

NIIT

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Growth strategies in volatile times

Financial Results
Year ended March 31, 2009
May 27, 2009

Education & Training Business: Environment in Q4 FY09



- Consumer sentiment affected by the following
 - Delay in joining dates of fresh hires
 - Job losses in IT sector
 - Fear of anti-outsourcing measures by the US government
- General hiring in IT & ITES affected; however, job market for specialist skills remained robust
- Hiring freeze in private banks and financials services players; likely to continue for 2 more quarters; PSU banks announced plans to hire 30 K
- Delay in release of new tenders and slower decision making due to 'Code of Conduct' before Elections
- Economic uncertainty and liquidity pressure caused delays in release of annual budgets and in allocation of new projects
- Central and State governments accelerated training and employability spend to fulfill targets before March closing

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Volatile environment, Weak sentiment, Delayed decisions

FY'09 – Financial Highlights



- SWR up 21% to Rs. 16,893 Mn
- Net revenues up 14% to Rs. 11,486 Mn
- EBITDA up 15% to Rs. 1,186 Mn; EBITDA% up 4 bps (including hedging loss at Rs 82 Mn and negative impact of first year of operations of NIIT Uniqua)
- PAT at Rs. 698 Mn; down 8% due to impact of hedging losses (Rs 134 Mn) and deferred tax asset provision differential (Rs 90 Mn)
- EPS of Rs 4.2 per share ; Board recommends 65% dividend
- NIIT UNIQUA – commenced operations; clocked Rs. 25 Mn revenues 12 centres in FY09
- ILS enrolments up 13%, SLS order intake at Rs 3,320 Mn; CLS order intake at \$139.4 Mn



FY'09 – Business Highlights



- ILS: Continued on steady growth path
 - IT: New courses launched; partnership with CISCO for IMS,SAS for Business Intelligence
 - FMT: Introduced courses for Financial literacy and for DQ segment
 - NIIT Uniqua (JV with Genpact) launched
- SLS: Full scale nationwide launch of eGuru after excellent response from initial schools.
- CLS: Significant customer wins in the period for Learning Products and Training Outsourcing
 - Recognized as a Learning Leader* and a Top training outsourcing company**
- NIIT adjudged as a Business Super brand
- NIIT awarded the Gold for Excellence in E-Learning Award by Chief Learning Officer magazine



*Bersin, **Trainingoutsourcing.com



“NIIT strengthens its leadership position” - DataQuest

FY'09 Consolidated Financials



(Rs. in mn)	FY'09	FY'08	YoY (%)
System wide Revenues	16,893	14,016	21%
Net Revenues	11,486	10,068	14%
Operating expenses	10,300	9,033	14%
EBITDA	1,186	1,036	15%
EBITDA%	10%	10%	4 bps
Depreciation	647	529	22%
Other Income	-45	-104	59 mn
Profit before tax	493	402	23%
Tax *	104	-20	-609%
Operational Net Profit	389	422	-8%
Share of Profits from Associates	309	334	-8%
PAT	698	756	-8%
Basic EPS (Rs.)	4.2	4.7	-9%

- Tax difference contributed by NIIT USA / EK Deferred Tax Assets provision differential of Rs.65 mn plus Rs.25 mn one time MAT credit
- Hedging losses of Rs 134 Mn contribute to depresses profits



FY'09 - Financial Summary By Business Line



(Rs. in mn)	Individual	Institutional	Corporate (incl Ek)	New BiZ	NIIT
System wide Revenues	9,317	1,383	5,786	406	16,893
YoY,%	31%	37%	5%	8%	21%
Net Revenues	3,982	1,383	5,786	334	11,486
YoY,%	23%	37%	5%	9%	14%
Operating expenses	3,117	1,170	5,603	410	10,300
EBITDA	865	214	183	-75	1,186
EBITDA%	22%	15%	3%	-23%	10%
Depreciation					647
Other Income					-45
Profit before tax					494
Tax					104
Operational Net Profit					389
Share of Profits from Associates					309
PAT					698
Basic EPS (Rs.)					4.2



