



SHARPENING THE EDGE

Annual Investor Meet
Mumbai: May 11, 2011

Agenda

Part I

- Education & Training: Landscape
- Company Overview
 - Individual Learning Solutions
 - School Learning Solutions
 - Corporate Learning Solutions

Part II

- FY11: Results Update
- Sharpening The Edge



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**EDUCATION & TRAINING:
LANDSCAPE**

- Economic growth in most advanced economies (US, Europe, Japan) to remain anemic: Roubini (Jan, 2011)
- Threat of rising sovereign risk and public debt
- **‘LUV’ continues:** Economic Recovery in Europe to be L shaped, U shaped in USA and V shaped in Emerging economies
- Consumption trend moving from advanced economies to emerging economies providing large growth markets
- Inflation in food and energy prices remain key risks
- Demographics to be a big factor in policy and economic growth going ahead: E&Y
- China, India lead economic recovery: IMF

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 and Soft Skills
- **IFBI**: Banking, Finance, Insurance
- **Uniqua**: BPO/KPO Skills
- **Imperia**: Management education
- **English Plus**: Communication skills
- **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

- Largest online learning library
- 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 largest providers of corporate training in the world. Uniquely positioned to take maximum advantage of the growing training outsourcing trend, in India and internationally

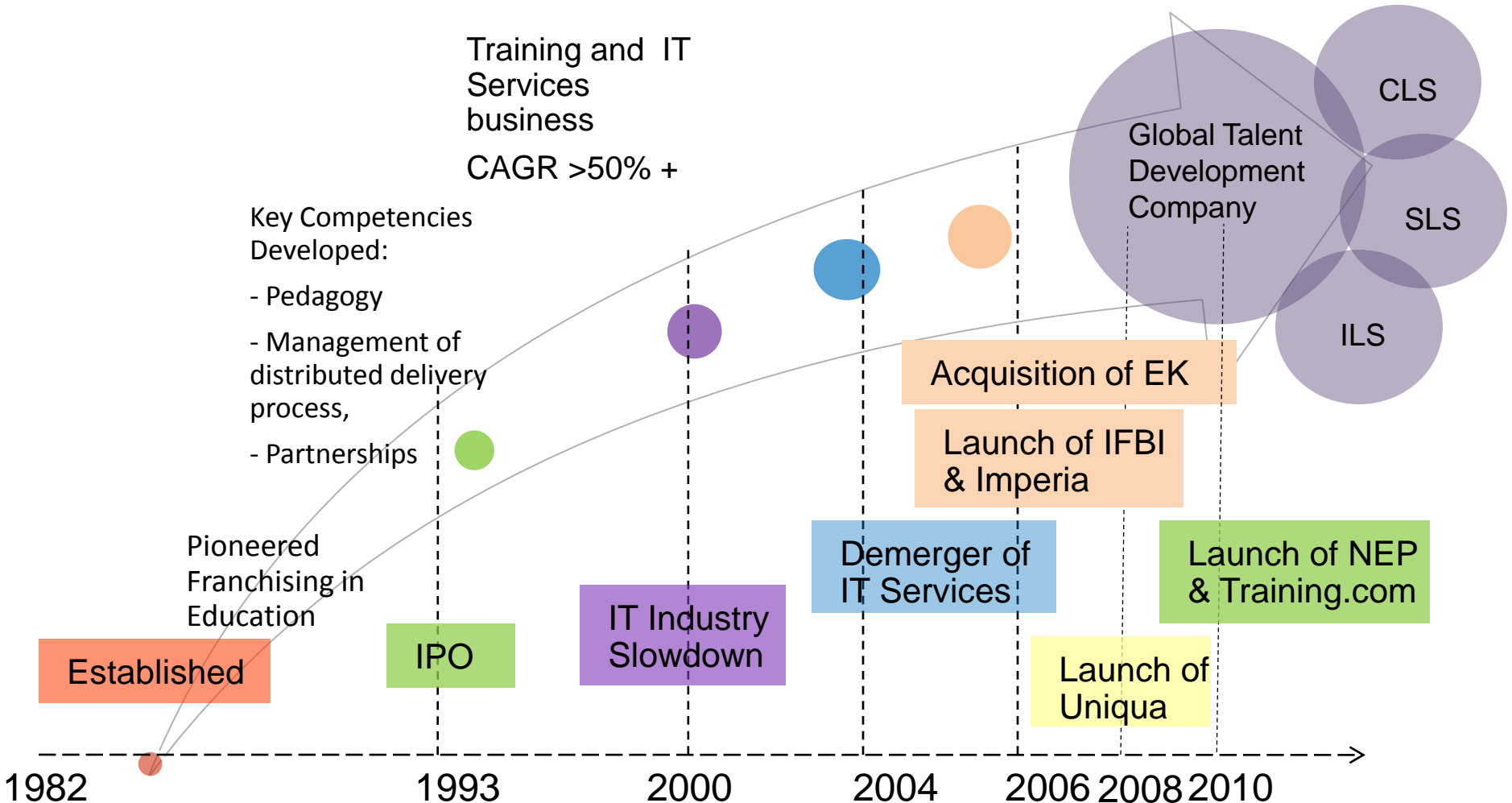
Demonstrated ability to build viable, scalable and sustainable education & training businesses



