



## **Financial Results**

**Financial Year ended March 31,2010**

**May 7,2010**

## Beginning Of Year

## End Of Year

### Environment

- ❑ Global economic turmoil; widespread fear of economic collapse
- ❑ Recessionary trends in many economies; Extreme Risk Aversion
- ❑ Cut back on investments and recruitment across sectors



- ❑ India growth accelerates
- ❑ Return of business confidence; projections of robust recruitment across sectors
- ❑ Recovery signs in US; concerns in Europe

### NIIT

- ❑ Flat to negative YoY growth in Q1 for most businesses of NIIT
- ❑ Focus on profitability through efficient cost management
- ❑ Scale back of investments



- ❑ Positive growth returns in most business lines
- ❑ Aggressive push to growth and profitability
- ❑ Renewed focus on new products and new initiatives

## Q4'10 – Financial Highlights

**NIIT**

- Consolidated System wide revenues Rs. 4,756 mn , up 2% YoY
- Net Revenues at Rs. 2,950 mn, 2% lower YoY
- EBITDA Rs. 475 million; up 31% YoY, EBITDA margin at 16%, up 401 bps YoY.
- Net Profit Rs. 247 million, up 40%

### ➤ Key Drivers

- Improvement in longer duration program enrolments; strong growth in IMS enrolments
- Continued growth in learning products
- Execution efficiency & Cost management actions led to margin improvements

# Q4'10 – Business Highlights



- Individual:
  - Net revenues at Rs. 1,144 million; Up 11% YoY
  - EBITDA margin at 25%, up 177 bps YoY
- Schools:
  - Net revenues at Rs. 321 million, down 27% YoY
  - EBITDA margin at 23%, improvement of 499 bps YoY
- Corporate:
  - Net Revenues at Rs 1,393 million
  - EBITDA margin improvement of 371 bps YoY
- New Businesses:
  - Net Revenue at Rs. 92 million, up 82% YoY
  - EBITDA loss reduced by 26 mn YoY (from Rs. 48 million in Q4'09 to Rs. 22 million)

## Q4'10 – Business Highlights



- Individual Learning Solutions (ILS -IT): India Enrolments grew 21% with 35% growth in Edgeineers range of programs and 88% in Infrastructure Management Services courses. Placements continued to be strong at 13%.
- Added 101 Non Government schools contributing to revenue growth of 16% YoY, on the back of encouraging acceptance of the e-Guru product.
- Corporate Learning Solutions (CLS): Volume growth of 15% in Learning Products, significant customer wins and improved profitability due to better mix & Cost management

# Q4'10 - Consolidated Financials



(Rs. in mn)	Q4'10	Q4'09	YoY (%)
<b>System wide Revenues</b>	<b>4,756</b>	<b>4,652</b>	<b>2%</b>
<b>Net Revenues</b>	<b>2,950</b> <sup>1</sup>	<b>3,008</b>	<b>-2%</b>
Operating expenses	2,474	2,644	-6%
<b>EBITDA</b>	<b>475</b>	<b>364</b>	<b>31%</b>
EBITDA%	16%	12%	401 bps
Depreciation	195	192	2%
Other Income	-57 <sup>2</sup>	-36	-22 mn
<b>Profit before Tax</b>	<b>223</b>	<b>137</b>	<b>63%</b>
Tax	80	40	99%
Operational Net Profit	143	96	48%
Share of Profits from Associates	104	80	30%
<b>PAT</b>	<b>247</b>	<b>177</b>	<b>40%</b>
<b>Basic EPS (Rs.)</b>	<b>1.5</b>	<b>1.1</b>	<b>40%</b>

<sup>1</sup> Adverse exchange impact of Rs. 106 million on US dollar denominated revenue

<sup>2</sup> Other Income : Forex loss of 10 million vs. gain of 38 million in previous year

# FY'10 – Financial Highlights

**NIIT**

- ❖ Consolidated System wide revenues Rs. 17,964 mn , up 6% YoY
- ❖ Net Revenues at Rs. 11,993 mn, up 4% YoY
- ❖ EBITDA Rs. 1,569 million; up 32% YoY, EBITDA margin at 13% improved by 275 bps YoY.
- ❖ Net Profit Rs. 702 million
- ❖ EPS of 4.3 per share; Board recommends dividend of 70%,Rs. 1.40 per share

