

LEADERSHIP

IN GLOBAL TALENT DEVELOPMENT



Education, Employability, Productivity

February, 2010

Contents

- Education, Employability, Productivity - The Challenge
- Company Overview
- Business Segments
 - Individual Learning Solutions
 - School Learning Solutions
 - Corporate Learning Solutions
- Financial Performance
- Future Direction
- New Government : Promise of Enrichment of Human Capital
- Summary

India's Demographic Advantage: Global Workforce 2020

NIIT

56 million shortage in the World



46 Million surplus in India

Note: Potential surplus is calculated keeping the ratio of working population (age group 15-59) to total population constant. Source: US Census Bureau; BCG analysis

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Considerable investment in Education and Training would be required to enable India to reap the advantage

3

The Global Talent Shortage

NIIT

Huge gaps in talent demand and supply in all sectors of the economy

- Increasing Globalization – Work mobility
- Changing Demographics – Ageing population
- Services led economy – New skill sets

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Talent Gap at the top; Skills Deficit at the bottom

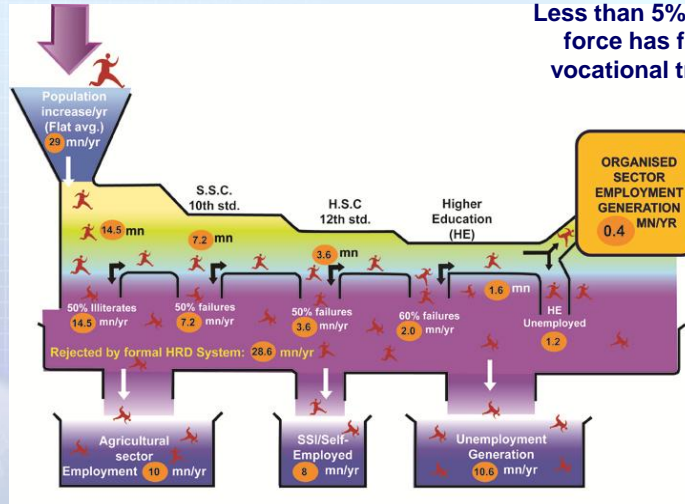
4

India: Skill Supply Chain

NIIT

Less than 5% of labor force has formal vocational training

India Education Spend: Rs. 2.7 Tn (5x) allocated in 11th 5 year plan



Source: I Watch Survey, 2007

LEADERSHIP
N GLOBAL TALENT DEVELOPMENT

Issues of relevance, reach, inclusion and quality

5

Education, Employability, Productivity

NIIT

“Growth will get choked out if skills development does not take place” - Planning Commission

- Huge gap in talent supply and demand, in all sectors of the economy
 - Less than 5% of labor force in 19-24 age group has a certifiable skill
- School infrastructure is woefully inadequate. 142 Mn children outside the school system*
 - Government allocation 5x (Rs 2.7 Trillion) for education and skills development in the 11th five year plan; New PPP models
- Global enterprises increasingly looking to leverage training for productivity enhancement and maximum business impact
 - Outsourcing is the future of corporate training

* source: CLSA

LEADERSHIP
N GLOBAL TALENT DEVELOPMENT

Education and Training business has strong tailwinds

6

NIIT in this environment

NIIT

Has successfully transitioned from an IT training company to a Global Talent Development Corporation

- One of the largest providers of vocational and professional skills worldwide across various service sectors. Acknowledged market leader in India
- One of the largest providers of Corporate Training in the world. Uniquely positioned to take maximum advantage of the growing training outsourcing trend, in India and Internationally
- Leading player in the School Education segment in India. Positioned to take maximum advantage of the emerging Public-Private initiatives

LEADERSHIP
N GLOBAL TALENT DEVELOPMENT

NIIT is best positioned to take advantage of the environment

7

NIIT: Market leader with strong credentials

NIIT

Only Education Company in India to feature amongst “BCG 50 Local Dynamos”

- Dataquest “Top Training Company” in India award since its inception
- Avaya Global Connect award for Customer Responsiveness for three successive years
- Among the Top 20 companies in the Training outsourcing industry as ranked by TrainingOutsourcing.com
- Ranked among “India’s Top 50 Most Trusted Service Brands”
- Features among the “Super Brands” of India

