HCL Technologies

Second Quarter Fiscal 2013 Results

Investor Release
Noida, NCR, India, January 17th, 2013

Results for Quarter(Q2) ended 31st Dec, 2012

Revenues at US$ 1,154 mn; Up 13.0% YoY & 3.6% QoQ
Net Income at US$ 177 mn; Up 59.1% YoY & 9.7% QoQ

Revenue at ₹ 6,274 crores; Up 19.6% YoY & 3.0% QoQ
Net Income at ₹ 965 crores; Up 68.5% YoY & 9.0% QoQ

Anant Gupta elevated to the position of President and CEO.
Vineet Nayar continues as Vice Chairman.

TCV of deals won aggregate US$ 1 Billion

Results for Calendar Year(CY) ended 31st Dec, 2012

Revenues at US$ 4,396 mn; Up 12.7% YoY
Net Income at US$ 616 mn; Up 41.2% YoY

Revenue at ₹ 23,499 crores; Up 28.2% YoY
Net Income at ₹ 3,306 crores; Up 61.4% YoY

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Financial Highlights

Highlights for the Quarter (US$) : Q2 2013

- Revenue at **US$ 1,154 mn;** up **13.0% YoY** & **3.6%** sequentially
- Volume growth of **3.0%** sequentially at company level
- EBIT at **US$ 229 mn;** up **41.5% YoY** & **5.9%** sequentially
- Net Income at **US$ 177 mn;** up **59.1% YoY** & **9.7%** sequentially
- GAAP EPS (Diluted) at **US$ 0.99;** up **60.0% YoY**
- Announces dividend of ₹ **2.0** per share, **40th** consecutive quarter of dividend payout thus completing 10 Years of consistent Quarterly Dividend track record
- Total headcount at 85,194

Highlights for the Quarter (₹) : Q2 2013
(₹ convenience translation at an Average Rate of ₹ 54.35/US$)

- Revenue at ₹ **6,274** crores; up **19.6% YoY** & **3.0%** sequentially
- Volume growth of **3.0%** sequentially at company level
- EBIT at ₹ **1,244** crores; up **49.8% YoY** & **5.3%** sequentially
- Net Income at ₹ **965** crores; up **68.5% YoY** & **9.0%** sequentially
- GAAP EPS (Diluted) at ₹ **53.6;** up **69.4% YoY**

Highlights for the Calendar Year (US$) ended 31st Dec 2012

- Revenue at **US$ 4,396 mn;** up **12.7% YoY**
- EBIT at **US$ 819 mn;** up **39.8% YoY**
- Net Income at **US$ 616 mn;** up **41.2% YoY**

Highlights for the Calendar Year (₹) ended 31st Dec 2012

- Revenue at ₹ **23,499** crores; up **28.2% YoY**
- EBIT at ₹ **4,393** crores; up **59.3% YoY**
- Net Income at ₹ **3,306** crores; up **61.4% YoY**

Corporate Overview

The growth momentum of HCL Technologies continues with an exceptional Calendar Year and Quarter performance.

"Calendar 2012 has been an exceptional year for HCL. While the entire Industry saw a very difficult year, HCL fired on all cylinders. Our revenues grew 13%, profits grew 41% and operating margin expanded by 360 bps.

I am also very pleased to announce the elevation of Anant Gupta as the President and CEO of HCL Technologies. Vineet Nayar will continue as the Vice Chairman and Joint Managing Director of the company till July 2013 and as Vice Chairman thereafter.", said **Shiv Nadar, Chairman and Chief Strategy Officer, HCL Technologies.**

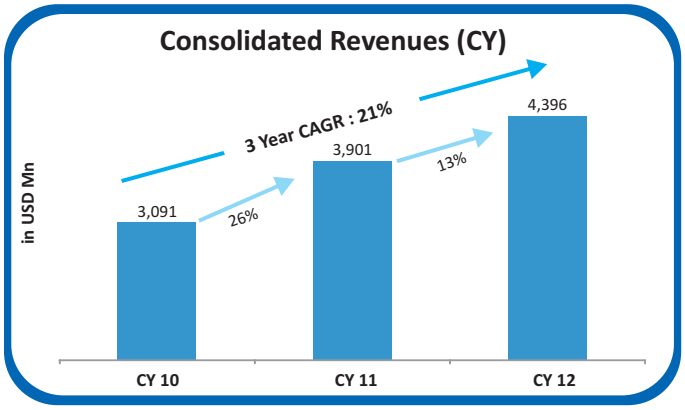
"On the back of this exceptional Calendar Year performance, our quarterly results demonstrate increasing momentum. In the OND quarter we grew 3.6% QoQ, our highest over the last 5 quarters and 13% year on year. Our EBIT Margin improved 400 bps over the year to reach 19.8%. Our net margin has improved for five straight quarters to reach 15.4%, and net income grew 59% YoY and 9.7% sequentially. All in all, this has been a quarter of great impetus which has placed HCL in a position of advantage for leveraging the changing market dynamics.", said **Vineet Nayar, Vice Chairman, HCL Technologies.**

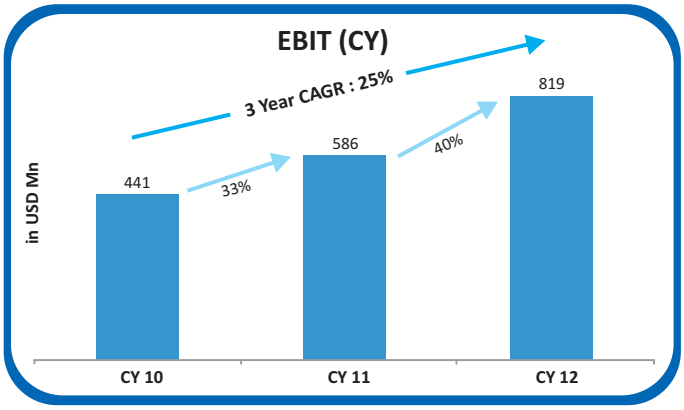
"Our growth this quarter was driven by Infrastructure and Financial Services, both growing in excess of 10% sequentially. Six large transformational deals have once again given us a billion dollar booking quarter. On the back of this industry-leading performance HCL is now ready to redefine the market with its Alternative Outsourcing (AO) model. The AO approach consists of business-outcome aligned IT services delivered through alternate delivery models like XaaS.", said **Anant Gupta, President & CEO, HCL Technologies.**

