **17.4%**, Manufacturing at **16.9%**, Media Publishing & Entertainment at **12.0%** and Financial Services at **8.6%** respectively

Reported Currency US \$ Growth				
Particulars	Segments	YoY (LTM Basis)	JAS'12	
			QoQ	YoY
<b>Consolidated</b>	<b>For the Company</b>	<b>13.9%</b>	<b>3.2%</b>	<b>11.1%</b>
Geography	Americas	17.7%	4.0%	13.5%
	Europe	17.0%	2.8%	16.4%
Service Offering	Infrastructure Services	18.0%	10.4%	20.1%
	Custom Application	13.0%	2.0%	6.2%
	Engineering and R&D Services	16.4%	0.4%	8.4%
	BPO Services	0.1%	5.2%	7.8%
Verticals	Healthcare	45.1%	14.9%	76.1%
	Retail & CPG	17.4%	10.9%	21.1%
	Media Publishing & Entertainment (MPE)	12.0%	7.4%	14.8%
	Financial Services	8.6%	4.1%	6.6%
	Manufacturing	16.9%	0.0%	5.6%



## Transformational and Blue Chip Customer Acquisition

HCL has won 12 multi-year, multi-million dollar deals this quarter. These engagements have been won across service lines led by Manufacturing, Financial Services and Consumer Services verticals.

## Key Engagements

The quarter saw many significant engagements signed across the world reiterating the continued relevance of HCL's integrated suite of services.

- Freescale Semiconductor has selected HCL for managing and transforming its end-to-end corporate IT Infrastructure landscape. HCL will serve as an exclusive technology partner for Freescale.
- HCL has been chosen by a Top 5 global pharmaceutical company for a multi-year, multi-service managed services engagement encompassing end-to-end application support.
- HCL has been selected by a leading international organization for a multi-year contract for SAP hosting, installation and support services.
- HCL has signed an engagement to support and enhance SAP and other business applications for a US based leading flash memory technology company.
- Denon and Marantz has chosen HCL to support its SAP transformation initiative. HCL's delivery centre in Tokyo, Japan, will be used to deliver these services.
- HCL has been chosen by a leading North American airline to develop, implement and deploy a supply chain management system for its inventory management & distribution division.
- HCL has been awarded a deal to implement Cloud solutions for a Japan based global leader in parking system & solutions provider.
- HCL has been selected by a leading North American airline to deliver a mobility solution focused on significantly improving its supply chain visibility.
- HCL has won a multi-year, multi-million deal from a Fortune 500 casino company for supporting their front-office, back-office and marketing applications.
- HCL has been empanelled as the 'Preferred Vendor' for a Force.com project by a US Government Department.
- HCL has won an engagement with a leading media & publishing company to provide enhancement support for its Salesforce.com applications.
- HCL has been awarded a multi-year, multi-million application maintenance engagement by a US based pharmaceutical company for providing SAP functional support, R&D flow management, custom application and mobility support among others.
- HCL has entered into a global partnership with SuccessFactors, a SAP company, and a global market leader in cloud-based software designed for Human Capital Management. Under the alliance agreement, HCL will provide implementation services, license referrals, and a general operating program for the SuccessFactors Business Execution (BizX) suite to customers in North America, Europe, Latin & South America, Asia Pacific and India.



## Thought Leadership

- HCL has won '**Best in Show Award**' for online video (branding) for its 'Employee First Effect' video and '**Silver Award for Best Website Features**' (structure & navigation) for its corporate website [www.hcltech.com](http://www.hcltech.com) at the W<sup>3</sup> awards. The W<sup>3</sup> Awards honor outstanding websites, web advertising, web videos and mobile applications.
- 26 of HCL's existing customers have won one of the industry's premier awards '**ValueHonors 2012**'. Held in conjunction with the **InformationWeek 500** ceremony, these awards recognized the unique value created between service providers and customers in transforming customer businesses.
- HCL has won the '**NASSCOM HR Award**' in the '**Glocalisers**' category for "successfully driving an integrated global employer brand while balancing the need for localization".
- HCL has been conferred with the '**Asian HR Leadership Award 2012**' for '**Innovative HR Practices**'. HCL won this citation for its Talent Management application 'Pulse – The Organization Health Index'. Pulse is a one stop solution to gauge and track the health index of HCL employees based on 27 behavioral traits and 5 broad parameters such as Organization Disconnect, Compensation related, Personal Problems, Career related and Disciplinary issue.
- HCL has won the '**Information Week 500 Award**' for its innovative internal networking platform called MEME.

