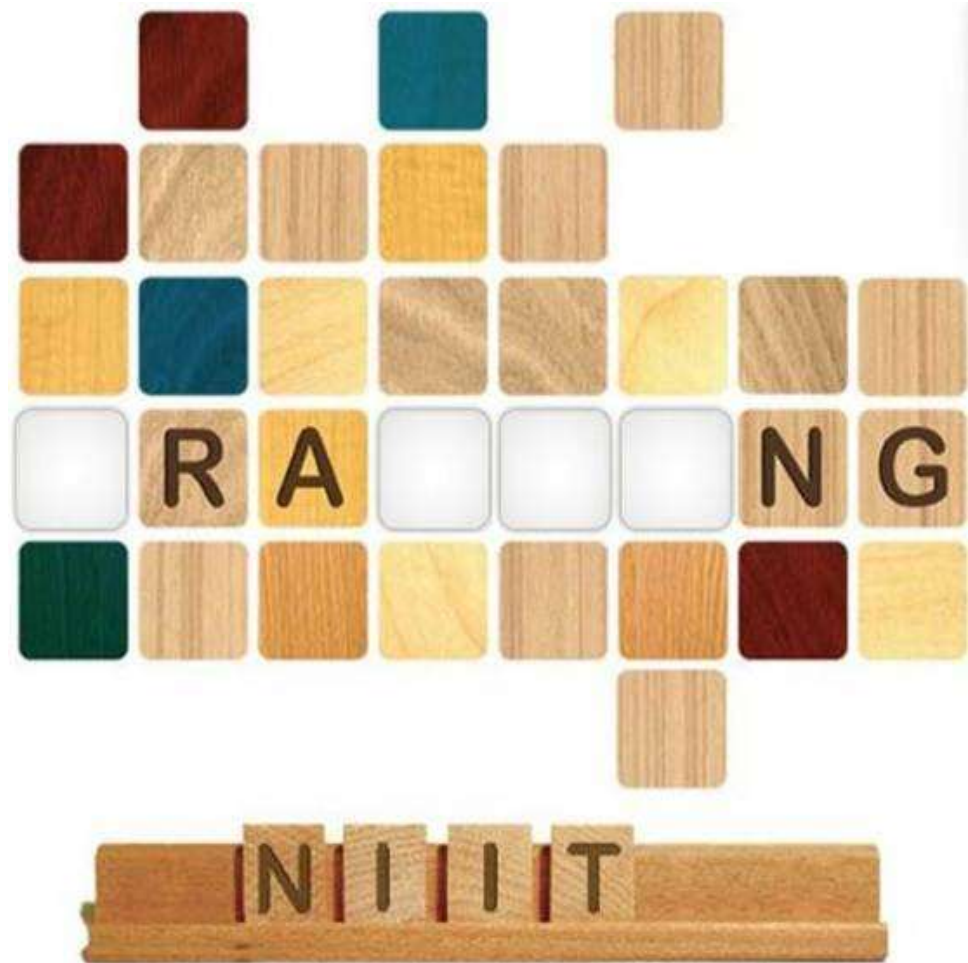


NIIT Limited

Financial Results Q2FY'13

October 19, 2012



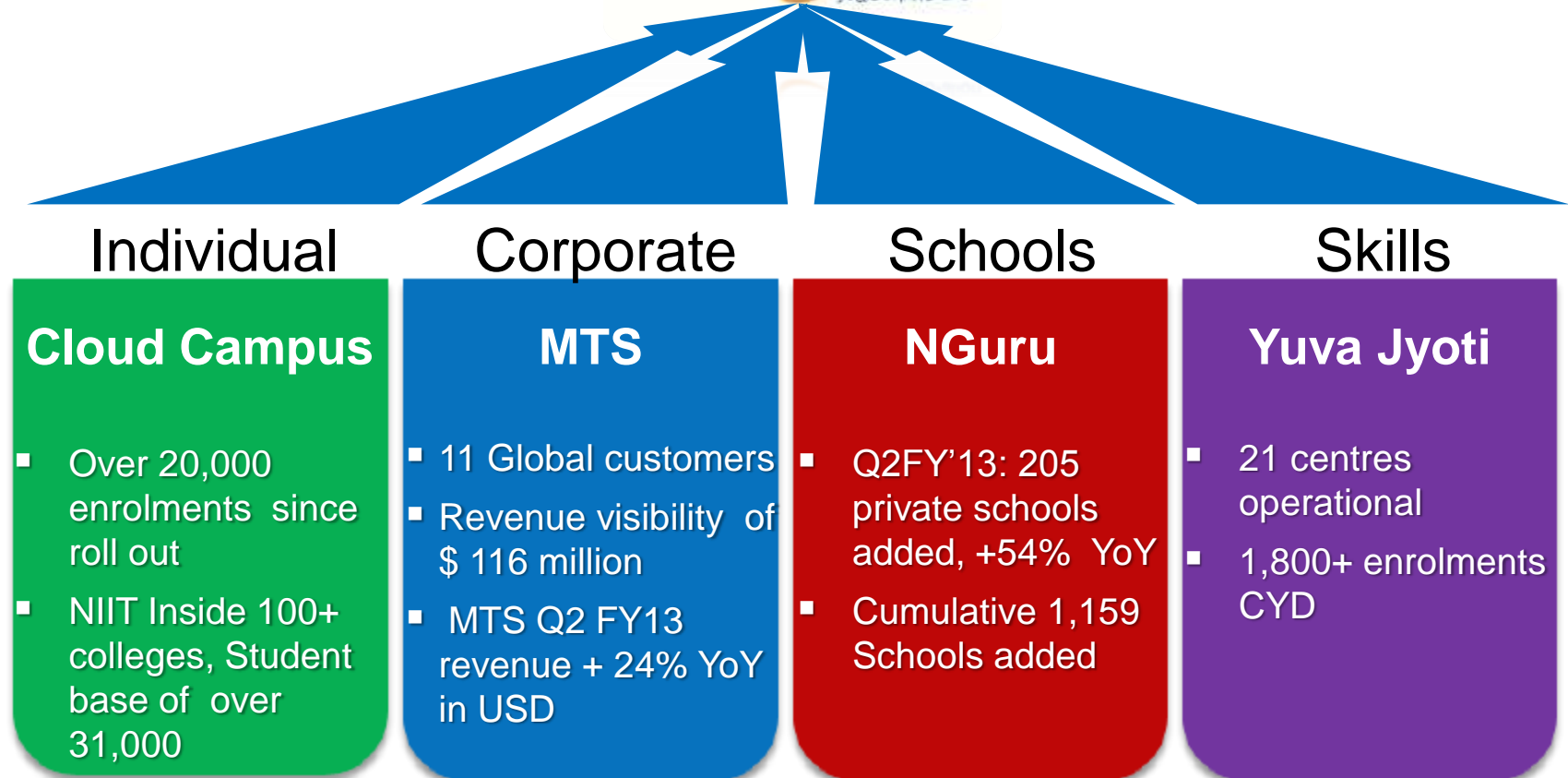
You can't spell TRAINING without NIIT

Environment

- ❑ Economy continues to be weighed down by both global and local factors; IMF lowered India's GDP outlook for 2012 to 4.9%, calling outlook for India "unusually uncertain"
- ❑ India hiring sentiment turned weak across sectors with Net Employment Outlook falling by 13 percentage points (Manpower Employment Outlook Survey)
- ❑ Slower volume growth, attempt to increase utilization and lower attrition squeeze hiring plans in IT sector. Two IT majors reported over 50% lower hiring in Q2
- ❑ Customer sentiment for IT training weakened further on slow hiring, moderate salary hike trend and deferred joining dates
- ❑ Technology solutions are becoming a norm in Private Schools. Schools are increasingly adopting new products to improve their competitive position in the market
- ❑ Corporates are increasingly realizing the benefits of partnering with specialist training companies for their training needs to increase efficiency and agility, evidenced from increasing deal flow for managed training services

Challenging business environment continues

NIIT : Growth Platforms



Platforms Of Growth

Q2 FY13 – In perspective

❑ CLS:

- Overall growth in CLS at 31% YoY. EBITDA margin improved to 12% (vs 3% in Q2 FY12, on continuing business basis); Improvement of 236 bps QoQ
- High growth in Managed Training Services (MTS) continued, up 53% YoY. MTS now contributes 71% of CLS business.