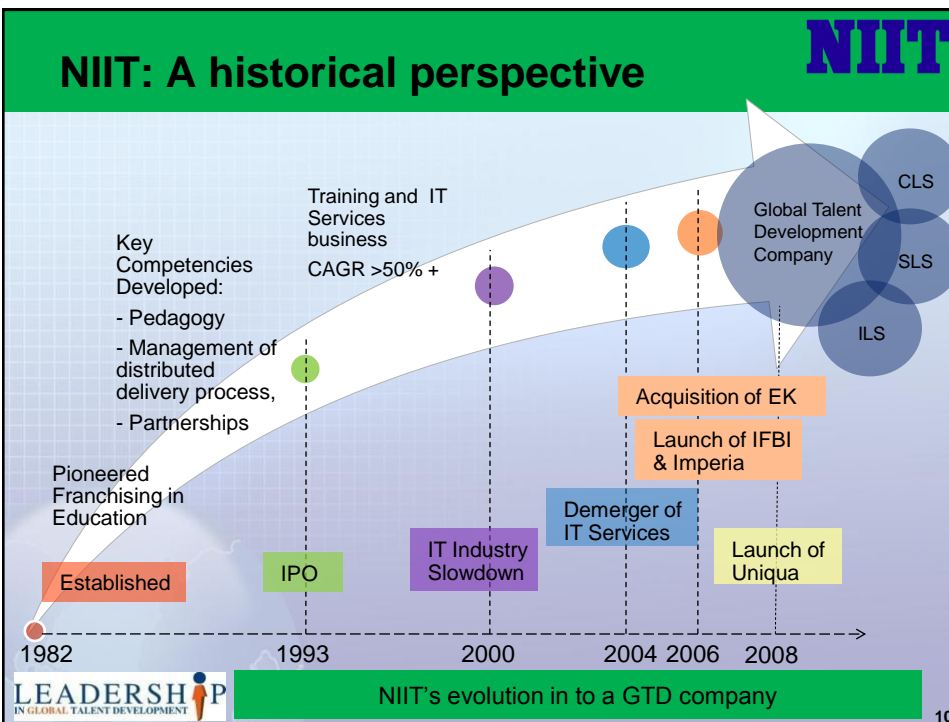
LEADERSHIP
N GLOBAL TALENT DEVELOPMENT

Proven execution ability and strong brand

8

Company Overview

NIIT: A historical perspective



Leadership in Global Talent Development **NIIT**



NIIT: Servicing the full labor supply chain **NIIT**

	School Learning Solutions	Individual Learning 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 	<ul style="list-style-type: none"> IT Training BPO, KPO Training BFSI Training Management Education English Language Professional Life skills 	<ul style="list-style-type: none"> Learning Products Training Delivery & Administration Custom Content Development
Geographic Coverage	India	India/ China/ Emerging Economies	India, USA, Europe

Market Opportunity and NIIT's Positioning



Segment	Market	NIIT
Individuals	\$20Bn * <ul style="list-style-type: none"> 80% of 11m in colleges need training for employment Low penetration levels; only 5% of labor force has at least one certifiable skill 	NIIT is the one of the largest professional skills development companies in the world
Schools	\$29Bn ** <ul style="list-style-type: none"> Urgent need to upgrade quality of education in both Govt. and Pvt. Schools An increasing part of the total spend outsourced to service providers 	NIIT is the pioneer in this segment and has cumulatively serviced 12000 + schools
Corporates	\$56Bn *** <ul style="list-style-type: none"> Growing recognition of training as a tool to achieve business goals Outsourcing growth at ~18% 	NIIT is one of the few companies in the world, having end to end solutions capability

* India Size, Internal Estimates
 ** India Size, CLSA, Indian Education
 *** US Size, Bersin & Associates



NIIT is closely aligned to present and future opportunities



Business Segments

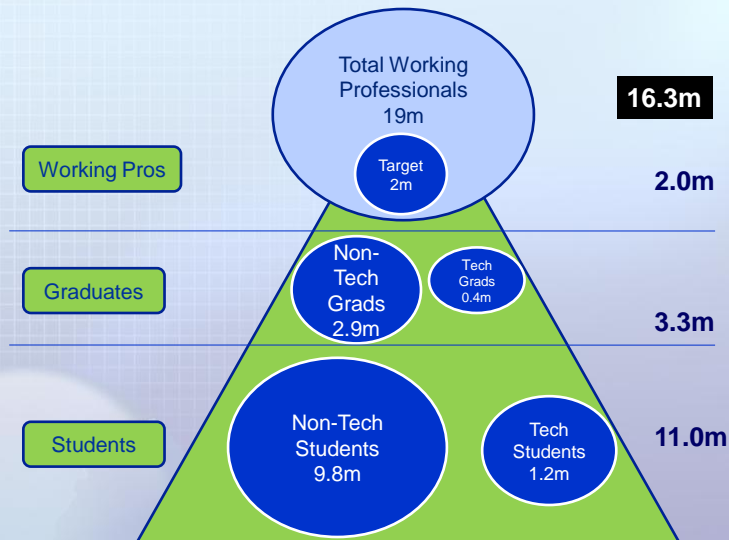


Individual Learning Solutions

- IT Training
- Finance, Banking, Insurance Training (IFBI)
- Executive Management Education (Imperia)
- BPO, KPO Training (Uniqua)
- English Language and Professional Life Skills Development



India Employability Training Opportunity

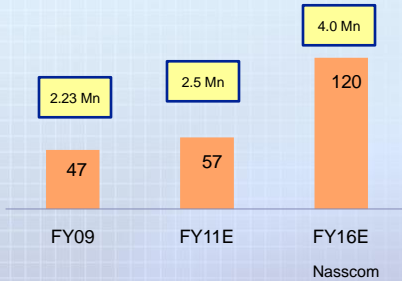


Currently addressed ~450k; 36x potential

ILS: Demand for Trained Professionals



IT-ITES Industry Outlook



	% employable
Qualified Engineers & IT Grads	25%
Non Engineers / Non-IT Grads	10%

Mckinsey

Public sector banks on recruitment spree

PSU banks to hire 30,000 in 2009-10.