## Market leadership

- HCL has been positioned as a 'Leader' in \*Gartner Magic Quadrant for SAP Implementation Service Providers, North America, by Susan Tan, 12 July 12.
- HCL has been positioned as a 'Leader' in Gartner\* Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America, by William Maurer, David Edward Ackerman, Bryan Britz, 29 August 2012. In this report Gartner examines the abilities of 20 service providers' to deliver Datacenter Outsourcing and infrastructure utility services in North America, and their vision for the future of these services.
- HCL has been positioned as a 'Leader' in Gartner Magic Quadrant for Desktop outsourcing Services, North America, by David Edward Ackerman, Helen Huntley, Bryan Britz, William Maurer, 24 July 2012.
- HCL has been positioned as a 'Leader' in Gartner Magic Quadrant for Helpdesk outsourcing , North America, by Helen Huntley, David Edward Ackerman, Bryan Britz, William Maurer, 24 July 2012.

\*Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose



- HCL has been positioned as a 'Major Player' in IDC's Worldwide SAP implementation Ecosystem MarketScape. IDC described HCL as having "broad capabilities across most SAP products, including newer solutions such as analytics, mobility and cloud services". (Source: IDC MarketScape: Worldwide SAP implementation Ecosystem 2012 Vendor Analysis, doc #235682, July 2012).
- HCL has been rated as a 'Leader' in enterprise Mobility and Cloud Computing by Zinnov as per its 'Global Service Provider Ratings (GSPR) 2012'.
- HCL has been featured in an report titled 'Achieving Market Leadership in Engineering and R&D Services' published in September, 2012 by Frost and Sullivan. The report says "the HCL success story in the ESO space is the natural consequence of the company's long-term strategy in this area."
- HCL has been featured in the prestigious 'Global Services 100 List' released by Global Services Media. HCL was cited as a 'Leader' in four categories - Industry-specific Niche BPO Vendors, Leading Mid-tier BPO Providers, Leading Mid-tier FAO Providers and Specialty KPO. The 2012 GS100 list represents companies that demonstrate excellence in delivering ITO and BPO services globally using matured models of service delivery.
- HCL has been listed amongst the 'Top 10 ITO and Top 10 BPO Providers' in ISG's report 'The TPI EMEA Index EMEA Outsourcing Market Data and Insights Second Quarter 2012.'

## Innovation

- HCL has launched two mobile based analytics solutions - 'HCL PREDICT' and 'HCL CONNECT' on the Salesforce.com platform.
- HCL has established a Centre of Excellence for SAP Visual Enterprise (VE) in the UK, to serve its European customers.

## Diversity and Sustainability

- HCL has launched 'Ascend', a diversity program with the objective of improving its women leadership pipeline by 2015.
- HCL has implemented a cross cultural web-based learning tool providing business personnel with quick and easy access to extensive knowledge on how to conduct business effectively with people from different countries around the world.
- HCL has conducted Diversity workshops with two of its Fortune 100 clients as part of its 'Rebalance' program. This session facilitated expert insights and discussions around various practices on gender diversity, multi-generational ability amongst others.
- HCL undertook numerous initiatives that reached out to 118,000+ direct and indirect beneficiaries through programs like 'Youth Clubs' (coaching, counseling, and sustainable livelihood programs), 'Friend in Need' (Support supply chain including scholarships), 'Just like us' ( Medical and Nutrient support for children and aged), 'Teach at office' and a social recycling initiative.





## Financials

Consolidated financial results for the Quarter ended 30th September, 2012 drawn under US GAAP

### Consolidated Income Statement

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>1,002.2</b>	<b>1,079.6</b>	<b>1,113.8</b>	<b>11.1%</b>	<b>3.2%</b>
Direct Costs	686.7	699.8	721.5		
<b>Gross Profits</b>	<b>315.5</b>	<b>379.8</b>	<b>392.3</b>	<b>24.3%</b>	<b>3.3%</b>
SG & A	144.2	142.5	145.2		
<b>EBITDA</b>	<b>171.3</b>	<b>237.3</b>	<b>247.0</b>	<b>44.2%</b>	<b>4.1%</b>
Depreciation	25.4	25.7	28.8		
Amortisation	2.8	2.1	2.2		
<b>EBIT</b>	<b>143.1</b>	<b>209.5</b>	<b>216.1</b>	<b>51.1%</b>	<b>3.2%</b>
Foreign Exchange Gains/(loss)	(3.8)	(10.5)	(11.1)		
Other Income, net	5.1	2.8	6.5		
Provision for Tax	37.2	46.0	49.7		
Share of Income / (loss) of minority shareholders	0.1	(0.1)	0.0		
<b>Net Income</b>	<b>107.0</b>	<b>155.8</b>	<b>161.8</b>	<b>51.2%</b>	<b>3.9%</b>
Gross Margin	31.5%	35.2%	35.2%		
EBITDA Margin	17.1%	22.0%	22.2%		
EBIT Margin	14.3%	19.4%	19.4%		
Net Income Margin	10.7%	14.4%	14.5%		
<b>Earnings Per Share (EPS)</b>					
Annualized in US \$					
Basic	0.62	0.90	0.93	<b>50.2%</b>	
Diluted	0.61	0.89	0.92	<b>50.2%</b>	
<b>Earnings Per Share (EPS) - GAAP*</b>					
Annualized in US \$					
Basic	0.60	0.89	0.91	<b>51.9%</b>	
Diluted	0.59	0.87	0.90	<b>51.9%</b>	
<b>“Weighted average Number of Shares used in computing EPS”</b>					
Basic	689,169,555	692,787,753	693,570,313		
Diluted	699,267,872	702,901,903	703,782,987		

