



**SHARPENING
THE EDGE**

Investor Presentation
December 2011

Agenda

- Education & Training: Landscape
- Company Overview
 - Individual Learning Solutions
 - School Learning Solutions
 - Corporate Learning Solutions
 - Skill Building Solutions
- H1FY12: Results Update
- Sharpening The Edge



**SHARPENING
THE EDGE**

**EDUCATION & TRAINING:
LANDSCAPE**

Demographic Dividend	<ul style="list-style-type: none">• Young nation with 54% of population under 25 years of age
Growing Economy	<ul style="list-style-type: none">• Trillion dollar economy expected to grow @ 7% - 8% pa• Expected to cross \$27 Trillion in 2050
Global Workforce requirement	<ul style="list-style-type: none">• Global shortfall of 56 million by 2020• India will have 47 million excess
Government Spending on Education and training	<ul style="list-style-type: none">• Rs. 2.7 Trillion (5x) committed for the 11th Five Year plan for education• Rs 120 Billion allocated to NSDC for skills development

India story is here to stay, however....

- Low workforce productivity
- Low capacity for skills training
- Acute skills shortage & unemployment
- Low employability
- Low coverage of vocational skills taught

Education & Training will remain and important

The Emerging Framework

Planned Outcomes

Skills Development

- National Skills Development Corporation
- Target: vocational skills to 500 Mn people by 2022

- 10,000 new vocational schools
- 50,000 skill development centers
- Revamp of ITIs
- Public Private Partnerships

Schools Education

- Right To Education
- National Curriculum Framework
- Education through ICT

- ICT@Schools, SSA, RMSA
- PPP for Model Schools
- Skills training in schools
- Technology enabled teaching

Higher Education

- New regulatory framework: NCHER, NARA, Foreign Education Providers
- GER of 30% by 2020 vs current GER of 12.4%

- Polytechnics , Community Colleges
- Technology enabled teaching
- Professional skills training

Education and training scenario is undergoing a transformation



NIIT's Strengths

- Long standing brand
- Best in class domain partnerships
- Content creation capability
- Processes & tools for distributed delivery of education
- Width and depth of reach
- Innovative pedagogical solutions
- Operations & Project Management
- Teaching/ learning content
- Scalable delivery capability



Skills Development



Schools Education

Current Engagement

- **ILS-IT**: IT and Soft Skills
- IFBI**: Banking, Finance, Insurance
- Uniqua**: BPO/KPO Skills
- Imperia**: Management education
- NYJ**: Vocational training for the service sector
- Training.com**: Online learning
- 870+ global delivery centers
- Government sponsored opportunities
- Govt: BOOT contracts
- NIIT eGuru suite
- Interactive classrooms
- Math Lab, Science Station
- Teachers Training
- School ERP
- HIWEL Learning Stations

NIIT's Strengths

Current Engagement



Higher Education

- Institutional alliances models
- Global linkages

- Tie up with 100+ universities
- Joint certification and dual qualification programs
- IGNOU partnership for degree programs
- NIIT Inside solutions



Corporate Training

- Best in class custom content capability
- End-to-End Training outsourcing capability
- Partnership with all major technology companies

- Provider of products and services to
 - Leading technology companies
 - Major Fortune 500 companies
 - Governments

- One of the largest providers of vocational and professional skills worldwide across various service sectors. Acknowledged market leader in India
- Leading player in the school education segment in India. Positioned to take strong advantage of the emerging environment
- One of the leading providers of corporate training in the world. Uniquely positioned to take maximum advantage of the growing training outsourcing trend, in India and internationally

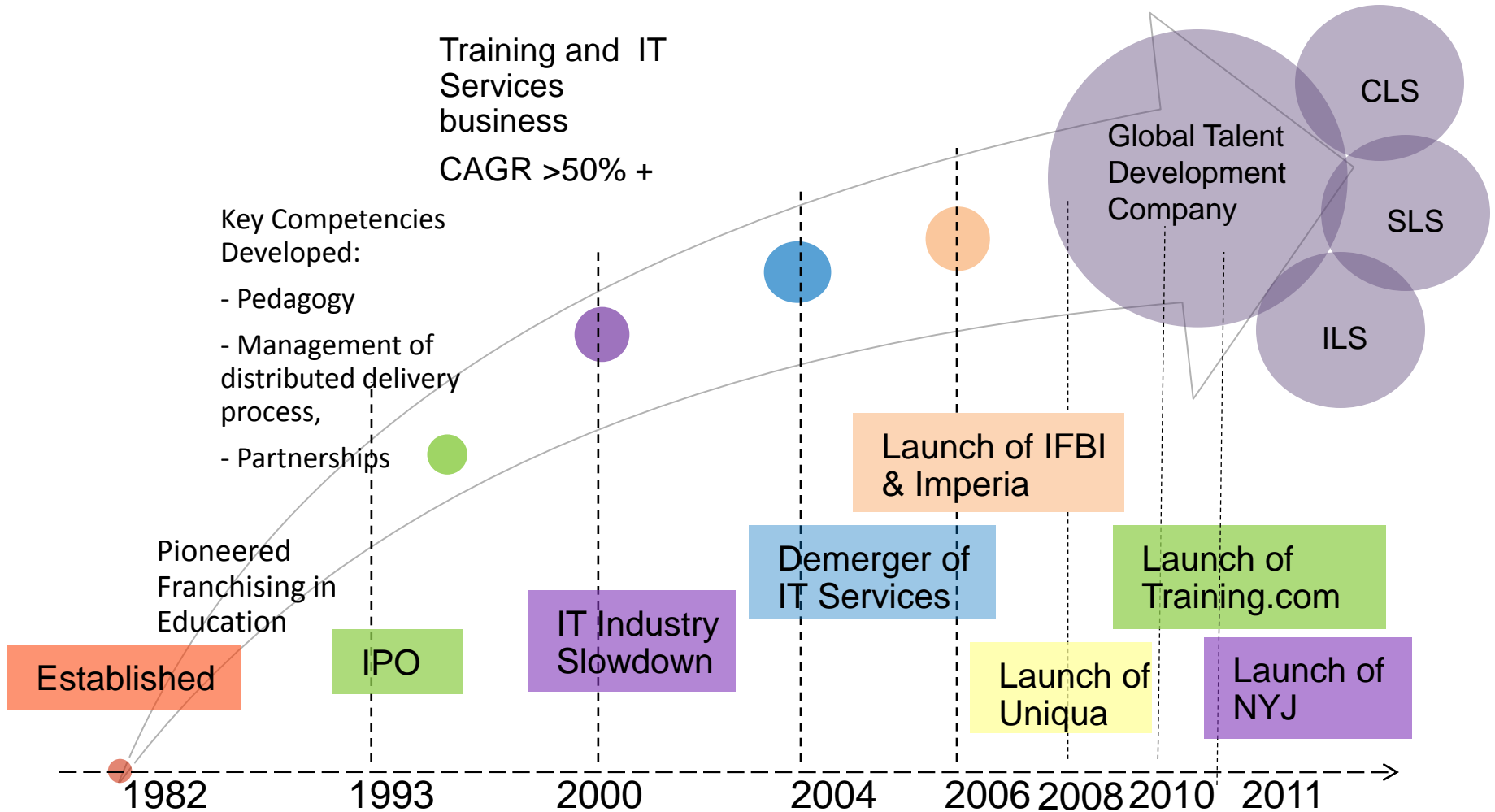
Demonstrated ability to build viable, scalable and sustainable education & training businesses



