



HCL Technologies

Quarterly Results 2009-10

Third Quarter Results FY 2009-10

Investor Release

Noida, NCR, India, April 21, 2010

Q3 Revenues at US\$ 685 mn; up 21.4% YoY

EBIT at US\$ 111 mn; up 19.9% YoY

Net Income at US\$ 77 mn; up 78.1% YoY

Q3 Revenues at Rs. 3,076 Crores; up 7.5% YoY

EBIT at Rs. 497 Crores; up 6.1% YoY

Net Income at Rs. 344 Crores; up 57.7% YoY

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Financial Highlights

Highlights for the Quarter (US\$)

- Revenue at **US\$ 685 mn**; up **21.4% YoY** & **5.1%** sequentially
- Revenue on constant currency basis, up **16.2% YoY** & **6.9%** sequentially
- EBIT at **US\$ 111 mn**; up **19.9% YoY** & **2.6%** sequentially
- Net Income at **US\$ 77 mn**; up **78.1% YoY** & **20.1%** sequentially
- Announces dividend of **Rs. 1** per share, 29th consecutive quarter of dividend payout
- Gross employee addition of **7,136** taking the headcount to **58,129**

Highlights for the Quarter (INR)

- Revenue at **Rs. 3,076 crores**; up **7.5% YoY** & **1.4%** sequentially
- EBIT at **Rs. 497 crores**; up **6.1% YoY** & down **1.0%** sequentially
- Net Income at **Rs. 344 crores**; up **57.7% YoY** & **15.9%** sequentially
- Announces dividend of **Rs. 1** per share, 29th consecutive quarter of dividend payout
- Gross employee addition of **7,136** taking the headcount to **58,129**

IT Services Highlights for the Quarter (US\$)

- Revenue at **US\$ 633.2 mn**; up **24.6% YoY** & **6.6%** sequentially
- Revenue on constant currency basis, up **19.4% YoY** & **8.2%** sequentially
- EBIT at **US\$ 115.8 mn**; up **33.8% YoY** & **8.8%** sequentially
- Margin expansion; **130bps YoY** & **40bps** sequentially
- Gross & Net employee addition of **5,730** & **3,152** respectively

IT Services Highlights for the Quarter (INR)

- Revenue at **Rs. 2,842 crores**; up **10.3% YoY** & **2.8%** sequentially
- EBIT at **Rs. 520 crores**; up **18.5% YoY** & **5.0%** sequentially
- Margin expansion; **130bps YoY** & **40bps** sequentially
- Gross & Net employee addition of **5,730** & **3,152** respectively



Corporate Overview

HCL continues to perform well and is on a high growth trajectory built on strong business fundamentals.

“The new post-recession era will be marked by transformational changes in the world of business and its impact on the development of society. We decided to explore this new emerging world with thought leaders, customers and analysts in the recently concluded HCL Global Customer Meet. The insights from the interactions reinforced our thinking. I believe that HCL is uniquely positioned to be at the forefront and succeed in the emergent era”, said **Shiv Nadar, Chairman and Chief Strategy Officer, HCL Technologies.**

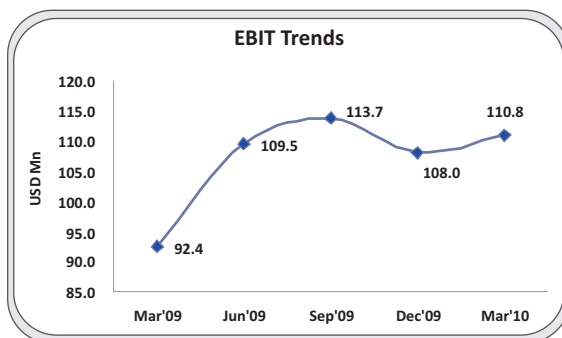
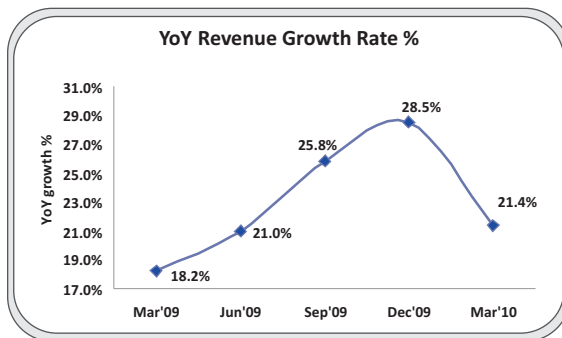
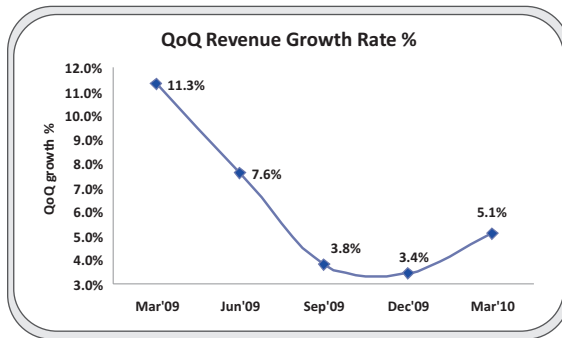
Commenting on the results, **Vineet Nayar, CEO HCL Technologies** said “We have completed 5 years of the transformational journey that began in April 2005. During this time, our revenues have grown 3.6 times, our operating profits have increased 3.4 times and our customer base in the over \$5 million category has quadrupled. In the last 5 years, we have also de-risked and diversified our business. HCL has also gained recognition as a ‘thought leader’ with a breakthrough management innovation in its discovery and practice of Employee First Customer Second (EFCS) philosophy.”

