







*Growth strategies in volatile times*

**Financial Results**  
 Quarter ended June 30, 2009  
 July 29, 2009



**Education & Training Business: Environment**

- Consumer sentiment continues to be weak across sectors
- Unemployment in the US still rising; expected to peak in Q4'10 and then start a slow recovery
- Global markets continue to remain sluggish; there is however increased interest in offshoring. Nasscom pares down growth rates
- Education and skills development are a significant part of stimulus packages being provided by governments across the world
- Stable new government and progressive education & skills policy likely to accelerate change in education sector
- India announces new budget with a 20% higher allocation to education; @ 44.5K crores. Support across the board with special emphasis on SSA and employability oriented schemes
- Better IT services sector results expected to lead to increased hiring going forward; job market for specialist skills remains robust



Volatile environment, Weak sentiment, Delayed decisions

## Q1'10 – Business Highlights



- Individual Learning Solutions (ILS): Strong growth in IMS enrollments – 92% and China – 63%. Placements continue to be strong at 87%. Initiated ERP training
- Schools Learning Solutions (SLS): Gujarat order for 1,870 schools. Improved traction from Math lab. 114 new private schools added. Improved funnel in private schools
- Corporate Learning Solutions (CLS): Growth in online learning products. Cost management yields strong improvement in EBITDA margin
- NIIT awarded
  - ICT gold medal (Vietnam) for 4<sup>th</sup> year in a row
  - Best Learning partner awards from CISCO and Microsoft
  - Best Green IT project award by PC Quest for vLabs
  - Best Training School by The Week – Nielson survey for IFBI
  - Recognized amongst Bersin & Associates Learning Leaders



Gained market-share in identified segments

## Q1'10 – Financial Highlights



- EBITDA Rs. 286 million up 53% YOY
- EBITDA margin improved by 373 bps YOY to 11%
- Consolidated System wide revenues Rs. 3,688 million, up 1% YOY
- Net Revenues Rs. 2,610 million, up 1% YOY
- Net Profit Rs. 99 million, down 42%, impacted by forex volatility
  - In operations Rs. 41M
  - In Associate profits Rs 67M

Improved profitability (EBITDA) in challenging times



## Q1'10 – Business Highlights



- ILS revenues at Rs. 856 million; EBITDA margin improvement of 115 bps YoY
- CLS revenues at Rs 1,345 million; EBITDA margin improvement of 739 bps YOY; Order Intake of \$31M
- SLS revenues up 43% YoY to reach Rs. 359 million with EBITDA margin of 18% (+ 447 bps); Order intake of Rs. 1,075 million



## Q1'10 Consolidated Financials



(Rs. in mn)	Q1'10	Q1'09	YoY (%)
<b>System wide Revenues</b>	<b>3,688</b>	<b>3,664</b>	<b>1%</b>
<b>Net Revenues</b>	<b>2,610</b>	<b>2,595</b>	<b>1%</b>
Operating expenses	2,325	2,408	-3%
<b>EBITDA</b>	<b>286</b>	<b>187</b>	<b>53%</b>
EBITDA%	11%	7%	373 bps
Depreciation	168	126	33%
Other Income	-101	5	-106 mn
Profit before tax	17	66	-75%
Tax	-26	-15	70%
Operational Net Profit	43	82	-48%
Share of Profits from Associates	56	88	-36%
<b>PAT</b>	<b>99</b>	<b>170</b>	<b>-42%</b>
<b>Basic EPS (Rs.)</b>	<b>0.6</b>	<b>1.0</b>	<b>-42%</b>