Current Vacancies (Officers & clerks)

Banks	Nos.
State Bank of India	3,500*
Union Bank of India	5,000
Syndicate Bank	1755
Central Bank	850
Andhra Bank	1000
Corporation Bank	425
Punjab National Bank	134
Nabard	120

*SBI is likely to have 25,000 vacancies

- Growing employable population
- Continuing employability problem
- Changing tech trends warranting skill upgrade

■ Employment
■ Exports \$Bn



The demand-supply gap in skilled professionals to continue

IT Training



- Individuals, 16-25 years
- Career, Career-edge and Skills Upgrade courses
- For Engineers, Science / Arts /Commerce graduates, Working Professionals
- Instructor-led, supplemented by e-learning
- India. China. Developing World

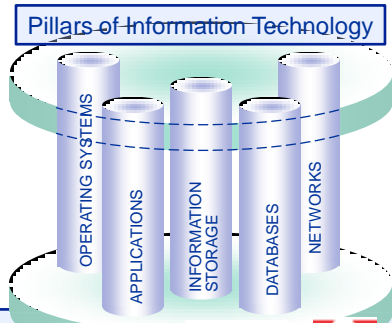


Improving Individual Employability in IT Sector

ILS-IT: Our reach



ILS-IT: Partnership with Leaders



1	1	1	1	1	1	1	1
Computing Platform	Platform	Open Source Platform	Database & Applications	Networking	Creative Suite	Storage	Open Certifications



ILS – Financial Services and Management Training (FMT)

NIIT

Logos used are trademarks of respective organizations

• 20 Centers

LEADERSHIP IN GLOBAL TALENT DEVELOPMENT

Partnership with leaders in the industry

21

ILS - Uniqua

NIIT

The latest addition to NIIT's offerings

- Joint venture between Genpact & NIIT
- Operating under the brand name 'NIIT Uniqua'
- Offers training to meet the growing requirement for professionals skilled in business process knowledge
- Commenced operations from September 2008

NIIT
UNIQUA
CENTRE FOR PROCESS EXCELLENCE
AN NIIT-GENPACT VENTURE

• 16 Centers

LEADERSHIP IN GLOBAL TALENT DEVELOPMENT

22

English & Professional Life Skills

NIIT

- Market potential
 - A huge untapped market In India
 - 11 mn college students
 - 90% face an “employability gap”
 - Main reason – Lack of English communication & Professional life skills
- Solution
 - Work with employers to a common acceptable standard
 - Get potential employees to achieve the standard
- Alliance with ETS for TOEIC testing
- Acquisition of Evolv for English language training