**SHARPENING
THE EDGE**

COMPANY OVERVIEW

IT Training To GTD



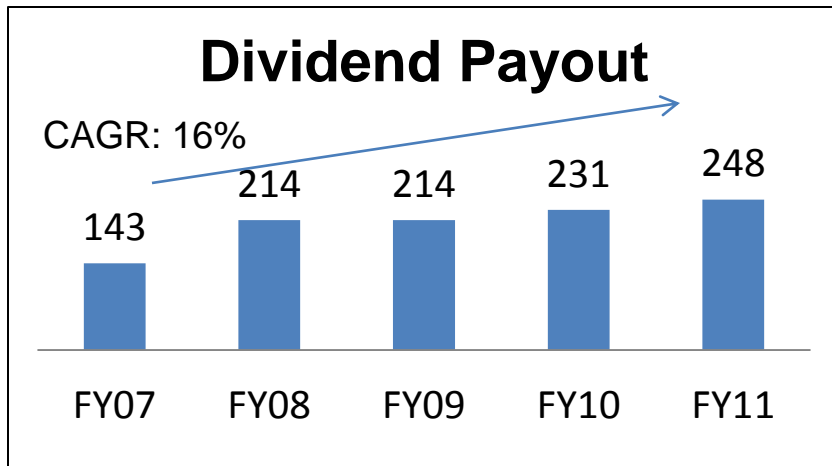
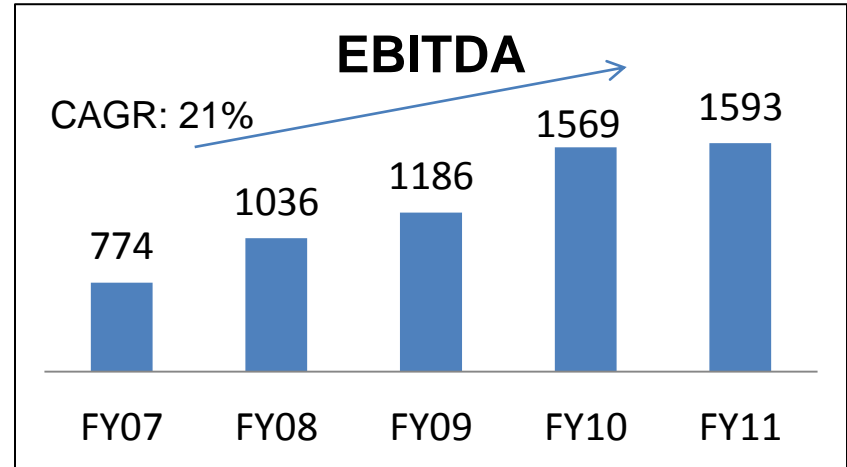
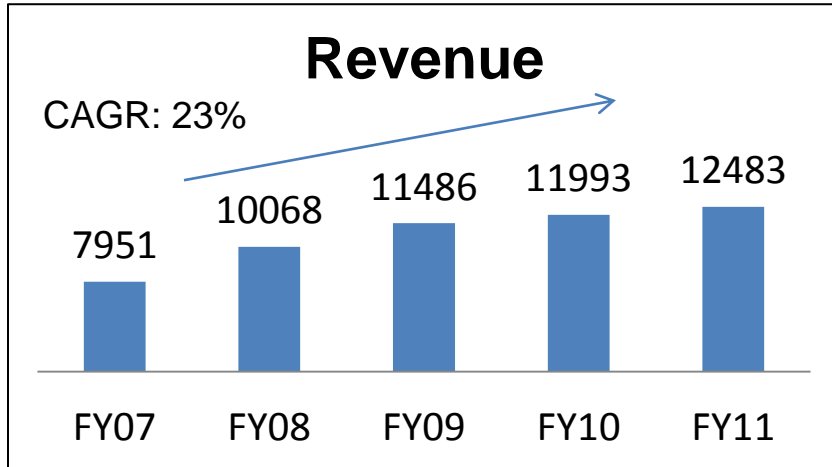
Servicing The Full Labor Supply Chain



	School Learning Solutions	Individual Learning Solutions & Skill Building Solutions	Corporate Learning Solutions
Target Audience	School children	Young adults	Working professionals
Value Proposition	Academics	Employability	Productivity
Customer	School	Individual	Corporate
Coverage	<ul style="list-style-type: none"> • Multimedia Teaching & Learning Content • IT Learning • Teacher Training • School Management Services 	<ul style="list-style-type: none"> • IT, BPO, KPO, BFSI, Management Education in ILS • Vocational training for service sector in SBS • Professional Life skills 	<ul style="list-style-type: none"> • Managed Training Services • Training Delivery • Custom Content Development
Geographic Coverage	India , Emerging Economies	India, China, Emerging Economies	India, USA, Europe



Rs Mn

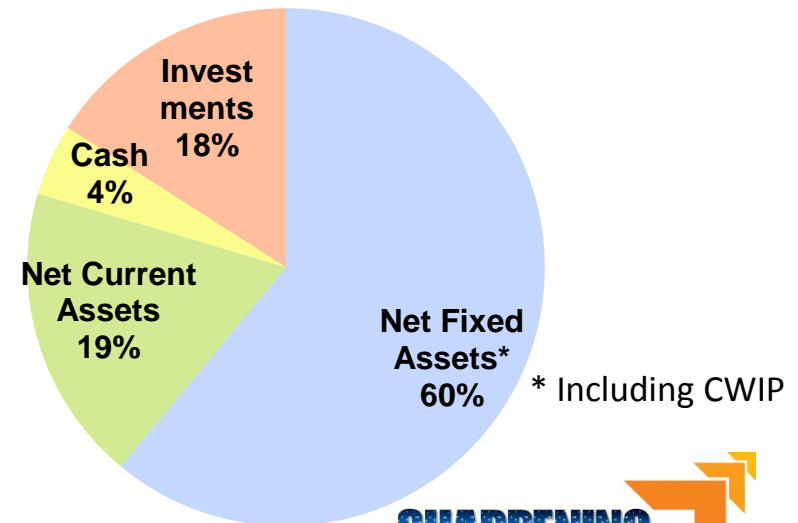
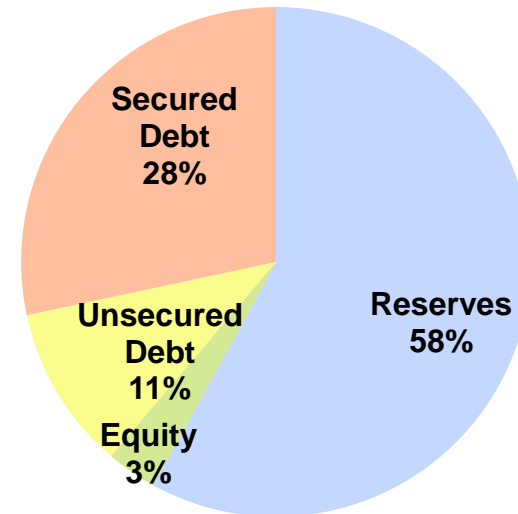
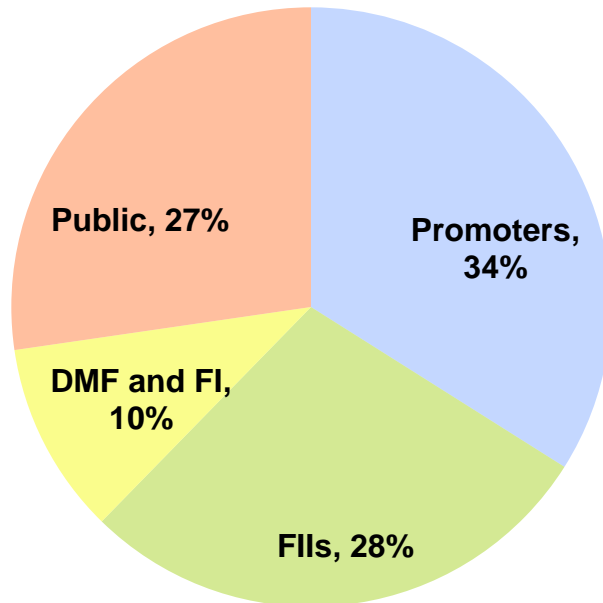