## ❖ Key Drivers

- Enrolment backed growth in Individual segment. Increasing acceptance of School Solutions. Growth in Learning Products
- Improved IP based product mix. Continued benefit of cost management actions

# FY'10 – Business Highlights

**NIIT**

- Individual:
  - Net revenues at Rs. 4,275 million; Up 7.4% YoY
  - EBITDA at Rs. 987 million, up 14%.EBITDA margin at 23%, up 136 bps YoY
- Schools:
  - Net revenues at Rs. 2,000 million, up 45% YoY
  - EBITDA at Rs. 296 mn, up 38% YoY.
- Corporate:
  - Net Revenues at Rs 5,422 million
  - EBITDA at Rs. 437 million, up 139%.EBITDA margin improvement of 490 bps YoY



## FY'10 – Business Highlights



- Individual Learning Solutions (ILS -IT): Enrolments grew 12% with 24% growth in Edgeineers range of programs and 64% in Infrastructure Management Services courses. Placements continued to be strong, taking the growth to 25%.
- School Learning Solutions : 2,812 new schools added. Addition of 334 schools contributed Non Govt. revenue growth of 24%.SLS revenue growth of 45% contributed by orders from Gujarat and repeat order from Andhra Pradesh
- Corporate Learning Solutions (CLS): Volume growth of 7% in Learning Products. Key customers wins and early cost actions helped improved margins.

# 53 Awards



CIO 100 Award 2009

BCG 50 Local Dynamos

Business Superbrands 2008

ICT Enabled School of the Year

Best Learning Partner Award

Civil Society / Development Agency Initiative of the Year

The Best Green IT Project

Government / Policy Initiative of the Year

India's Most Customer Responsive Educational Institution

Most Influential IT Training in China

Innovation in ICT in Education

Brandon Hall Excellence in Learning Award

Indian Franchisor of the Year

Top IT Training Company Award

The Gold for Excellence in E-Learning Award

The ICT Gold Medal (Vietnam)

NIIT e-Guru among top 100 franchise

**Recognition of Core Competencies**

# FY'10 - Consolidated Financials

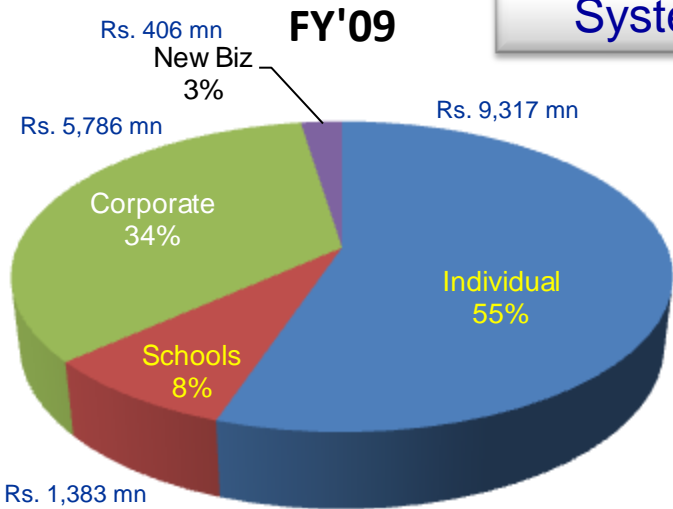
**NIIT**

(Rs. in mn)	FY'10	FY'09	YoY (%)
<b>System wide Revenues</b>	<b>17,964</b>	<b>16,893</b>	<b>6%</b>
<b>Net Revenues</b>	<b>11,993</b>	<b>11,486</b>	<b>4%</b>
Operating expenses	10,425	10,300	1%
<b>EBITDA</b>	<b>1,569</b>	<b>1,186</b>	<b>32%</b>
EBITDA%	13%	10%	275 bps
Depreciation	751	647	16%
Other Income	-329	-45	-284 mn
<b>Profit before Tax</b>	<b>488</b>	<b>493</b>	<b>-1%</b>
Tax	108	104	4%
Operational Net Profit	380	389	-2%
Share of Profits from Associates	322	309	4%
<b>PAT</b>	<b>702</b>	<b>698</b>	<b>1%</b>
<b>Basic EPS (Rs.)</b>	<b>4.3</b>	<b>4.2</b>	<b>1%</b>