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

23

School Learning Solutions

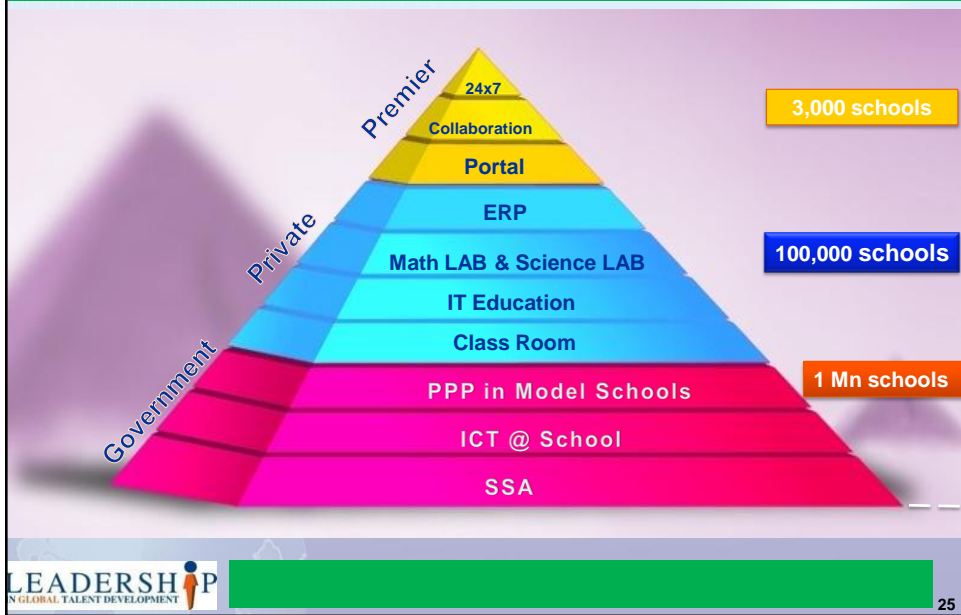


LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

24

Schools: Opportunity Space

NIIT



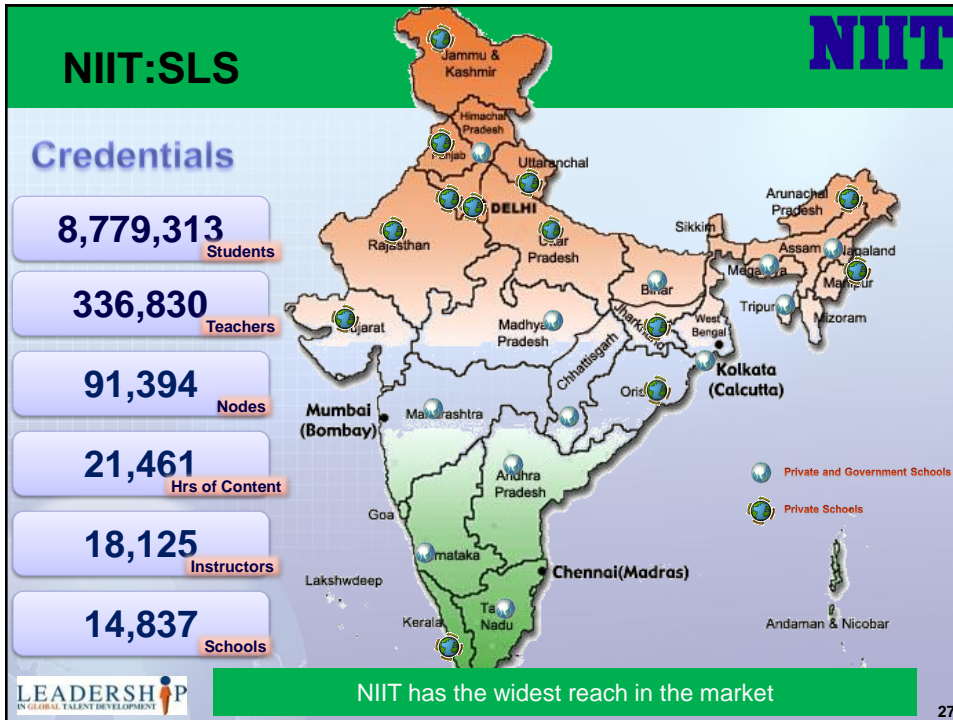
LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

SLS: Next 3 years addressable market

NIIT

Sarv Shiksha Abhiyan	600 districts
ICT@School	60,000 schools
PPP in Govt schools	6,000 schools
Pvt Schools – Class room solutions	10,000 schools
Pvt Schools- Lab Solutions	5,000 Schools
School ERP & Portal Solutions	2,000 Schools
Teacher's training	500k Pre-service, 1 Mn In-service

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT



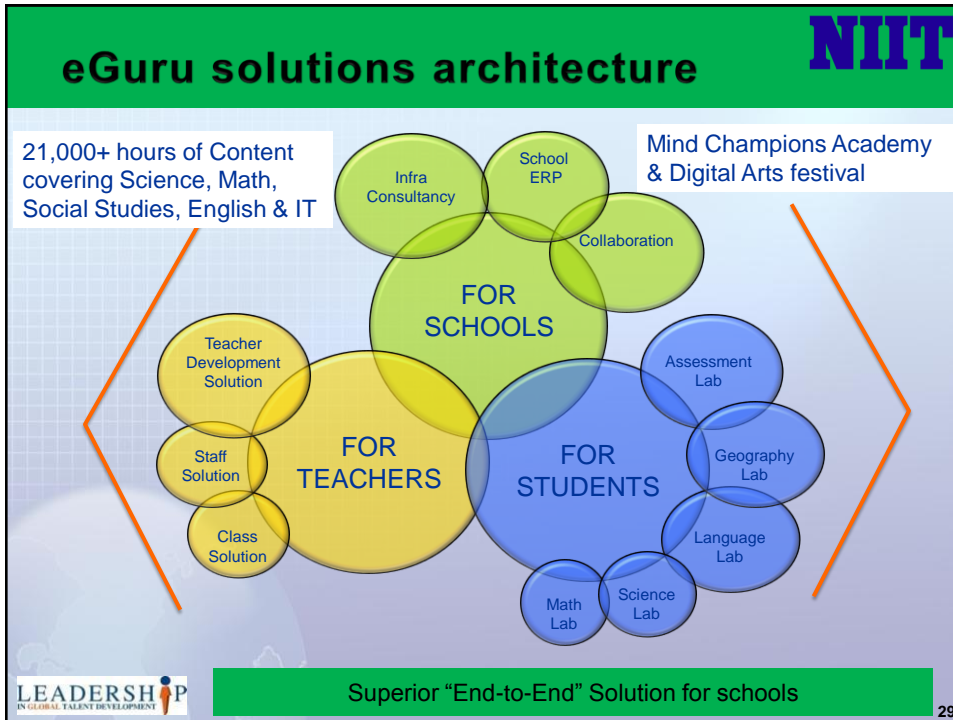
NIIT eGuru solutions portfolio

- Interactive Class Room
- Math Lab
- Science Lab
- Quick School (ERP)
- Web & Multimedia curriculum
- Shared computing