“We have reported another good quarter driven by strong volume growth of 9.2 % and revenue growth of 24.6% YoY and 6.6% QoQ in IT Services. We have been able to expand our operating margins in IT services by 130 bps YoY and 40 bps QoQ inspite of a difficult global currency market.” said **Anil Chanana, CFO HCL Technologies.**

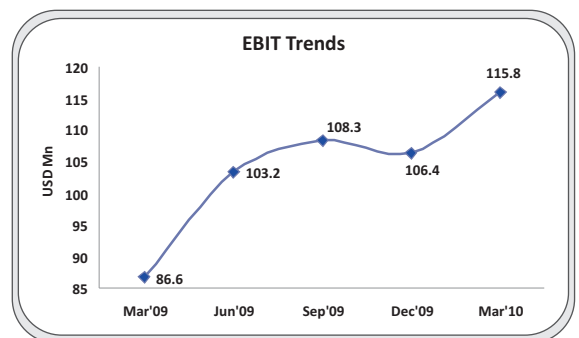
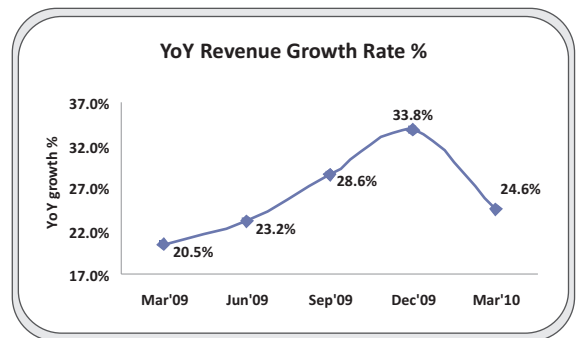
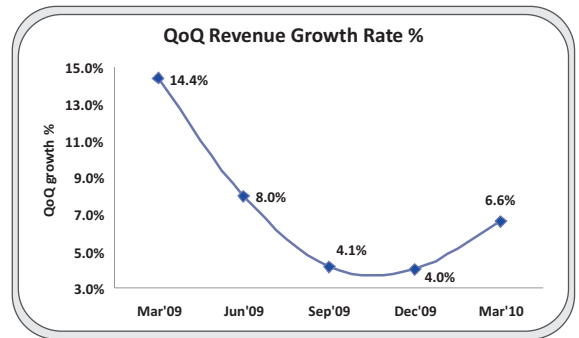


Business Highlights

Overall Company



IT Services



Key Catalysts for Growth

- Revenue grew **6.9% QoQ**
- IT Services leading the revenue growth at **8.2% QoQ**
- Revenue growth across all IT Services offerings namely, Enterprise Applications at **2.5% QoQ**, Engineering and R&D at **11.1% QoQ**, Custom Applications at **5.4% QoQ** and Infrastructure Services at **16.3% QoQ**; Infrastructure continues to occupy top of the charts
- Revenue from key Industry Sectors grew this quarter with Financial Services, Manufacturing, Media Publishing & Entertainment (MPE) and Life Sciences leading the growth
- Financial Services grew **5.5% QoQ**, Manufacturing by **10.5% QoQ**, Media Publishing & Entertainment by **16.3% QoQ**, Life Sciences by **10.2% QoQ** and Retail by **1.0% QoQ**
- Positive growth witnessed from all geographies lead by US at **9.6% QoQ**, followed by APAC at **7.9% QoQ** & Europe at **1.4% QoQ**

Note: All the QoQ growth rates above are at constant currency

Reported Currency US \$ Growth					
Particulars	Segments	YoY on LTM basis	JFM '10		CQGR*
			YoY	QoQ	
Consolidated	For the Company	24.1%	21.4%	5.1%	5.0%
Segmental	IT Services	27.4%	24.6%	6.6%	5.7%
Geography	US	23.6%	18.4%	9.6%	4.3%
	Asia Pacific	24.8%	47.4%	7.7%	10.2%
Service Offering	Infrastructure Services	57.8%	77.8%	15.0%	15.5%
	Engineering and R&D Services	-6.9%	4.9%	10.8%	1.2%
	Custom Application	13.2%	28.0%	3.1%	6.4%
Industry	Media Publishing & Entertainment (MPE)	59.0%	92.9%	15.0%	17.9%
	Manufacturing	12.5%	7.0%	9.8%	1.7%
	Life Sciences	43.6%	43.7%	8.9%	9.5%
	Financial Services	20.4%	31.0%	2.6%	7.0%
	Retail & CPG	15.6%	32.8%	-1.5%	7.3%

* CQGR numbers are for 4 quarters beginning from Jan-Mar'09 quarter.



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

- During JFM 10 quarter, HCL won 13 new deals, both outsourcing and transformational in nature from . diverse verticals across US, Europe and Asia.
- The deals signed include Commonwealth of Virginia, Vodafone, Advanstar, Saint Gobain, Terasen Inc., Malaysian Airlines, Sky Italia, DSGi & Danfoss amongst others.