❑ SLS

- Non GSA business grew 11% YoY with addition of 205 schools during the quarter (up 54% YoY).
- OM at 9% without Hardware revenue

❑ ILS

- Overall enrolments down 18% YoY. Revenue down 17% YoY
- Overall enrolments 147 k. Overall enrolments contracted 18% due to adverse customer sentiments and job situation; Fresh Banking Training enrolments grew 17% YoY,

❑ SBS

- 21 Centers operational with addition of 13 centers. Enrolments ramping up with over 1,200 registrations in Q2. 5 new courses launched

NIIT adjudged Dataquest Top IT Training Company for the 20th consecutive year

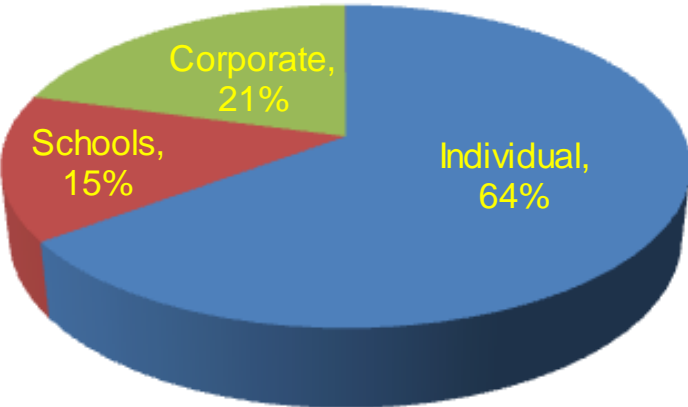
Key Financials-on continuing business basis

(Rs. in mn)	Q2 FY13	Q2 FY12	YoY (%)
System wide Revenues	4,698	5,182	-9%
Net Revenues	2,791	2,785	0%
Operating expenses	2,530	2,356	7%
EBITDA	26*	429	-39%
EBITDA%	9%	15%	-604 bps
Depreciation	222	179	24%
Net Other Income	-13	-92	79 mn
Tax	10	21	11 mn
Share of Profits from Associates	100	105	-5%
PAT	116	242	-52%
Basic EPS (Rs.)	0.7	1.5	-52%

* Operating margin without pass through hardware Revenue at 10%

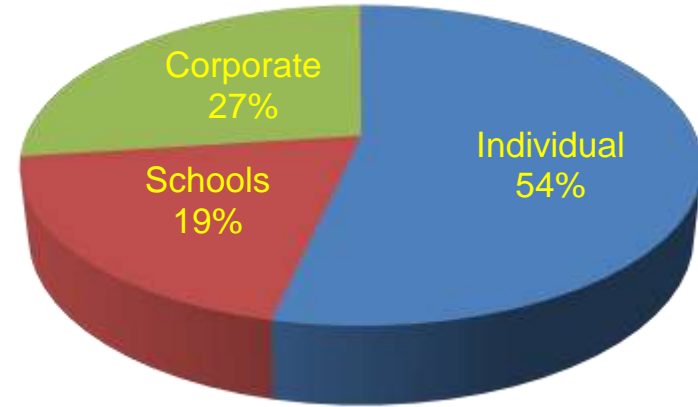
Business Mix – On Continuing business basis

