



# 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.**

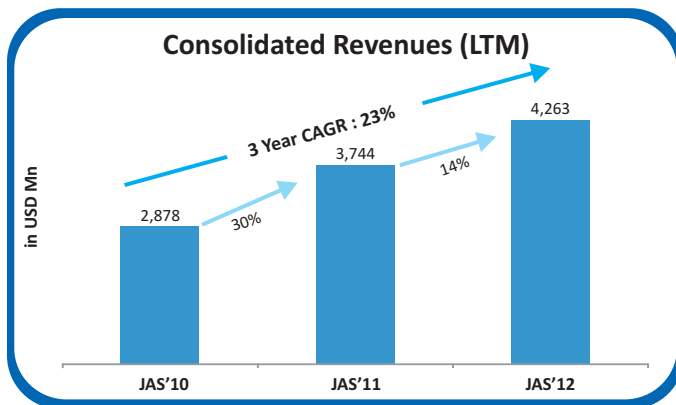
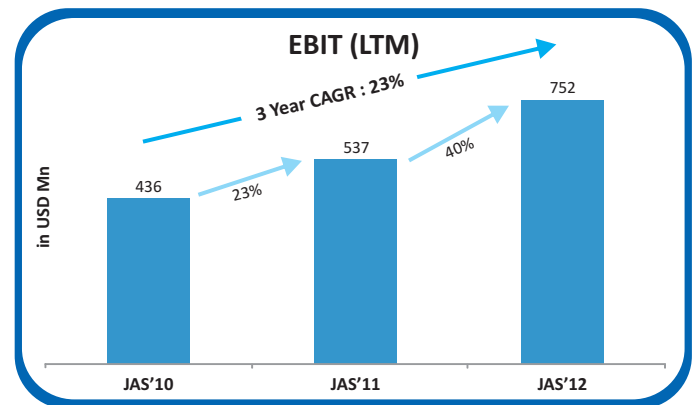
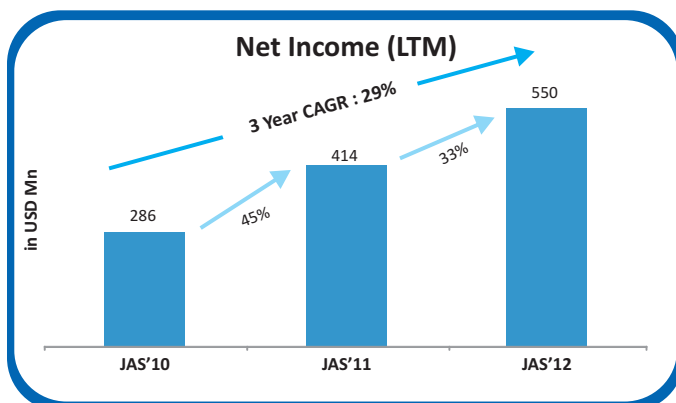
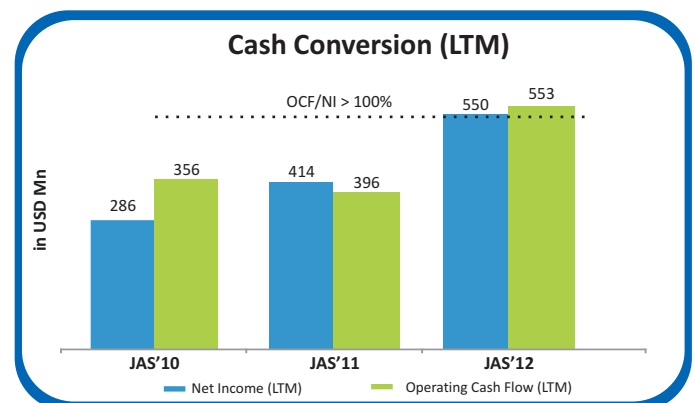
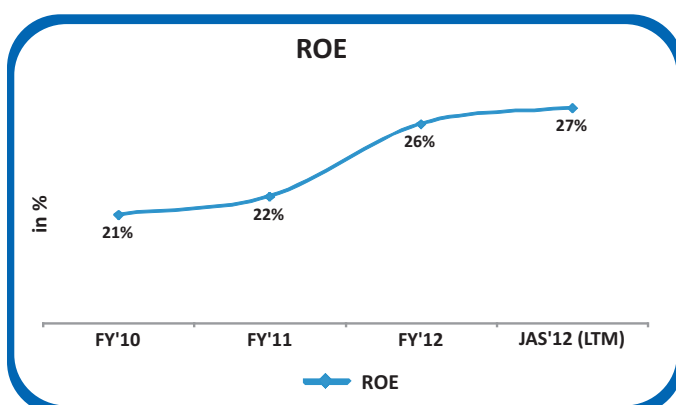
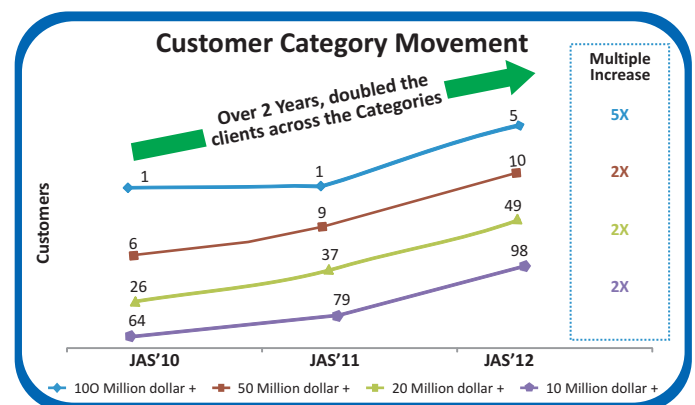
"78% YoY EBIT growth and a 500 bps margin expansion including wage hikes this quarter is a result of our focus on operations and delivery excellence", said **Anant Gupta, President & COO, HCL Technologies.**