Transformation @ HCL

HCL's Global Customer Meet

- Fifth in the highly successful series, HCL's Global Customer Meet 2010 witnessed rich participation from global leaders. A total of 1000 participants including 600 customers, thought leaders, 50+ analysts and advisors came together from across more than 350 global organizations to define the rules of 'The New Normal'. They were joined by over 270 HCLites.
- There were more than 70 speakers at the Global Customer Meet 2010 who addressed topics around transformation in management, business and technology. President Clinton inspired the audience by his keynote speech address.
- It was the first time that 55000 HCLites could access 'Live' debates and discussions through secure video streaming of all conference sessions, practitioner led case studies, CEO keynote series and other track sessions. The conference began with a unique 'Art of Business' workshop which ran full-house with participation from over 250 customers. It was the second time in a row that the event was organized as carbon neutral, in association with carbonfund.org.

HCL- Most Democratic Work Place

- HCL made it to the WorldBlu List of Most Democratic Workplaces. WorldBlu, a not for profit organization that annually recognizes organizations which demonstrate exemplary democratic practices at work that contribute to high performance, engagement, innovation and profitability. The list is announced every April as a part of Democracy in the Workplace Day. The WorldBlu List is comprised of organizations in the for-profit, non-profit, and government sectors that took the WorldBlu Democratic Workplace Scorecard™ and scored in the top level on ten democratic principles including transparency, integrity, listening, accountability and dialogue.

HCL- Britain's Top Employers for fourth consecutive year

- For the fourth consecutive year, HCL was named as one of the Britain's Top Employers 2010. HCL received the highest possible rating for company culture principally for its 'Employee First' structure and was singled out from the other top British Employers for 'Best in Culture' award. This award is constituted by Corporate Research Foundation (CRF) Institute, an independent business research organisation



Recognitions

- ARC Advisory Group featured HCL IP Solution approach on building Bolt-On Frameworks like FraME – Framework for Manufacturing Execution, Visible Demand, EAD – Enterprise Analytics Dashboard and HCL’s Green Design Workbench amongst others and recommends HCL for its approach in reducing the time for deployment on Enterprise Solution implementation through these frameworks.
Source: Hastening Enterprise Solutions Implementation- HCL Technologies Approach by Rajabhadur V. Arcot and Sharada Prahladrao
- Gartner Market Scope for Data Center Outsourcing, North America Rated HCL 'Positive' to have the necessary technical skills and resources to support most client requirements, and offer high-quality services. Gartner acknowledged HCL’s competitive pricing, number and quality of skilled resources, flexibility on engagement management, and experience in providing offshore, and experience in providing offshore, shared resource environments. Gartner rated the firms on the basis of their market understanding, vertical/ industry strategy, innovation, product and service, overall viability (business unit, financial strategy, and organization), operations and customer service. The 2010 data center outsourcing MarketScope for North America profiles 19 vendors, each with more than \$50 million in annual revenue for data center services.
- Forrester Featured HCL in their Research Study on Managed Desktop Services in EMEA. HCL was among the Only Two Indian MNCs Featured in the report. The report is titled "EMEA Buyers Need a New Sourcing Recipe for Managed Desktop Services" authored by one of the Forrester's key analyst Andrew Parker.
- HCL mobility solution has been accredited as one of the two nationally accredited solutions for the UK police forces by National Police Improvement Agency of the UK government.
- Christophe Châlons, Chief Analyst of PAC Group Pierre Audoin Consultants (PAC), a global market research and strategic consulting firm for the software and IT services industry has stated that HCL is in a strong position to capitalize on many of the opportunities in the UK SITS market
- IDC recognized HCL as one of the few firms in the APEJ region that have the technical depth, innovation in process delivery, and the vision to help businesses achieve their goals through IT transformation. (Source: HCL Tech's Enterprise Transformation Services in Asia / Pacific (Excluding Japan Region)) ID#AP221122S
- HCL AXON, a division of HCL Technologies, won the Frost & Sullivan Aerospace IT Solutions Provider 2010 Award for its outstanding performance and industry contribution in the Aerospace & Defense industry in Asia-Pacific. Frost & Sullivan presents the award to organisations that demonstrate excellent qualities in meeting the demands and requirements of clients in the aerospace IT market segment



Business Highlights

- HCL opened its regional headquarters for the Middle East operations in Dubai, UAE. The new facility is housed in the state-of-the-art Dubai Internet City. This headquarter will serve as the regional hub for more than 25 large organizations that HCL services in the Middle East. HCL will offer services across a wide range of service lines including Product Engineering and R&D, Custom Applications, Enterprise Application Services, Infrastructure Management Services and BPO.
- HCL has opened a new Centre of Excellence in Chennai, India to support test and evaluation operations at Boeing. The facility will provide engineering applications design, development and support for applications that the Boeing Test & Evaluation (BT&E) organization uses on various products.
- HCL has joined the Research in Motion ELITE program as a global systems integrator to offer large enterprise mobile solutions on blackberry platform to their combined user base across the globe.
- HCL has a suite of products under the brand “iGovern” which are focused towards Child Care, Workers’ Compensation, Fraud Investigation, Judicial Court and Vocational Rehabilitation. During the quarter, HCL has acquired another software product in the welfare area. The product has been acquired for a total consideration of \$5 million from RKV Technologies
- HCL has been named as an inaugural member of the Cisco Eos Partner Program to help Media and Entertainment companies enhance entertainment experiences built on the Cisco Eos™ social entertainment platform. Cisco Eos is a hosted “software as a service” platform that enables Media and Entertainment companies to more economically create, manage and monetize social entertainment experiences built around their portfolios of branded content. By leveraging the Cisco Eos platform, organizations can generate revenue and loyalty by engaging online audiences with interactive, social experiences while eliminating the need to invest in, develop and maintain a proprietary web platform internally.