LEADERSHIP IN GLOBAL TALENT DEVELOPMENT

Widest range of offerings

28



Corporate Learning Solutions

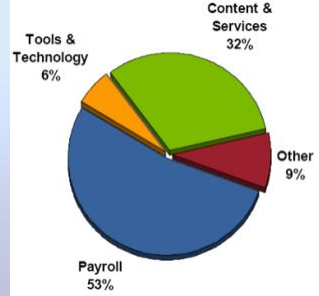
LEADERSHIP IN GLOBAL TALENT DEVELOPMENT

A Division of NIIT

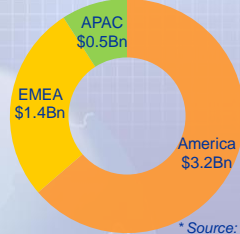
Corporate Training Market



Training spend breakup



Global Training Outsourcing Market 2008



Global training spend \$100Bn+

* Source: IDC, Bersin & Associates



Strong potential for training outsourcing

Our Credentials



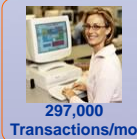
Largest e-Learning Content Library



12000+ Person Years of Experience



1500+ Professionals: Largest Content Development Facility in the world



Over 2000 Customers globally



Most comprehensive and global, training outsourcing capability

Corporate Learning Solutions

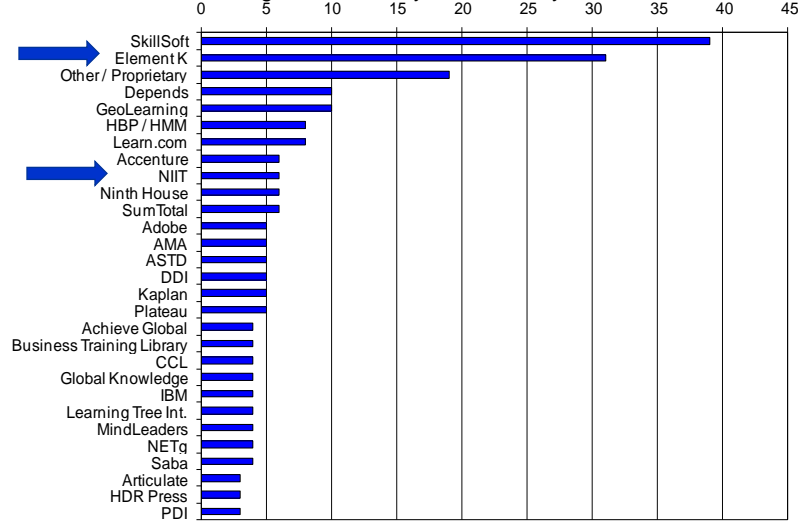


Learning Products (SAAS)	<ul style="list-style-type: none"> • 3500+ titles; SAAS model • 3Mn+ learners on Khub • Largest print & eLearning library • Virtual labs now available 'in a box' • Field sales force doubled in North America • Partnership with resellers including Webex 	Invest <ul style="list-style-type: none"> - High growth - High margin - # 2 position
Training Outsourcing	<ul style="list-style-type: none"> • Recurring revenues, long term partnerships • Multi year, multi geography relationships • Opportunities in India growth sectors 	Develop <ul style="list-style-type: none"> - Poised for growth - Moderate margin - Leadership in learning services
Custom Projects	<ul style="list-style-type: none"> • 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 	Transform <ul style="list-style-type: none"> - High impact of economic swings - Moderate margin - Leader in content development



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

Unaided; CLO Magazine: January 2009 Survey



Strong competitive position in the market

Financial Performance

Current Environment

- Following a stronger 2nd half of FY'10, the India GDP growth estimated to be strong at 7.5% to 8.0% next year.
- 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.
- Global markets stabilizing and appear to have bottomed out; 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 scheme for schools and for skill development expected to be initiated this year

Jobs are back again

TALENT HUNT With the order books filling up, companies need more manpower
HT 23/1/10

India to beat 7.5%
growth in 2010
despite slowdown

HT 23/1/10

9M'FY10: Consolidated Financials

NIIT

	9M'10	9M'09	YoY	FY'09	YoY
System Wide Revenues	13,209	12,241	8%	16,893	21%
Net Revenues	9,045	8,478	7%	11,486	14%
Operating Expenses	7,951	7,656	4%	10,300	14%
EBITDA	1,094	822	33%	1,186	15%
OM	12%	10%	239 bps	10%	4 bps
Depreciation	556	456	22%	647	22%
Other Income	(272)	(10)	-	(45)	-
Profit Before Tax	265	357	(26%)	494	23%
Tax	28	64	(56%)	104	-
Operational Net Profit	237	293	(19%)	390	(8%)
Share of Profits from Associates	218	228	(5%)	308	(8%)
PAT	455	521	(13%)	698	(8%)
Basic EPS (Rs)	2.8	3.2	(13%)	4.2	(9%)