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COMPANY OVERVIEW

IT Training To GTD



NIIT has grown from being an IT training company to a global talent development corporation



Servicing The Full Labor Supply Chain



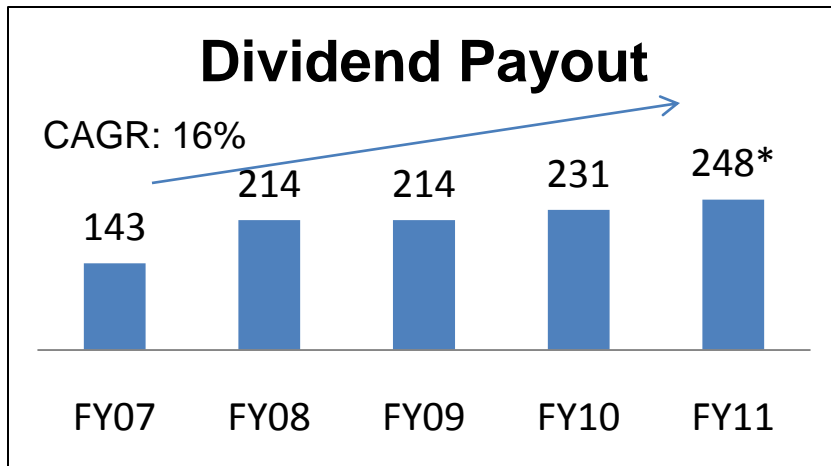
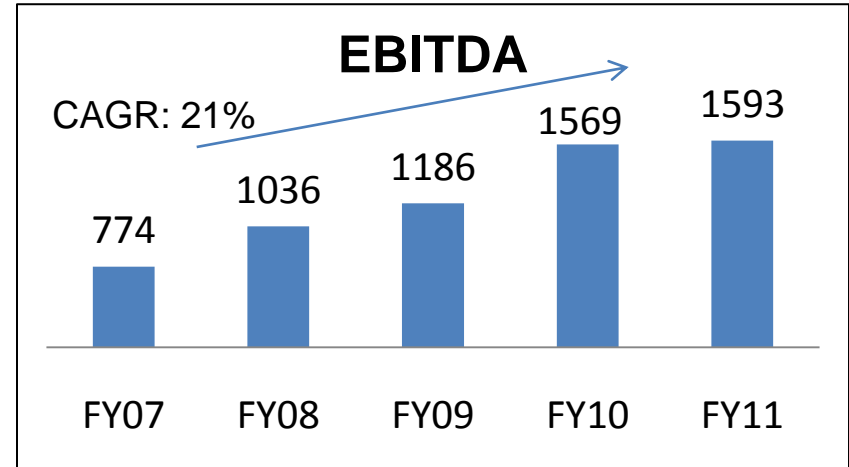
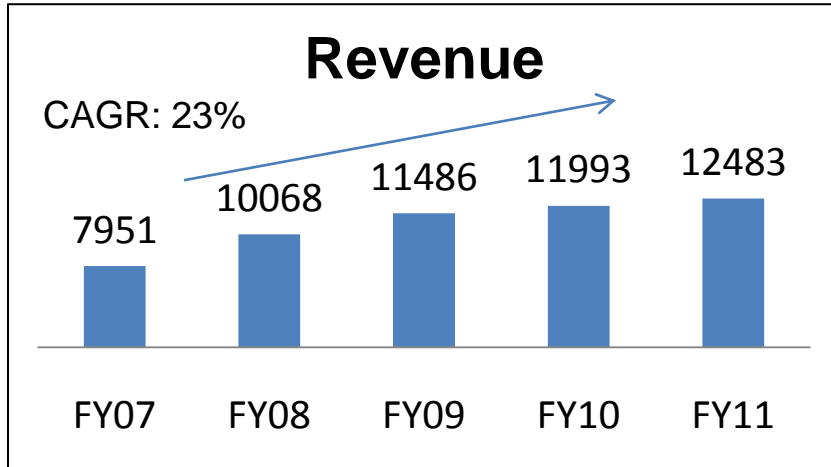
	School Learning Solutions	Individual Learning Solutions	Corporate Learning Solutions
Target Audience	School children	Young adults	Working professionals
Value Proposition	Academics	Employability	Productivity
Customer	School	Individual	Corporate
Coverage	<ul style="list-style-type: none"> • Multimedia Teaching & Learning Content • IT Learning • Teacher Training • School Management Services 	<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"> • Online & Print Learning Products • Training Delivery • Custom Content Development • Managed Training Services
Geographic Coverage	India , Emerging Economies	India, China, Emerging Economies	India, USA, Europe