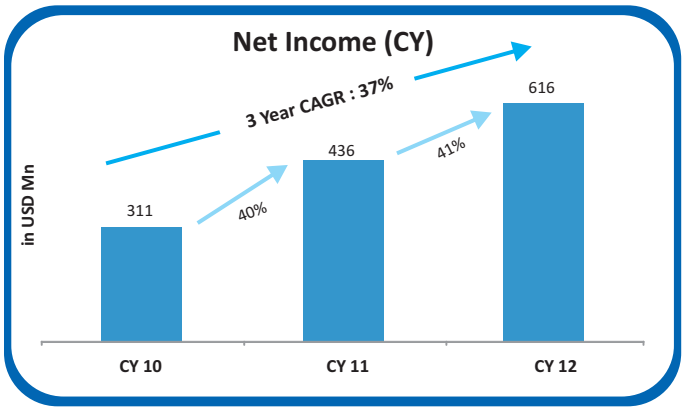
"HCL has continued to demonstrate industry leading growth with superior returns to its shareholders. The annualized return on equity this quarter has been at 35%. The cash generation backed by higher profitability and efficient working capital management continued to be robust. During the 6 months ended 31st December, 2012, the operating cash flow to net income has been 95% while the free cash flow to EBITDA has been more than 50%. This quarter HCL completes 10 straight years of quarterly dividend pay-out.", said **Anil Chanana, Chief Financial Officer, HCL Technologies.**

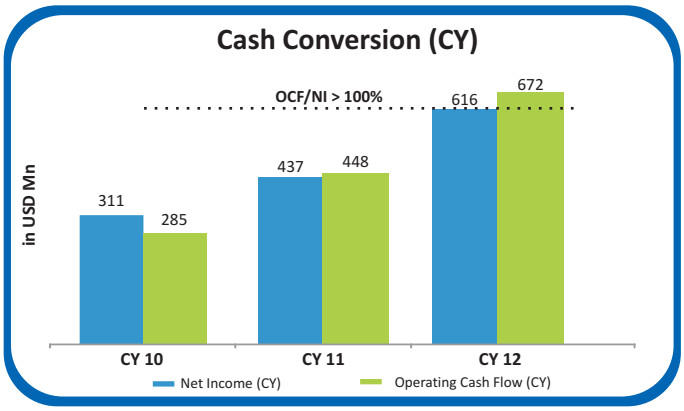
Performance Highlights

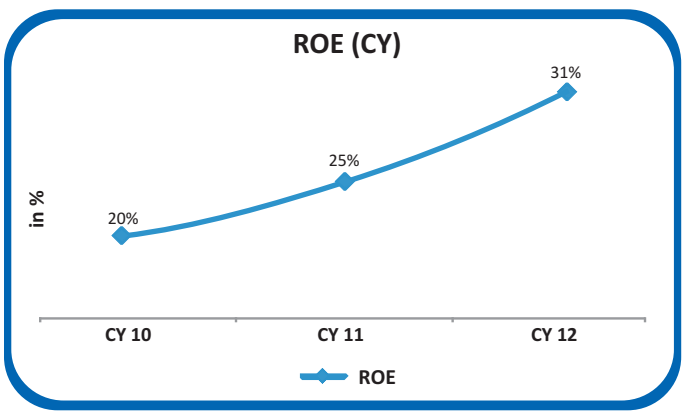
Overall Company : Performance Trends

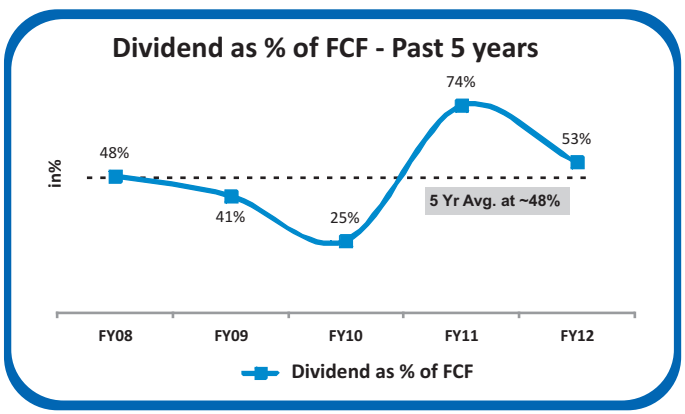












Key Catalysts for Growth

QoQ Revenue Growth in Constant Currency

- Revenues grow by **3.1%**
- Europe and Americas grow **4.2%** and **3.4%** respectively
- Growth witnessed across key Service Offerings led by Infrastructure Services at **10.0%**, Custom Application Services at **1.7%** and BPO Services at **0.7%**
- Broad based growth across Verticals led by Financial Services at **10.1%,** Energy-Utilities-Public Services at **4.7%** and Media Publishing & Entertainment at **4.2%**

YoY Revenue Growth (on CY basis)

- Europe and Americas grow **17.3%** and **14.5%** respectively
- Growth posted by Infrastructure Services at **22.2%**, Engineering and R&D Services at **12.3%,** Enterprise Application Services **9.7%** and Custom Application Services at **8.9%**
- Growth led by Healthcare at **53.9%,** Retail & CPG at **18.1%,** Media Publishing & Entertainment at **15.1%** and Manufacturing at **10.9%** respectively