\*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		
	30-Sep-11	30-Jun-12	30-Sep-12
Options Charge	4.0	4.1	4.1
Tax benefit	0.3	1.8	0.3
<b>Option Charge (net-of tax benefit)</b>	<b>3.7</b>	<b>2.3</b>	<b>3.8</b>



Outstanding Options (in equivalent no of shares)	30-Sep-11	30-Jun-12	30-Sep-12
Options at market price	8,112,676	6,360,848	5,187,252
Options at less than market price	14,785,572	14,303,744	13,889,504

The options will vest in tranches till 2016

## Consolidated Balance Sheet

Amount in US\$ million

Particulars	As on	
	30-Jun-12	30-Sep-12
<b>Assets</b>		
Cash and Cash Equivalents	119.9	108.6
Accounts Receivables, net	689.4	731.4
Unbilled Receivables	271.1	299.5
Fixed Deposits with Banks	230.3	274.9
Deposits with HDFC Ltd.	9.0	18.9
Investment Securities, available for sale	98.2	101.1
Other Current Assets	273.4	315.4
<b>Total current assets</b>	<b>1,691.3</b>	<b>1,849.8</b>
Property and Equipments, net	445.3	481.3
Intangible Assets, net	888.0	904.3
Investment Securities, held to maturity	17.0	17.9
Deposits with HDFC Ltd.	9.0	-
Fixed Deposits with Banks	19.8	0.0
Investments in Equity Investee	7.1	7.7
Other Assets	324.5	319.6
<b>Total assets</b>	<b>3,401.9</b>	<b>3,580.6</b>
<b>Liabilities &amp; Stockholders' Equity</b>		
Current Liabilities	887.8	830.3
Borrowings	345.5	310.6
Other Liabilities	239.9	221.8
<b>Total Liabilities</b>	<b>1,473.1</b>	<b>1,362.7</b>
<b>Total Stockholders Equity</b>	<b>1,928.8</b>	<b>2,217.8</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>3,401.9</b>	<b>3,580.6</b>



## Consolidated Cash Flow Statement

Amount in US \$ million

Particulars	For Year Ended Jun'12	For Quarter Ended Sep'12
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Income</b>	<b>495.4</b>	<b>161.8</b>
<b>Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities</b>		
Depreciation and Amortization	111.6	30.9
Others	16.6	3.0
<b>Changes in Assets and Liabilities, net</b>		
Accounts Receivable	(284.8)	(49.9)
Other Assets	(71.1)	(25.4)
Current Liabilities	241.4	(50.6)
<b>Net Cash provided by operating Activities</b>	<b>509.1</b>	<b>69.8</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment (net)	(178.8)	(41.1)
(Purchase) / Sale of Investments	18.7	2.2
Deposits with Banks	(39.9)	(11.3)
Deposits with HDFC Ltd.	(9.8)	-
Payment for Deferred consideration on Business Acquisition	(19.8)	-
Payments for Business Acquisitions, net of cash acquired	-	(1.9)
<b>Net Cash used in Investing Activities</b>	<b>(229.6)</b>	<b>(52.1)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Employees Stock Options	7.7	1.7
Proceeds from Issuance/(Redemption) of Debentures	(33.3)	(60.7)
Dividend	(157.5)	-
Loans	(56.4)	17.8
Others	19.1	0.0
<b>Net Cash provided by (used in) Financing Activities</b>	<b>(220.5)</b>	<b>(41.1)</b>
Effect of Exchange Rate on Cash and Cash Equivalents	(55.4)	12.1
Net Increase/ (Decrease) in Cash and Cash Equivalents	3.6	(11.4)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the Period	116.3	119.9
<b>End of the Period</b>	<b>119.9</b>	<b>108.6</b>