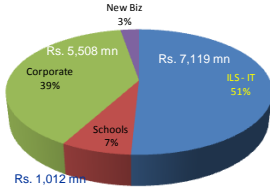
Steady revenue growth and improved performance

FY'09 – Business Mix



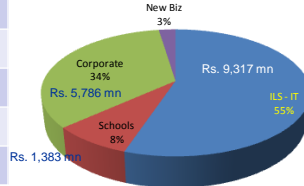
System wide revenues – Up 21%

FY'08-System wide revenues



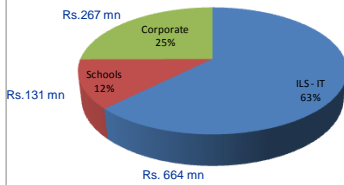
	% Change
ILS – IT	31%
Schools	37%
Corporate	5%
New Biz	8%

FY'09-System wide revenues



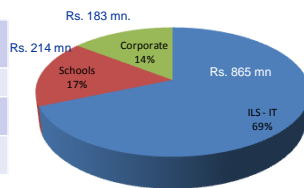
EBITDA – Up 15%

FY'08-EBITDA mix



	% Change
ILS	30%
Schools	63%
Corporate	-31%
New Biz: (Rs75Mn)	

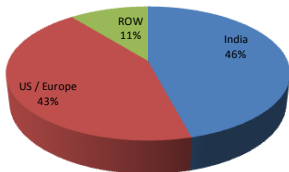
FY'09-EBITDA mix



FY'09 – system wide revenue-Geo Mix

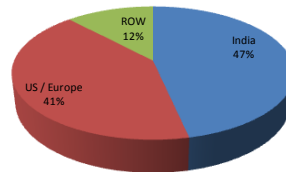


FY'08-Geo mix



	% Change
India	22%
ROW	34%
US / Europe	15%

FY'09-Geo mix



JFM'09 – Financial Highlights



- Consolidated SW Revenues grew 22% YoY to Rs 4,652 Mn
- Net Revenues up 10% YoY to Rs 3,008 Mn
- EBITDA up 20% to Rs. 364 Mn; EBITDA margin improves 93 bps to 12%
- Net Profit reduces by 30% to Rs. 177 mn; affected by hedging losses and Tax differential



Robust Business Performance, Improved profitability

JFM'09 – Business Highlights



- ILS-IT accelerates revenue growth to 15% YoY with EBITDA margin improvement of 124 bps YoY
- CLS Revenue up 11% to Rs 1,481 Mn and EBITDA of Rs 95 Mn with EBITDA margin improvement of 192 bps.
- SLS revenues up 16% YoY to reach Rs. 442 mn with EBITDA margin of 18% (+ 653 bps) on the back of a order intake of Rs. 1,008 Mn (incl. Rajasthan & Assam); adding 2,048 schools in the quarter
- Launched 5 'NIIT Yuva Star' Career Development Centers in Delhi; Second District Learning Center (at Barkuhi) – Expanding reach in underserved segments



JFM'09 Consolidated Financials



(Rs. in mn)	JFM'09	JFM'08	YoY (%)
System wide Revenues	4,652	3,823	22%
Net Revenues	3,008	2,724	10%
Operating expenses	2,644	2,419	9%
EBITDA	364	304	20%
EBITDA%	12%	11%	93 bps
Depreciation	192	127	51%
Other Income	-36	24	-59 mn
Profit before tax	137	201	-32%
Tax	40	24	67%
Operational Net Profit	96	177	-46%
Share of Profits from Associates	80	75	7%
PAT	177	252	-30%
Basic EPS (Rs.)	1.1	1.6	-31%



JFM'09 - Financial Summary By Business Line



(Rs. in mn)	Individual	Institutional	Corporate (incl Ek)	New BiZ	NIIT
System wide Revenues	2,662	442	1,481	67	4,652
YoY,%	35%	16%	11%	-50%	22%
Net Revenues	1,035	442	1,481	50	3,008
YoY,%	15%	16%	11%	-55%	10%
Operating expenses	797	362	1,386	98	2,644
EBITDA	237	80	95	-48	364
EBITDA%	23%	18%	6%	-95%	12%
Depreciation					192
Other Income					-36
Profit before tax					137
Tax					40
Operational Net Profit					96
Share of Profits from Associates					80
PAT					177
Basic EPS (Rs.)					1.1