Reported Currency US $ Growth				
Particulars	**Segments**	**CY 12 over CY 11**	**OND'12**	
			QoQ	**YoY**
Consolidated	**For the Company**	**12.7%**	**3.6%**	**13.0%**
Geography	Europe	17.3%	6.0%	20.1%
	Americas	14.5%	3.4%	9.4%
	ROW	-0.6%	0.3%	14.3%
Service Offering	Infrastructure Services	22.2%	10.9%	37.2%
	Custom Application	8.9%	2.5%	5.2%
	BPO Services	4.0%	1.7%	9.7%
	Engineering and R&D Services	12.3%	0.4%	5.2%
	Enterprise Application Services	9.7%	-0.9%	5.5%
Verticals	Financial Services	7.5%	11.3%	15.1%
	Media Publishing & Entertainment (MPE)	15.1%	4.6%	23.7%
	Retail & CPG	18.1%	1.2%	16.2%
	Healthcare	53.9%	3.1%	56.7%
	Manufacturing	10.9%	2.3%	4.1%
	Energy-Utilities-Public Services	5.4%	5.1%	23.3%
	Telecom	-2.2%	-2.0%	0.7%

Transformational and Blue Chip Customer Acquisition

HCL has won 12 multi-year, multi-million dollar deals with Fortune500/Global 2000 corporations this quarter, six of which are large integrated engagements. A majority of these engagements are from Americas and Europe.

Key Engagements

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

- HCL has entered into a multi-year, multi-regional end-to-end IT Infrastructure management outsourcing services agreement with a leading Fortune 500 mobile and communication services provider.
- HCL has signed a large IT infrastructure services engagement with a US based market research and business information services company.
- HCL has signed a multi-year application services engagement with a Fortune 500 provider of diagnostic testing services to provide application development, testing & support services.
- HCL has won a multi-year contract from a Fortune 500 Consumer packaging company for supporting its Oracle Deployment rollout among various plant locations in US.
- HCL has been selected by a US based financial services company for a strategic SAP deployment initiative that will improve efficiencies and enhance analytical capability, reduce system life-cycle costs through minimal customization among other efforts.
- HCL has entered into a strategic product engineering and R&D engagement with one of the largest Automotive Infotainment supplier in Japan to support its Asia Pacific customer base. HCL is building next generation navigation prototypes for leading automotive majors through this engagement and is on course to build a multi-year ODC partnership to support all infotainment initiatives in the region.
- HCL has been selected by a leading US based beverage company for a large transformation program for their legacy applications migration.
- HCL has been chosen by a leading US based Healthcare products and services provider to customize its Electronic Health Record product, enhance flagship Practice Management product and provide maintenance support to two of its legacy products through end-of-life.
- HCL has been chosen by a leading provider of unit-linked life insurances in Europe for providing testing services for its entire applications suite as well as setting up of a dedicated Test Factory.
- HCL has been chosen by a US based Fortune 500 provider of transportation, logistics and supply chain management solutions for Application Management and Support Services.
- HCL has signed a deal with one of the largest US headquartered healthcare companies for Service cloud implementation. The deal involves extensive data migration, system upgrades and multiple languages support.

Thought Leadership

- Technology Business Research Inc. (TBR), a leading independent technology market research and consulting firm, has released a report titled *'Commitment to relationships and employee investment make HCL the exception to the rule'*. The Report highlights HCL's people-centric strategy as its competitive differentiator. It cites HCL's "unrelenting focus on investing in its people", strong "management bench strength" and innovative systems that allow employees to generate value for customers, as its core differentiators in the market. The Report notes that this focus has resulted in building strong client relationships which have enabled a robust growth momentum for HCL.
- Leading Analyst group 'Frost & Sullivan' has released a 'Best Practice Guidebook' profiling HCL's Employees First, Customers Second (EFCS) philosophy as a successful case-study of business model transformation. The report titled 'Business Model Transformation: empowering employees to focus on the customer' chronicles in detail the execution successes of HCL's growth story led by EFCS and how other companies can apply the same model to transform their business.
- 'Employees First, Customers Second – turning conventional management wisdom upside down' (HBP. June 2010), the book authored by Vineet Nayar, Vice Chairman, HCL Technologies bagged two prestigious management book prizes in France – 'The Olivier Lecerf Award' and 'The Foundation Manpower - HEC prize'. 'The Olivier Lecerf Award' named after the former CEO and Chairman of Lafarge recognizes CEOs who have contributed to innovative management through books they have written themselves. 'The Foundation Manpower- HEC Prize' recognizes authors who have contributed to innovative management practices.
- HCL has won the '2012 Optimas Award for Global Outlook' in recognition of its 'Working Across Borders', program aimed at incubating an inclusive work-culture.
- HCL's Customer Advisory Council has been honored with the "Forrester Groundswell Award" in the 'Business-to-Business Embracing' category at the Forrester eBusiness Forum held in , Chicago in October 2012.HCL Customer Advisory Council (CAC) is a global collaborative platform where HCL's major C-level customers and thought leaders convene bi-annually.
- HCL organized the 'O2 - League of the extraordinary' event to recognize its 'Outstanding' employees across the world. The O2 platform has been designed to recognize and applaud the company's top performers and their extraordinary contributions.
- HCL's Consumer Services, Manufacturing, Public Services and Health Care is the world's first organizational unit which is successfully appraised for CMMI Level 5 (Development & Services + SSD) V 1.3 covering all Custom Application Service lines. The assessment was done by KPMG in October-November 2012.
- HCL organized its Industry Analyst & Advisor Day 2012 'Insight HCL', in Boston and London where its achievements over the last two years and the company's broad strategy going forward were highlighted. The event was attended by 25 customers, over 166 industry analysts and 35 HCL leaders.
- HCL has signed a global partnership agreement with SAP to offer a mobility-related offering called 'Managed Mobility.' This includes Road Mapping, Mobile Application Development, Mobile Application Management, Mobile Application Testing and Mobility Outsourcing. The agreement enables HCL to resell and host SAP Mobility Platform (Sybase Unwire Platform, Afaria and Syclo) licenses.
- HCL has developed 'FinEdge Wealth', a wealth management solution on MS Dynamics CRM. The FinEdge Wealth CRM solution will enable wealth management companies to track and manage customer interactions and adapt programs to changing customer market segments.