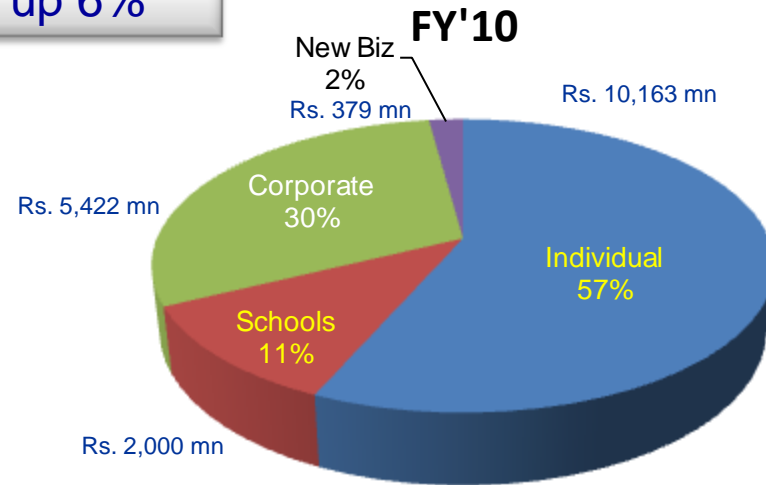
# FY'10 – Business Mix



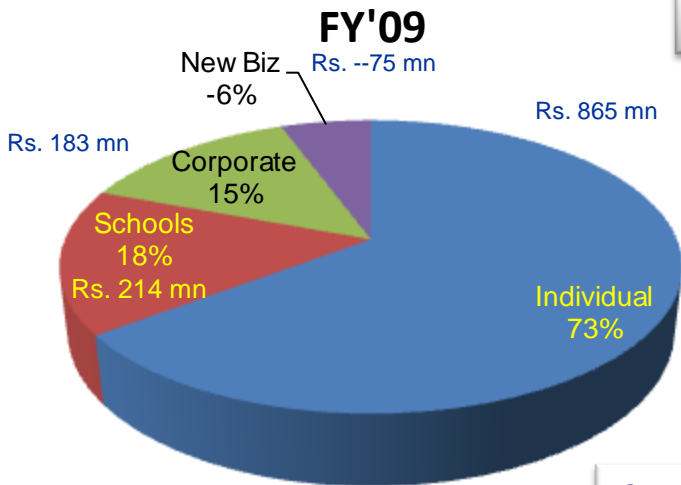
System wide revenues- up 6%



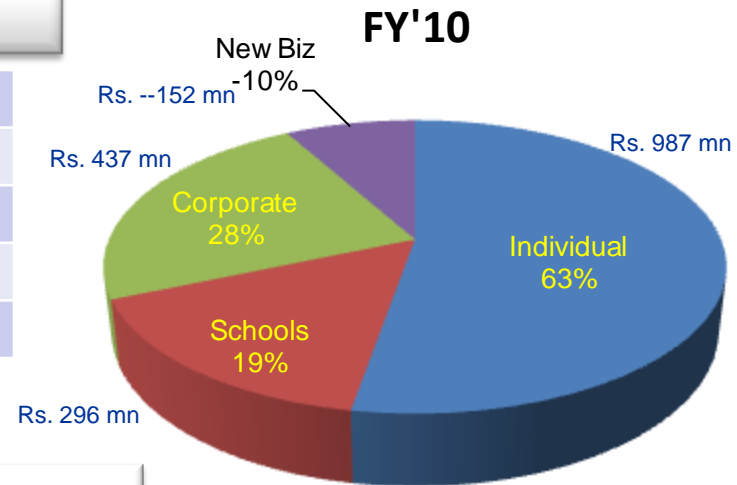
	% Change
Individual	9%
Schools	45%
Corporate	-6%