## Segment wise Profitability

### A. Consolidated IT Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>955.7</b>	<b>1,032.0</b>	<b>1,063.7</b>	<b>11.3%</b>	<b>3.1%</b>
Direct Costs	649.8	666.3	686.3		
<b>Gross Profits</b>	<b>305.9</b>	<b>365.6</b>	<b>377.4</b>	<b>23.4%</b>	<b>3.2%</b>
SG & A	133.9	131.6	135.0		
<b>EBITDA</b>	<b>172.0</b>	<b>234.0</b>	<b>242.4</b>	<b>40.9%</b>	<b>3.6%</b>
Depreciation	22.8	23.3	25.3		
Amortisation	2.8	2.1	2.1		
<b>EBIT</b>	<b>146.4</b>	<b>208.6</b>	<b>215.0</b>	<b>46.8%</b>	<b>3.1%</b>
Gross Margin	32.0%	35.4%	35.5%		
EBITDA Margin	18.0%	22.7%	22.8%		
EBIT Margin	15.3%	20.2%	20.2%		

### B. BPO Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>46.5</b>	<b>47.6</b>	<b>50.1</b>	<b>7.8%</b>	<b>5.2%</b>
Direct Costs	36.9	33.5	35.2		
<b>Gross Profits</b>	<b>9.6</b>	<b>14.2</b>	<b>14.9</b>	<b>56.0%</b>	<b>5.3%</b>
SG & A	10.3	10.9	10.3		
<b>EBITDA</b>	<b>(0.7)</b>	<b>3.2</b>	<b>4.6</b>		
Depreciation	2.6	2.4	3.5		
Amortisation	-	-	0.1		
<b>EBIT</b>	<b>(3.4)</b>	<b>0.9</b>	<b>1.1</b>		
Gross Margin	20.6%	29.7%	29.8%		
EBITDA Margin	-1.6%	6.8%	9.2%		
EBIT Margin	-7.2%	1.8%	2.1%		



## A1. Software Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>709.4</b>	<b>764.0</b>	<b>767.9</b>	<b>8.2%</b>	<b>0.5%</b>
Direct Costs	471.2	480.6	481.3		
<b>Gross Profits</b>	<b>238.3</b>	<b>283.4</b>	<b>286.6</b>	<b>20.3%</b>	<b>1.2%</b>
SG & A	110.8	105.6	106.4		
<b>EBITDA</b>	<b>1127.5</b>	<b>177.8</b>	<b>180.2</b>	<b>41.3%</b>	<b>1.4%</b>
Depreciation	15.3	14.9	16.1		
Amortisation	2.8	2.1	2.1		
<b>EBIT</b>	<b>109.4</b>	<b>160.8</b>	<b>162.0</b>	<b>48.1%</b>	<b>0.8%</b>
Gross Margin	33.6%	37.1%	37.3%		
EBITDA Margin	18.0%	23.3%	23.5%		
EBIT Margin	15.4%	21.0%	21.1%		

## A2. Infrastructure Services

Amount in US \$ million

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>246.3</b>	<b>268.0</b>	<b>295.8</b>	<b>20.1%</b>	<b>10.4%</b>
Direct Costs	178.6	185.7	205.0		
<b>Gross Profits</b>	<b>67.7</b>	<b>82.3</b>	<b>90.7</b>	<b>34.1%</b>	<b>10.3%</b>
SG & A	23.1	26.0	28.5		
<b>EBITDA</b>	<b>44.5</b>	<b>56.3</b>	<b>62.2</b>	<b>39.8%</b>	<b>10.6%</b>
Depreciation	7.5	8.4	9.2		
<b>EBIT</b>	<b>37.0</b>	<b>47.9</b>	<b>53.0</b>	<b>43.2%</b>	<b>10.8%</b>
Gross Margin	27.5%	30.7%	30.7%		
EBITDA Margin	18.1%	21.0%	21.0%		
EBIT Margin	15.0%	17.9%	17.9%		



## Revenue Analysis

Geographic Mix (Quarter ended)	30-Sep-11	30-Jun-12	30-Sep-12	LTM Mix
Americas	55.8%	56.6%	57.0%	57.2%
Europe	26.6%	28.0%	27.9%	27.6%
ROW	17.5%	15.5%	15.1%	15.2%

Service Offering Mix (Quarter ended)	30-Sep-11	30-Jun-12	30-Sep-12	LTM Mix
Enterprise Application Services	19.8%	20.8%	19.9%	20.4%
Engineering and R&D Services	18.6%	18.6%	18.1%	18.5%
Custom Application Services	32.4%	31.3%	31.0%	31.8%
Infrastructure Services	24.6%	24.8%	26.6%	24.7%
BPO Services	4.6%	4.4%	4.5%	4.5%

Revenue by Contract Type for IT Services (Quarter ended)	30-Sep-11	30-Jun-12	30-Sep-12
Time & Material (T&M)	56.0%	49.2%	48.8%
Fixed Price Projects	44.0%	50.8%	51.2%