Market leadership

- HCL has been named as a 'Market Leader' in the report titled "Achieving Market Leadership in Engineering and R&D Services" published in Oct 2012 by Frost & Sullivan. HCL emerged as the strongest India-centric Engineering Services Outsourcing Provider in this report that was attributed to its noteworthy market performance.
- HCL has been awarded the '2012 Leadership Awards for the Embedded/VLSI Industry', for 'Outstanding Contribution to VLSI/ Embedded Design Industry – Corporate' by leading media group SiliconIndia.
- HCL has been mentioned in the list of TOP 5 Service Providers for the UK Industry Specific Insurance BPO market by Full Time Employees (FTE) Scale in Everest's Report "Insurance Business Process Outsourcing (BPO) Market, 2011-2012 Annual Report".
- HCL has been mentioned in the list of Top 15 ITO & BPO Service Providers based on Year To Date (YTD) 2012 Annualized Contract Value (ACV) in ISG's report "The TPI Index Global Sourcing Market Data and Insights Third Quarter 2012."

Best in-class customer satisfaction

- HCL has received the '2012 Service Excellence award' from Brocade, a leader in Data Center Networking Solutions, in recognition of its significant contribution and commitment to providing multi-domain services to Brocade.
- HCL has been crowned CEVA's 'Global Supplier of the Year' in recognition of the support it has provided in the "delivery of three of CEVA's five strategic priorities in the last 12 months for true commitment to working in partnership".

Diversity and Sustainability

- HCL unveiled its second Corporate Sustainability Report under the Global Reporting Initiative (GRI) 3.1 framework. The Sustainability Report showcases the manner in which HCL has continued to leverage its core competencies, people, values and 'Employees First, Customers Second' culture to reinforce its commitment to the ecosystem including environment and the diverse communities.
- HCL participated in the Carbon Disclosure Project (CDP) India for the second consecutive year in 2012 and received a rating of 66/100, which is above the industry average. HCL scored higher than average in the categories of Risk Mitigation, Emission Reporting and Management and Stakeholder Engagement and Verification. CDP is an independent not-for-profit organization working to drive greenhouse gas emissions reduction and sustainable water use by business and cities.
- HCL unleashed a women empowerment initiative 'Badhtey Kadam' for women from HCL Youth Centers with the objective of uplifting their lives by providing education and fostering economic independence.
- HCL launched 'Ability Connect', an affinity network that would focus on creating an inclusive workplace for specially-abled persons. This initiative is a step towards creating awareness among employees on inclusion at workplace. The quarter also witnessed the launch of 'Pukaar' for integrating persons with hearing impairments into the mainstream. HCL additionally focused recruitment drives for absorbing persons with special abilities into the workforce.

Financials

Consolidated financial results for the Quarter ended 31st December, 2012 drawn under US GAAP

Consolidated Income Statement

Amount in US $ million

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**1,021.9**	**1,113.8**	**1,154.3**	**13.0%**	**3.6%**
Direct Costs	684.6	721.5	740.8		
Gross Profits	**337.3**	**392.3**	**413.5**	**22.6%**	**5.4%**
SG & A	148.2	145.2	152.9		
EBITDA	**189.0**	**247.0**	**260.6**	**37.9%**	**5.5%**
Depreciation	24.9	28.8	29.5		
Amortisation	2.3	2.2	2.2		
EBIT	**161.8**	**216.1**	**229.0**	**41.5%**	**5.9%**
Foreign Exchange Gains/(loss)	(14.8)	(11.1)	(2.3)		
Other Income, net	1.7	6.5	5.1		
Provision for Tax	37.2	49.7	54.3		
Share of Income / (loss) of minority shareholders	-	-	-		
Net Income	**111.6**	**161.8**	**177.5**	**59.1%**	**9.7%**
Gross Margin	33.0%	35.2%	35.8%		
EBITDA Margin	18.5%	22.2%	22.6%		
EBIT Margin	15.8%	19.4%	19.8%		
Net Income Margin	10.9%	14.5%	15.4%		
Earnings Per Share (EPS) Annualized in US $					
Basic	0.65	0.93	1.02	**58.2%**	
Diluted	0.64	0.92	1.01	**57.7%**	
Earnings Per Share (EPS) - GAAP* Annualized in US $					
Basic	0.62	0.91	1.00	**60.5%**	
Diluted	0.62	0.90	0.99	**60.0%**	
"Weighted average Number of Shares used in computing EPS"					
Basic	690,319,989	693,570,313	694,273,119		
Diluted	699,197,467	703,782,987	705,335,855		

*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:-

	Quarter Ended		
Particulars (in US $ mn)	**31-Dec-11**	**30-Sep-12**	**31-Dec-12**
Options Charge	4.2	4.1	4.1
Tax benefit	0.3	0.3	0.3
Option Charge (net-of tax benefit)	**3.9**	**3.8**	**3.7**

Outstanding Options (in equivalent no of shares)	31-Dec-11	30-Sep-12	31-Dec-12
Options at market price	4,765,480	-	4,765,480
Options at less than market price	1,414,464	12,129,360	13,543,824

The options will vest in tranches till 2016

Consolidated Balance Sheet

Amount in US$ million

Particulars	As on	
	30-Sep-12	31-Dec-12
Assets		
Cash and Cash Equivalents	108.6	188.4
Accounts Receivables, net	731.4	698.4
Unbilled Receivables	299.5	284.3
Fixed Deposits with Banks	274.9	279.5
Deposits with HDFC Ltd.	18.9	18.2
Investment Securities, available for sale	101.1	116.8
Other Current Assets	315.4	320.3
Total current assets	**1,849.8**	**1,905.9**
Property and Equipments, net	481.3	466.4
Intangible Assets, net	904.3	896.2
Investment Securities, held to maturity	17.9	17.2
Investments in Equity Investee	7.7	8.1
Other Assets	319.6	339.5
Total assets	**3,580.6**	**3,633.3**
Liabilities & Stockholders' Equity		
Current Liabilities	830.3	861.3
Borrowings	310.6	290.2
Other Liabilities	221.8	235.8
Total Liabilities	**1,362.7**	**1,387.2**
Total Stockholders Equity	**2,217.8**	**2,246.1**
Total Liabilities and Stockholders Equity	**3,580.6**	**3,633.3**