NIIT: Last 5 Year Financial Track Record



Rs Mn



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

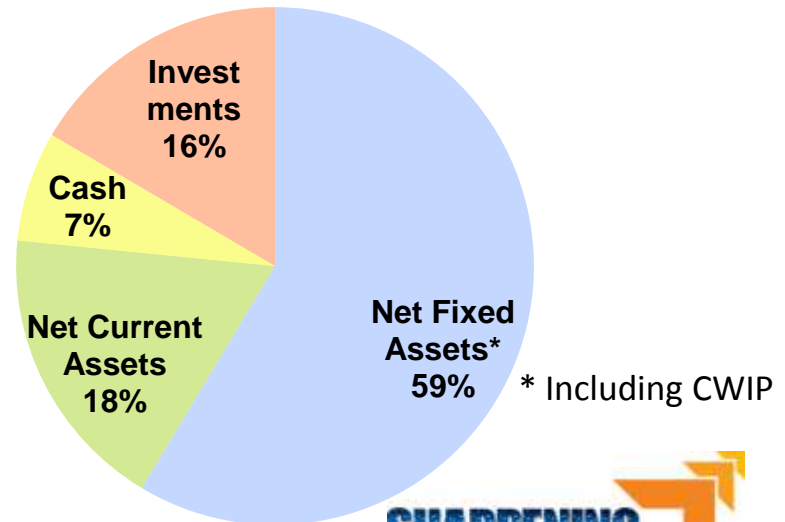
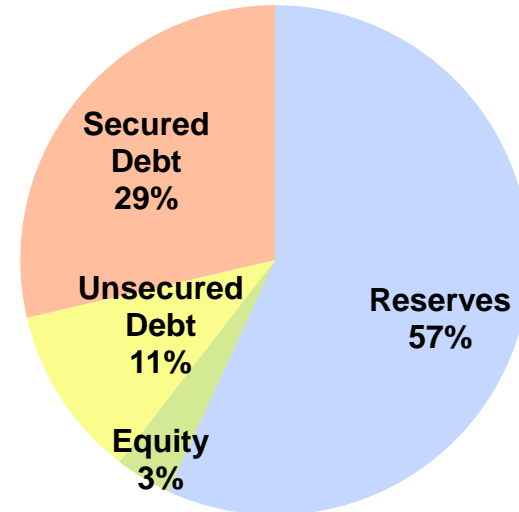
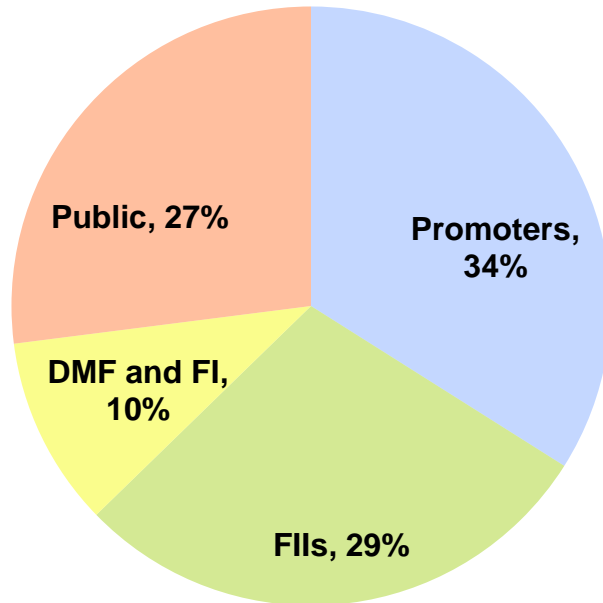
*Proposed