Net Revenue



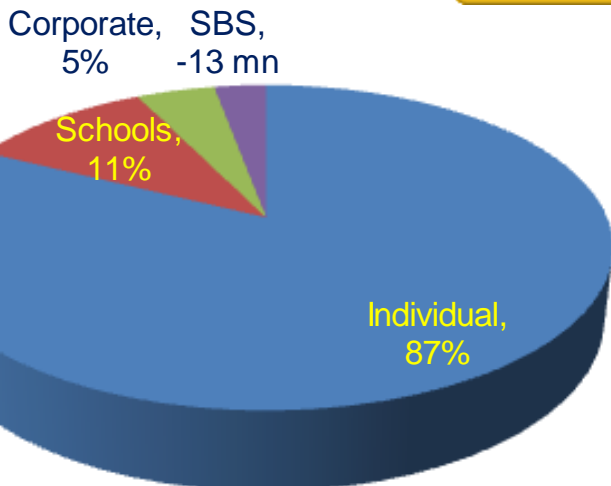
Q2FY12

	Growth
Individual	-17%
Schools	+34%
Corporate	+31%



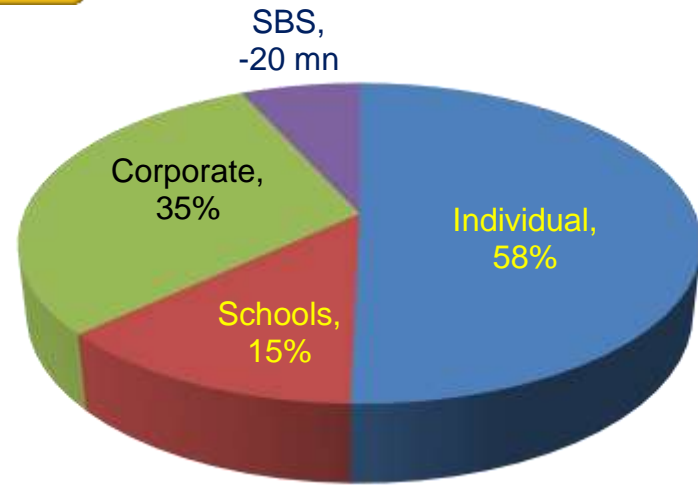
Q2FY13

EBITDA



Q2FY12

	Change
Individual	-223 mn
Schools	-9 mn
Corporate	+71 mn
Skill Building	-7 mn



Q2FY13

Individual Learning Solutions

Rs. Mn	Q2'13	Q2'12	YoY	QoQ
System wide Revenues	3,401	4,200	-19%	43%
Net Revenues	1,494	1,802	-17%	39%
EBITDA	152	375	-59%	499%
EBITDA %	10%	21%	-1,063 bps	782 bps

- Overall enrolments 147 K. Overall enrolments contracted 18% impacted by adverse hiring environment in IT sector. Fresh Banking Training enrolments grew 17% YoY .
- NIIT Inside: Added 14 colleges during the Q2 covering 3,100 students taking the tally to over 100 colleges with over 31,000 students
- Cumulative enrolments on Cloud campus cross the 20,000 mark
- Margin contraction primarily due to Operating leverage Rs. 210 mn, adverse revenue mix Rs. 61 mn, annual increments Rs. 12 million, Cost inflation Rs. 6 million, partly offset by cost management initiatives of Rs. 67 million
- Pending order book at Rs. 1,904 million, 71% executable in next 12 months

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ELIGIBILITY CRITERIA:
- Last Pass 12 years of age
- Graduate from any discipline
- Minimum 50% in class 10
- No prior knowledge of IT or computer is required

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Schools Learning Solutions

Rs. Mn	Q2'13	Q2'12	YoY	QoQ
Net Revenues	541	405	34%	15%
EBITDA	38	47	-18%	-11%
EBITDA %	7%	12%	-451 bps	-209 bps

- ❑ Without pass through hardware revenue :
 - Revenue at Rs. 403 mn,
 - OM at 9% , down 217 bps YoY. Margin impacted due to Govt. Projects closure
- ❑ Non Govt. revenue up 11% YoY , contributes 38% to SLS business mix (51% excluding pass through hardware revenue)
- ❑ nGuru Interactive Class Room solutions contribute to an addition of 205 schools, up 54%.
- ❑ Order Intake of Rs. 245 million, up 65% YoY, Pending Order book stood at Rs. 5,642 million, 27% executable in next 12 months