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

37

9M'FY10: Results Highlights

NIIT

- Revenue at 9,045 Mn (up 7% YoY), EBITDA Rs. 1,094 Mn (up 33% YOY)
- EBITDA margin improved by 239 bps YoY to 12%
- Net Profit Rs. 455 Mn, down 13%, impacted by lower other income and lower profit from associates
- ILS revenues at Rs. 3,131 Mn, up 6%; EBITDA up 12% with margin improvement of 123 bps YoY; Enrollments grow 11% YoY
- CLS revenues at Rs 4,029 Mn; EBITDA margin improvement of 531 bps YoY; Order Intake of \$97 Mn
- SLS revenues up 78% YoY to reach Rs. 1,679 Mn with EBITDA of 222 Mn (up 65%); Order intake of Rs. 1,909 Mn

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Improved operating performance in a challenging environment

38

9M'FY10: Business Highlights

NIIT

- **ILS:** Strong growth in IMS enrollments 57%. Placements continue to be strong at 29%. Initiated ERP training
- **SLS:** 2711 new schools added including Gujarat order for 1,870 schools and 229 private schools. Improved funnel in private schools; Successful implementation of 3,700 schools YTD, the highest ever, demonstrated capability in execution excellence in large projects
- **CLS:** Growth in online learning products and in training outsourcing; Cost management yields strong improvement in EBITDA margin



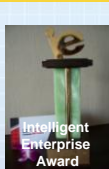
LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

NIIT strengthens its leadership position

39

9M'FY10: Awards & Recognitions

NIIT



- ✓ Dataquest 'Top IT Training Company Award, 2009' for the 17th Consecutive year
- ✓ Gold Excellence for eLearning Award by the Chief Learning Officers' Magazine, USA (2nd year in a row)
- ✓ TechAmerica's "Outstanding contribution to Leadership in Technology Education" Award



- ✓ NIIT USA received 3 Brandon Hall awards for training (2 for innovation technology and 1 for content creation)
- ✓ 5 Awards by China Education Ministry for NIIT including "Best IT Training Institution in China" and Top 10 Brand in Education, Student Job Placement and Franchising



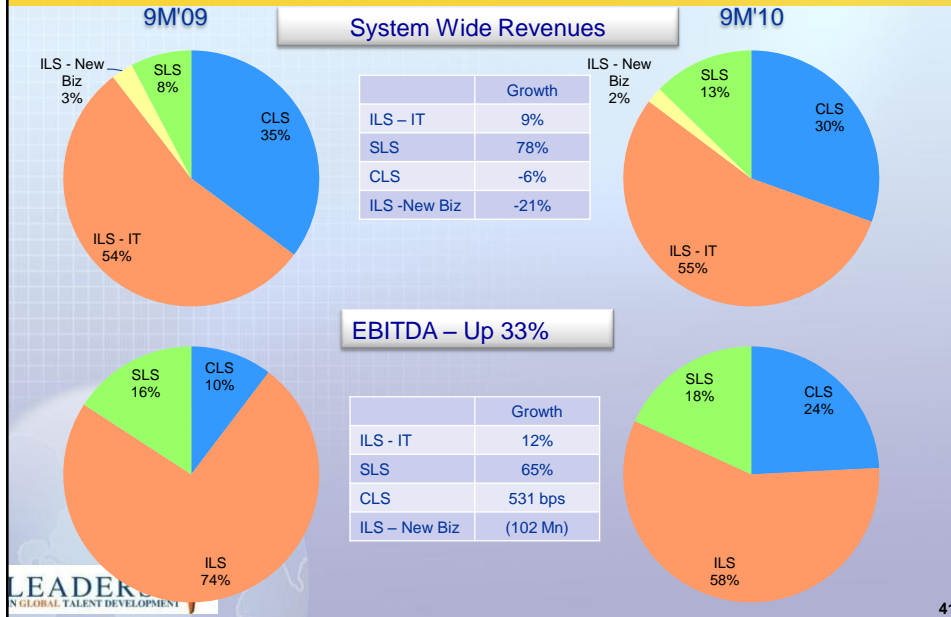
- ✓ Three Awards at India's largest ICT event, "the eINDIA 2009" event – includes Best ICT enabled School
- ✓ Polycom Intelligent Enterprise Award at the Technology Senate 2009 for the Synchronous Learning Technology ("Early mover & Pioneer in the Education Segment)
- ✓ Best Training School' by The Week – Nielson survey for IFBI
- ✓ Recognized amongst Bersin & Associates Learning Leaders

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Recognitions across continents

40

Business Mix



ILS - IT: Highlights



Rs. Mn	9M'10	9M'09	YoY	FY09	YoY
System wide revenues	7,233	6,656	9%	9,317	31%
Net Revenues	3,131	2,948	6%	3,982	23%
EBITDA	705	627	12%	865	30%
EBITDA %	23%	21%	123 bps	22%	123 bps

- SWR Geo Mix: India 60%, ROW 22%, China 18%
- Enrolments grew 11% (up 22% in Q3 FY10); IMS enrollments up 57%, Placements up 29%
- Introduced IMS track in GNIIT, Diploma in Finance & Accounts and ERP training for SMB segments were launched
- Chengdu and Dalian PPP centers launched in China; China revenues grow at 22%
- Nearly 1000 students enrolled in the Kwa Zulu Natal South Africa project for IT and BPO training



