

LEADERSHIP

IN GLOBAL TALENT DEVELOPMENT



Financial Results
Quarter ended December 31, 2008
January 20, 2009

Global Economy

- Large parts of developed world reeling under recession
- All major markets trading at 40% to 60% below January 2008 levels
- Low liquidity, tight credit markets, extreme risk aversion
- Corporate sector operating in a state of uncertainty
- Consumer sentiment affected across sectors
- Governments, worldwide, step in with fiscal and monetary measures to stimulate their respective economies
- Coordinated action by Central Banks to improve liquidity and confidence
- Expectations of a long and painful process of recovery

Indian Economy



- GDP growth estimates for FY09 at ~7% and for FY10 at ~6%
- FII pulled out \$13 Bn from Indian equities in CY08 vs. inflow of \$17 Bn in CY07
- Corporate growth and profitability to be slower in the short-medium term
- Commodities and manufacturing lead decline; Crude oil price crashes to under \$40/Barrel from the peak of \$147/Barrel
- Inflation moderates to below 6% from peak of 12.9% in August, 08
- Forex Volatility
- Policy measures and lower commodity prices to set the stage for a pickup *



Source: * Citigroup

Education & Training Business: Current Environment



- Global slowdown impacts hiring plans for Q4 FY09; Net Employment Outlook down 24% QoQ. Despite weaker forecast, employers in India remain among the most optimistic; Of the employers surveyed, 22% expect an increase in staffing levels, 4% anticipate a decrease, and 63% are expecting no change *
- Growth forecast for worldwide IT spending for CY09 lowered at 2.6% vs. earlier projection at 5.9% **; Infosys increases hiring guidance to 27 K for FY09 vs 25 K; TCS and Infosys to hire 45 K + fresh graduates next fiscal; General hiring frozen for the current fiscal
- BFSI industry showing restricted recruitments; Hiring freeze in private banks; However, long term incremental growth intact ***
- Budget cuts, risk aversion and restructuring delay decision making by the corporate sector
- Education sector to benefit from increased fiscal measures; 6,000 schools planned in PPP mode; Significant tenders expected before general elections; Rs 150 Bn planned for National Skills Development Commission (NSDC)



Source: * Manpower, **IDC, *** CII-IMaCS

OND'08 – Financial Highlights



- SWR up 19% to Rs. 3,898 Mn
- Net revenues up 17% to Rs. 2,789 Mn
- EBITDA at Rs. 229 Mn; EBITDA% at 8% (down 134 bps, impacted primarily by first quarter opex of the Genpact JV)
- PAT at Rs. 55 Mn (impacted by the JV startup, new school projects and lower share of associate profits)
- EPS of Rs 0.3
- NIIT Uniqua – commenced operations; clocked Rs. 10 Mn revenues
- ILS enrolments up 23%, SLS order intake at Rs 249 Mn; CLS order intake at \$31.78 Mn



OND'08 Consolidated Financials



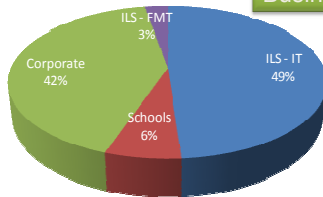
(Rs in mn)	OND'08	OND'07	YoY (%)
System Wide Revenue	3,898	3,272	19%
Net Revenues	2,789	2,388	17%
Operating Expenses	2,560	2,160	19%
EBITDA	229	228	0%
OM	8%	10%	-134 bps
Depreciation	184	127	45%
Other Income	(36)	(32)	13%
Profit Before Taxes	10	69	-86%
Provision For Tax	6	15	-60%
Operational Net Profit	4	54	-93%
Share of Profits from Associates	51	85	-40%
PAT	55	139	-60%
Basic EPS (Rs)	0.3	0.8	-60%



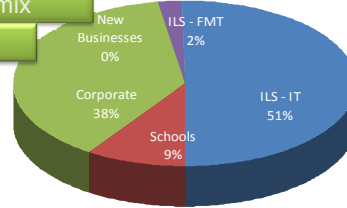
OND'08 – Revenue Mix



OND'07 - System wide revenues



OND'08 - System wide revenues



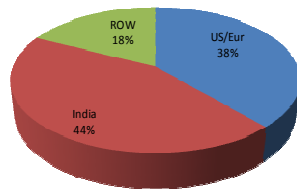
Business wise revenue mix

SWR +19%

	% G
ILS - IT	23%
ILS - FMT	4%
Schools	74%
Corporate	7%

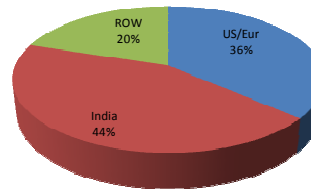
Geo wise revenue mix

OND'07 Geo Mix



	%G
India	+19%
US/Eur	+13%
ROW	+34%

OND'08 Geo Mix



Individual Learning Solutions - IT



Rs. Mn	OND'08	OND'07	%G (YoY)
System wide revenues	1,962	1,597	23%
Net Revenues	870	728	20%
EBITDA	165	130	27%
OM	19%	18%	106 bps

- SWR Geo Mix: India 59%, China 21%, ROW 20%
- China SW revenues grow 71% YoY
- Enrolments: Overall + 23%; Edgeineers +20%
- Closing Net OB Rs. 1,505 Mn; 68% executable in next 12 months
- Job focused short term programs launched in India and China
- CYD ILS IT revenues grow 26%, EBITDA +34%