## Q1'10- Financial Summary By Business Line

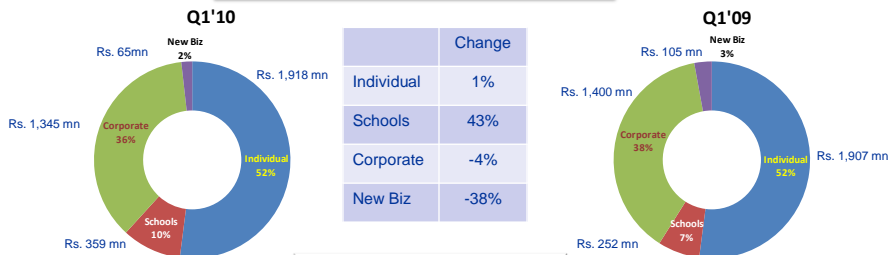


(Rs. in mn)	Individual	Schools	Corporate	New Biz	NIIT
<b>System wide Revenues</b>	<b>1,918</b>	<b>359</b>	<b>1,345</b>	<b>65</b>	<b>3,688</b>
YoY,%	1%	43%	-4%	-38%	1%
<b>Net Revenues</b>	<b>856</b>	<b>359</b>	<b>1,345</b>	<b>50</b>	<b>2,610</b>
YoY,%	0%	43%	-4%	-44%	1%
Operating expenses	696	293	1,243	92	2,324
<b>EBITDA</b>	<b>160</b>	<b>66</b>	<b>102</b>	<b>-42</b>	<b>286</b>
EBITDA%	19%	18%	8%	-84%	11%
Depreciation					168
Other Income					-101
<b>Profit before tax</b>					<b>17</b>
Tax					-26
Operational Net Profit					43
Share of Profits from Associates					56
<b>PAT</b>					<b>99</b>
<b>Basic EPS (Rs.)</b>					<b>0.6</b>

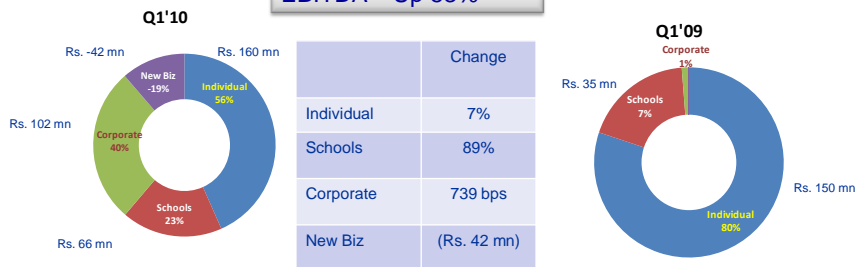


## Q1'10 – Business Mix

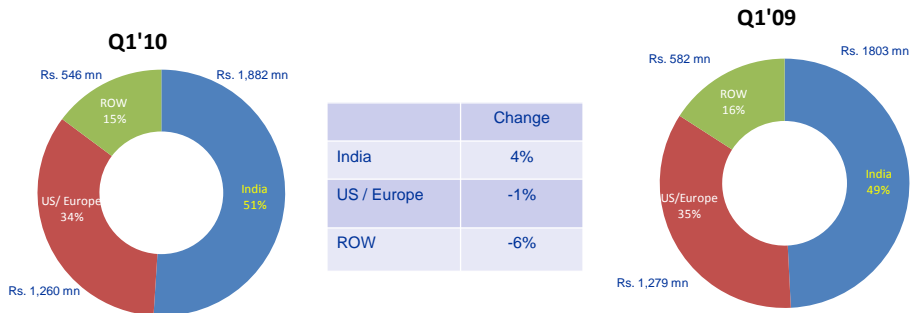
### System wide revenues



### EBITDA – Up 53%



## Q1'10 – System Wide Revenue-Geo Mix



## Individual - IT



Rs. Million	Q1'10	Q1'09	% G, YoY	% G, QoQ
System wide Revenues	1,918	1,907	1%	-28%
Net Revenues	856	854	0%	-17%
EBITDA	160	150	7%	-32%
OM	19%	18%	115 bps	-418 bps

- ❖ SWR Geo Mix: India 71%, ROW 14%, China 15%
- ❖ Enrolments grew 6%
- ❖ Placements up 87%
- ❖ India Capacity +9% YoY, flat QoQ
- ❖ Revenue capacity utilization unchanged at 56%