Capital Structure

Total Capital employed – Rs. 9,253 million

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





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BUSINESSES



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**INDIVIDUAL LEARNING
SOLUTIONS**

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

IFBI: Partnerships*



*Selected



Institute of Finance, Banking & Insurance

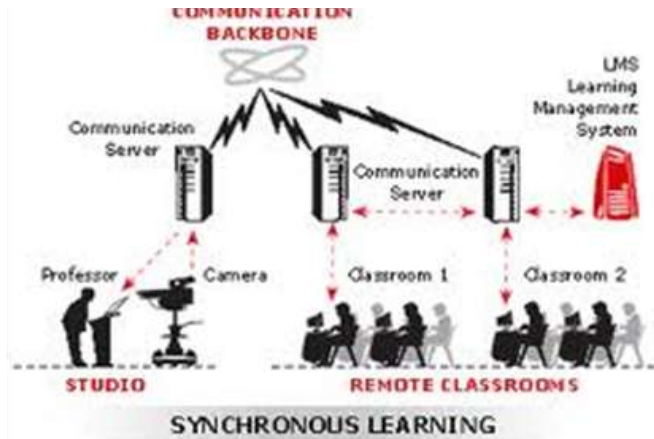


Creating job ready professionals for banking, insurance & financial services industry



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

Imperia: Partnerships*

*Selected

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

NIIT
UNIQUA
CENTRE FOR PROCESS EXCELLENCE
AN NIIT-GENPACT VENTURE

GENPACT
Global Business Impact™

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

NIIT
UNIQUA
CENTRE FOR PROCESS EXCELLENCE
AN NIIT-GENPACT VENTURE

Creating skilled workforce for the ITES sector

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ILS: Our Reach



- India : 599 Centers
- China: 192 Centers
- ROW: 159 Centers

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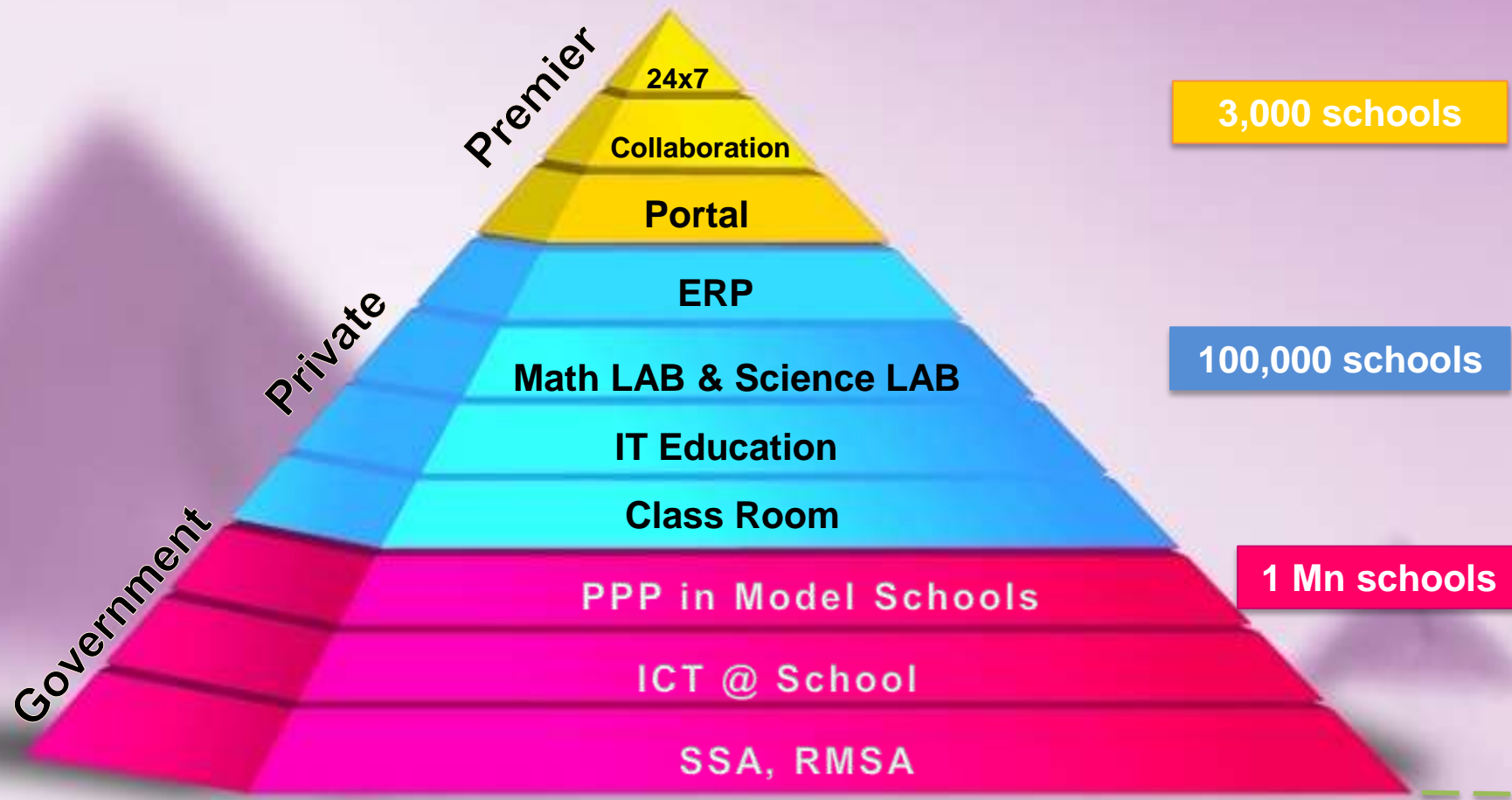
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**SCHOOL LEARNING
SOLUTIONS**