EBITDA – Up 32%



	Change
Individual	+14%
Schools	+38%
Corporate	+139%
New Biz	-77 mn

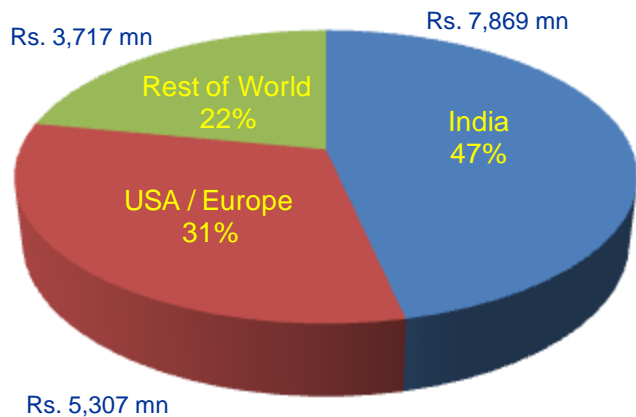


Cost management helped Corporate business improve profitability despite revenue contraction

# FY'10 – System wide revenue-Geo Mix

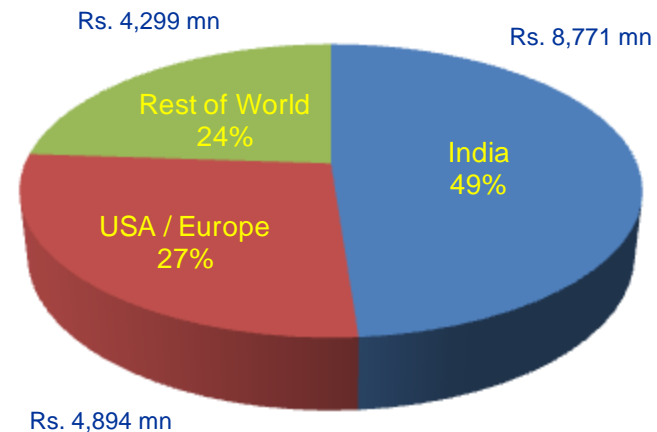


**FY'09**



	% Change
India	11%
USA / Europe	-8%
ROW	16%

**FY'10**



**US economic environment remained challenged for most of FY10**

# Individual - IT



Rs. Mn	Q4'10	Q4'09	% G, YoY	FY'10	% G, YoY
System wide Revenues	2,929	2,662	10%	10,163	9%
Net Revenues	1,144	1,035	11%	4,275	7%
EBITDA	282	237	19%	987	14%
EBITDA %	25%	23%	177 bps	23%	136 bps

## FY'10

- ❖ SWR Geo Mix: India 58%, ROW 25%, China 17%
- ❖ Enrolments - Overall up 12%
- ❖ IMS enrolments up 64%
- ❖ Placements up 25%
- ❖ Pending Order Book Rs. 982 million, 70% executable in 12 months
- ❖ Launched SAP, IBM, Tally & comprehensive IMS programs
- ❖ Seat capacity added: 4% YOY

## Q4'10

- ❖ Enrolments - Overall up 18% YoY . IMS +88% and Edgeineers +33%
- ❖ Placements up 13%
- ❖ MOU signed with IGNOU for joint programs
- ❖ Capacity utilization higher by 2% YoY



# School Learning Solutions

**NIIT**

Rs. Mn	Q4'10	Q4'09	% G, YoY	FY'10	% G, YoY
Net Revenues	321	442	-27%	2,000	45%
EBITDA	74	80	-7%	296	38%
EBITDA %	23%	18%	499 bps	15%	-66 bps

## FY'10

- ❖ Order Intake: Rs. 2,062 Mn
- ❖ Schools added: 2,812 (334 non Govt. schools added)
- ❖ Non Govt. revenue grew 24% YoY, Govt. revenue grew by 52%
- ❖ Total numbers of schools serviced has reached 15,000
- ❖ Pending order book at Rs 3,316 Mn
- ❖ 31% executable in next 12 months

## Q4'10

- ❖ 101 non Govt. schools added with an order intake of Rs. 153 Mn
- ❖ Non Govt. contributed 41% of revenue, grew at 16% YoY.
- ❖ Margin improvement due to better business mix and Non Govt. business growth