- ❖ India
  - ❖ Weak enrollments / traction in April, May followed by strong recovery in June
  - ❖ Focus areas do well; IMS enrollments grow 92%
- ❖ China revenues grow at 57%



# School Learning Solutions



Rs. Mn	Q1'10	Q1'09	% G, YoY	% G, QoQ
Net Revenues	359	252	43%	-19%
EBITDA	66	35	89%	-17%
OM	18%	14%	447 bps	30 bps

- ❖ GSA contributes 70% of revenue- up 49%; non GSA up 30% YOY
- ❖ Order Intake: Rs.1,075 Mn
- ❖ Schools added: 1,984 (including 114 private schools)
- ❖ E-guru solutions gained further traction
- ❖ Pending order book at Rs 3,971 Mn; up 28% YoY; 32% executable in next 12 months



# Corporate Learning Solutions



Rs. Mn	Q1'10	Q1'09	% G, YoY	% G, QoQ
Net Revenues	1,345	1,400	-4%	-9%
EBITDA	102	2	4412%	7%
OM	8%	0%	739 bps	112 bps

- ❖ Online Learning Products: 23% growth
- ❖ Cost Management results in EBITDA improvement
- ❖ Order Intake \$ 31.0 mn
- ❖ Pending order book at \$ 81 Mn; 63% executable in next 12 months

- ❖ Addition of 17 new customers show a shift in buying behaviour
- ❖ Back-end and sales integration results in greater operational flexibility
- ❖ Increased variabilization of expense structure to help long term profitability



SkillSoft offers online content only.

Element K offers you the flexibility you need in the real world.

Reinforcing that real world learning solutions, online and classroom content designed to work together.



## New Businesses



Rs. Mn	Q1'10	Q1'09	% G, YoY	% G, QoQ
System wide Revenues	65	105	-38%	-3%
Net Revenues	50	90	-44%	-1%
EBITDA	-42	0		

- Order intake of Rs. 53 million, Pending order book Rs. 51 Mn
- Enrolments over 3,000.

### IFBI :

- New alliances with Dhanalakshmi Bank, New India Co-op Bank and ING Life
- Entry into training in Rural and Agri Finance, launch of Diploma in Financial Accounting
- 18% growth in enrolments QoQ

### Imperia:

- New functional programs in HR (IIML), Supply Chain (IMC)

### Uniqua:

- First 100 students placed in Top BPO companies
- Government employability training in AP under Rajiv Udyogshree



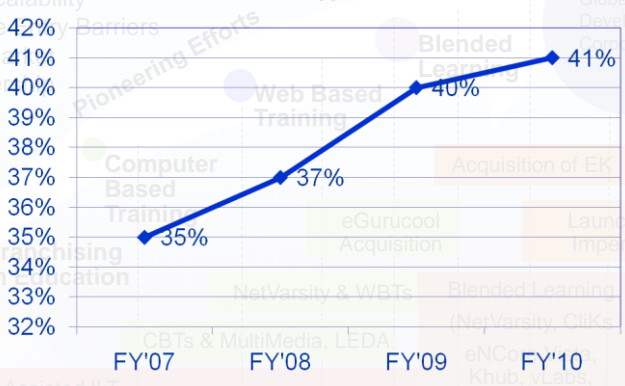
## IP led Growth Strategy



### IP for

- Non Linear Growth
- Reach & Scalability
- Competitive Barriers
- Speed to Market
- Cost Leadership