- > **Number of Shares Outstanding:**
165 million (FV of Rs 2 each)
- > **Last Bonus, Split:** 5:1 Split, 3:2 Bonus; Sept 2008

Capital Structure

Total Capital employed – Rs. 10,232 million

- No of Shares – 165.1 Mn
- Face Value – Rs. 2 per share





**SHARPENING
THE EDGE**

BUSINESSES

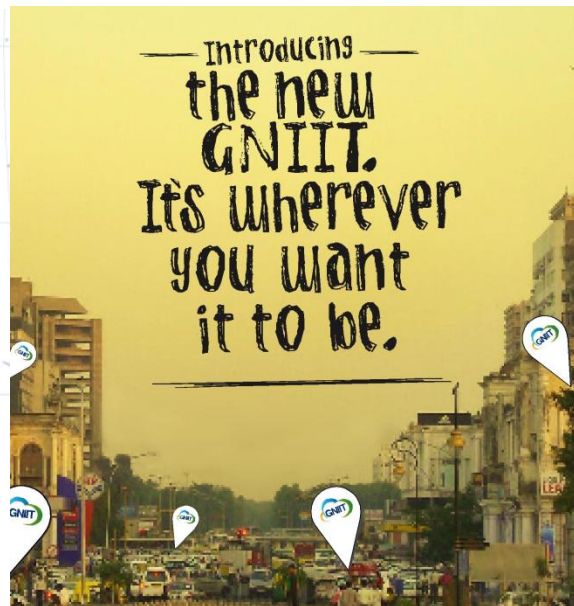


**SHARPENING
THE EDGE**

**INDIVIDUAL LEARNING
SOLUTIONS**

IT Training

- Improving individual employability in IT Sector
- Career, Career-edge and skills upgrade courses for individuals
- For Engineers, Science / Arts /Commerce graduates, working professionals
- Instructor-led, supplemented by e-learning
- India, China, Developing World



Technology Partnerships*



*Selected

NIIT is Asia's No.1 IT training company



- Career, Career-edge and Skills upgrade courses for individuals
- For graduates and working professionals
- Instructor-led, supplemented by e-learning



NIIT

Be a sought-after banking professional, from Day One.

IFBI introduces Advanced PGDBO.
So that you are the first choice of modern day banks.

ifbi
Institute of Finance, Banking & Insurance

KEY RECRUITERS: ICICI Bank, Dhanlaxmi Bank, Kotak Mahindra Bank, Lakshmi Vilas Bank, RBS, Deutsche Bank and many more.
Call 1800 266 8000 • SMS IFBI to 56161 • Apply online at www.ifbi.com

Institute of Finance, Banking & Insurance



IFBI: Partnerships*



*Selected

Creating job ready professionals for banking, insurance & financial services industry



- Executive management education for individuals
- Career upgrade courses for working professional
- Synchronous learning delivery model
- Instructor-led, supplemented by e-learning

Imperia: Partnerships*

*Selected

PRESENTING ADVANCED CERTIFICATE PROGRAM* ON IFRS- IMPLEMENTATION AND COMPLIANCE BY KPMG IN INDIA AT NIIT IMPERIA

NIIT Imperia Centre for Advanced Learning, has been created to provide custom learning solutions for organisations and professionals through the Synchronous Learning Platform. It offers you an IFRS course by KPMG in India, part of a leading global professional services organisation. So come to NIIT Imperia and get trained from the best.

Eligibility Criteria – Graduates with minimum 2 years of experience. Experience requirement is waived off for CA, CS, CWAs, 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.

*Program design and faculty by KPMG in India. KPMG and the KPMG logo are registered trademarks of KPMG International, a Swiss cooperative.

For further details log on to www.allimperias.com or call at 1800 180 0000 (MTNL/BSNL) or 011 0000 or SMS -IFRS- to 56070.

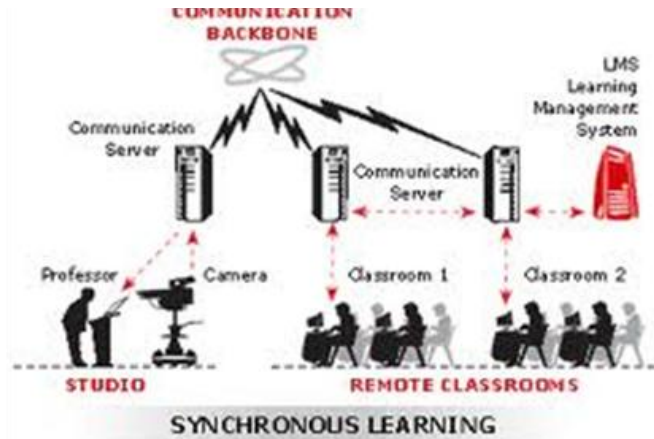
Certified by Google™

ADVANCED ONLINE ADVERTISING PROGRAM

Now in India

SIGN UP HERE

Delivered by NIIT IMPERIA CENTRE FOR ADVANCED LEARNING



NIIT IMPERIA CENTRE FOR ADVANCED LEARNING

Enhancing reach of quality management education



- Joint venture between Genpact & NIIT
- Career, skills upgrade courses
- Offers training to meet the growing requirement for professionals skilled in business/knowledge process outsourcing sectors

Partnerships*



*Selected



HAVE YOU EVER HAD A JOB OFFER
RUNNING BEHIND YOU!!!

- LESS THAN A MONTH'S TRAINING
- NEED TO PAY JUST Rs. 4000/-

FOR A BOOMING CAREER WITH THE TOP BPO GENPACT



Creating skilled workforce for the ITES sector



ILS: Our Reach



- India : 631 Centers
- China: 192 Centers
- ROW: 159 Centers

© 2008 Tele Atlas
© 2008 Europa Technologies
© 2008 Basarsoft
© 2008 Geocentre Consulting

