

Managing growth in volatile times

Financial Results
Quarter ended December 31,2009
January 23,2010

Environment : Q3 FY10



Jobs are back again

TALENT HUNT With the order books filling up, companies need more manpower

- Following a stronger 2nd half of FY'10, the India GDP growth estimated to be strong at 7.5% to 8.0% next year. HT 23/1/10
- Robust Labor market forecast in India with a Net Employment Outlook of +39%, for Q4 FY10 (Up 11% QoQ, and +18% YoY) (Manpower-India)
- Hiring plans announced by IT majors as well as major Banks signal improving employment market in these sectors.
- Though 'green-shoots' are seen in the US, the overall expectation is one of slow recovery and caution. Leading Economic Indicators seem to have turned corner; however Coincident / Lagging Indicators still weak (Morgan Stanley); Forex unpredictability continues
- Education and skills development are a significant part of stimulus packages being provided by governments across the world
- Stable government and progressive education & skills policy likely to accelerate change in education sector in India; PPP Schemes for Schools and for Skills Development expected to be initiated this year

India to beat 7.5% growth in 2010 despite slowdown

HT 23/1/10



Encouraging Outlook in most markets

Q3'10 – Financial Highlights



- Consolidated System wide revenues Rs. 3,965 mn , up 2% YoY
- Net Revenues up 2% at Rs. 2,836 mn
- EBITDA Rs. 312 million; up 36% YoY, EBITDA margin at 11% improved by 278 bps YoY.
- Net Profit Rs. 95 million, up 74% YoY

Key Drivers

- Enrolment backed growth in Individual segment. Continued growth in School Learning Solutions. Learning Products and India Corporate / Government training growth.
- Improved IP based product mix. Higher execution efficiency. Sustained cost management actions.



Improved profitability. Strong Order intake

Q3'10 – Business Highlights



- Individual:
 - Net revenues at Rs. 964 million; Up 11% YoY
 - EBITDA margin at 20%, up 81 bps YoY
- Schools:
 - Net revenues at Rs. 442 million, up 19% YoY
 - EBITDA margin at 18%, improvement of 282 bps YoY
- Corporate:
 - Net Revenues at Rs 1,339 million
 - EBITDA margin improvement of 369 bps YoY
- New Businesses:
 - Net Revenue at Rs. 91 million, up 4% YoY
- Healthy Order Intake during the quarter: up 197% in SLS and 13% in CLS YoY



Strong revenues in SLS and ILS. All round EBITDA improvements

Q3'10 – Business Highlights



- Individual Learning Solutions (ILS -IT): Enrolments grew 22% with 64% growth in Edgeineers range of programs and 58% in Infrastructure Management Services courses. Placements continued to be strong, taking the CYD growth to 29%.
- Addition of 641 schools contributes to 197% growth in Order Intake during the Quarter. This was contributed by encouraging response for the e-Guru product and repeat orders from Gujarat and Andhra Pradesh. Non GSA revenue grows 42% YoY.
- Corporate Learning Solutions (CLS): Growth in Learning Products and Training Outsourcing, coupled with stronger India business and continuing benefit of cost actions help weather a challenged global market place, profitably.



Gained market-share in identified segments

Q3'10 – Awards & Recognitions



- ✓ Honoured as one of the Top 10 IT education brands in China by Tencent for its influence on the students in the country.
- ✓ NIIT USA received 3 Brandon Hall awards for training (2 for innovation technology and 1 for content creation).
- ✓ Best IT content of the year from eLearning magazine.
- ✓ Featured amongst Top 20 training outsourcing – for the 5th year running.
- ✓ Content creation award from ASTD (American Society for Training and Development).
- ✓ ELS Marketing, wins the- “Marketing All Star Award,” at the 2009 Markie Awards.



Q3'10 Consolidated Financials



(Rs. in mn)	Q3'10	Q3'09	YoY (%)
System wide Revenues	3,965	3,898	2%
Net Revenues	2,836 ¹	2,789	2%
Operating expenses	2,524 ²	2,559	-1%
EBITDA	312	229	36%
EBITDA%	11%	8%	278 bps
Depreciation	190	184	3%
Other Income	-93 ³	-36	-57 mn
Profit before Tax	29	10	205%
Tax	15	6	157%
Operational Net Profit	14	4	285%
Share of Profits from Associates	81	51	59%
PAT	95	55	74%
Basic EPS (Rs.)	0.6	0.3	74%

- 1 Adverse Impact of Forex Rs 60 million in Q3'10
 2 Cost management initiatives has positive impact of Rs. 72 million in fixed costs.
 3 Additional interest Rs 34 million, Forex impact Rs 17 million have adverse impact