Geo Overview

US Overview

US business has posted an industry leading growth of 9.6% QoQ. HCL successfully executed its 'Go-To-Market' strategy that entails delivering end to end IT outsourcing solutions and providing business transformational value to its customers. This highly differentiated strategy has ensured HCL's continued success in a dynamic U.S. market environment.

HCL announced a strategic partnership with software provider **nMetric**. The companies have joined forces to help automotive manufacturers improve factory operations through intelligent shop floor solutions. This partnership represents HCL's strategic direction of delivering cost-effective, high value-add industry solutions to the automotive industry.

HCL also forged a strategic partnership with **Wellogic**, a software solutions provider for the healthcare community. The companies have collaborated to provide interoperability and health records management solutions that enable safer, more efficient care delivery across the global healthcare industry.

HCL AXON, a division of HCL Technologies, signed a strategic go-to-market partnership and with **NextLabs, Inc.**, a provider of policy-driven information risk management solutions. This partnership is bringing information risk management software and consulting expertise to companies operating in complex, highly regulated environments such as the utilities, aerospace, defense, travel and transport industries.

Europe Overview

Over the last quarter, HCL has continued to develop its facilities and headcount in the region and its ability to service European clients locally. This commitment to Europe has enabled HCL to welcome new clients, as well as extend the current relationship.

During the quarter, HCL was recognised as one of **Britain's Top Employers** for the fourth consecutive year by the Corporate Research Foundation (CRF) Institute.

ROW Overview

During this quarter, the RoW business has posted an encouraging growth of 7.7% on QoQ basis. HCL is moving in the right direction of achieving the business goals it has set for the region for the current financial year. Strategic investments made in the region and HCL's unique delivery model of combining global expertise with local differentiation will lead HCL to a higher growth trajectory.

HCL opened its regional headquarters for the **Middle East operations** in Dubai, UAE. The new office will be the springboard for all ME operations and provide momentum to the strategic intent of establishing leadership in the region.

IDC recognized HCL as one of the few firms in the APEJ region that have the technical depth, innovation in process delivery, and the vision to help businesses achieve their goals through IT transformation. (Source: HCL Tech's Enterprise Transformation Services in Asia / Pacific (Excluding Japan) Region by Mayur Sahni)

HCL AXON, a division of HCL Technologies, won the **Frost & Sullivan** Aerospace IT Solutions Provider 2010 Award for its outstanding performance and industry contribution in the Aerospace & Defence industry in Asia-Pacific.



Financials

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

Consolidated Income Statement

Amt. in US \$ million

Income Statement	Quarter ending...			Growth	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	564.4	651.7	685.2	21.4%	5.1%
Direct Costs	355.2	419.2	454.0		
Gross Profits	209.2	232.5	231.2		
SG & A	88.8	95.2	95.9		
EBITDA	120.4	137.2	135.3	12.4%	-1.4%
Depreciation	19.2	20.9	20.7		
Amortisation	8.7	8.3	3.8		
EBIT	92.4	108.0	110.8	19.9%	2.6%
Forex gain / (loss)	(39.8)	(27.0)	(14.0)		
Other Income, net	(0.5)	(2.9)	(3.1)		
Provision for Tax	9.6	14.6	17.1		
Share from Equity Investment /of Minority Interest	0.3	0.3	0.0		
Net Income	43.0	63.8	76.6	78.1%	20.1%
Gross Margin	37.1%	35.7%	33.7%		
EBITDA Margin	21.3%	21.0%	19.7%		
EBIT Margin	16.4%	16.6%	16.2%		
Earnings Per Share (EPS) - Annualized					
Basic – in US \$	0.26	0.38	0.45		
Diluted – in US \$	0.26	0.37	0.44		
“Weighted average number of Shares used in computing EPS”					
Basic	669,733,531	672,471,573	674,867,632		
Diluted	669,930,775	689,573,435	691,274,756		



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-Mar-09	31-Dec-09	31-Mar-10
Options at market price	0.5	0.0	0.0
Options at less than market price	3.5	5.2	5.3
Total	4.0	5.2	5.3
Tax benefit	0.3	0.3	0.3
Total (net of tax)	3.7	4.9	5.0

Outstanding Options (in equivalent no of shares)	31-Mar-09	31-Dec-09	31-Mar-10
Options at market price	24,459,024	21,350,444	18,247,504
Options at less than market price	10,255,544	9,020,976	8,510,920

The options will vest in tranches till 2011

Consolidated Balance Sheet

Amt. in US \$ million

Particulars	As on	
	30-Jun-09	31-Mar-10
Assets		
a) Cash & Cash Equivalents	87.7	74.2
b) Account Receivables, net	565.4	638.0
c) Deposits with Banks	303.9	188.8
d) Deposits (one year with HDFC Ltd.)	0.0	22.3
e) Investment Securities, available for sale	4.8	220.4
f) Other Current Assets	223.4	185.0
A) Total Current Assets (a+b+c+d+e+f)	1,185.3	1,328.7
B) Property and Equipments, net	331.1	391.1
C) Intangible Assets, net	946.2	944.4
D) Investment Securities, held to maturity	4.2	11.1
E) Investment in Equity Investee	3.5	3.8
F) Other Assets	179.7	203.5
Total Assets (A+B+C+D+E+F)	2,650.1	2,882.6
Liabilities & Stockholders' Equity		
a) Current Liabilities	682.1	648.8
b) Loans	621.5	621.2
c) Other Liabilities	159.4	149.2
A) Total Liabilities (a+b+c)	1,463.0	1,419.2
B) Total Stockholders Equity	1,186.7	1,463.3
Total Liabilities and Stockholders Equity (A+B)	2,650.1	2,882.6