Consolidated Cash Flow Statement

Amount in US $ million

Particulars	For Period Ended Dec'12	For Quarter Ended Dec'12
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	**339.3**	**177.5**
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	62.6	31.7
Others	4.3	1.3
Changes in Assets and Liabilities, net		
Accounts Receivable	(18.4)	31.6
Other Assets	(58.8)	(33.4)
Current Liabilities	(8.3)	42.2
Net Cash provided by operating Activities	**320.6**	**250.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment (net)	(63.2)	(22.1)
(Purchase) / Sale of Investments	(17.6)	(19.8)
Deposits with Banks	(26.7)	(15.4)
Payments for Business Acquisitions, net of cash acquired	(1.9)	(0.0)
Net Cash used in Investing Activities	**(109.5)**	**(57.4)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Employees Stock Options	2.8	1.1
Proceeds from Issuance/(Redemption) of Debentures	(60.7)	0.0
Dividend	(89.0)	(89.0)
Loans	1.6	(16.2)
Others	0.3	0.3
Net Cash provided by (used in) Financing Activities	**(144.9)**	**(103.7)**
Effect of Exchange Rate on Cash and Cash Equivalents	2.2	(9.9)
Net Increase/ (Decrease) in Cash and Cash Equivalents	68.5	79.8
CASH AND CASH EQUIVALENTS		
Beginning of the Period	119.9	108.6
End of the Period	**188.4**	**188.4**

Segment wise Profitability

A. Consolidated IT Services

Amount in US $ million

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**975.4**	**1,063.7**	**1,103.3**	**13.1%**	**3.7%**
Direct Costs	648.0	686.3	706.3		
Gross Profits	**327.4**	**377.4**	**397.0**	**21.3%**	**5.2%**
SG & A	137.4	134.9	142.3		
EBITDA	**190.0**	**242.4**	**254.8**	**34.1%**	**5.1%**
Depreciation	22.3	25.3	26.6		
Amortisation	2.3	2.1	2.1		
EBIT	**165.4**	**215.0**	**226.0**	**36.7%**	**5.1%**
Gross Margin	33.6%	35.5%	36.0%		
EBITDA Margin	19.5%	22.8%	23.1%		
EBIT Margin	17.0%	20.2%	20.5%		

B. BPO Services

Amount in US $ million

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**46.4**	**50.1**	**51.0**	**9.7%**	**1.7%**
Direct Costs	36.6	35.2	34.5		
Gross Profits	**9.8**	**14.9**	**16.5**	**67.5%**	**10.5%**
SG & A	10.8	10.3	10.6		
EBITDA	**(1.0)**	**4.6**	**5.9**		
Depreciation	2.5	3.5	2.8		
Amortisation	-	0.1	0.1		
EBIT	**(3.5)**	**1.1**	**2.9**		
Gross Margin	21.2%	29.8%	32.4%		
EBITDA Margin	-2.1%	9.2%	11.5%		
EBIT Margin	-7.6%	2.1%	5.7%		

A1. Software Services

Amount in US $ million

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**736.4**	**767.9**	**775.3**	**5.3%**	**1.0%**
Direct Costs	477.7	481.3	478.0		
Gross Profits	**258.7**	**286.6**	**297.3**	**14.9%**	**3.7%**
SG & A	114.6	106.4	113.0		
EBITDA	**144.1**	**180.2**	**184.3**	**27.9%**	**2.3%**
Depreciation	14.6	16.1	16.5		
Amortisation	2.3	2.1	2.1		
EBIT	**127.2**	**162.0**	**165.7**	**30.2%**	**2.3%**
Gross Margin	35.1%	37.3%	38.3%		
EBITDA Margin	19.6%	23.5%	23.8%		
EBIT Margin	17.3%	21.1%	21.4%		

A2. Infrastructure Services

Amount in US $ million

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**239.1**	**295.8**	**328.0**	**37.2%**	**10.9%**
Direct Costs	170.4	205.0	228.3		
Gross Profits	**68.7**	**90.7**	**99.7**	**45.1%**	**9.9%**
SG & A	22.8	28.5	29.3		
EBITDA	**45.9**	**62.2**	**70.4**	**53.4%**	**13.2%**
Depreciation	7.8	9.2	10.1		
EBIT	**38.1**	**53.0**	**60.3**	**58.2%**	**13.8%**
Gross Margin	28.7%	30.7%	30.4%		
EBITDA Margin	19.2%	21.0%	21.5%		
EBIT Margin	16.0%	17.9%	18.4%		

Revenue Analysis

Geographic Mix (Quarter ended)	31-Dec-11	30-Sep-12	31-Dec-12	CY Mix
Americas	58.7%	57.0%	56.9%	56.8%
Europe	26.8%	27.9%	28.5%	28.0%
ROW	14.4%	15.1%	14.6%	15.2%

Service Offering Mix (Quarter ended)	31-Dec-11	30-Sep-12	31-Dec-12	CY Mix
Enterprise Application Services	20.3%	19.9%	19.0%	20.1%
Engineering and R&D Services	18.9%	18.1%	17.6%	18.2%
Custom Application Services	32.8%	31.0%	30.6%	31.2%
Infrastructure Services	23.4%	26.6%	28.4%	26.0%
BPO Services	4.5%	4.5%	4.4%	4.5%

Revenue by Contract Type for IT Services (Quarter ended)	31-Dec-11	30-Sep-12	31-Dec-12
Time & Material (T&M)	53.9%	48.8%	48.6%
Fixed Price Projects	46.1%	51.2%	51.4%

Revenue by Vertical (Quarter ended)	31-Dec-11	30-Sep-12	31-Dec-12
Manufacturing	29.5%	27.6%	27.2%
Financial Services	25.3%	24.1%	25.8%
Healthcare	8.6%	12.0%	11.9%
Retail & CPG	8.8%	9.2%	9.0%
Telecom	8.0%	7.5%	7.1%
Media, Publishing & Entertainment (MPE)	6.4%	7.0%	7.0%
Energy-Utilities-Public Sector	6.4%	6.9%	7.0%
Others	6.9%	5.7%	4.8%