### IP led Revenue as % of NIIT Revenue



1982

1991

96

2000

2004

2006

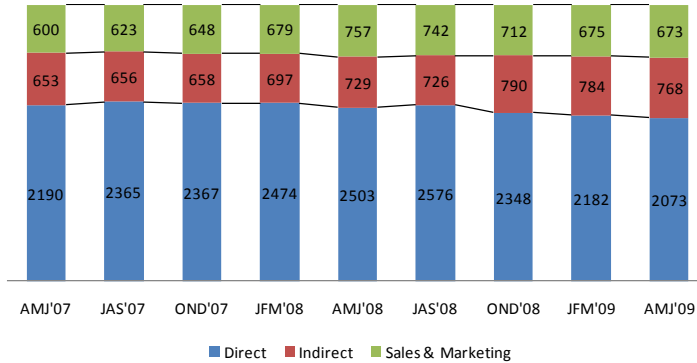
2008

2010



Evolution into a Global Talent Development Corporation

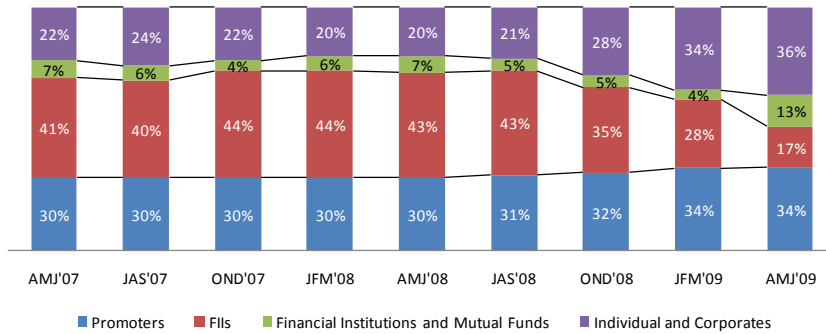
## Head Count



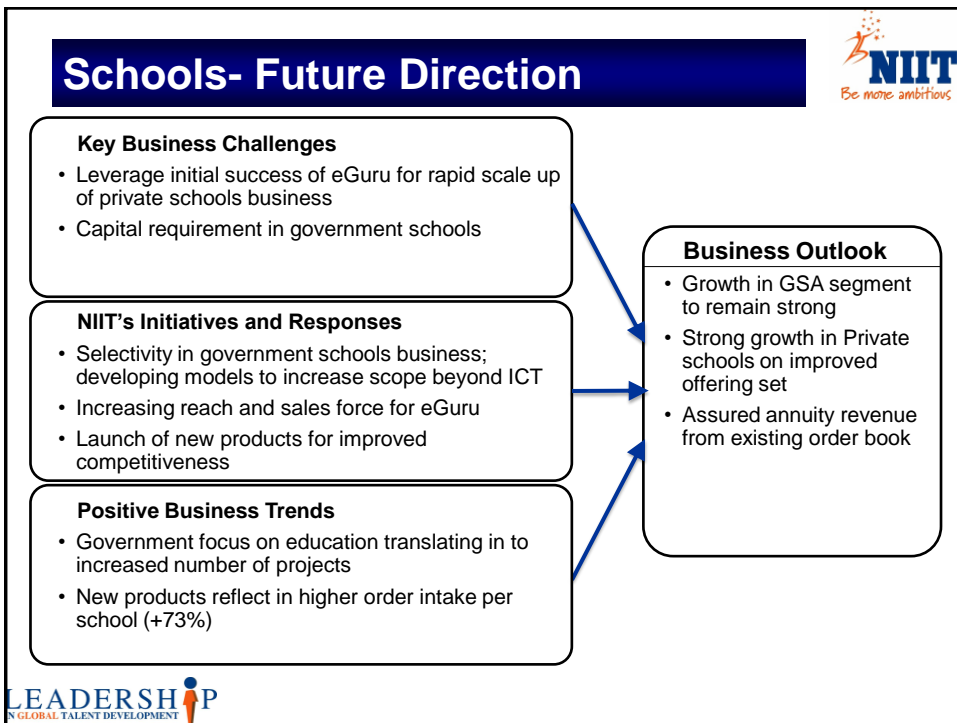
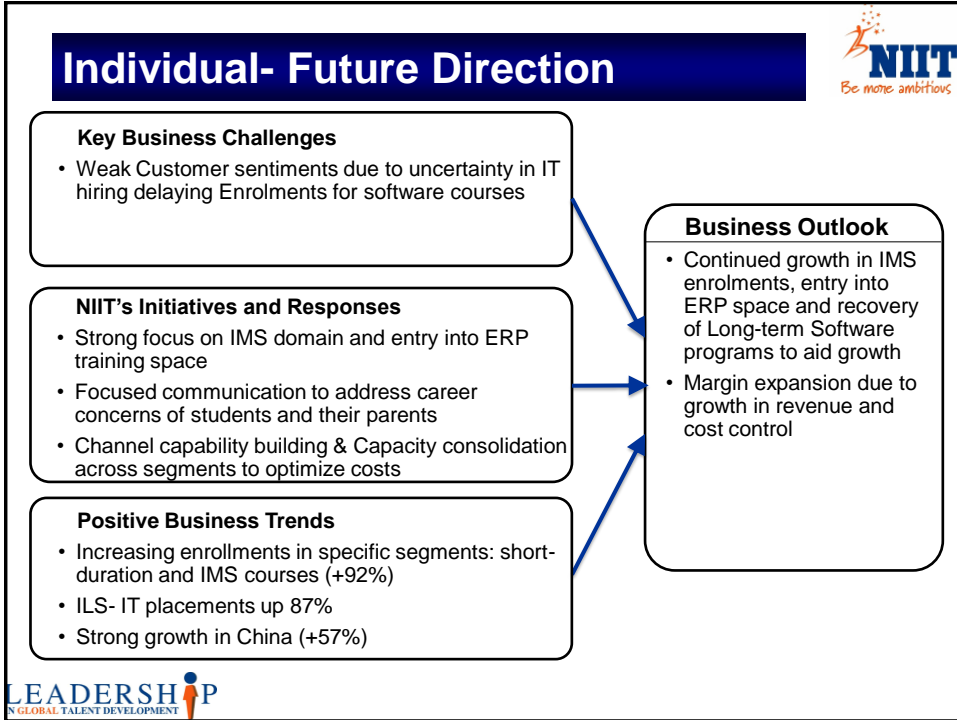
Human Resources down 127 (QoQ) to 3,514