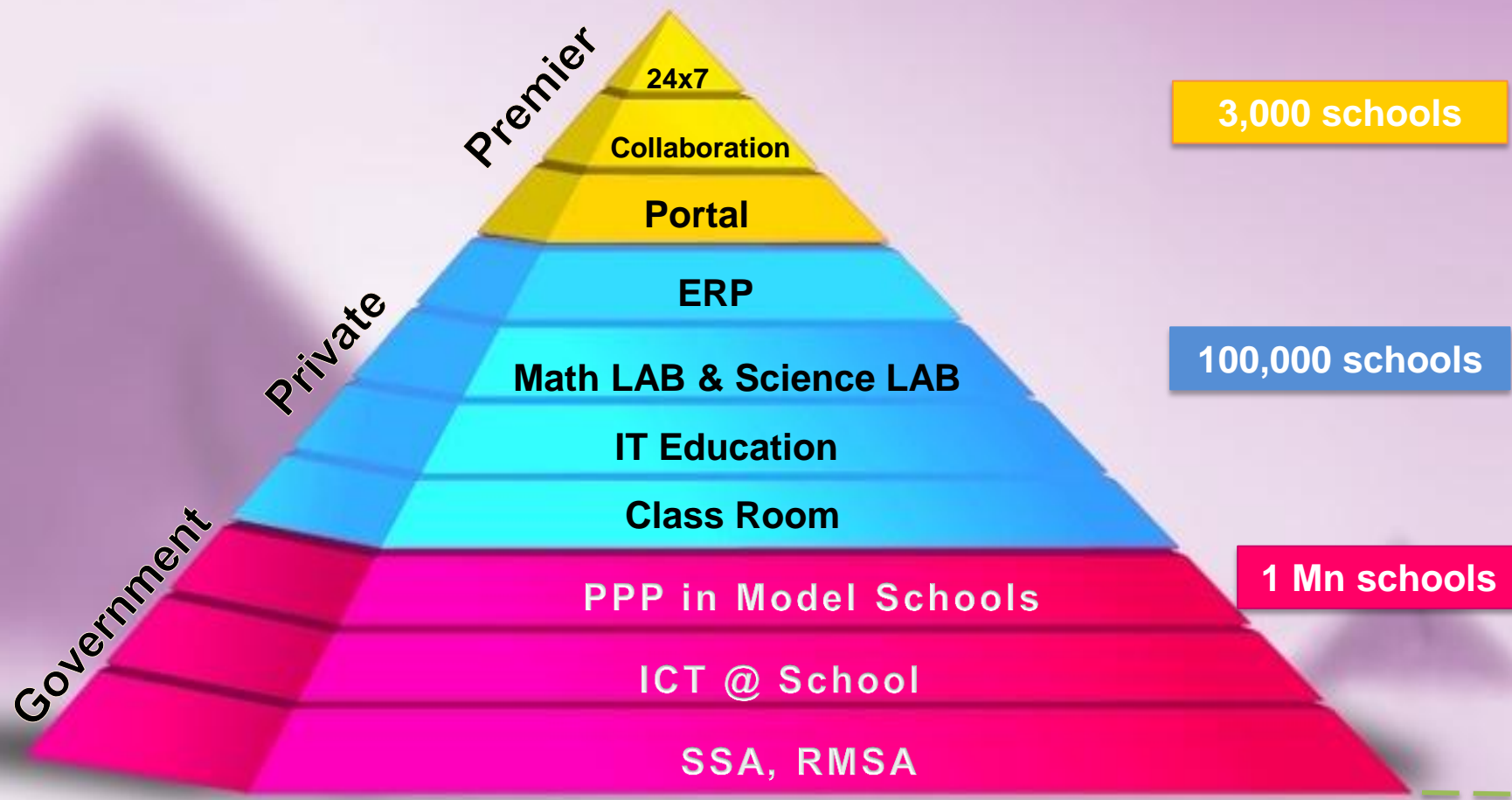
© 2007 Google



**SHARPENING
THE EDGE**

**SCHOOL LEARNING
SOLUTIONS**

Schools: Opportunity Space



Products and services for improving school education

SLS: Our Reach

9,591,463

Students

396,449

Teachers

107,209

Nodes

23,936

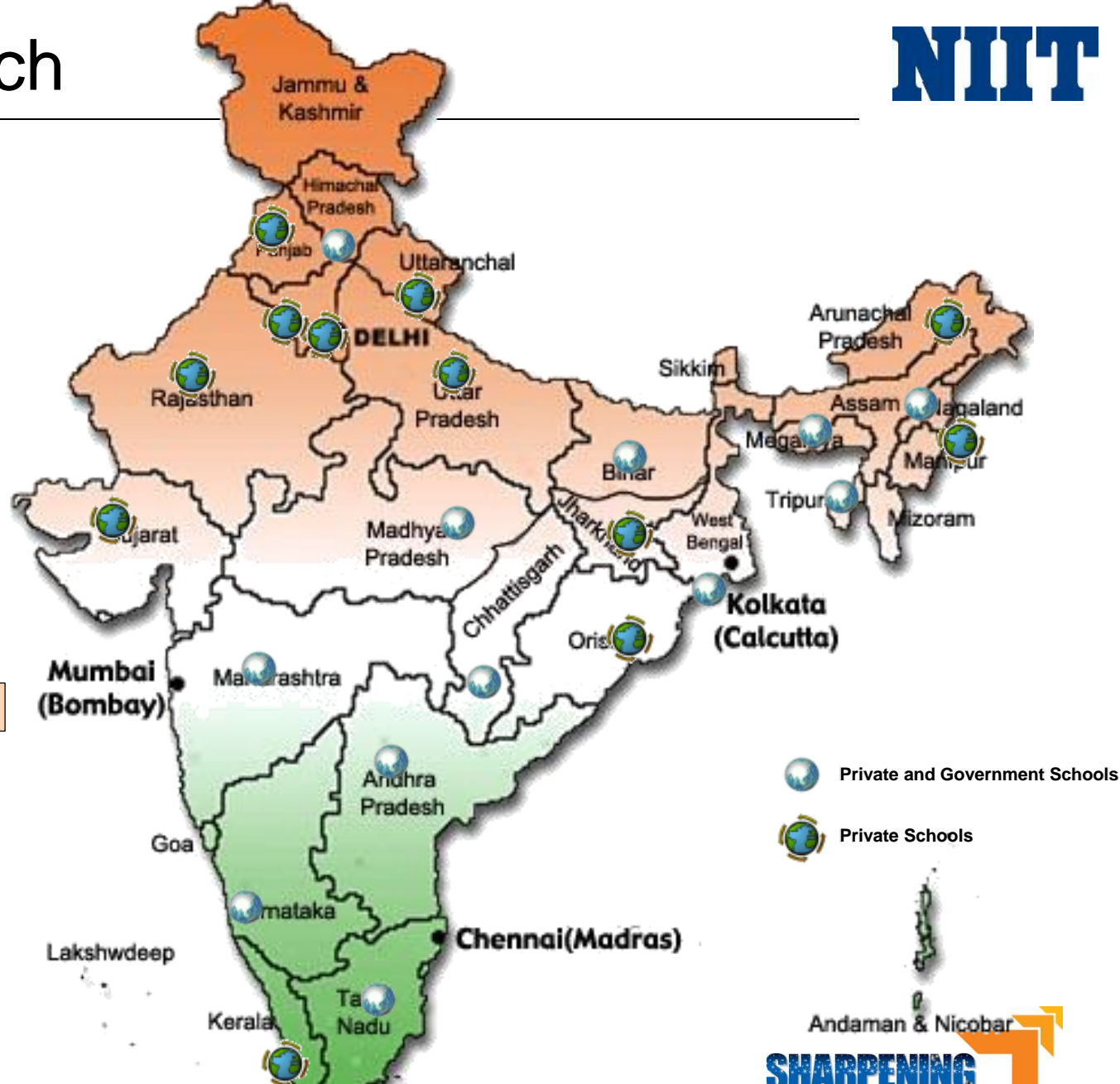
Hrs of Content

45,685

Instructors

16,689

Schools



Cumulative

NIIT has the widest reach in the market





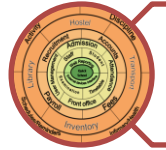
Interactive Class Room



Math Lab



Science Lab



Quick School (ERP)