Rupee / US Dollar Rate	31-Dec-11	30-Sep-12	31-Dec-12
Quarter Ended	53.10	52.87	54.99
Average for the Quarter	51.33	54.69	54.35

Constant Currency (CC) Reporting

Reported	OND 11	JFM 12	AMJ 12	JAS 12	OND 12
Revenue ($ Mn)	1,021.9	1,047.9	1,079.6	1,113.8	1,154.3
Growth QoQ	2.0%	2.5%	3.0%	3.2%	3.6%
Growth YoY	18.3%	14.6%	12.1%	11.1%	13.0%
Constant Currency (QoQ)	**OND 11**	**JFM 12**	**AMJ 12**	**JAS 12**	**OND 12**
Revenue ($ Mn)	1,038.9	1,041.7	1,095.6	1,111.0	1,148.0
Growth QoQ	3.7%	1.9%	4.5%	2.9%	3.1%
Constant Currency (YoY)	**OND 11**	**JFM 12**	**AMJ 12**	**JAS 12**	**OND 12**
Revenue ($ Mn)	1,025.3	1,055.7	1,120.6	1,140.4	1,154.7
Growth YoY	18.7%	15.4%	16.4%	13.8%	13.0%

Average Rates for Quarter	OND 11	JFM 12	AMJ 12	JAS 12	OND 12
GBP	1.57	1.59	1.58	1.59	1.61
EURO	1.34	1.33	1.27	1.26	1.31
INR	0.02	0.02	0.02	0.02	0.02
SGD	0.78	0.80	0.79	0.81	0.82
AUD	1.03	1.06	1.01	1.04	1.04

Particulars	Segment	US$ QoQ Growth at CC
Consolidated	For the Company	3.1%
Geography	Americas	3.4%
	Europe	4.2%
	ROW	0.0%
Service Offering	Custom Application Services	1.7%
	Engineering and R&D Services	0.5%
	Enterprise Application Services	-1.3%
	Software Services	**0.5%**
	Infrastructure Services	10.0%
	IT Services	**3.2%**
	BPO	0.7%
Verticals	Financial Services	10.1%
	Energy-Utilities-Public Sector	4.7%
	Media Publishing & Entertainment (MPE)	4.2%
	Healthcare	2.6%
	Manufacturing	2.0%
	Retail & CPG	0.7%
	Telecom	-2.2%
Clients (LTM)	Top 5 (LTM)	-0.3%
	Top 10 (LTM)	1.4%
	Top 20 (LTM)	2.1%

Client Metrics

Client Data (LTM)	31-Dec-11	30-Sep-12	31-Dec-12
Number of Clients			
Active Client Relationship	516	536	544
New Client Relationship	57	38	39

Number of Million Dollar Clients (LTM)	31-Dec-11	30-Sep-12	31-Dec-12	QoQ Change	YoY Change
100 Million dollar +	3	5	5	-	2
50 Million dollar +	9	10	10	-	1
40 Million dollar +	12	14	15	1	3
30 Million dollar +	23	29	29	-	6
20 Million dollar +	42	49	50	1	8
10 Million dollar +	84	98	98	-	14
5 Million dollar +	144	173	178	5	34
1 Million dollar +	362	401	418	17	56

Client Contribution to Revenue (LTM)	31-Dec-11	30-Sep-12	31-Dec-12	QoQ growth
Top 5 Clients	15.8%	16.2%	15.7%	0.1%
Top 10 Clients	24.2%	24.5%	24.2%	1.7%
Top 20 Clients	33.9%	33.6%	33.3%	2.2%

Client Business - (LTM)	31-Dec-11	30-Sep-12	31-Dec-12
Repeat Business - Consolidated	94.4%	94.6%	93.8%
Days Sales Outstanding - excluding unbilled receivables	**55**	**59**	**54**

Operational Metrics - Software Services

Software Services (Quarter Ended)	31-Dec-11	30-Sep-12	31-Dec-12
Efforts			
Offshore	72.5%	74.2%	74.2%
Onsite	27.5%	25.8%	25.8%
Revenue			
Offshore	42.1%	44.3%	44.9%
Onsite	57.9%	55.7%	55.1%
Utilization			
Offshore - Including trainees	69.6%	74.2%	75.6%
Offshore - Excluding trainees	76.1%	77.4%	77.6%
Onsite	95.9%	95.3%	97.3%
Blended Utilization (Excl. Trainees)	80.7%	81.4%	81.9%

Software Services Efforts (Man Months)	31-Dec-11	30-Sep-12	31-Dec-12
Efforts Billed - Offshore	83,831	92,104	92,518
Efforts Billed – Onsite	31,782	31,966	32,095
Total Billed Efforts	**115,613**	**124,070**	**124,613**
Not Billed	27,691	28,434	27,616
Trainee	10,268	5,078	3,145
Not Billed (including trainees)	37,959	33,512	30,761

Employee Metrics

Manpower Details	31-Dec-11	30-Sep-12	31-Dec-12
Total Employee Count	**83,076**	**85,335**	**85,194**
IT Services (Software Services [A1] + Infrastructure Services [A2])	**72,055**	**75,621**	**75,226**
Technical	65,266	68,356	67,965
Support	6,789	7,265	7,261
Gross Addition	4,931	4,479	3,291
Net Addition	1,734	946	(395)
Gross Lateral Employee Addition	3,144	3,572	2,866
Attrition (LTM)* - IT Services (Software Services + Infrastructure Services)	15.7%	13.6%	13.6%
BPO Services - Total	**11,021**	**9,714**	**9,968**
Technical	10,106	8,798	8,992
Support	915	916	976
Gross Addition	2,873	1,893	1,845
Net Addition	822	70	254
Gross Lateral Employee Addition	2,873	1,893	1,845
Offshore Attrition – Quarterly	6.1%	7.6%	8.7%
Offshore Attrition - Quarterly (excluding attrition of joinees less than 6 months)	5.6%	7.3%	8.3%