Q3'10- Financial Summary By Business Line

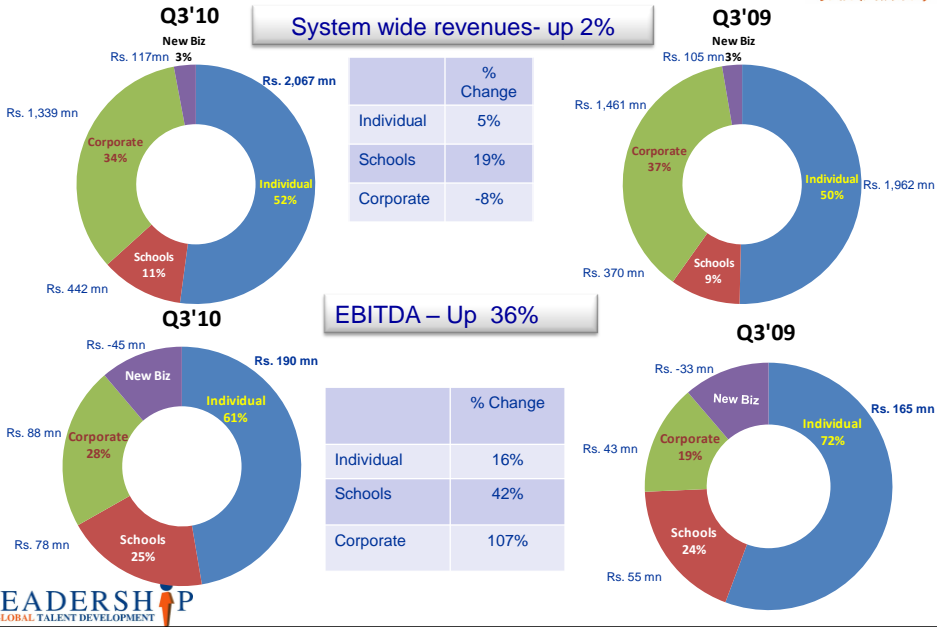


(Rs. in mn)	Individual	Schools	Corporate	New Biz	NIIT
System wide Revenues	2,067	442	1,339	117	3,965
YoY,%	5%	19%	-8%	12%	2%
Net Revenues	964	442	1,339	91	2,836
YoY,%	11%	19%	-8%	4%	2%
Operating expenses	774	364	1,251	136	2,524
EBITDA	190	78	88	-45	312
EBITDA%	20%	18%	7%	-50%	11%
Depreciation					190
Other Income					-93
Profit before tax					29
Tax					15
Operational Net Profit					14
Share of Profits from Associates					81
PAT					95
Basic EPS (Rs.)					0.6

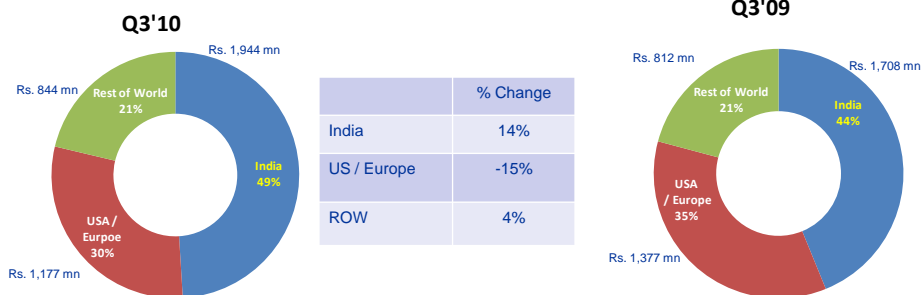
• New Business impacted by slowdown in BFSI
 • Improved expense management



Q3'10 – Business Mix



Q3'10 – System wide revenue-Geo Mix



US economic environment remains challenged

Individual - IT



Rs. Mn	Q3'10	Q3'09	% G, YoY	Q2'10	% G, QoQ
System wide Revenues	2,067	1,962	5%	3,248	-36%
Net Revenues	964	870	11%	1,311	-26%
EBITDA	190	165	16%	354	-46%
OM	20%	19%	81 bps	27%	-727 bps

Q3'10

- ❖ SWR Geo Mix: India 59%, ROW 22%, China 19%
- ❖ Enrolments grew 22%: Edgeineers at 64% and IMS at 58%, GNIIT series at 21%
- ❖ Placements grew 17%, taking the CYD growth to 29% YOY
- ❖ Announced tie-ups with IBM and SAP to offer training programs in the respective technologies
- ❖ In China, the Changzhou PPP center launched, taking the total number of PPP centers to 5
- ❖ Pending Order Book stood at Rs 1,033 million, 68% executable in 12 months



School Learning Solutions



Rs. Mn	Q3'10	Q3'09	% G, YoY	Q2'10	% G, QoQ
Net Revenues	442	370	19%	878	-50%
EBITDA	78	55	42%	78	0%
OM	18%	15%	282 bps	9%	883 bps

Q3'10

- ❖ Addition of 641 schools contributed by encouraging response for the e-Guru product and repeat orders from Gujarat and Andhra Pradesh helped resulted in an order intake of Rs 738 million, up 197%.
- ❖ Pending order book at Rs 3,484 Mn; up 30% YoY; 30% executable in next 12 months
- ❖ GSA contributes 75% of revenue. Non GSA grows 42% YoY.