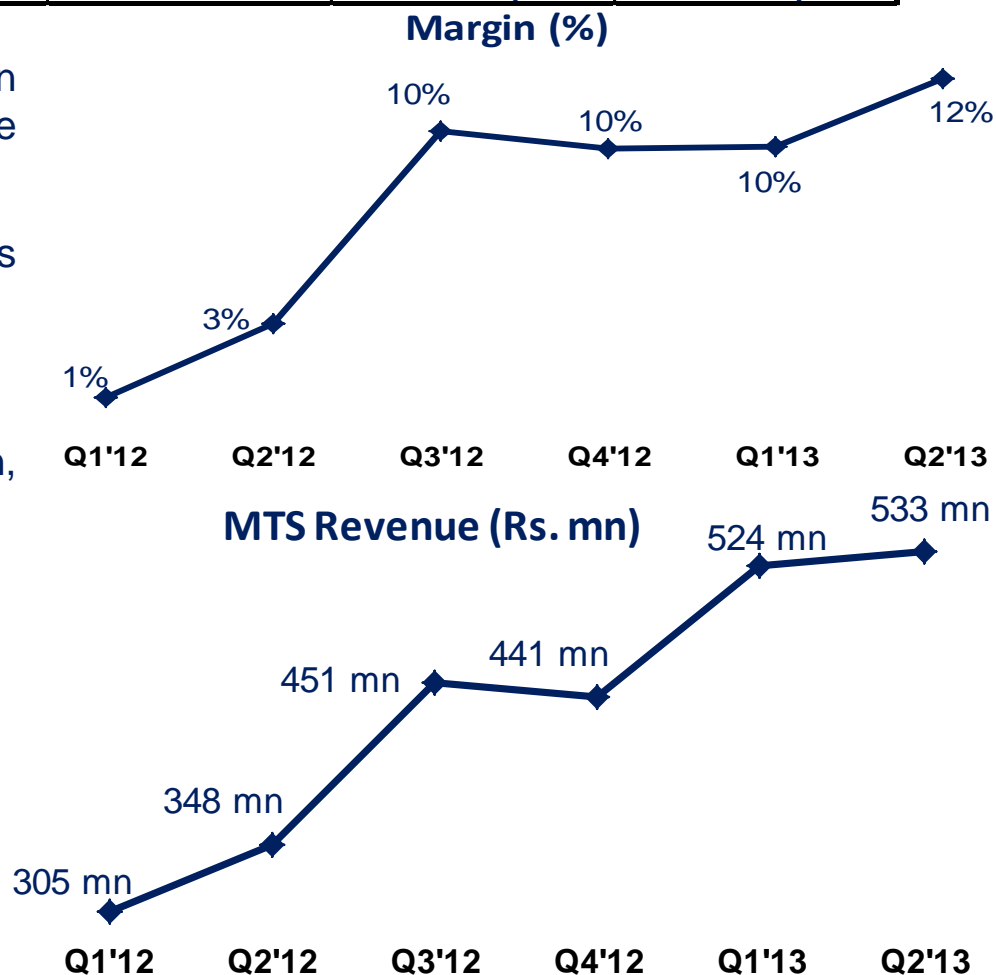


Corporate Learning Solutions

On a continuing business basis

Rs. Mn	Q2'13	Q2'12	YoY	QoQ
Net Revenues	754	576	31%	3%
EBITDA	91	20	359%	28%
EBITDA %	12%	3%	864 bps	236 bps

- ❑ MTS revenues grow 53% YoY ; up 24% in USD; contributes 71% to Corporate Learning Solutions revenue
- ❑ Strong pipeline in place. 2 MTS deals closed in October post quarter end
- ❑ Order Intake of \$13.8 million, up 20% YoY
- ❑ Pending order Book stood at \$ 46.8 million, 68% executable in next 12 months
- ❑ Total revenue visibility of \$127 million over 5 years



Rs. Mn	Q2'13	Q2'12	YoY	QoQ
Net Revenues	2	1	1 mn	1 mn
EBITDA	-20	-13	-7 mn	5 mn

- ❑ Added 13 centers during the quarter, taking total number of operational centers to 21
- ❑ Over 1,200 enrolments during Q2 FY13, CYD enrolments 1,800+ .
- ❑ 5 new courses launched during Q2, taking the total number of courses to 15

NSDC
National Skill Development Corporation

NIIT
Yuva Jyoti

बनिए MOBILE-REPAIR EXPERT 192 घंटों में

आज ही आइए NIIT Yuva Jyoti Centre और पाइए एक वेहतरीन मौका Mobile Repair में ट्रेनिंग का!