* Excludes involuntary attrition

A1. Software Services

	31-Dec-11	30-Sep-12	31-Dec-12
Software Services - Total	**54,624**	**55,266**	**53,943**
Technical	49,223	49,453	48,098
Support	5,401	5,813	5,845
Gross Addition	3,635	2,394	1,378
Net Addition	1,353	(181)	(1,323)
Gross Lateral Employee Addition	1,854	1,578	1,339
Attrition (LTM)	15.3%	13.4%	13.6%

A2. Infrastructure Services

	31-Dec-11	30-Sep-12	31-Dec-12
Infrastructure Services - Total	**17,431**	**20,355**	**21,283**
Technical	16,043	18,903	19,867
Support	1,388	1,452	1,416
Gross Addition	1,296	2,085	1,913
Net Addition	381	1,127	928
Gross Lateral Employee Addition	1,290	1,994	1,527
Attrition (LTM)	17.0%	14.3%	13.8%

Facilities

As on 31st Dec 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	2,799,923	29,430	697,890	5,016	12
Chennai	3,787,641	33,679	1,350,000	12,000	-
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)	576,107	6,102	48,448	354	-
Total	**9,141,186**	**87,708**	**2,915,339**	**23,106**	**12**

Cash & Cash Equivalents, Investments and Borrowings

Amount in US $ million

	31-Dec-12
Cash and Cash Equivalents*	188.4
Fixed Deposits with Banks	279.5
Deposits with HDFC Ltd.	18.2
Investment Securities, held to maturity	17.2
Investment Securities, available for sale (Debt Mutual Funds)	116.8
Grand Total	**620.1**

	31-Dec-12
Borrowings	**290.2**

* Note: For details please refer: http://www.hcltech.com/Q2_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 = ₹ 54.35 for the quarter ended on 31 Dec 2012; US $1 = ₹ 54.69 for the quarter ended on 30 Sep 2012; US$ 1 = ₹ 51.33 for the quarter ended 31 Dec 2011.

Financial results for the Quarter ended 31st Dec 2012 drawn under US GAAP

Consolidated Income Statement

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**5,245.2**	**6,091.0**	**6,273.8**	**19.6%**	**3.0%**
Direct Costs	3,514.1	3,945.7	4,026.2		
Gross Profits	**1,731.1**	**2,145.3**	**2,247.6**	**29.8%**	**4.8%**
SG & A	760.9	794.3	831.0		
EBITDA	**970.2**	**1,351.1**	**1,416.6**	**46.0%**	**4.9%**
Depreciation	127.8	157.4	160.1		
Amortisation	11.7	11.8	12.1		
EBIT	**830.7**	**1,181.9**	**1,244.4**	**49.8%**	**5.3%**
Foreign Exchange Gains/(loss)	(75.8)	(60.9)	(12.5)		
Other Income, net	8.8	35.6	27.9		
Provision for Tax	191.1	271.8	295.1		
Share of income / (loss) of minority shareholders	0.0	0.0	0.1		
Net Income	**572.7**	**884.8**	**964.7**	**68.5%**	**9.0%**
Gross Margin	33.0%	35.2%	35.8%		
EBITDA Margin	18.5%	22.2%	22.6%		
EBIT Margin	15.8%	19.4%	19.8%		
Net Income Margin	10.9%	14.5%	15.4%		
Earnings Per Share (EPS) Annualized in US $					
Basic	33.2	51.0	55.6	**67.5%**	
Diluted	32.8	50.3	54.7	**67.0%**	
Earnings Per Share (EPS) - GAAP* Annualized in US $					
Basic	32.0	49.8	54.4	**69.9%**	
Diluted	31.6	49.1	53.6	**69.4%**	
"Weighted average Number of Shares used in computing EPS"					
Basic	690,319,989	693,570,313	694,273,119		
Diluted	699,197,467	703,782,987	705,335,855		

*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:-

	Quarter Ended		
Particulars (in ₹ Crores)	**31-Dec-11**	**30-Sep-12**	**31-Dec-12**
Options Charge	21.5	22.2	22.1
Tax benefit	1.5	1.7	1.8
Option Charge (net-of tax benefit)	**19.9**	**20.6**	**20.2**

Outstanding Options (in equivalent no of shares)	31-Dec-11	30-Sep-12	31-Dec-12
Options at market price	7,568,404	5,187,252	4,765,480
Options at less than market price	14,704,176	13,889,504	13,543,824

The options will vest in tranches till 2016

Consolidated Balance Sheet

The financials in INR are based on a convenience translation using the closing rate for the quarter: US$1 = ₹ 54.99 for the quarter ended on 31 Dec 2012; US $1 = ₹ 52.87 for the quarter ended on 30 Sep 2012.

Financial results for the Quarter ended 31st Dec 2012 drawn under US GAAP

Amount in ₹ Crores

Particulars	As on	
	Sep-12	Dec-12
Assets		
Cash and Cash Equivalents	574.0	1,036.0
Accounts Receivables, net	3,866.4	3,840.3
Unbilled Receivables	1,583.1	1,563.0
Fixed Deposits with Banks	1,453.5	1,537.0
Deposits with HDFC Ltd.	100.0	100.0
Investment Securities, available for sale	534.3	642.3
Other Current Assets	1,667.5	1,761.1
Total current assets	**9,778.8**	**10,479.7**
Property and Equipments, net	2,544.4	2,564.3
Intangible Assets, net	4,780.3	4,927.7
Investment Securities, held to maturity	94.6	94.5
Investments in Equity Investee	40.9	44.7
Other Assets	1,689.6	1,866.8
Total assets	**18,928.6**	**19,977.8**
Liabilities & Stockholders' Equity		
Current Liabilities	4,389.5	4,735.6
Borrowings	1,642.0	1,595.7
Other Liabilities	1,172.6	1,296.4
Total Liabilities	**7,204.1**	**7,627.7**
Total Stockholders Equity	11,724.5	12,350.1
Total Liabilities and Stockholders Equity	**18,928.6**	**19,977.8**