Corporate Learning Solutions



Rs. Mn	Q3'10	Q3'09	% G, YoY	Q2'10	% G, QoQ
Net Revenues	1,339	1,461	-8%	1,345	0%
EBITDA	88	43	107%	106	-16%
OM	7%	3%	369 bps	8%	-127 bps

Q3'10

- ❖ Online Learning Products business grew at 8% YoY and the Training Outsourcing business grew at 16% YoY (in USD).
- ❖ Product mix change and cost management helped margin growth. Learning Products now 33% of product mix.
- ❖ Order Intake USD 34.7 Mn, up 13% YoY; indicative of improving fundamentals
- ❖ Pending order book at USD 89.3 Mn; 57% executable in next 12 months

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New Businesses



Rs. Mn	Q3'10	Q3'09	% G, YoY	Q2'10	% G, QoQ
System wide Revenues	117	105	12%	84	39%
Net Revenues	91	87	4%	63	43%
EBITDA	-45	-33		-43	

- ❖ FMT enrolments grew in both Banking and Management training programs.
- ❖ Continued addition to Placement partners for IFBI: Religare Financial Services and HDFC Standard Life Insurance
- ❖ Imperia tied up with KPMG for IFRS training, IMI for Strategic HR Management Training and IAMAI for Digital Marketing programs
- ❖ Order intake of Rs. 94 million, Pending order book Rs. 61 million

NIIT

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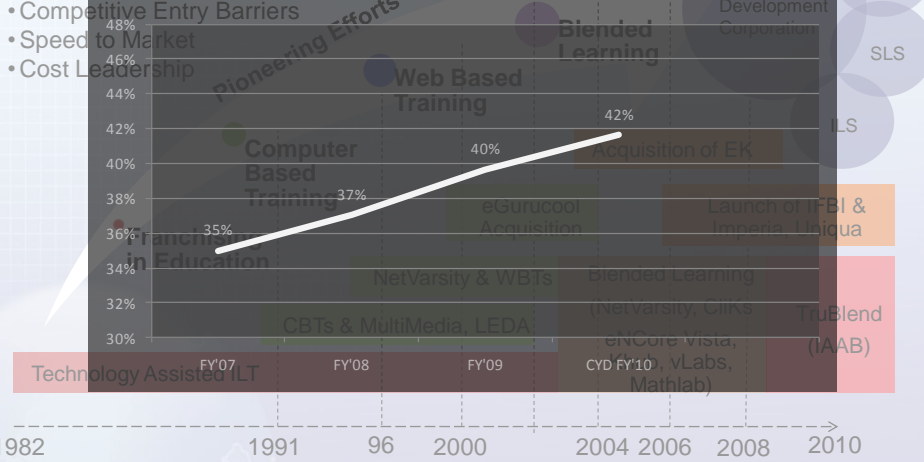
IP led Growth Strategy



IP for

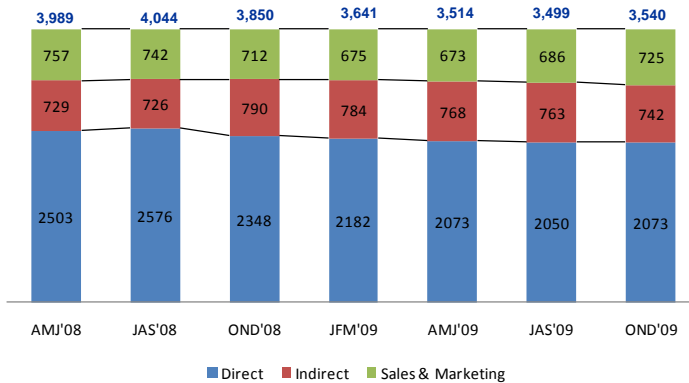
- Non Linear Growth
- Reach & Scalability
- Competitive Entry Barriers
- Speed to Market
- Cost Leadership

IP led Revenue as % of NIIT Revenue



Non linear revenue growth supports profit growth

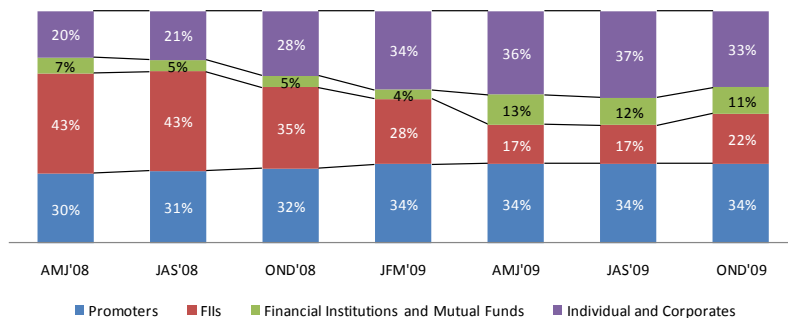
Head Count



Head count up by 41 (QoQ) to 3,540



Shareholding Pattern



Leadership in the Century of the mind