Web & Multimedia curriculum



Shared computing



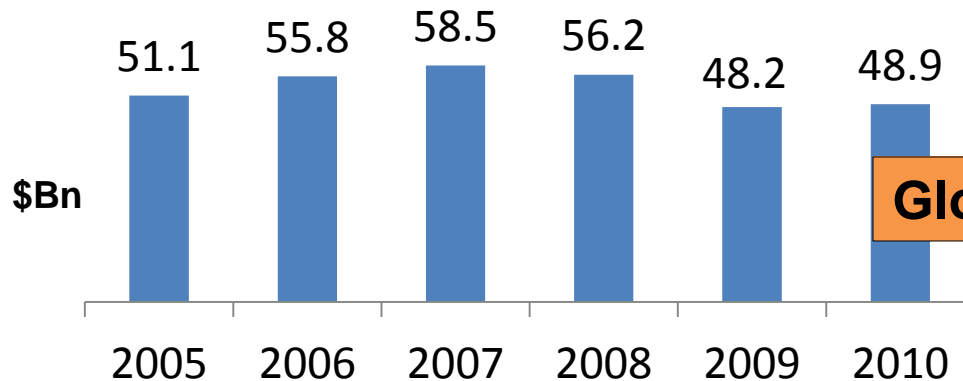
Widest range of offerings



**SHARPENING
THE EDGE**

**CORPORATE LEARNING
SOLUTIONS**

US Corporate Training Spending



Global training spend \$100Bn+

Source: IDC, Bersin & Associates

- Recovery underway as organizations move from crisis management to future planning
- Increased share of E-Learning and Virtual- ILT in total training spend
- Payroll costs as a percentage of Total training expenditure have gone down from 73% in 2003 to 56% in 2010
- Training is a specialized function and organizations are increasingly relying on specialists to outsource training
- Europe outsourcing activity is accelerating faster than United States

Corporate training represents a huge opportunity

Managed Training Services

- Recurring revenues, long term partnerships
- Multi year, multi geography relationships
- Opportunities in India growth sectors

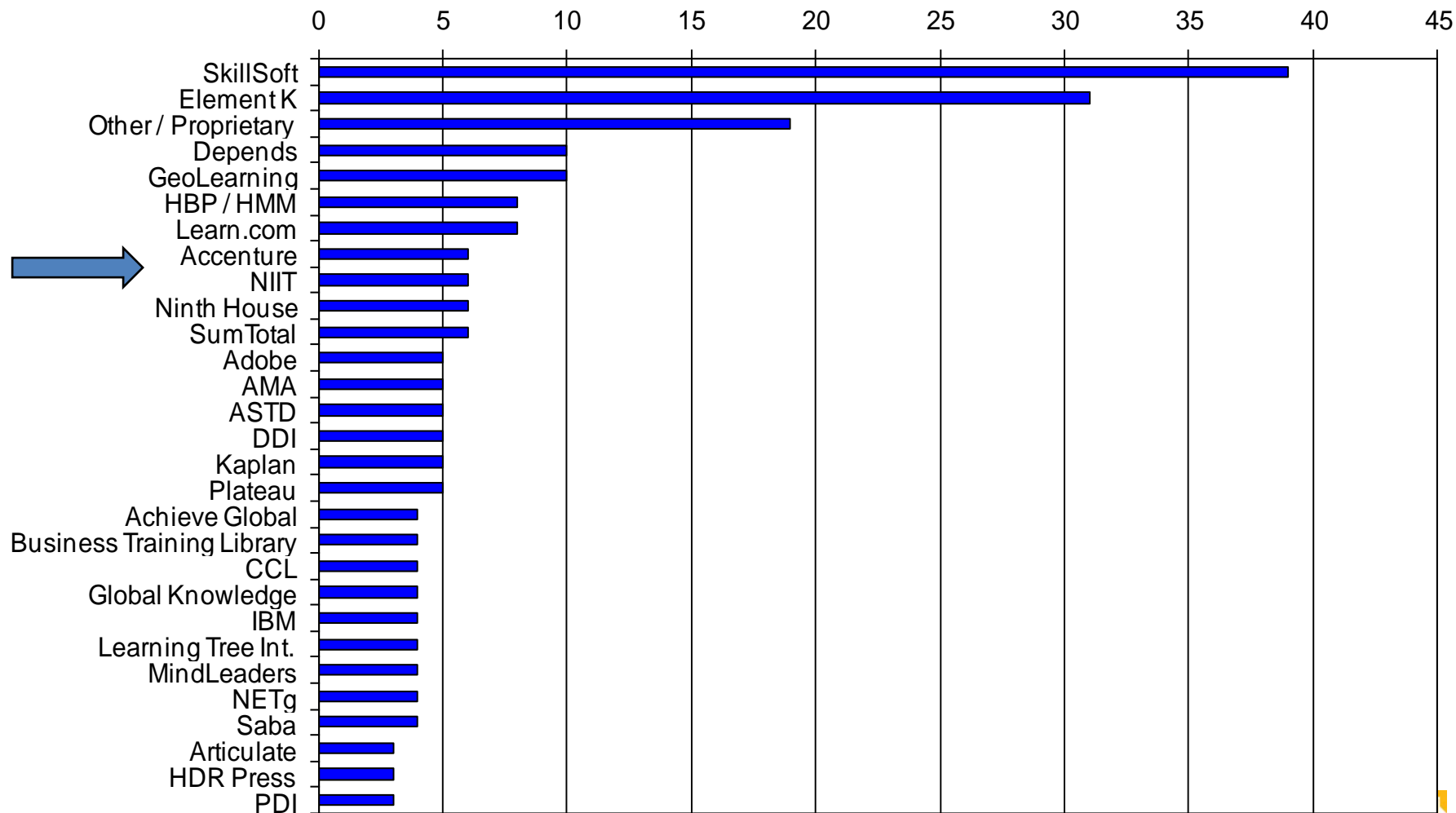
Custom Projects

- 150+ customers; 49 in Fortune 500
- Continue to maintain leadership position in content development
- Establish 'curriculum-led' development model to increase order size and value

End to End servicing capability

What are the top three brands you think about when considering a vendor for learning products and services?