"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 a 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> |



| <b>Outstanding Options</b> (in equivalent no of shares) | <b>30-Sep-11</b> | <b>30-Jun-12</b> | <b>30-Sep-12</b> |
|---------------------------------------------------------|------------------|------------------|------------------|
| 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>                                             |                       |                          |
| Net Income                                                                              | 495.4                 | 161.8                    |
| <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>           |
|                  | BPO                                    | 4.8%                  |
| Verticals        | 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<br>(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<br>(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    | 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  |                                         |
| 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 /<br>(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<br/>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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Hello there. I'm from HCL. We work behind the scenes, helping our customers to shift paradigms & start revolutions. We use digital engineering to build superhuman capabilities. We make sure that the rate of progress far exceeds the price. And right now, over 90,000 of us bright sparks are busy developing solutions for over 500 customers in 31 countries across the world. How can I help you?

## 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> |

|                   | 30-Sep-12    |
|-------------------|--------------|
| <b>Borrowings</b> | <b>310.6</b> |

### A. Details of Cash & Cash Equivalents

Amount in US\$ million

| Bank Name                         | Country                  | Amount in US\$ million |
|-----------------------------------|--------------------------|------------------------|
| SEB                               | Sweden                   | 18.4                   |
| Citi Bank                         | India                    | 10.4                   |
| Citi Bank                         | New Zealand              | 7.8                    |
| Royal Bank of Scotland            | United Kingdom           | 7.0                    |
| Citi Bank                         | Japan                    | 6.2                    |
| Deutsche Bank                     | United Kingdom           | 5.8                    |
| Citi Bank                         | Australia                | 5.3                    |
| JPM Bank                          | America                  | 5.1                    |
| Standard Chartered Bank           | South Africa             | 3.6                    |
| Citi Bank                         | United States of America | 3.4                    |
| Citi Bank                         | Malaysia                 | 2.9                    |
| BNP Paribus                       | Ireland                  | 2.3                    |
| Citi Bank                         | Norway                   | 1.9                    |
| Standard Chartered Bank           | United Kingdom           | 1.8                    |
| Citi Bank                         | Shanghai                 | 1.8                    |
| CIBC BANK                         | Canada                   | 1.5                    |
| Citi Bank                         | Hong Kong                | 1.2                    |
| Deutsche Bank                     | France                   | 1.2                    |
| Citi Bank                         | Czech                    | 1.1                    |
| HSBC Bank                         | China                    | 1.1                    |
| Bank of America                   | United States of America | 1.1                    |
| Silicon Valley Bank               | United States of America | 1.1                    |
| Citi Bank                         | Denmark                  | 1.0                    |
| Citi Bank                         | Israel                   | 1.0                    |
| Others including funds in transit |                          | 14.5                   |
| <b>Total</b>                      |                          | <b>108.6</b>           |



## Cash & Cash Equivalents, Investments and Borrowings (contd.)

### B. Fixed Deposits with Banks

Amount in US\$ million

|                                        | 30-Sep-12    |
|----------------------------------------|--------------|
| Bank of Baroda                         | 73.0         |
| Bank of India                          | 29.7         |
| Canara Bank                            | 57.1         |
| Corporation Bank                       | 35.9         |
| Punjab National Bank                   | 22.7         |
| HDFC Bank                              | 0.0          |
| State Bank of India                    | 23.6         |
| State Bank of Patiala                  | 14.4         |
| Union Bank of India                    | 18.4         |
| <b>Total Fixed Deposits with Banks</b> | <b>274.9</b> |

### C. Deposits with Corporates

|             |      |
|-------------|------|
| - HDFC Ltd. | 18.9 |
|-------------|------|

### D. Investment Securities, available for Sale

|                                                        |              |
|--------------------------------------------------------|--------------|
| - Mutual Funds Liquid Plus Schemes                     | 101.1        |
| <b>Total Investment Securities, available for Sale</b> | <b>101.1</b> |

### E. Investment Securities, held to maturity

|                                                      |              |
|------------------------------------------------------|--------------|
| - IRFC Tax Free Bonds                                | 9.5          |
| - IIFCL Tax Free Bonds                               | 8.4          |
| <b>Total Investment Securities, held to maturity</b> | <b>17.9</b>  |
| <b>Grand Total (B+C+D+E)</b>                         | <b>412.8</b> |

### Details of Loans

|                                                                                                 |              |
|-------------------------------------------------------------------------------------------------|--------------|
| - Dollar loan                                                                                   | 100.6        |
| - Rupee-denominated Redeemable Secured NCDs                                                     | 94.6         |
| - Short Term Loan - Citi Bank                                                                   | 75.0         |
| - Other working capital loans (including Rupee denominated supplier financing of \$9.8 million) | 40.4         |
| <b>Total Loans</b>                                                                              | <b>310.6</b> |