Revenue by Vertical (Quarter ended)	30-Sep-11	30-Jun-12	30-Sep-12
Manufacturing	29.0%	28.4%	27.6%
Financial Services	25.1%	23.8%	24.1%
Healthcare	7.6%	10.8%	12.0%
Retail & CPG	8.5%	8.6%	9.2%
Telecom	8.5%	8.0%	7.5%
Media, Publishing & Entertainment (MPE)	6.8%	6.7%	7.0%
Energy-Utilities-Public Sector	8.0%	7.2%	6.9%
Others	6.6%	6.4%	5.7%

Rupee / US Dollar Rate	30-Sep-11	30-Jun-12	30-Sep-12
Quarter Ended	48.97	55.64	52.87
Average for the Quarter	46.41	54.83	54.69



## Constant Currency (CC) Reporting

Reported	JAS 11	OND 11	JFM 12	AMJ 12	JAS 12
Revenue (\$ Mn)	1,002.2	1,021.9	1,047.9	1,079.6	1,113.8
Growth QoQ	4.1%	2.0%	2.5%	3.0%	3.2%
Growth YoY	24.7%	18.3%	14.6%	12.1%	11.1%
Constant Currency (QoQ)	JAS 11	OND 11	JFM 12	AMJ 12	JAS 12
Revenue (\$ Mn)	1,011.8	1,038.9	1,041.7	1,095.6	1,111.0
Growth QoQ	5.1%	3.7%	1.9%	4.6%	2.9%
Constant Currency (YoY)	JAS 11	OND 11	JFM 12	AMJ 12	JAS 12
Revenue (\$ Mn)	979.7	1,025.3	1,055.7	1,120.6	1,140.4
Growth QoQ	21.9%	18.7%	15.4%	16.4%	13.8%

Average Rates for Quarter	JAS 11	OND 11	JFM 12	AMJ 12	JAS 12
GBP	1.61	1.57	1.59	1.58	1.59
EURO	1.41	1.34	1.33	1.27	1.26
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.81	0.78	0.80	0.79	0.81
AUD	1.04	1.03	1.06	1.01	1.04

Particulars	Segment	US\$ QoQ Growth at CC
Consolidated	For the Company	2.9%
Geography	Americas	4.0%
	Europe	2.7%
	ROW	-0.8%
Service Offering	Custom Application Services	1.6%
	Engineering and R&D Services	0.3%
	Enterprise Application Services	-2.0%
	<b>Software Services</b>	<b>0.2%</b>
	Infrastructure Services	10.3%
	<b>IT Services</b>	<b>2.8%</b>
Verticals	BPO	4.8%
	Healthcare	14.6%
	Retail & CPG	10.2%
	Media Publishing & Entertainment (MPE)	7.3%
	Financial Services	3.6%
	Manufacturing	0.0%
	Energy-Utilities-Public Sector	-1.7%
Telecom	-3.2%	
Clients (LTM)	Top 5 (LTM)	1.0%
	Top 10 (LTM)	1.6%
	Top 20 (LTM)	0.8%



## Client Metrics

Client Data (LTM)	30-Sep-11	30-Jun-12	30-Sep-12
<b>Number of Clients</b>			
Active Client Relationship	480	536	536
New Client Relationship	66	50	38

Number of Million Dollar Clients (LTM)	30-Sep-11	30-Jun-12	30-Sep-12	QoQ Change	YoY Change
100 Million dollar +	1	5	5	-	4
50 Million dollar +	9	10	10	-	1
40 Million dollar +	11	14	14	-	3
30 Million dollar +	23	25	29	4	6
20 Million dollar +	37	45	49	4	12
10 Million dollar +	79	96	98	2	19
5 Million dollar +	135	164	173	9	38
1 Million dollar +	349	397	401	4	52

Client Contribution to Revenue (LTM)	30-Sep-11	30-Jun-12	30-Sep-12	QoQ growth
Top 5 Clients	15.3%	16.4%	16.2%	1.4%
Top 10 Clients	24.1%	24.7%	24.5%	2.0%
Top 20 Clients	34.2%	34.1%	33.6%	1.2%

Client Business - (LTM)	30-Sep-11	30-Jun-12	30-Sep-12
Repeat Business - Consolidated	94.9%	95.3%	94.6%
<b>Days Sales Outstanding - excluding unbilled receivables</b>	<b>53</b>	<b>57</b>	<b>59</b>