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

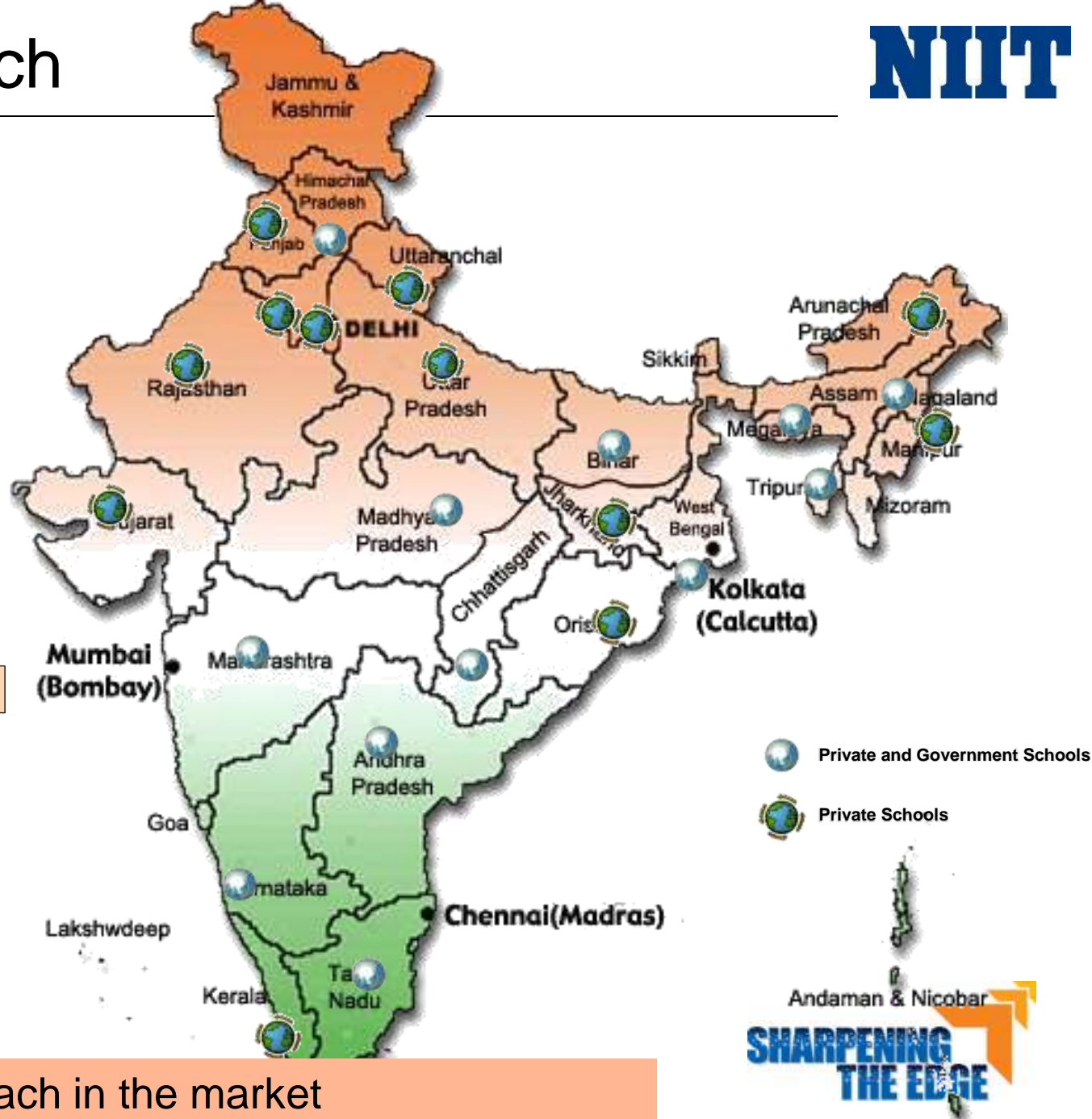
Hrs of Content

45,685

Instructors

16,689

Schools



NIIT has the widest reach in the market



Interactive Class Room



Math Lab



Science Lab



Quick School (ERP)