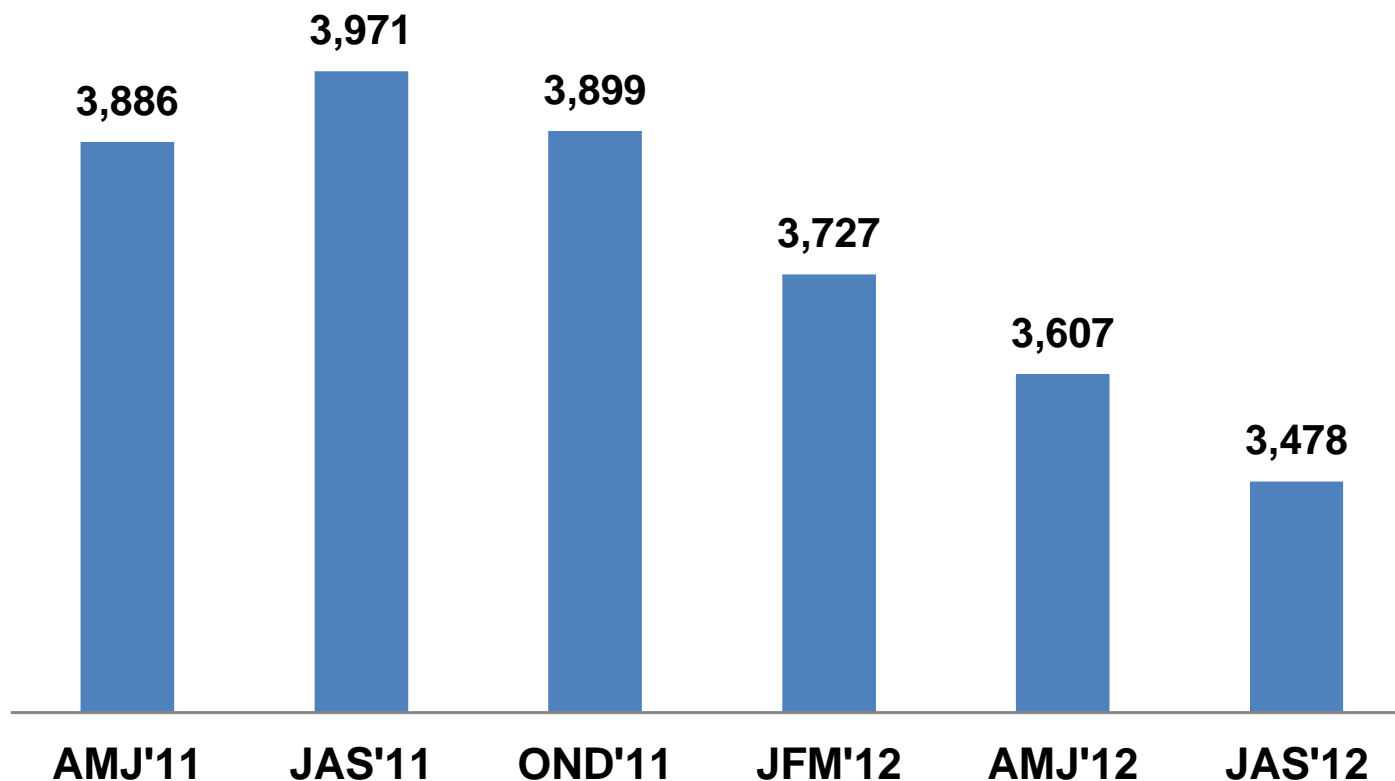
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- fault-finding तकनीक और ज़रूरी सोल्यूशंस की समझ • live projects और रियल सेम