ILS - IT



Rs. Mn	JFM'09	%G (YoY)	%G (QoQ)	FY'09	%G
System wide revenues	2,662	35%	36%	9,317	31%
Net Revenues	1,035	15%	19%	3,982	23%
EBITDA	237	22%	44%	865	30%
OM	23%	124 bps	398 bps	22%	123 bps

JFM'09

- ❖ SWR Geo Mix: India 51%, ROW 29%, China 20%
- ❖ Enrolments - Overall +3% on like to like basis.
- ❖ Placements up 41%

FY'09

- ❖ SWR Geo Mix: India 60%, ROW 23%, China 17%,
- ❖ Enrolments - Overall + 13%
- ❖ 44 New Centres - 24 in India; 20 overseas
- ❖ China SWR up 35%
- ❖ IMS enrolments up 67%
- ❖ Placements up 35%

**GET JOB READY IN
99 DAYS**



- ❖ Capacity +10% YoY (208 k)
- ❖ Revenue capacity utilization at 56% (55% LY)
- ❖ New products launched 99 days, GNIIT (Track 3), IMS Products

School Learning Solutions



Rs. Mn	JFM'09	%G (YoY)	%G (QoQ)	FY'09	%G
Net Revenues	442	16%	19%	1,383	37%
EBITDA	80	83%	44%	214	63%
OM	18%	653 bps	314 bps	15%	246 bps

JFM'09

- ❖ Order Intake: Rs.1,008 Mn
- ❖ Schools added: 2,048 (45 non GSA schools added)
- ❖ GSA contributes 74% of revenue; up 11% and Non GSA up 36% YoY

FY'09

- ❖ Order Intake: Rs. 3,320 Mn
- ❖ Schools added: 4,278 (217 non GSA schools added)
- ❖ GSA contributes 73% of revenue vs.72% LY; Non GSA grew 31% YoY., GSA grew by 39%



- ❖ Nation wide launch of E-guru, ICR Solutions.
- ❖ Launched Web, Multi media curriculum based on Adobe suite
- ❖ Cumulative numbers of schools serviced reaches 12,159
- ❖ Pending order book at Rs 3,255 Mn
- ❖ 32% executable in next 12 months

Corporate Learning Solutions



Rs. Mn	JFM'09	%G (YoY)	%G (QoQ)	FY'09	%G
Net Revenues	1,481	11%	1%	5,786	5%
EBITDA	95	59%	123%	183	-31%
OM	6%	192 bps	351 bps	3%	-168 bps

JFM'09

- ❖ Sales force expansion
- ❖ Order Intake \$ 30.5 mn
- ❖ India Revenue grow up 56%

FY'09

- ❖ Order intake \$ 139.4 mn
- ❖ Element K integration on track
- ❖ India revenues grow 61%

- ❖ Significant wins for eLearning Products and for Training outsourcing
- ❖ Pending order book at \$ 78 Mn
- ❖ 62% executable in next 12 months



SkillSoft offers online content only.
Element K offers you the flexibility you need in the real world.



New Businesses



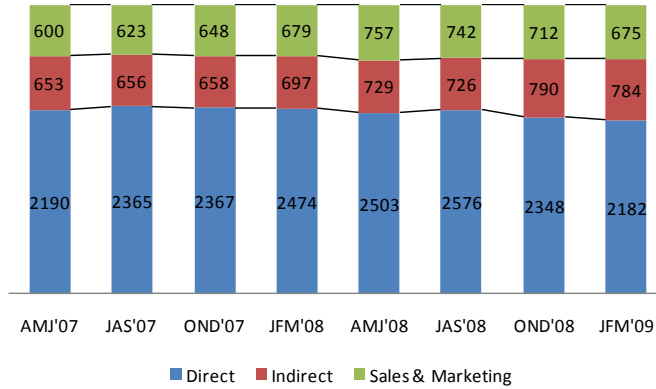
Rs. Mn	JFM'09	%G (YoY)	%G (QoQ)	FY'09	%G
System wide revenues	67	-50%	-36%	406	8%
Net Revenues	50	-55%	-42%	334	9%
EBITDA	-48	-	-	-75	-
OM	-95%	-	-	-23%	-