Web & Multimedia curriculum



Shared computing



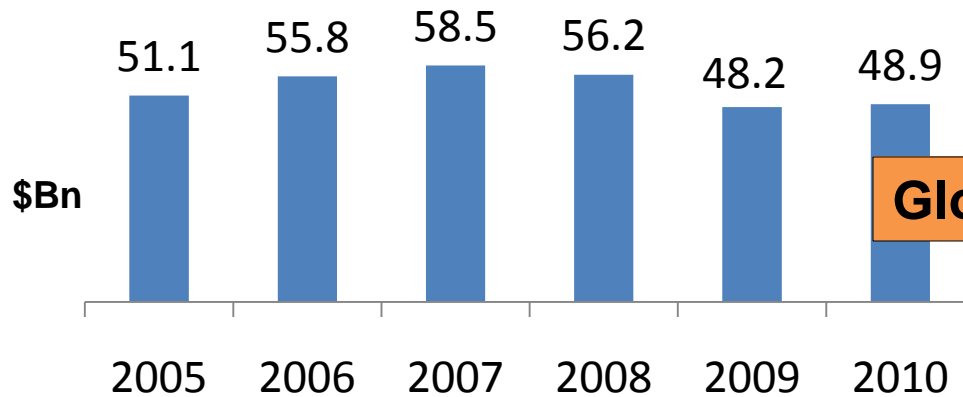
Widest range of offerings



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**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