Consolidated Cash Flow Statement

Amt. in US \$ million

Particulars	Period ended 31-March-10
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	207.0
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities	
Depreciation and Amortization	83.2
(Profit) /Loss on Redemption of Mutual Fund Investments	(0.9)
Others	(26.6)
Changes in Assets and Liabilities, net	
Accounts Receivable	(71.4)
Other Assets	22.2
Current Liabilities	36.9
Net Cash provided by operating Activities	250.4
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment (net)	(96.1)
Short term deposits with Banks	130.0
(Purchase) / Sale of investments	(212.4)
Deposits (one year with HDFC Ltd.)	(21.4)
Payments for business acquisitions, net of cash acquired	(8.7)
Net Cash used in Investing Activities	(208.6)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Issuance of Employees Stock Options	17.0
Proceeds from Issuance of Debenture	213.7
Dividend	(50.5)
Loans	(249.7)
Others	(1.2)
Net Cash provided by (used in) Financing Activities	(70.6)
Effect of Exchange Rate on Cash and Cash Equivalents	15.4
Net Increase/ (Decrease) in Cash and Cash Equivalents	(13.5)
CASH AND CASH EQUIVALENTS	
Beginning of the Period	87.7
End of the Period	74.2



Segment wise Profitability

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

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	508.1	594.1	633.2	24.6%	6.6%
Direct Costs	319.0	377.6	411.5		
Gross Profits	189.1	216.5	221.7		
SG & A	77.3	83.8	84.1		
EBITDA	111.8	132.7	137.6	23.1%	3.7%
Depreciation	17.0	18.4	18.3		
Amortisation	8.2	7.9	3.5		
EBIT	86.6	106.4	115.8	33.8%	8.8%
Gross Margin	37.2%	36.4%	35.0%		
EBITDA Margin	22.0%	22.3%	21.7%		
EBIT Margin	17.0%	17.9%	18.3%		

B. BPO Services

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	56.4	57.6	52.0	-7.8%	-9.8%
Direct Costs	36.2	41.6	42.5		
Gross Profits	20.2	16.0	9.5		
SG & A	11.5	11.4	11.8		
EBITDA	8.6	4.6	(2.3)	-126.7%	-150.4%
Depreciation	2.2	2.6	2.4		
Amortisation	0.5	0.5	0.3		
EBIT	5.9	1.6	(5.0)	-185.1%	-420.3%
Gross Margin	35.8%	27.8%	18.2%		
EBITDA Margin	15.2%	7.9%	-4.4%		
EBIT Margin	10.5%	2.7%	-9.7%		



A1. Software Services

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	422.7	462.1	481.4	13.9%	4.2%
Direct Costs	263.0	284.2	301.7		
Gross Profits	159.6	177.8	179.6		
SG & A	66.6	68.5	69.9		
EBITDA	93.0	109.3	109.7	18.0%	0.4%
Depreciation	12.0	13.7	13.0		
Amortisation	8.2	7.9	3.5		
EBIT	72.8	87.8	93.3	28.1%	6.3%
Gross Margin	37.8%	38.5%	37.3%		
EBITDA Margin	22.0%	23.7%	22.8%		
EBIT Margin	17.2%	19.0%	19.4%		

A2. Infrastructure Services

Amt. in US \$ million

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	85.4	132.0	151.8	77.9%	15.0%
Direct Costs	56.0	93.4	109.8		
Gross Profits	29.4	38.6	42.1		
SG & A	10.7	15.3	14.2		
EBITDA	18.7	23.4	27.9	48.7%	19.3%
Depreciation	5.0	4.7	5.3		
EBIT	13.7	18.6	22.6	64.1%	21.0%
Gross Margin	34.4%	29.3%	27.7%		
EBITDA Margin	21.9%	17.6%	18.4%		
EBIT Margin	16.0%	14.1%	14.9%		



Revenue Analysis

Geographic Mix (Quarter ended)	31-Mar-09	31-Dec-09	31-Mar-10	LTM
US	61.0%	57.0%	59.5%	58.5%
Europe	27.6%	29.5%	26.7%	28.4%
Asia Pacific	11.4%	13.5%	13.8%	13.1%

Service Offering Mix (Quarter ended)	31-Mar-09	31-Dec-09	31-Mar-10	LTM
Enterprise Application Services	24.5%	22.4%	21.4%	22.3%
Engineering and R&D Services	22.0%	18.0%	19.0%	18.8%
Custom Application (Industry Solutions)	28.4%	30.5%	29.9%	30.2%
Infrastructure Services	15.1%	20.3%	22.2%	19.9%
BPO Services	10.0%	8.8%	7.6%	8.8%

Revenue by Contract Type (Qtr ended)	31-Mar-09	31-Dec-09	31-Mar-10
IT Services			
Time & Material (T&M)	62.4%	60.4%	59.5%
Fixed Price Projects	37.6%	39.6%	40.5%

Revenue by Vertical (Qtr end)	31-Mar-09	31-Dec-09	31-Mar-10
Financial Services	23.6%	26.1%	25.5%
Manufacturing	30.3%	25.6%	26.7%
Telecom	12.1%	12.5%	11.6%
Retail & CPG	6.9%	8.0%	7.5%
Media Publishing & Entertainment (MPE)	5.0%	7.2%	7.9%
Life Sciences	6.3%	7.2%	7.5%
Energy-Utilities-Public Sector	8.9%	7.3%	7.0%
Others	6.9%	6.1%	6.3%