## Operational Metrics - Software Services

Software Services (Quarter Ended)	30-Sep-11	30-Jun-12	30-Sep-12
<b>Efforts</b>			
Offshore	72.7%	73.3%	74.2%
Onsite	27.3%	26.7%	25.8%
<b>Revenue</b>			
Offshore	42.3%	42.8%	44.3%
Onsite	57.7%	57.2%	55.7%
<b>Utilization</b>			
Offshore - Including trainees	69.7%	72.4%	74.2%
Offshore - Excluding trainees	76.5%	75.1%	77.4%
Onsite	96.0%	95.7%	95.3%
Blended Utilization (Excl. Trainees)	81.0%	79.7%	81.4%

Software Services Efforts (Man Months)	30-Sep-11	30-Jun-12	30-Sep-12
Efforts Billed - Offshore	80,171	88,762	92,104
Efforts Billed - Onsite	30,074	32,339	31,966
<b>Total Billed Efforts</b>	<b>110,246</b>	<b>121,102</b>	<b>124,070</b>
Not Billed	25,808	30,879	28,434
Trainee	10,357	4,444	5,078
Not Billed (including trainees)	36,164	35,323	33,512



## Employee Metrics

Manpower Details	30-Sep-11	30-Jun-12	30-Sep-12
<b>Total Employee Count</b>	<b>80,520</b>	<b>84,319</b>	<b>85,335</b>
<b>IT Services (Software Services [A1] + Infrastructure Services [A2])</b>	<b>70,321</b>	<b>74,675</b>	<b>75,621</b>
Technical	63,635	67,461	68,356
Support	6,686	7,214	7,265
Gross Addition	6,927	5,274	4,479
Net Addition	3,836	2,201	946
Gross Lateral Employee Addition	3,786	3,330	3,572
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	15.9%	14.0%	13.6%
<b>BPO Services - Total</b>	<b>10,199</b>	<b>9,644</b>	<b>9,714</b>
Technical	9,378	8,733	8,798
Support	821	911	916
Gross Addition	2,384	1,734	1,893
Net Addition	(362)	(346)	70
Gross Lateral Employee Addition	2,384	1,734	1,893
Offshore Attrition – Quarterly	8.5%	7.9%	7.6%
Offshore Attrition - Quarterly (excluding attrition of joiners less than 6 months)	7.6%	6.9%	7.3%

\* Excludes involuntary attrition



### A1. Software Services

	30-Sep-11	30-Jun-12	30-Sep-12
<b>Software Services - Total</b>	<b>53,271</b>	<b>55,447</b>	<b>55,266</b>
Technical	47,950	49,739	49,453
Support	5,321	5,708	5,813
Gross Addition	5,343	3,052	2,394
Net Addition	3,053	744	(181)
Gross Lateral Employee Addition	2,602	1,778	1,578
Attrition (LTM)	15.8%	13.7%	13.4%

### A2. Infrastructure Services

	30-Sep-11	30-Jun-12	30-Sep-12
<b>Infrastructure Services - Total</b>	<b>17,050</b>	<b>19,228</b>	<b>20,355</b>
Technical	15,685	17,722	18,903
Support	1,365	1,506	1,452
Gross Addition	1,584	2,222	2,085
Net Addition	783	1,457	1,127
Gross Lateral Employee Addition	1,184	1,552	1,994
Attrition (LTM)	16.4%	15.0%	14.3%



## Facilities

As on 30th Sept 2012 Delivery Locations	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	2,821,923	30,007	751,890	5,253	12
Chennai	3,787,641	33,679	1,530,000	14,028	-
Bangalore	1,464,724	13,658	819,001	5,736	-
Mumbai	12,785	153	-	-	-
Kolkatta	95,467	1,039	-	-	-
Hyderabad	333,963	2,769	-	-	-
Pune	70,576	878	-	-	-
Global (Outside India)	560,622	5,928	92,843	768	-
<b>Total</b>	<b>9,147,701</b>	<b>88,111</b>	<b>3,193,734</b>	<b>25,785</b>	<b>12</b>

## Cash & Cash Equivalents, Investments and Borrowings

Amount in US \$ million

	30-Sep-12
Cash and Cash Equivalents*	108.6
Fixed Deposits with Banks	274.9
Deposits with HDFC Ltd.	18.9
Investment Securities, held to maturity	17.9
Investment Securities, available for sale (Debt Mutual Funds)	101.1
<b>Grand Total</b>	<b>521.4</b>
	<b>30-Sep-12</b>
<b>Borrowings</b>	<b>310.6</b>

\* Note: For details please refer: [http://www.hcltech.com/Q1\\_13\\_Details\\_Cash-Borrowings](http://www.hcltech.com/Q1_13_Details_Cash-Borrowings)



## 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 = ₹ 54.69 for the quarter ended on 30 Sep 2012; US \$1 = ₹ 54.83 for the quarter ended on 30 Jun 2012; US\$ 1 = ₹ 46.41 for the quarter ended 30 Sep 2011.