Unaided; CLO Magazine



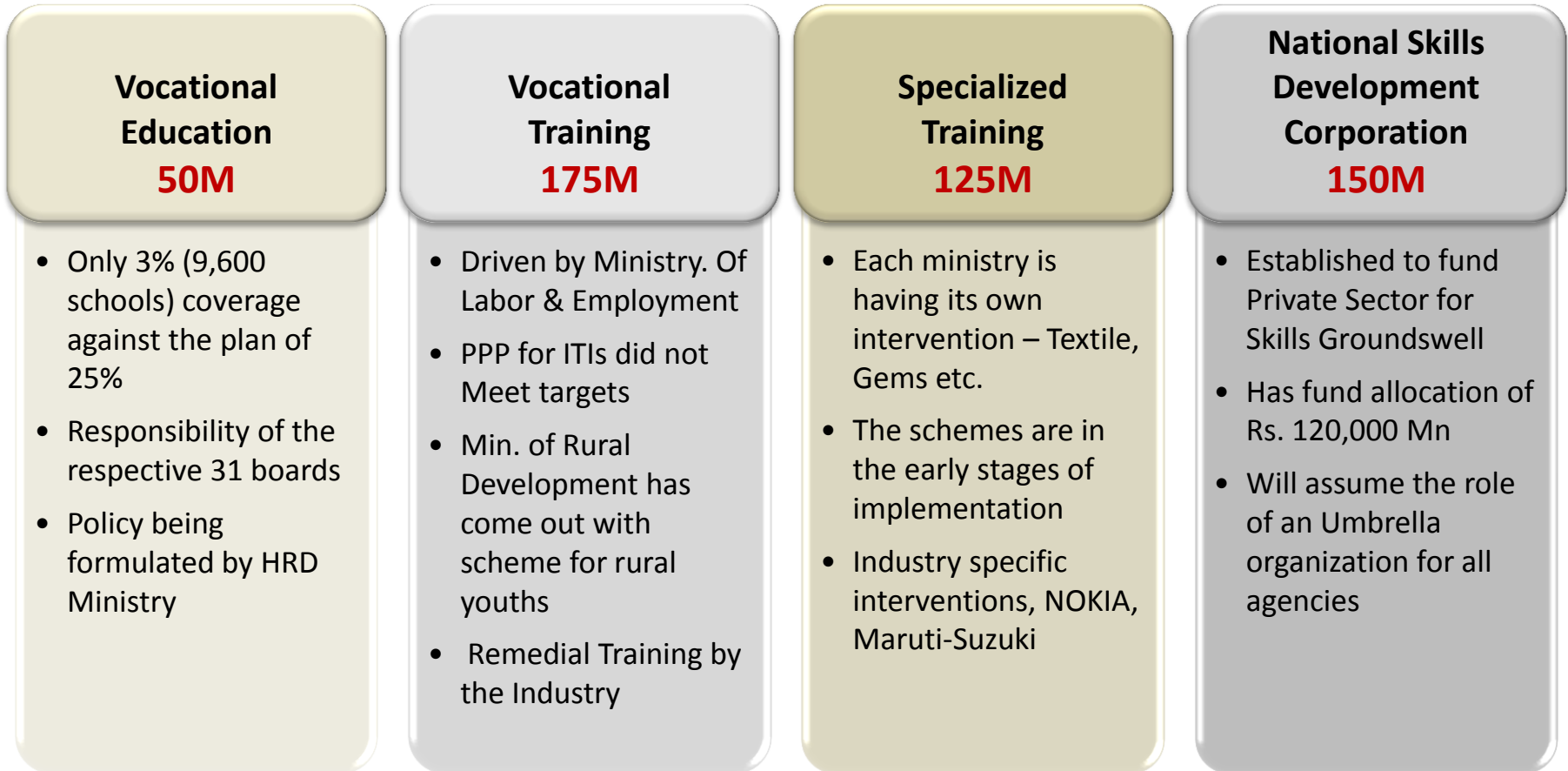
Strong competitive position in the market



**SHARPENING
THE EDGE**

**SKILL BUILDING
SOLUTIONS**

India needs 500M people to be skilled by 2022; current capacity <5M p.a.



NIIT plans to establish a large presence in skills development



- Incorporated NIIT Yuva Jyoti in 90:10 equity partnership with NSDC
- To Transform over 7 million unskilled youth into readily employable professionals
- Segments addressed: IT/ITES, Media & Entertainment, Education & Training Services, BFSI, Retail, Hospitality, Healthcare, Telecom & select Informal sectors
- To set up over 1,500 centers in 1,000 cities, over 10 years





**SHARPENING
THE EDGE**

H1FY'12 RESULTS UPDATE

- Tight monetary policy and sticky inflation dampening growth momentum. India GDP growth projected to slow to ~7.5%
- Global volatility affects hiring outlook across sectors in India. Net Employment Outlook at 30% (down 8 percentage points YoY): Manpower Employment Outlook Survey
- Domestic IT firms continue to maintain their hiring outlook. TCS and Infosys reaffirm plans to hire over 100,000 in FY12. However, sporadic reports of delays in joining dates are seen.
- Banking Industry continues its hiring spree for operations and sales; PSU banks to hire over 4 lac in the next two years
- Education and skill development remains a top agenda for governments around the world. However, decision making and execution of government plans continues to be slow
- Global Economic uncertainty and socio-political instability lead to erosion of business confidence
- Corporate training spends recovering; US, Europe sovereign debt concerns weigh on corporate decision making
- Volatility in Forex affects business results

H1FY'12 – Financial Highlights

- Consolidated System wide revenues Rs 10,927 million, up 12% YoY.
- Net Revenues at Rs 7,050 million, up 13% YoY.
- EBITDA Rs 867 million, up 6% YoY
- Profit before Tax Rs 234 million
- Operational PAT at Rs 226 million, up 11% YoY
- Profit after Tax Rs. 433 million

Key Drivers

- Growth in Career IT and Banking enrolments in the Individual business
- Execution of large size MTS deals
- Non Govt. Schools growth

H1FY12- Awards & Recognitions

- NIIT recognised as India's second most trusted education brand by Brand Equity-Nielsen survey 2011
- NIIT ranked among Top 25 “ India’s best company to work for” and ranked 1st in Training and Education Industry
- NIIT’s Skill development project in Republic of South Africa felicitated with “Best Vocational and Skills initiative of the year Award”
- NIIT Imperia recognized as ‘Best Training to Working Professionals’
- NIIT’s Mobile Science Lab wins ‘Best Innovation in Science Education of the Year Award’
- NIIT Ghana adjudged the Best Result Oriented School



EDUCATION

- 1 Kendriya Vidyalaya
- 2 NIIT
- 3 Delhi Public School(DPS)
- 4 IIM
- 5 IIT



H1FY12 Consolidated Financials



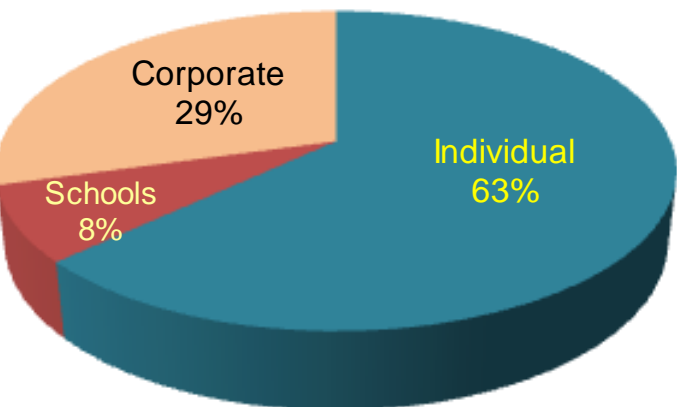
(Rs. in million)	H1FY12	H1FY11	YoY (%)
System wide Revenues	10,927	9,757	12%
Net Revenues	7,050	6,238	13%
Operating expenses	6,183	5,420	14%
EBITDA	867	819	6%
EBITDA%	12%	13%	-82 bps
Depreciation	477	419	14%
Net Other Income	-156	-174	18 mn
Profit before Tax	234	226	3%
Tax	8	22	14 mn
Operational Net Profit	226	204	11%
Share of Profits from Associates	207	210	-2%
PAT	433	415	4%
Basic EPS (Rs.)	2.6	2.5	4%

- Adverse Forex impact on Revenue : 139 bps
- EBITDA impacted by Forex Rs. 20 million, Premises Overlap/Rentals Rs. 46 million, People cost rationalization /Cloud Campus readiness Rs. 99 million and SBS pre-operative Rs. 13 million contributing 249 bps erosion