- **Order intake of Rs. 278 Mn, Pending order book Rs. 46 Mn**
- **Enrolment up 6% , Over 11,000 students trained during FY09**

- IFBI launched diploma programs for DQ segment
- Over 2,400 placements by IFBI during the FY'09; Royal Bank of Scotland and Deutsche Bank join as placement partner for IFBI
- Uniqua launched with 12 centers; records 380+ enrolments; tied up leading industry players as placement partners
- Imperia gained corporate acceptance with increased partnerships
- SLT as a new business offering to Corporates



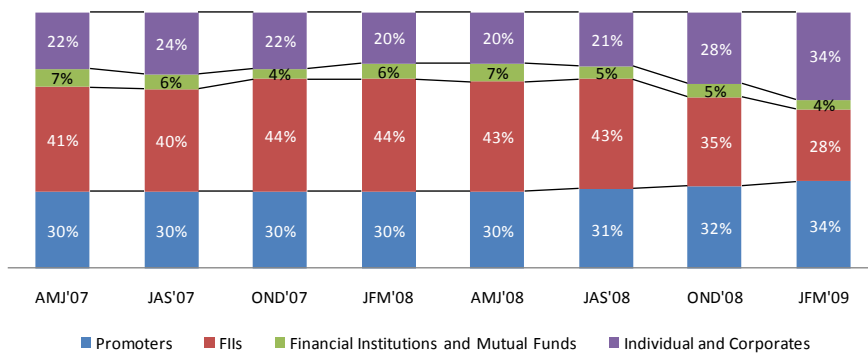
Head Count



Human Resources down 209 to 3,641



Shareholding Pattern



ILS- Future Direction



Key Business Challenges

- Customer sentiment weak due to present uncertainty in IT hiring
- Hiring slowdown in financial services sector

NIIT's Initiatives and Responses

- New courses launched to match demand
- Focused communication to address career concerns of students and their parents
- Channel capability building & Capacity consolidation across segments to optimize costs

Positive Business Trends

- Increasing enrollments in specific segments: short-duration and IMS courses
- ILS- IT placements up 35% YoY
- Strong growth in overseas geographies

Business Outlook

- IT Training to have steady growth in FY10, enrollment for long term courses to pick up during the year
- Growth in FMT to recover from Q3 FY10 on hiring by PSU and expanding Private Banks
- Margin expansion due to growth in revenue and cost control



SLS- Future Direction



Key Business Challenges

- Leverage initial success of eGuru for rapid scale up of private schools business
- Capital intensity in government schools

NIIT's Initiatives and Responses

- Selectivity in government schools business; developing models to increase scope beyond ICT
- Increasing reach and sales force for eGuru
- Launch of new products for improved competitiveness

Positive Business Trends

- Government focus on education translating in to increased number of projects
- Excellent initial response to e-Guru products (ICR and Math Lab)

Business Outlook

- Growth in GSA segment to remain strong
- Strong growth in Private schools due to ramp up in eGuru ICR and in eGuru Math Lab
- Higher volumes and mix change to drive margin expansion



CLS- Future Direction



Key Business Challenges

- Rapid scale up of e-Learning Products business
- Continuing softness in Custom Content development and in Print & Publishing

NIIT's Initiatives and Responses

- Increased sales force for e-Learning Products Library
- Focused sales effort towards Governments
- Restructuring & cost rationalization to protect profitability

Positive Business Trends

- Steady growth in e-Learning Products business
- Growing pipeline of deals for Training Outsourcing
- Increasing government spending on training and skill building in India

Business Outlook

- Positive growth will be driven by e-Learning Products & Training Outsourcing
- Margins to show improvement in FY10



Leadership in the Century of the mind



NIIT

the correct balance of
knowledge