Individual Learning Solutions - FMT



Rs. Mn	OND'08	OND'07	YoY
Net Revenues	77	76	1%
EBITDA	2	2	-
EBITDA %	3%	3%	-

- Order intake of Rs. 46 Mn, Pending order book at Rs. 48 Mn
- IFBI launches long-duration Diploma programs in Banking & Financial Services (BFS series) for the College segment
- CYD ILS FMT revenue growth 38%; OM 4%



School Learning Solutions



Rs. Mn	OND'08	OND'07	YoY
Net Revenues	370	213	74%
EBITDA	55	30	83%
EBITDA %	15%	14%	76 bps

- GSA contributed 79% of revenue vs. 72% LY; Non GSA grows 30% YoY
- Nationwide launch of E-Guru Interactive Classroom product
- Launch of web & multimedia curriculum based on Adobe Creative Suite
- Fresh order intake of Rs 249 Mn
- Pending order book at Rs 2,689 Mn
- 33% executable in next 12 months
- Total schools serviced at 7,863 including 1,153 non GSA schools
- CYD SLS revenues grow 49%, EBITDA +53%



Corporate Learning Solutions



Rs. Mn	OND'08	OND'07	YoY
Net Revenues	1,461	1,371	7%
EBITDA	43	65	-34%
EBITDA %	3%	5%	(183 bps)

- India revenues up 29% on the back of continued spending by government
- 12% YoY growth in Training Outsourcing & Learning Products revenues
- Fresh Order Intake of \$ 31.78 Mn
- Pending Order book at \$ 81 Mn, up 24% YoY; 66% executable in next 12 months
- CYD revenues grow 3%, EBITDA (58%)



New Businesses

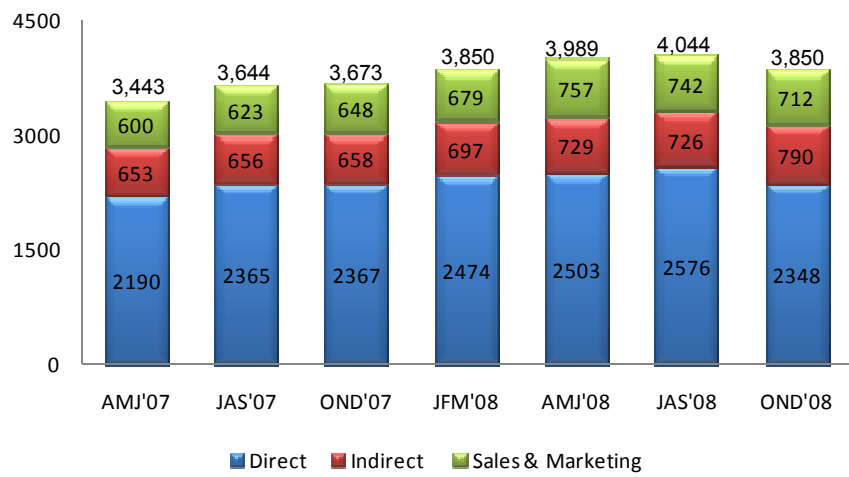


Rs. Mn	OND'08
Net Revenues	10
EBITDA	(35)
EBITDA %	-

- B2C: Launched across 9 centers ; 7 different courses offered
- B2B: 900 hours of training imparted to Genpact employees
- Placement partnerships with the leading players in the industry



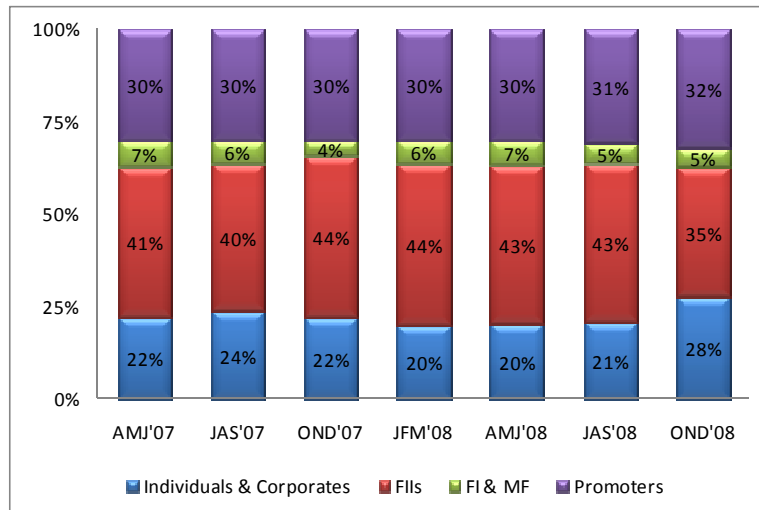
Head Count



- Overall reduction of 194 people
- 122 people added in NIPE



Shareholding Pattern



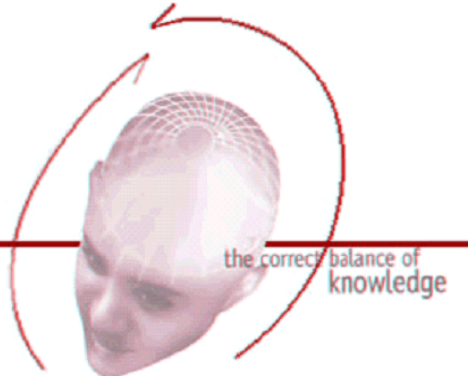
- 164.9 Mn Equity Shares



Leadership in the Century of the mind



NIIT



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