Our Credentials

One of the largest E-Learning Libraries



50,000 Hrs of e-Learning



20,000+ Training Days per Year



150+ University Courses

12000+ Person Years of Experience



1500+ print catalog



5800+ e-learning library



285,000+ Student Learning Hours



20,000 Hours of ILT

1500+ Professionals: Largest Content Development Facility in the world



29,000+ Mentoring Hours



4Mn+ Hosted Users



297,000 Transactions/mo

Over 2000 Customers globally

Most comprehensive and global, training outsourcing capability

Learning Products - Online

- 5800+ titles; 50,000+ topics
- 4 Mn+ learners on Khub
- SAAS model

Print & Publishing

- Largest print library
- Over 8000 titles
- Print on demand

Managed Training Services

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

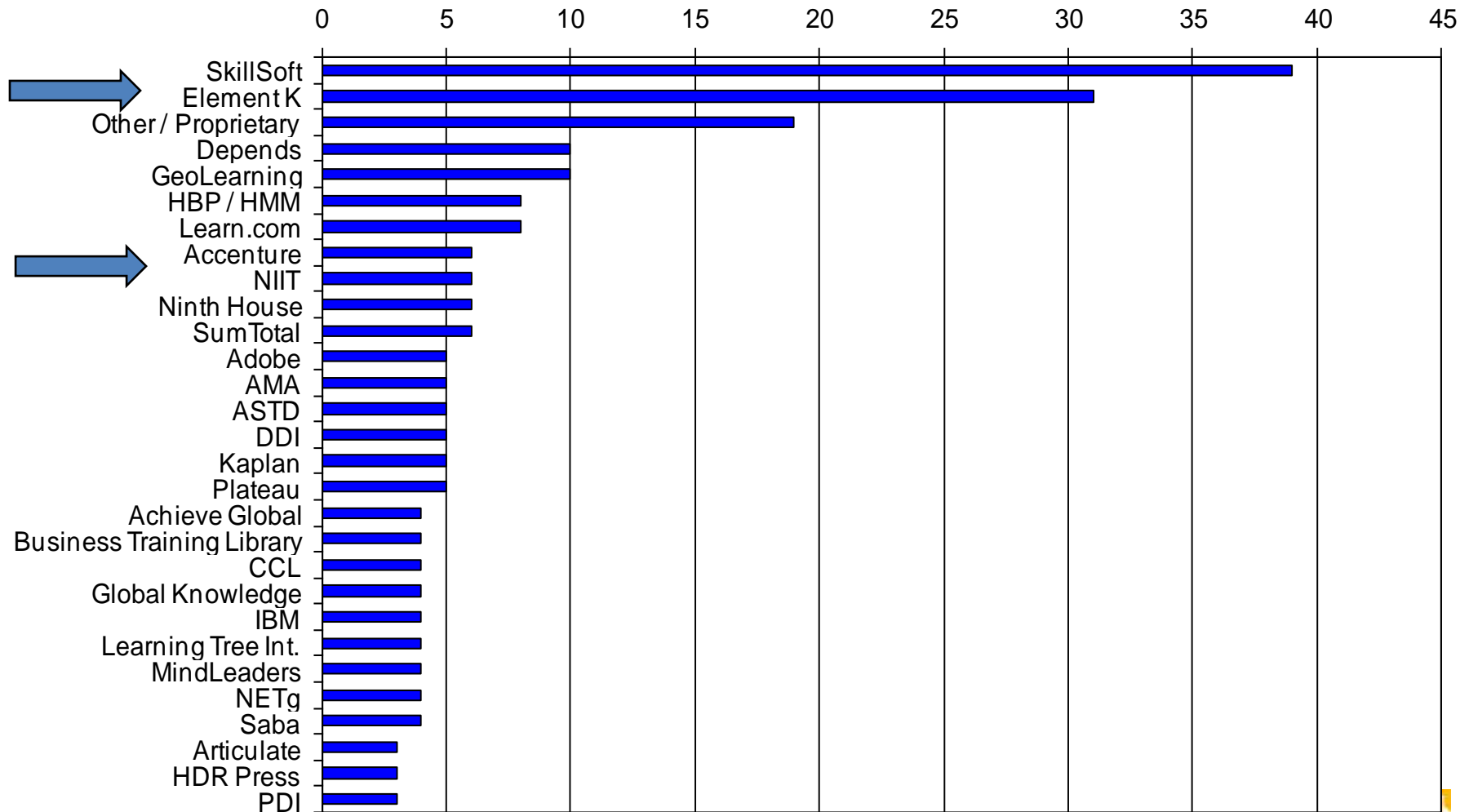
Custom Projects

- 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



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FY'11 RESULTS UPDATE

- Strong Indian economy. Rising Interest rates aimed at inflation control. Volatile capital flows.
- Strong hiring by employers across industries. Strongest hiring intentions since 2005 with Net Employment Outlook at 51% up 13 percentage points YoY (Manpower Employment Outlook Survey)
- Fresher IT recruitment to cross 200,000 next fiscal year.
- Banking Industry continues its hiring spree for operations and sales; uncertainty in the Insurance sector due to regulatory changes persists
- Education and skill development remains a top agenda with the Government, with greater private sector participation.
- Corporate sector business confidence improving. US markets showing recovery in terms of training spends; Outsourcing activity is growing faster in Europe