Business Mix

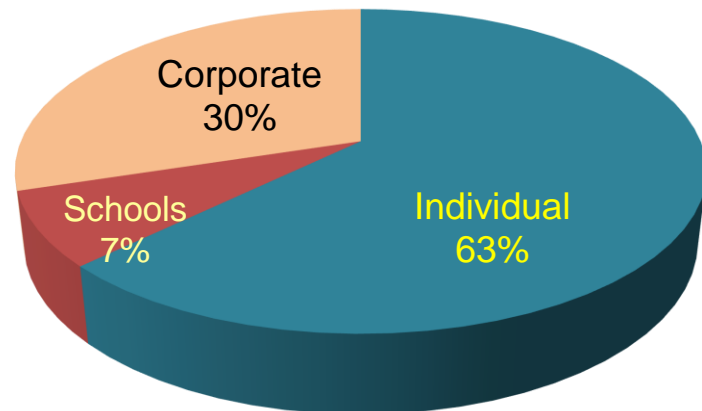
H1FY11



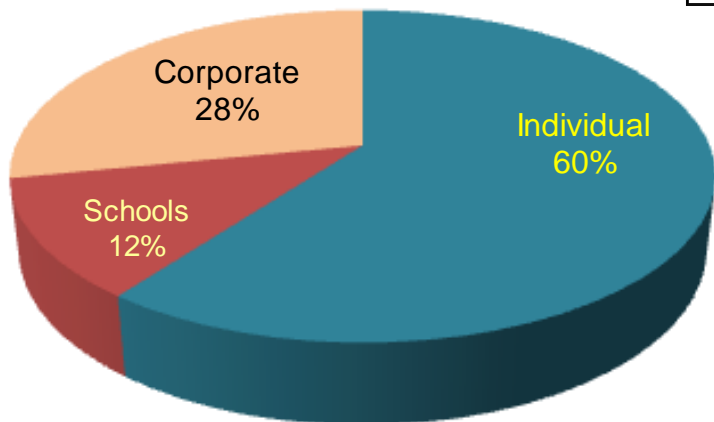
System Wide Revenues

	% Change
Individual	+12%
Schools	+9%
Corporate	+14%

H1FY12



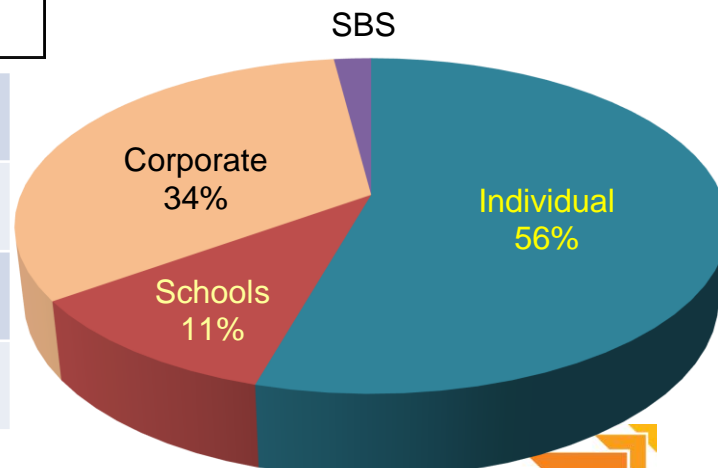
H1FY11



EBITDA

	Change
Individual	-1%
Schools	+1%
Corporate	+28%

H1FY12



Volume growth helps improve EBITDA share of Corporate business



Individual Learning Solutions

Rs. Mn	H1FY12	H1FY11	YoY	FY'11	YoY
System wide Revenues	6,858	6,149	12%	11,153	10%
Net Revenues	2,981	2,630	13%	4,681	10%
EBITDA	489	494	-1%	1,061	7%
EBITDA %	16%	19%	-239 bps	23%	-43 bps

H1FY12

- ❖ Enrolments: Global enrolment up 7%, Career enrolments grow 9%, Banking enrolments up 218%
- ❖ Placements grow 18% YoY
- ❖ Order Intake grows 16% for ILS IT
- ❖ Pending order book at Rs. 1,452 million, 70% executable in next 12 months
- ❖ Seat Capacity up 6% YoY, 32 centres added

NIIT

— Announcing the —
NIIT Cloud Scholarships.

Apply before: Sept. 17

GNiIT
Global Network Institute of IT

NIIT CLOUD SCHOLARSHIPS

Call 1800 102 6448

f
NIIT4U

12,500+
PLACEMENTS

40,000
PROFESSIONALS TRAINED

5
YEARS OF BEING
TOP BFSI
PROVIDER IN INDIA

80+
LOCATIONS

25+
INDUSTRY PARTNERS

FOR A FIVE-YEAR-OLD, WE'VE GROWN A LOT.
INDIA'S LARGEST BFSI TRAINING INSTITUTE

Rs. Mn	H1FY12	H1FY11	YoY	FY'11	YoY
Net Revenues	808	744	9%	1,481	-26%
EBITDA	96	95	1%	169	-43%
EBITDA %	12%	13%	-95 bps	11%	-336 bps

H1FY12

- ❖ Non GSA revenue up 24% YoY, contributed 43% of the revenue mix
- ❖ 306 Non Government schools added
- ❖ Total Order Intake of Rs. 1,125 million
- ❖ Pending Order book at Rs. 4,718 million, 31% executable in next 12 months

Why Mobile Science Lab?

The conventional methods of teaching and learning Science pose challenges for teachers and students alike.

For instance, there is a large time gap between theory and practicals, reducing the impact of what has been learnt inside the classroom.

There is very little correlation of concepts taught to real life since the experiments are done inside the laboratory. Besides, the students cannot carry the lab equipment with them on a field trip.

The current method of noting readings and setting up apparatus leaves the students with little time to think scientifically and analyze data.

In the entire process, the joy of learning Science is completely lost.

Call us at 1800 102 3293 (Toll Free)
or visit our website www.nitguru.com
or write to us at eguru@nit.com

Learning science needn't be rocket science

Mobile Science Lab

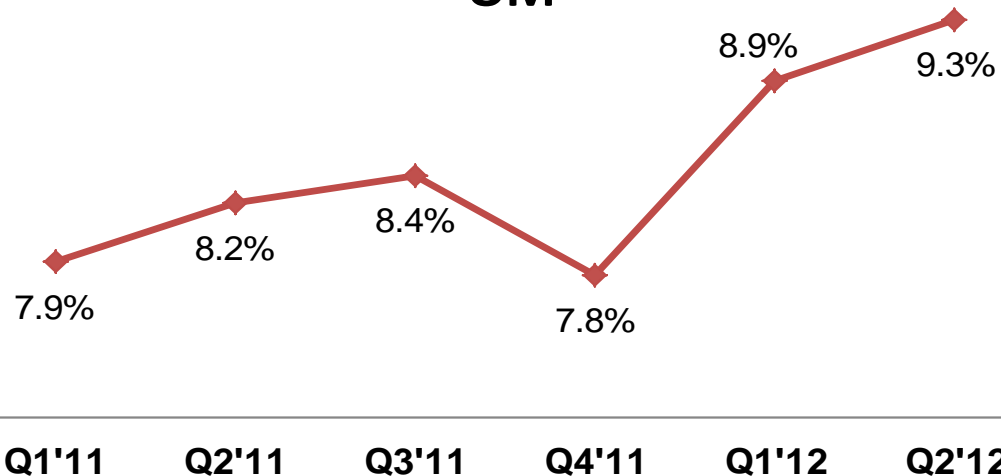
nitguru
Solutions for Schools

Rs. Mn	H1FY12	H1FY11	YoY	FY'11	YoY
Net Revenues	3,260	2,864	14%	5,835	8%
EBITDA	296	231	28%	471	8%
EBITDA %	9%	8%	102 bps	8%	1 bps