Financial results for the Quarter ended 30th Sep 2012 drawn under US GAAP

### Consolidated Income Statement

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>4,651.3</b>	<b>5,919.1</b>	<b>6,091.0</b>	<b>31.0%</b>	<b>2.9%</b>
Direct Costs	3,187.1	3,836.7	3,945.7		
<b>Gross Profits</b>	<b>1,464.2</b>	<b>2,082.3</b>	<b>2,145.3</b>	<b>46.5%</b>	<b>3.0%</b>
SG & A	669.3	781.5	794.3		
<b>EBITDA</b>	<b>794.9</b>	<b>1,300.8</b>	<b>1,351.1</b>	<b>70.0%</b>	<b>3.9%</b>
Depreciation	117.8	141.0	157.4		
Amortisation	13.1	11.4	11.8		
<b>EBIT</b>	<b>664.0</b>	<b>1,148.4</b>	<b>1,181.9</b>	<b>78.0%</b>	<b>2.9%</b>
Foreign Exchange Gains/(loss)	(17.9)	(57.6)	(60.9)		
Other Income, net	23.8	15.3	35.6		
Provision for Tax	172.8	252.5	271.8		
Share of income / (loss) of minority shareholders	0.3	(0.4)	0.0		
<b>Net Income</b>	<b>496.7</b>	<b>854.1</b>	<b>884.8</b>	<b>78.1%</b>	<b>3.6%</b>
Gross Margin	31.5%	35.2%	35.2%		
EBITDA Margin	17.1%	22.0%	22.2%		
EBIT Margin	14.3%	19.4%	19.4%		
Net Income Margin	10.7%	14.4%	14.5%		
<b>Earnings Per Share (EPS)</b>					
Annualized in US \$					
Basic	28.8	49.3	51.0	<b>77.0%</b>	
Diluted	28.4	48.6	50.3	<b>77.0%</b>	
<b>Earnings Per Share (EPS) - GAAP*</b>					
Annualized in US \$					
Basic	27.8	48.6	49.8	<b>79.0%</b>	
Diluted	27.4	47.9	49.1	<b>79.0%</b>	
<b>“Weighted average Number of Shares used in computing EPS”</b>					
Basic	689,169,555	692,787,753	693,570,313		
Diluted	699,267,872	702,901,903	703,782,987		

\*After adjusting for non cash employee stock options charge

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

Particulars (in ₹ Crores)	Quarter Ended		
	30-Sep-11	30-Jun-12	30-Sep-12
Options Charge	18.5	22.7	22.2
Tax benefit	1.4	9.9	1.7
<b>Option Charge (net-of tax benefit)</b>	<b>17.1</b>	<b>12.8</b>	<b>20.6</b>



Outstanding Options (in equivalent no of shares)	30-Sep-11	30-Jun-12	30-Sep-12
Options at market price	8,112,676	6,360,848	5,187,252
Options at less than market price	14,785,572	14,303,744	13,889,504

The options will vest in tranches till 2016

### Consolidated Balance Sheet (At Quarter Closing Exchange Rate of ₹ 52.87/US\$)

Amount in ₹ Crores

Particulars	As on	
	Jun-12	Sep-12
<b>Assets</b>		
Cash and Cash Equivalents	667.3	574.0
Accounts Receivables, net	3,835.9	3,866.4
Unbilled Receivables	1,508.1	1,583.1
Fixed Deposits with Banks	1,281.5	1,453.5
Deposits with HDFC Ltd.	50.0	100.0
Investment Securities, available for sale	546.2	534.3
Other Current Assets	1,521.2	1,667.5
<b>Total current assets</b>	<b>9,410.2</b>	<b>9,778.8</b>
Property and Equipments, net	2,477.5	2,544.4
Intangible Assets, net	4,940.4	4,780.3
Investment Securities, held to maturity	94.6	94.6
Deposits with HDFC Ltd.	50.0	-
Fixed Deposits with Banks	110.0	0.0
Investments in Equity Investee	39.7	40.9
Other Assets	1,805.2	1,689.6
<b>Total assets</b>	<b>18,927.6</b>	<b>18,928.6</b>
<b>Liabilities &amp; Stockholders' Equity</b>		
Current Liabilities	4,939.4	4,389.5
Borrowings	1,922.2	1,642.0
Other Liabilities	1,334.6	1,172.6
<b>Total Liabilities</b>	<b>8,196.2</b>	<b>7,204.1</b>
Total Stockholders Equity	10,731.4	11,724.5
<b>Total Liabilities and Stockholders Equity</b>	<b>18,927.6</b>	<b>18,928.6</b>