# Corporate Learning Solutions



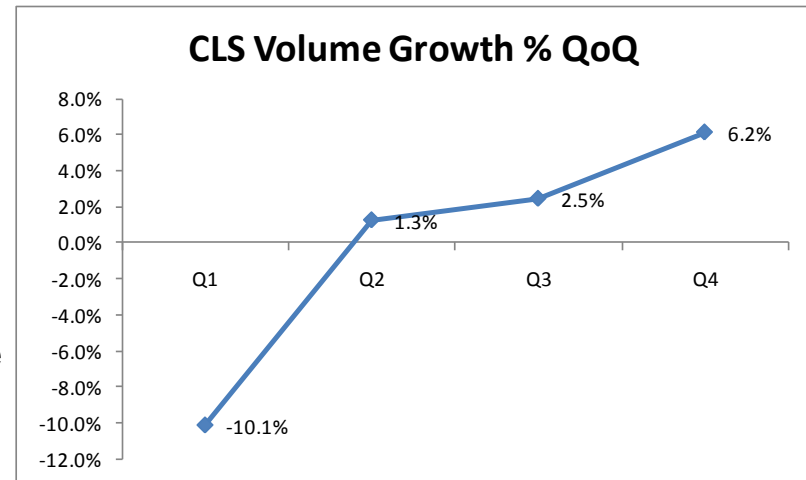
Rs. Mn	Q4'10	Q4'09	% G, YoY	FY'10	% G, YoY
Net Revenues	1,393	1,481	-6%	5,422	-6%
EBITDA	141	95	48%	437	139%
EBITDA %	10%	6%	371 bps	8%	490 bps

## FY'10

- ❖ Online Learning Products business grew at 7% YoY
- ❖ Order intake for the year at \$127.5 Mn
- ❖ 3 Multi million dollar deals signed during the year

## Q4'10

- ❖ USA revenues – flat in volume terms after de-growth in the last few quarters
- ❖ Online Learning Products business grew at 15% YoY
- ❖ Product mix change and cost management helped margin growth. Learning Products now 33% of product mix.
- ❖ Order Intake \$ 30.9 Mn, up 2% YoY; indicative of improving fundamentals
- ❖ Pending order book at \$ 90.3 Mn; 58% executable in next 12 months





# New Businesses



Rs. Mn	Q4'10	Q4'09	% G, YoY	FY'10	% G, YoY
System wide Revenues	112	67	66%	379	-7%
Net Revenues	92	50	82%	296	-11%
EBITDA	-22	-48		-152	

- ❖ FMT enrolments grew at 58% for the quarter, signaling an improving trend
- ❖ 14 more placement partners added by IFBI (Total: 24)
- ❖ 3 large BPO's added for New Hire Training business
- ❖ Q 4 Order Intake grew by 97% and enrolments grew by 61%. Overall enrolments over 4,000

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**Eligibility Criteria** – Graduates with minimum 2 years of experience. Experience requirement is waived off for CA, CS, CMA, MBA (Finance) and for corporate nominations.

**The KPMG Advantage** – Currently working with over 100 companies in India on IFRS implementation • Faculty with international experience in implementing IFRS • Implementation oriented approach