H1FY12

- ❖ 17% Volume growth , MTS grows 59%
- ❖ Adverse exchange impact in revenue of Rs. 81 million (~3% of revenue YoY) and adverse exchange impact on EBITDA for Rs. 16 million (26 bps YoY)
- ❖ Order Intake of \$ 53.3 million; Pending order book at \$ 77.8 million, 62% executable in next 12 months

OM



Skill Building Solutions-pending

Rs. Mn	H1FY12	H1FY11	YoY
Net Revenues	1	0	1 mn
EBITDA	-13	0	-13 mn

H1FY12

- ❖ NIIT entered into joint venture with National Skills Development Corporation(NSDC)
- ❖ Largest Public Private Partnership for skill building
- ❖ To train 7 million students in 1,500 centres across 1,000 cities over 10 years
- ❖ NSDC to hold 10% equity in NIIT Yuva Jyoti Limited





**SHARPENING
THE EDGE**

SHARPENING THE EDGE

ILS: Realigning For Higher Growth

- **Cloud Campus:** Embedding VSAT based delivery, across centers and online portal to expand reach and increase efficiency
- **New products** to address changing preferences
- **Higher end segment:** New products (ERP, business analytics etc) launched to cater to this segment
- **'One NIIT':** Integrating IT, FMT and Uniqua
- **NIIT Inside:** Separate team with focus on in College delivery
- **Stronger placement push:** Placements up 18% in H1FY12



SLS: Reprioritization Of Portfolio

- **Restricted participation in fresh ICT contracts along with aggressive receivables follow up**
- **Increased attention on private schools**
 - Increased size of sales force during the year
 - New comprehensive solution launched
 - Strengthened the leadership team
- **These steps have led to positive changes in the business**
 - Steady growth in non-government revenues (up 24% YoY)
- **Strong order book (Rs. 4,718 million, 31% executable in next 12 months) to provide steady revenue base; Growth to be spearheaded by private schools**



- **Focus on higher margin annuity based businesses**
 - Managed Training Services: sharpened the value proposition of the offering
- **Significant improvement in business volume and profitability**
 - Volume growth 17%
 - Share of MTS increased to 23% of CLS revenues in H1 FY12 from 21% in H1 FY11
- **MTS to provide accelerated revenue growth with improving margins**



NIIT's core competencies, acquired over its 3 decades of existence, will remain foundational to its future

Pedagogy

Creation of quality learning materials

Technology

Distributed education process management

Partnerships

Building sustainable partnerships

1. Higher Margins through:

- Volume growth
- Product mix change
- Shared capacity
- New delivery models

2. ROCE improvement due to:

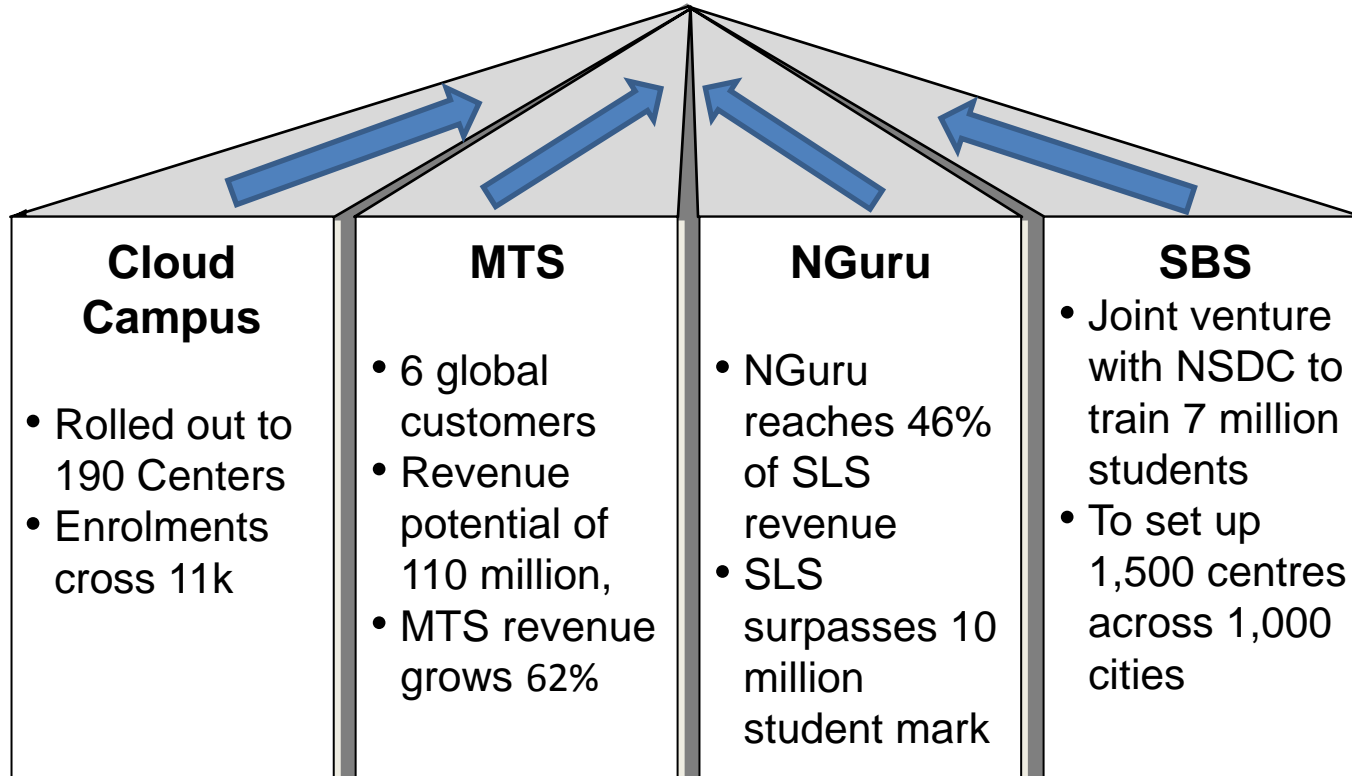
- Better margins
- Capital redeployment

4. Creating Platforms For Growth

To build on NIIT's existing strengths

- **ILS:** Cloud Campus
- **SLS:** Private Schools
- **CLS:** Managed Training Services
- **Skill Building Solutions:** An attractive opportunity

Growth Platforms Gain Momentum



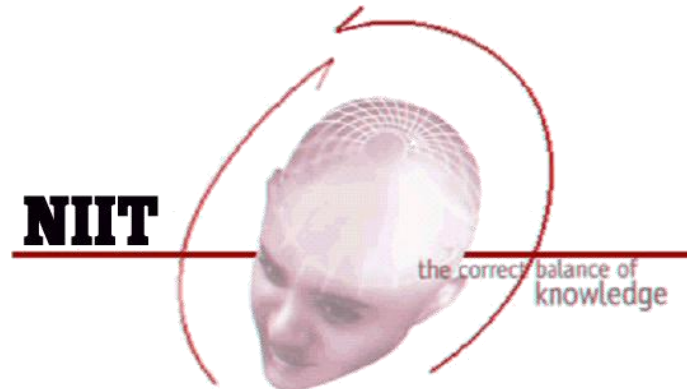
Platforms Of Growth

Most Trusted Brands in Education:
Economic Times – Nielson Survey

1. K Vidyalaya
2. **NIIT**
3. DPS
4. IIM
5. IIT



NIIT



Leadership in the Century of the Mind