Rupee / US Dollar	31-Mar-09	31-Dec-09	31-Mar-10
Quarter Ended	50.70	46.53	44.89
Average for the Quarter	50.23	46.67	45.71

“LTM” - Last Twelve Months



Constant Currency (CC) Reporting

Reported	JFM 09	AMJ 09	JAS 09	OND 09	JFM 10
Revenue (\$ mn)	564.4	607.2	630.1	651.7	685.2
Growth QoQ	11.3%	7.6%	3.8%	3.4%	5.1%
Growth YoY	18.2%	21.0%	25.8%	28.5%	21.4%
Constant Currency (QoQ)	JFM 09	AMJ 09	JAS 09	OND 09	JFM 10
Revenue (\$ mn)	572.2	586.2	621.3	645.0	696.9
Growth QoQ	12.9%	3.9%	2.3%	2.4%	6.9%
Constant Currency (YoY)	JFM 09	AMJ 09	JAS 09	OND 09	JFM 10
Revenue (\$ mn)	608.7	645.3	646.9	622.6	655.7
Growth YoY	27.5%	28.6%	29.1%	22.8%	16.2%
Average Rates for Qtr	JFM 09	AMJ 09	JAS 09	OND 09	JFM 10
GBP	1.43	1.58	1.62	1.64	1.55
EURO	1.30	1.38	1.43	1.47	1.37
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.66	0.69	0.70	0.72	0.71
AUD	0.66	0.78	0.84	0.91	0.90

Particulars	Segment	US \$ Growth
		QoQ at CC
Consolidated	For the Company	6.9%
Geography	US	9.6%
	Europe	1.4%
	Asia Pacific	7.9%
Service Offering	Enterprise Application Services	2.5%
	Engineering and R&D Services	11.1%
	Custom Application	5.4%
	Infrastructure Services	16.3%
	BPO Services	-6.4%
Industry	Financial Services	5.5%
	Manufacturing	10.5%
	Telecom	0.4%
	Retail & CPG	1.0%
	Media Publishing & Entertainment	16.3%
	Life Sciences	10.2%
	Energy-Utilities-Public Sector	1.8%
	Others	10.3%
Clients(LTM)	Top 5	2.4%
	Top 10	1.9%
	Top 20	3.1%



Client Metrics

Client Data (LTM)	31-Mar-09	31-Dec-09	31-Mar-10
Number of Clients			
Active Client Relationship	353	399	404
New Client Relationship	68	36	39
Accounting for > 5% of revenue	2	1	1

Number of Million Dollar Clients (LTM)	31-Mar-09	31-Dec-09	31-Mar-10	QoQ Change	YoY Change
100 Million dollar +	2	1	1	-	(1)
50 Million dollar +	4	4	5	1	1
40 Million dollar +	7	7	7	-	-
30 Million dollar +	11	9	10	1	(1)
20 Million dollar +	19	21	22	1	3
10 Million dollar +	40	51	55	4	15
5 Million dollar +	81	104	106	2	25
1 Million dollar +	256	281	281	-	25

Client Contribution to Revenue (LTM)	31-Mar-09	31-Dec-09	31-Mar-10	QoQ growth LTM Basis
Top 5 Clients	22.7%	18.0%	17.8%	3.4%
Top 10 Clients	31.9%	26.2%	25.8%	3.3%
Top 20 Clients	43.6%	36.9%	36.6%	3.9%

Client Business - (LTM)	31-Mar-09	31-Dec-09	31-Mar-10
Repeat Business	90.0%	94.4%	93.4%
Days Sales Outstanding	83	82	84
Days Sales Outstanding - excluding unbilled revenue	69	64	64

"LTM" - Last Twelve Months



Operational Metrics - Software Services

Software Services (Quarter Ended)	31-Mar-09	31-Dec-09	31-Mar-10
Efforts			
Offshore	71.6%	71.5%	72.2%
Onsite	28.4%	28.5%	27.8%
Revenue			
Offshore	41.1%	40.9%	41.3%
Onsite	58.9%	59.1%	58.7%
Utilization			
Offshore - Including trainees	74.1%	76.4%	76.2%
Offshore - Excluding trainees	74.8%	77.9%	79.0%
Onsite	96.4%	96.7%	95.6%

Software Services Efforts (Man Months)	31-Mar-09	31-Dec-09	31-Mar-10
Efforts Billed - Offshore	50,539	51,530	55,769
Efforts Billed - Onsite	20,049	20,504	21,447
Total Billed Efforts	70,588	72,034	77,217
Not Billed	18,401	15,278	15,805
Trainee	75	1,365	2,560
Not Billed (including trainees)	18,476	16,643	18,365



Employee Metrics

Manpower Details	31-Mar-09	31-Dec-09	31-Mar-10
Total Employee Count	54,026	55,688	58,129
IT Services (Software Services [A1] + Infrastructure Services [A2])	42,600	44,772	47,924
Technical	37,666	39,717	42,787
Support	4,934	5,055	5,137
Gross addition	1,578	3,590	5,730
Net addition	332	1,691	3,152
Gross lateral employee addition	1,423	2,980	4,973
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	13.2%	12.8%	13.9%
BPO Services - Total	11,426	10,916	10,205
Offshore	7,808	7,579	6,953
Onsite	2,188	1,996	1,942
Support	1,430	1,341	1,310
Gross addition	720	1,939	1,406
Net addition	(1,324)	(446)	(711)
Gross lateral employee addition	160	692	560
Offshore Attrition – Quarterly	14.8%	21.0%	20.3%
Offshore Attrition - Quarterly (excluding attrition of joiners less than 6 months)	10.6%	13.9%	13.8%