## Segment wise Profitability

### A. Consolidated IT Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>4,435.7</b>	<b>5,657.9</b>	<b>5,817.1</b>	<b>31.1%</b>	<b>2.8%</b>
Direct Costs	3,015.9	3,653.3	3,753.4		
<b>Gross Profits</b>	<b>1,419.8</b>	<b>2,004.6</b>	<b>2,063.7</b>	<b>45.4%</b>	<b>2.9%</b>
SG & A	621.5	721.6	738.0		
<b>EBITDA</b>	<b>798.3</b>	<b>1,283.1</b>	<b>1,325.7</b>	<b>66.1%</b>	<b>3.3%</b>
Depreciation	105.6	128.0	138.2		
Amortisation	13.1	11.4	11.5		
<b>EBIT</b>	<b>679.7</b>	<b>1,143.7</b>	<b>1,176.0</b>	<b>73.0%</b>	<b>2.8%</b>
Gross Margin	32.0%	35.4%	35.5%		
EBITDA Margin	18.0%	22.7%	22.8%		
EBIT Margin	15.3%	20.2%	20.2%		

### B. BPO Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>215.7</b>	<b>261.2</b>	<b>274.0</b>	<b>27.0%</b>	<b>4.9%</b>
Direct Costs	171.3	183.5	192.4		
<b>Gross Profits</b>	<b>44.4</b>	<b>77.7</b>	<b>81.6</b>	<b>83.8%</b>	<b>5.1%</b>
SG & A	47.8	59.9	56.3		
<b>EBITDA</b>	<b>(3.4)</b>	<b>17.7</b>	<b>25.3</b>		
Depreciation	12.2	13.1	19.1		
Amortisation	-	-	0.4		
<b>EBIT</b>	<b>(15.6)</b>	<b>4.7</b>	<b>5.9</b>		
Gross Margin	20.6%	29.7%	29.8%		
EBITDA Margin	-1.6%	6.8%	9.2%		
EBIT Margin	-7.2%	1.8%	2.1%		



## A1. Software Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>3,292.7</b>	<b>4,188.6</b>	<b>4,199.5</b>	<b>27.5%</b>	<b>0.3%</b>
Direct Costs	2,186.9	2,635.1	2,632.1		
<b>Gross Profits</b>	<b>1,105.8</b>	<b>1,553.5</b>	<b>1,567.4</b>	<b>41.7%</b>	<b>0.9%</b>
SG & A	514.1	578.8	582.0		
<b>EBITDA</b>	<b>591.7</b>	<b>974.7</b>	<b>985.4</b>	<b>66.5%</b>	<b>1.1%</b>
Depreciation	70.8	81.9	87.9		
Amortisation	13.1	11.4	11.5		
<b>EBIT</b>	<b>507.8</b>	<b>881.3</b>	<b>886.0</b>	<b>74.5%</b>	<b>0.5%</b>
Gross Margin	33.6%	37.1%	37.3%		
EBITDA Margin	18.0%	23.3%	23.5%		
EBIT Margin	15.4%	21.0%	21.1%		

## A2. Infrastructure Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	30-Sep-11	30-Jun-12	30-Sep-12	YoY	QoQ
<b>Revenues</b>	<b>1,142.9</b>	<b>1,469.3</b>	<b>1,617.5</b>	<b>41.5%</b>	<b>10.1%</b>
Direct Costs	828.9	1,018.1	1,121.3		
<b>Gross Profits</b>	<b>314.0</b>	<b>451.1</b>	<b>496.3</b>	<b>58.1%</b>	<b>10.0%</b>
SG & A	107.4	142.7	156.0		
<b>EBITDA</b>	<b>206.6</b>	<b>308.4</b>	<b>340.3</b>	<b>64.7%</b>	<b>10.3%</b>
Depreciation	34.8	46.0	50.3		
<b>EBIT</b>	<b>171.8</b>	<b>262.4</b>	<b>290.0</b>	<b>68.8%</b>	<b>10.5%</b>
Gross Margin	27.5%	30.7%	30.7%		
EBITDA Margin	18.1%	21.0%	21.0%		
EBIT Margin	15.0%	17.9%	17.9%		





## 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 31 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 'Employees First, Customers Second' which empowers our 85,335 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US\$ 4.3 billion (₹ 22,471 crores), as on 30<sup>th</sup> Sept 2012 (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, HCL is a global transformational enterprise today. Its range of offerings includes product engineering, custom & package applications, BPO, IT infrastructure services, IT hardware, systems integration, and distribution of information and communications technology (ICT) products across a wide range of focused industry verticals. The HCL team consists of over 90,000 professionals of diverse nationalities, who operate from 31 countries including over 500 points of presence in India. HCL has partnerships with several leading global 1000 firms, including leading IT and technology firms.

## 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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