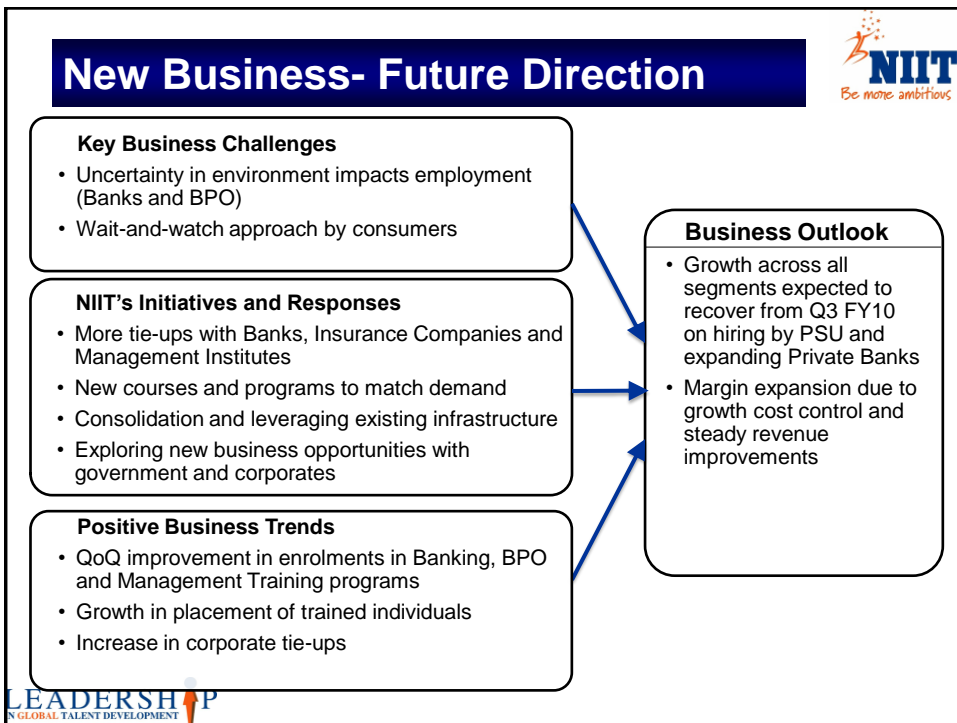
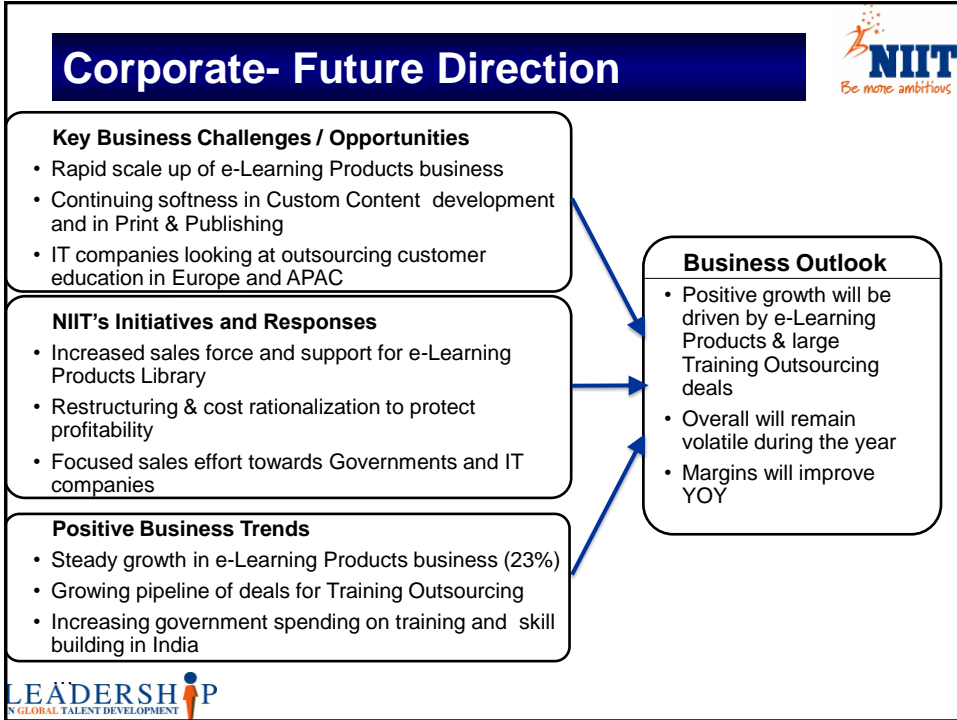


## Shareholding Pattern





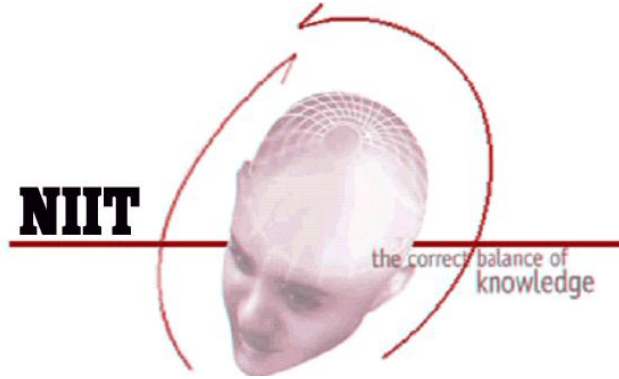




# Leadership in the Century of the mind



**NIT**



**LEADERSHIP**  
IN GLOBAL TALENT DEVELOPMENT