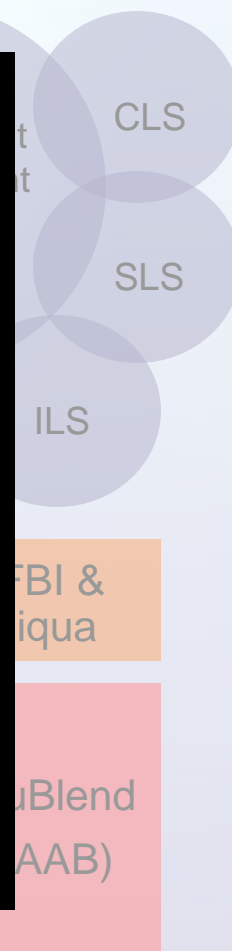
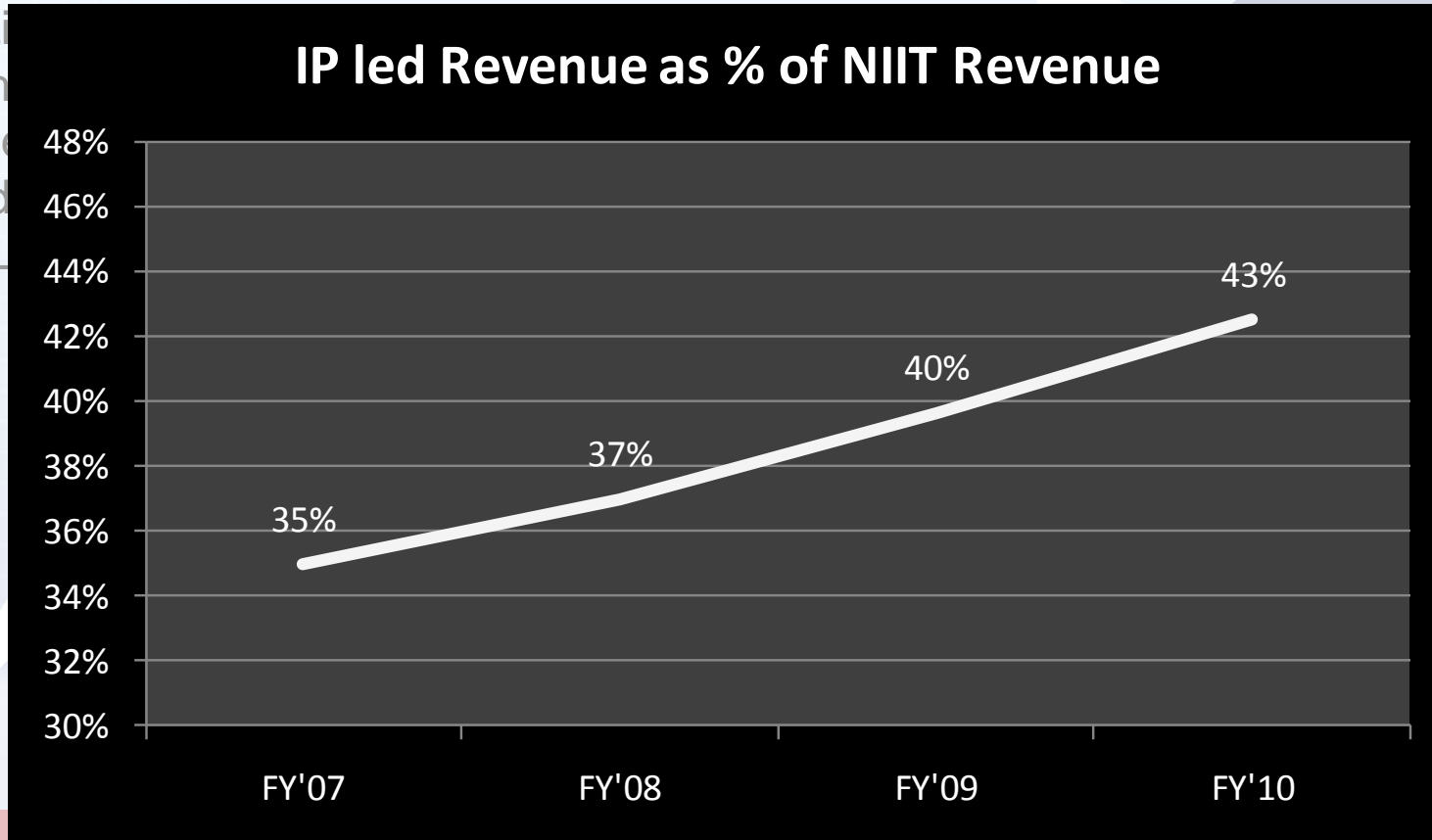
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# IP led Growth Strategy