* Excludes involuntary attrition



A1. Software Services

	31-Mar-09	31-Dec-09	31-Mar-10
Software Services - Total	32,902	33,455	36,169
Technical	28,887	29,383	32,053
Support	4,015	4,072	4,116
Gross addition	622	2,595	4,639
Net addition	(396)	1,143	2,714
Gross lateral employee addition	596	1,989	3,882
Attrition (LTM)	13.1%	12.9%	14.1%

A2. Infrastructure Services

	31-Mar-09	31-Dec-09	31-Mar-10
Infrastructure Services - Total	9,698	11,317	11,755
Technical	8,779	10,334	10,734
Support	919	983	1,021
Gross addition	956	995	1,091
Net addition	728	548	438
Gross lateral employee addition	827	991	1,091
Attrition (LTM)	13.5%	12.6%	13.2%



Facility Details

As on 31st March 2010	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.)	No. of seats	
Gurgaon	285,127	2,510	-	-	
Noida (NCR)	1,936,012	21,861	741,081	5,800	22
Chennai	2,835,274	25,283	140,988	1,137	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	-	-	430,000	3,400	10
UK	79,564	922	-	-	
USA	96,532	607	-	-	
Nortern Ireland(NI)	100,000	1,400	-	-	
Singapore	15,656	187	14,395	100	
Australia (Sydney, Melbourne)	24,145	198	-	-	
Poland	10,494	149	28,514	310	
China	15,300	147	-	-	
Malaysia (AXON Office)	40,955	540	-	-	
Brazil	10,578	131	3,982	65	
Others	20,201	156			
Total	6,781,560	65,881	1,720,821	14,466	72



Cash & Cash Equivalent, Investments and Borrowing

Amt. in US \$ million

	31-Mar-10
A. Cash and Cash Equivalent	74.2
B. Fixed Deposit with Banks	188.8
C. Deposits with Corporates	22.3
D. Investment Securities, available for sale	220.4
E. Investment Securities, held to maturity	11.1
Grand Total (A+B+C+D+E)	516.8

A. Details of Cash & Cash Equivalent

Amt. in US \$ million

Bank Name	Country	31-Mar-10
- Deutsche Bank	UK	4.6
- Silicon Valley Bank	USA	3.7
- Standard Chartered Bank	UK	3.6
- State Bank of India	INDIA	2.7
- Bank of Tokyo Mitsubishi UFJ Ltd.	Japan	2.3
- The Royal Bank of Scotland	UK	2.3
- Bank of Ireland	Northern Ireland	2.2
- Deutsche Bank	France	2.1
- Lloyds TSB Bank, UK	UK	1.7
- Societe Generale	INDIA	1.4
- Indian Overseas Bank	Singapore	1.3
- ANZ Bank	Australia	1.3
- United Overseas Bank	Singapore	1.3
- Standard Chartered Bank	South Africa	1.2
- Barclays Bank	UK	1.2
- HSBC Bank	Malaysia	1.1
- Punjab National Bank	INDIA	1.0
- Others including funds in transit		39.1
Total		74.2



Cash & Cash Equivalent, Investments and Borrowing

B. Fixed Deposit with Banks	Amt. in US \$ million
	31-Mar-10
- Axis Bank	0.2
- Bank of Baroda	24.2
- Bank of India	62.4
- Canara Bank	23.6
- Corporation Bank	7.3
- Punjab National Bank	31.3
- State Bank of India	22.9
- Union Bank of India	16.9
Total Fixed Deposit with banks	188.8
C. Deposits with Corporates	
- HDFC Ltd.	22.3
D. Investment Securities, available for Sale	
- Mutual Funds Liquid Schemes	120.9
- Mutual Funds Short Term Debt Schemes	44.8
- Mutual Funds Medium Term Debt Schemes	54.7
Total Investment Securities, available for Sale	220.4
E. Investment Securities, held to maturity	
- IRFC Tax Free Bonds	11.1
Grand Total (A+B+C+D+E)	516.8
F. Details of Loans	
- Dollar Loan	300.0
- Rupee-denominated Redeemable Secured NCDs	222.8
- Working Capital loans in foreign currency	79.0
- Other working capital loans (including Rupee denominated supplier financing of \$16.1 million)	19.5
Total Loans	621.2



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.44.89 for the quarter ended on 31 Mar 2010; US \$1 = Rs. 48.70 for the quarter ended on 31 Dec 2009; US\$1 = Rs. 50.70 for the quarter ended 31 Mar 2009)

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

Consolidated Income Statement

Amt. in Rs Crores

Income Statement	Quarter ending...			Growth	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	2,861.5	3,032.5	3,075.7	7.5%	1.4%
Direct Costs	1,800.9	1,950.7	2,038.0		
Gross Profits	1,060.7	1,081.8	1,037.7		
SG & A	450.3	443.2	430.4		
EBITDA	610.4	638.6	607.3	-0.5%	-4.9%
Depreciation	97.4	97.4	92.8		
Amortisation	44.1	38.7	17.1		
EBIT	468.6	502.4	497.4	6.1%	-1.0%
Forex gain / (loss)	(201.6)	(125.7)	(62.6)		
Other Income, net	(2.4)	(13.3)	(14.1)		
Provision for Tax	48.5	67.9	76.9		
Share from Equity Investment /of Minority Interest	1.7	1.2	0.1		
Net Income	218.1	296.7	344.0	57.7%	15.9%
Gross Margin	37.1%	35.7%	33.7%		
EBITDA Margin	21.3%	21.1%	19.7%		
EBIT Margin	16.4%	16.6%	16.2%		
Earnings Per Share (EPS) - Annualized					
Basic – in INR	13.0	17.6	20.4		
Diluted – in INR	13.1	17.2	19.9		
“Weighted average number of Shares used in computing EPS”					
Basic	669,733,531	672,471,573	674,867,632		
Diluted	669,930,775	689,573,435	691,274,756		