Segment wise Profitability

A. Consolidated IT Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**5,006.9**	**5,817.1**	**5,996.9**	**19.8%**	**3.1%**
Direct Costs	3,326.3	3,753.4	3,838.9		
Gross Profits	**1,680.6**	**2,063.7**	**2,158.0**	**28.4%**	**4.6%**
SG & A	705.3	738.0	773.3		
EBITDA	**975.3**	**1,325.7**	**1,384.7**	**42.0%**	**4.5%**
Depreciation	114.7	138.2	144.6		
Amortisation	11.7	11.5	11.6		
EBIT	**848.9**	**1,176.0**	**1,228.5**	**44.7%**	**4.5%**
Gross Margin	33.6%	35.5%	36.0%		
EBITDA Margin	19.5%	22.8%	23.1%		
EBIT Margin	17.0%	20.2%	20.5%		

B. BPO Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**238.3**	**274.0**	**276.9**	**16.2%**	**1.1%**
Direct Costs	187.8	192.4	187.3		
Gross Profits	**50.6**	**81.6**	**89.6**	**77.3%**	**9.9%**
SG & A	55.6	56.3	57.8		
EBITDA	**(5.1)**	**25.3**	**31.9**		
Depreciation	13.1	19.1	15.5		
Amortisation	-	0.4	0.5		
EBIT	**(18.2)**	**5.9**	**15.9**		
Gross Margin	21.2%	29.8%	32.4%		
EBITDA Margin	-2.1%	9.2%	11.5%		
EBIT Margin	-7.6%	2.1%	5.7%		

A1. Software Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**3,779.7**	**4,199.5**	**4,214.0**	**11.5%**	**0.3%**
Direct Costs	2,451.9	2,632.1	2,598.2		
Gross Profits	**1,327.8**	**1,567.4**	**1,615.9**	**21.7%**	**3.1%**
SG & A	588.2	582.0	614.0		
EBITDA	**739.6**	**985.4**	**1,001.8**	**35.5%**	**1.7%**
Depreciation	74.7	87.9	89.6		
Amortisation	11.7	11.5	11.6		
EBIT	**653.1**	**886.0**	**900.6**	**37.9%**	**1.6%**
Gross Margin	35.1%	37.3%	38.3%		
EBITDA Margin	19.6%	23.5%	23.8%		
EBIT Margin	17.3%	21.1%	21.4%		

A2. Infrastructure Services

Amount in ₹ Crores

Income Statement	Quarter ended			Growth	
	31-Dec-11	30-Sep-12	31-Dec-12	YoY	QoQ
Revenues	**1,227.2**	**1,617.5**	**1,782.8**	**45.3%**	**10.2%**
Direct Costs	874.4	1,121.3	1,240.7		
Gross Profits	**352.8**	**496.3**	**542.1**	**53.7%**	**9.2%**
SG & A	117.1	156.0	159.2		
EBITDA	**235.7**	**340.3**	**382.9**	**62.5%**	**12.5%**
Depreciation	39.9	50.3	55.0		
EBIT	**195.8**	**290.0**	**327.9**	**67.5%**	**13.1%**
Gross Margin	28.7%	30.7%	30.4%		
EBITDA Margin	19.2%	21.0%	21.5%		
EBIT Margin	16.0%	17.9%	18.4%		

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 85,194 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US$ 4.4 billion (₹ 23,499 crores), as on 31st Dec 2012 (on LTM basis). For more information, please visit 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. For more information, please visit www.hcl.com

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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Cash & Cash Equivalents, Investments and Borrowings

Amount in US $ million

	31-Dec-12
Cash and Cash Equivalents*	188.4
Fixed Deposits with Banks	279.5
Deposits with HDFC Ltd.	18.2
Investment Securities, held to maturity	17.2
Investment Securities, available for sale (Debt Mutual Funds)	116.8
Grand Total	**620.1**

	31-Dec-12
Borrowings	**290.2**

A. Details of Cash & Cash Equivalents

Amount in US$ million

Bank Name	Country	Amount in US$ million
Deutsche Bank	Netherland	21.4
Deutsche Bank	America	18.3
Citi Bank	New Zealand	10.5
Citi Bank	India	9.4
CIBC BANK	Canada	8.5
BNP Paribus	Ireland	6.1
Silicon Valley Bank	America	5.7
Citi Bank	Australia	5.5
Standard Chartered Bank	India	4.9
Citi Bank	Japan	4.8
Citi Bank	Finland	4.5
Royal Bank of Scotland	United Kingdom	4.1
Bank of America	Canada	3.8
Wells Fargo Bank	America	3.6
JPM Bank	America	3.5
SEB	Sweden	3.3
CITIBANK	Norway	2.3
Citi Bank	Malaysia	2.2
Citi Bank	Singapore	2.2
Bank of America	America	2.1
Citi Bank	Denmark	1.9
Citi Bank	Shanghai	1.9
Deutsche Bank	France	1.4
Deutsche Bank	Poland	1.2
Citi Bank	Hong Kong	1.1
BNP Paribus	Switzerland	1.0
Citi Bank	Israel	1.0
Others including funds in transit		52.0
Total		**188.4**

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

B. Fixed Deposits with Banks

Amount in US$ million

	31-Dec-12
Bank of Baroda	70.2
Bank of India	28.6
Canara Bank	72.7
Corporation Bank	34.6
Punjab National Bank	21.8
State Bank of Patiala	33.9
Union Bank of India	17.7
Total Fixed Deposits with Banks	**279.5**

C. Deposits with Corporates

- HDFC Ltd.	**18.2**

D. Investment Securities, available for Sale

- Mutual Funds Liquid Plus Schemes	116.8
Total Investment Securities, available for Sale	**116.8**

E. Investment Securities, held to maturity

- IRFC Tax Free Bonds	9.1
- IIFCL Tax Free Bonds	8.1
Total Investment Securities, held to maturity	**17.2**
Grand Total (B+C+D+E)	**431.7**

Details of Loans

- Dollar loan	80.5
- Rupee-denominated Redeemable Secured NCDs	90.9
- Short Term Loan - Citi Bank	75.0
- Other working capital loans (including Rupee denominated supplier financing of $9.8 million)	43.8
Total Loans	**290.2**