- IP for
- Non Linear
- Reach
- Competitive
- Speed
- Cost



1982

1991

96

2000

2004

2006

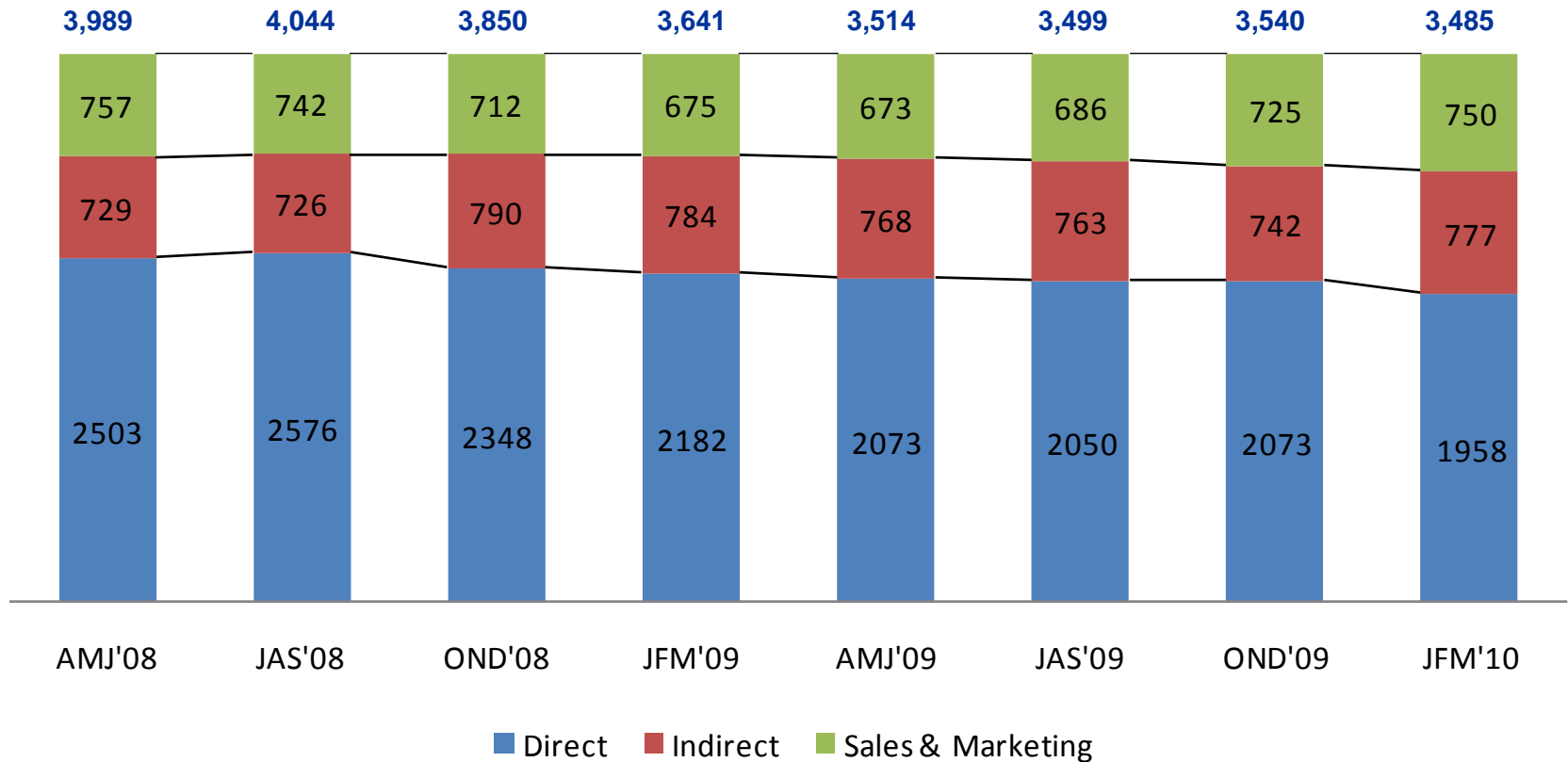
2008

2010

Technology Assisted ILT

Mathlab)