Improving business environment; Focus segments do well

SLS: Highlights

NIIT

Rs. Mn	9M'10	9M'09	YoY	FY09	YoY
Net Revenues	1,679	942	78%	1,383	37%
EBITDA	222	134	65%	214	63%
EBITDA %	13%	14%	-103 bps	15%	246 bps

- GSA contributes 80% of revenue- up 98%; non GSA up 27% YOY
- Order Intake: Rs.1,909 Mn
- Schools added: 2711 (including 229 private schools)
- E-guru solutions gained further traction
- Pending order book at Rs 3,484 Mn (up 30% YoY); 30% executable in next 12 months



LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

SLS continues on a its strong growth trajectory

43

CLS: Highlights

NIIT

Rs. Mn	9M'10	9M'09	YoY	FY09	YoY
Net Revenues	4,029	4,305	(6%)	5,786	5%
EBITDA	296	88	238%	183	(32%)
EBITDA %	7%	2%	531 bps	3%	(169 bps)

- Online Learning Products +14% YoY
- Cost Management and Product mix change results in EBITDA improvement
- Back-end and sales integration results in greater operational flexibility
- Increased variabilization of expense structure to help long term profitability
- Addition of 40 new customers show a shift in buying behavior
- Order Intake \$96.6 Mn; Pending order book at \$89.3 Mn (up 10% YoY) ; 57% executable in next 12 months

Don't choose Element K because we have more titles.

Choose us because we have better content.



Don't take our word for it - ask your employees. After experiencing our courses, customers tell us their employees prefer the quality and innovation delivered only by Element K, and our best-in-class partners like Sun, Microsoft, Pearson Business Publishing, Wiley Lessons, and others.

element k
your learning solution partner

©2010 Element K Corporation

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

Significant margin improvement due to cost control and product mix change

44

ILS- New Business: Highlights



Rs. Mn	9M'10	9M'09	YoY	FY09	YoY
Net Revenues	204	284	(28%)	334	9%
EBITDA	(129)	(27)	-	(75)	-
EBITDA %	(63%)	(10%)	-	(23%)	-

IFBI

- Continued addition to Placement partners for IFBI including Religare Financial Services and HDFC Standard Life Insurance, ING Life, Tata AIG, WNS, HDFC securities
- Entry into training in Rural and Agri Finance, launch of Diploma in Financial Accounting

Imperia

- New programs in HR (IIML), Supply Chain (IMC), IFRS (KPMG)

Uniqua

- Government employability training in AP under Rajiv Udyogshree

- 9,500+ enrollments
- Order intake of Rs. 217 million, Pending order book Rs. 61 Mn ;