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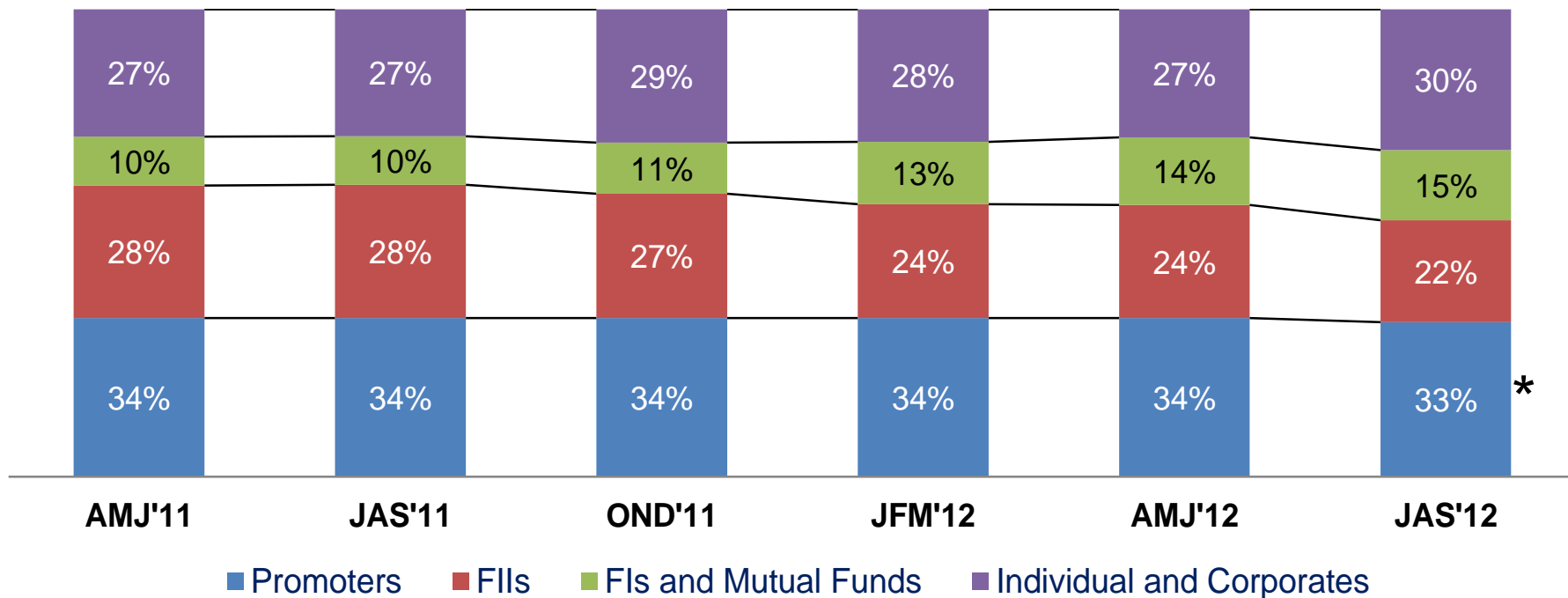
People

On a continuing business basis



- ❑ 3,478 People as at Sept'12 versus 3,607 as at June'12
- ❑ Net People reduction 129

Share Holding Pattern



* Due to Technical reclassification

Future Direction

- **Individual:** Taking steps to align to changing market realities. Plan to recover growth through
 - Growth in New Age IT programs: Analytics, Cloud, Apps Development etc.
 - Growth in Additional Domains: Applied Finance, Digital Marketing, Retail etc.

Margin improvement through Gross Margin actions and resizing fixed cost structure to reduce vulnerability to Volume volatilities

- **Corporate :** Growth expected to continue on strength of significant order book and strong growth in Managed Training Services businesses. Forex volatility expected to continue. Improved product mix in Corporate business should contribute to margin expansion.
- **Schools:** Continuing momentum in non-GSA school addition, IP based orders and pending order book expected to support business growth. Selectivity in participation in Government schools and IP led orders will help margin expansion and Cash release
- **Skill Building:** Continued ramp up of centers during the year coupled with aggressive mobilization efforts
- **Overall :** Consistent pursuit of the four Platforms of growth in the context of market realities to consolidate our strength in the Industry

Thank You