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-Mar-09	31-Dec-09	31-Mar-10
Options at market price	2.3	0.0	0.0
Options at less than market price	17.5	24.2	23.9
Total	19.8	24.2	23.9
Tax benefit	1.5	1.4	1.5
Total (net of tax)	18.3	22.8	22.4

Outstanding Options (in equivalent no of shares)	31-Mar-09	31-Dec-09	31-Mar-10
Options at market price	24,459,024	21,350,444	18,247,504
Options at less than market price	10,255,544	9,020,976	8,510,920

The options will vest in tranches till 2011

Consolidated Balance Sheet

Amt. in Rs. Crore

Particulars	As on	
	30-Jun-09	31-Mar-10
Assets		
a) Cash and Cash Equivalents	420.3	333.2
b) Accounts Receivable, net	2,708.3	2,863.8
c) Deposits with Banks	1,455.9	847.5
d) Deposits (one year with HDFC Ltd.)	-	100.0
e) Investment Securities, available for sale	23.2	989.2
f) Other Current Assets	1,069.9	830.6
A) Total current assets (a+b+c+d+e+f)	5,677.6	5,964.4
B) Property and Equipment, net	1,586.2	1,755.6
C) Intangible Assets, net	4,532.5	4,239.4
D) Investment Securities, held to maturity	20.0	50.0
E) Investment in Equity Investee	16.9	17.1
F) Other Assets	860.8	913.3
Total assets (A+B+C+D+E+F)	12,693.9	12,939.8
Liabilities and Stockholders' Equity		
a) Current Liabilities	3,267.5	2,912.4
b) Loans	2,977.1	2,788.7
c) Other Liabilities	763.4	669.8
A) Total Liabilities (a+b+c)	7,008.0	6,371.0
B) Total Stockholders equity	5,685.9	6,568.8
Total liabilities and stockholders equity (A+B)	12,693.9	12,939.8



Segment wise Profitability

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

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	2,575.8	2,764.3	2,842.4	10.3%	2.8%
Direct Costs	1,617.4	1,757.1	1,847.2		
Gross Profits	958.5	1,007.3	995.2		
SG & A	391.9	390.1	377.5		
EBITDA	566.6	617.3	617.7	9.0%	0.1%
Depreciation	86.2	85.5	82.0		
Amortisation	41.7	36.6	15.7		
EBIT	438.7	495.2	519.9	18.5%	5.0%
Gross Margin	37.2%	36.4%	35.0%		
EBITDA Margin	22.0%	22.3%	21.7%		
EBIT Margin	17.0%	17.9%	18.3%		

B. BPO Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	285.7	268.2	233.3	-18.3%	-13.0%
Direct Costs	183.5	193.7	190.8		
Gross Profits	102.2	74.5	42.6		
SG & A	58.4	53.2	52.9		
EBITDA	43.8	21.3	(10.3)	-123.6%	-148.6%
Depreciation	11.3	11.9	10.8		
Amortisation	2.6	2.1	1.4		
EBIT	29.9	7.3	(22.5)	-175.3%	-409.1%
Gross Margin	35.8%	27.8%	18.2%		
EBITDA Margin	15.3%	7.9%	-4.4%		
EBIT Margin	10.5%	2.7%	-9.7%		



A1. Software Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	2,143.0	2,150.0	2,160.8	0.8%	0.5%
Direct Costs	1,333.7	1,322.5	1,354.5		
Gross Profits	809.4	827.5	806.3		
SG & A	337.8	318.9	313.8		
EBITDA	471.5	508.6	492.5	4.4%	-3.2%
Depreciation	60.8	63.6	58.2		
Amortisation	41.7	36.6	15.7		
EBIT	369.0	408.4	418.6	13.4%	2.5%
Gross Margin	37.8%	38.5%	37.3%		
EBITDA Margin	22.0%	23.7%	22.8%		
EBIT Margin	17.2%	19.0%	19.4%		

A2. Infrastructure Services

Amt. in Rs crores

Particulars	Quarter ended			Growth%	
	31-Mar-09	31-Dec-09	31-Mar-10	YoY	QoQ
Revenues	432.8	614.3	681.6	57.5%	10.9%
Direct Costs	283.7	434.6	492.7		
Gross Profits	149.1	179.8	188.9		
SG & A	54.1	71.0	63.7		
EBITDA	95.0	108.7	125.2	31.7%	15.1%
Depreciation	25.3	21.9	23.9		
EBIT	69.7	86.8	101.3	45.3%	16.7%
Gross Margin	34.5%	29.3%	27.7%		
EBITDA Margin	22.0%	17.7%	18.4%		
EBIT Margin	16.1%	14.1%	14.9%		



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 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 58,129 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US\$ 2.6 billion (Rs. 12,048 crores), as on 31st March 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 62,000 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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