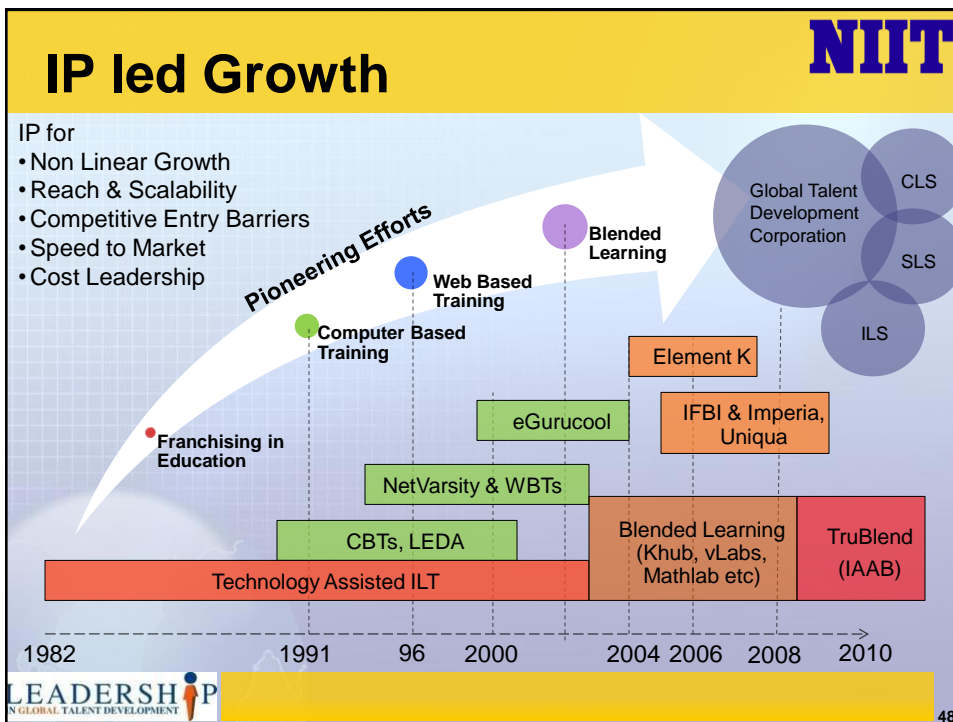
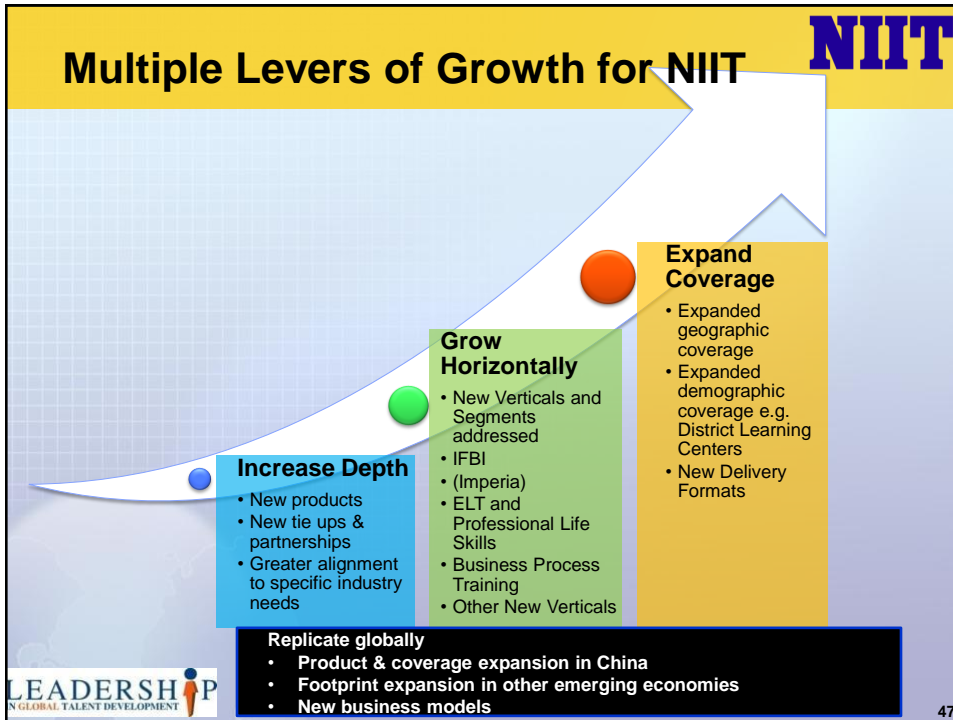


Expanded partnerships and product offerings



Future Direction





New models to increase reach

NIIT

District Learning Centre-Chindwara

Then.....



Now.....



LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

49

Long Term Strategy

NIIT

ILS	<ul style="list-style-type: none"> • Higher education partnerships • Expansion of product portfolio; expansion in focus geographies • Increase market size by moving down the pyramid (DLC, CLC)
SLS	<ul style="list-style-type: none"> • Growth in Gov't Schools; balance risk, profitability, resources • Excellence in Math, Science, IT, English – foundation for strong growth in private schools • New PPP models for Model Schools/ Vocational Training
CLS	<ul style="list-style-type: none"> • Growth in Learning Products and Training Outsourcing business with focus on annuity streams • From development to deployment • Greater growth in emerging economies

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

50

New Government: Promise of Enrichment of Human Capital

Emerging Opportunities in Education & Training

- Increasing government focus on education sector; keen to improve both quantity and quality of education
- ICT@Schools programs being expanded; To cover 180K+ Government schools by FY17
- Rashtriya Madhyamik Siksha Abhiyan (RMSA)
 - To go beyond ICT education; labs for physics, chemistry, biology and mathematics; curriculum to meet NCF 2005 norms
 - Teacher Training with emphasis on ICT usage
- New Schools in PPP mode (6000 schools)
- Rs 150 Bn planned for National Skills Development Commission
- A clear roadmap on private sector participation and a reformed governance framework

India Skills Development Opportunity

NIIT

Goal to create 500 million certified and skilled technicians in the country by 2020

Institutional arrangements:

- National Council for Skill Development – PMO
- National Skill Development Coordination Board – Planning Commission
- National Skill Development Corporation

Aiming at:

- Upgradation of 1,396 ITIs
- 1,600 more ITIs and Polytechnics
- 10,000 new vocational schools
- 50,000 new skill development centres

NIIT

Summarizing

NIIT: Today and Tomorrow

NIIT

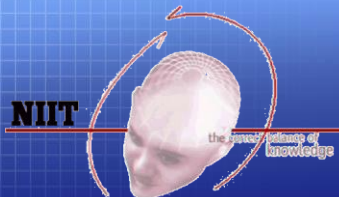
- We are today, the market leader with strong credentials and competencies
- We have a strong financial track record, and in the past have successfully dealt with market adversities and uncertainties
- We have successfully transitioned from an IT Training Company to a Global Talent Development Corporation
- Our current businesses are aligned to attractive markets
- We have a robust and de-risked strategy for the future
- Increasing IP leverage would allow greater scalability and profitability

LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

55

NIIT

Leadership in the Century of the mind



LEADERSHIP
IN GLOBAL TALENT DEVELOPMENT

56