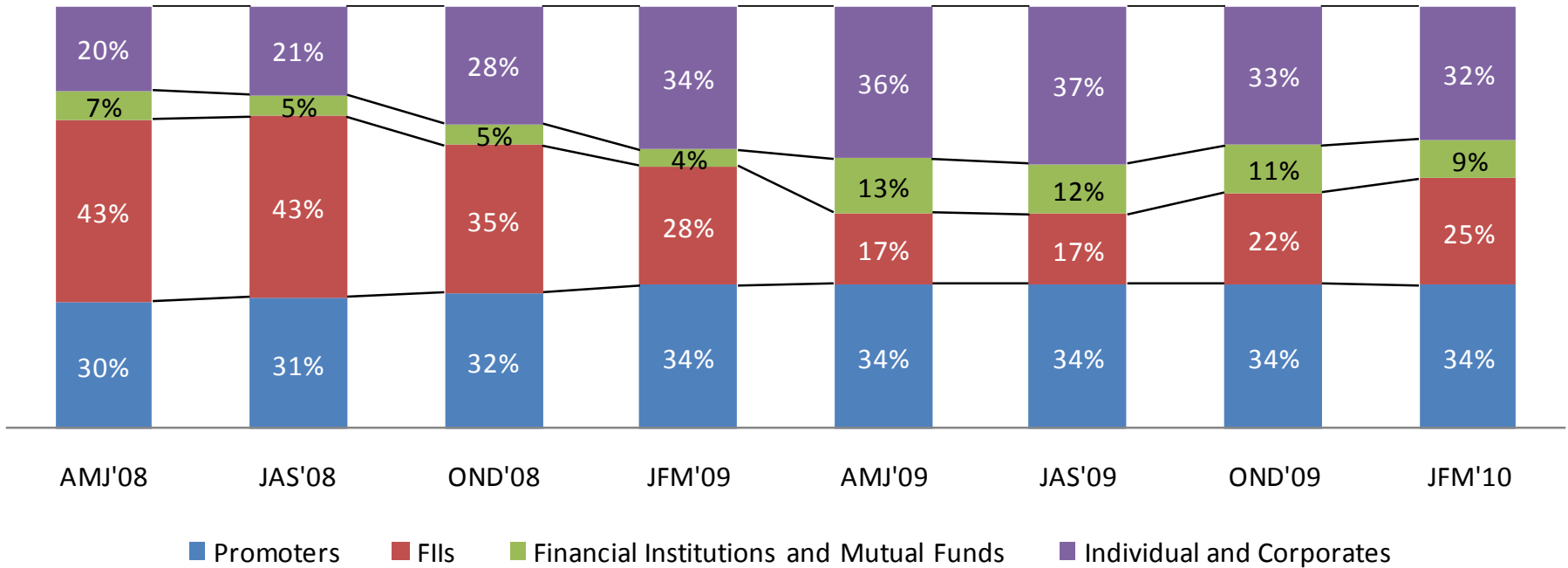
# Head Count



➤ Human Resources down 55 (QoQ) to 3,485

# Shareholding Pattern

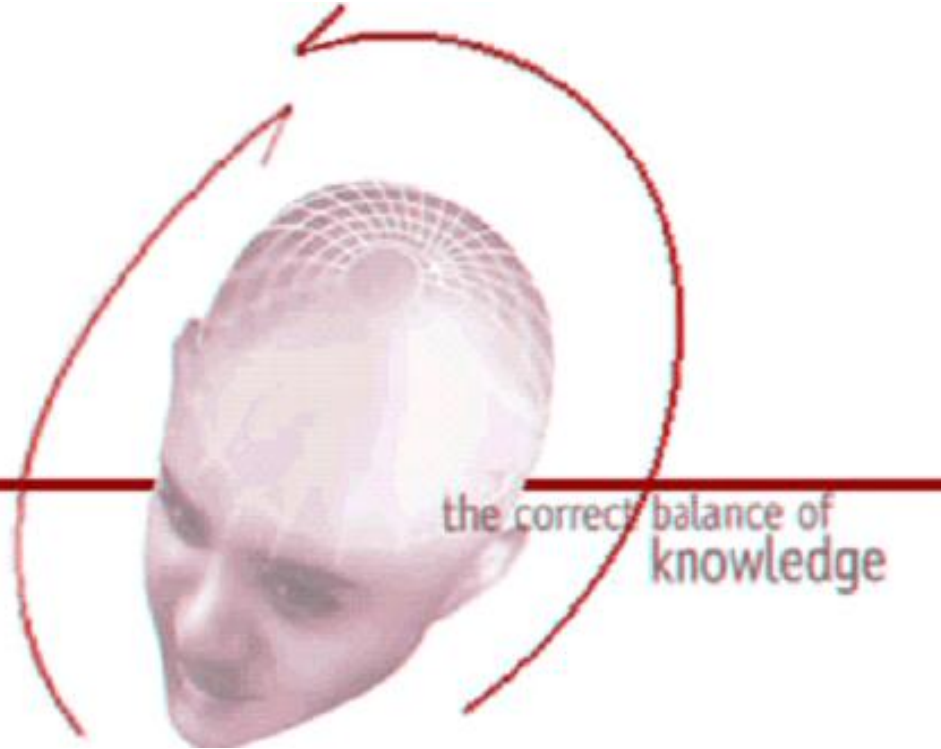
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# Leadership in the Century of the mind

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the correct balance of  
knowledge