- Consolidated System wide revenues ₹ 19,072 million ,up 6% YoY. Growth of 10% on a like to like basis*
- Net Revenues at ₹ 12,483 million, up 4% YoY. Growth of 9% on a like to like basis*
- EBITDA ₹ 1,593 million. EBITDA margin at 13%.
- Profit before Tax ₹ 557 million, up 14% YoY
- Net Profit ₹ 922 million, up 31% YoY
- EPS of 5.6 per share; Board recommends dividend of 75%, ₹ 1.50 per share

* Normalized for one time pass through revenue last year in School Learning Solutions

Key Drivers

- Growth in Career IT and Banking enrolments in the Individual business
- Ramp up in Non Government schools, added 581 (+76% YoY) Non-Government schools
- Robust order intake in Corporate Learning Solutions
- Larger Annuity and IP based revenue

Operating margin impact due to ongoing business renovation/
transition costs of large MTS contract and forex impact

FY'11 - Awards & Recognitions

- ✓ Element K wins the Brandon Hall Silver Excellence Award for blended learning
- ✓ NIIT (US) Accepts Honors for Learning and Talent Management Solution at Bersin Impact 2010 Conference
- ✓ NIIT (US) ranks amongst Top 10 Training & Learning Business Process Outsourcing Vendor in – Black Book of Outsourcing
- ✓ NIIT HiWEL wins the prestigious Mac Arthur Digital Media and Learning Award NIIT USA wins CLO Gold for Virtual World Education
- ✓ Element K named finalist for “Best IT content 2010” by Elearning! Magazine.
- ✓ “Microsoft award for best learning solutions, highest revenue partner for the year 2009-10
- ✓ **“Franchisor of the Year” from Franchise Plus magazine for developing and demonstrating the best business model in the field of IT education.**
- ✓ **‘Best Education Company to Work with’ award at the Indian Education Awards**
- ✓ **Aon Hewitt’s Top 25 ‘Best Employers in India-2011’**



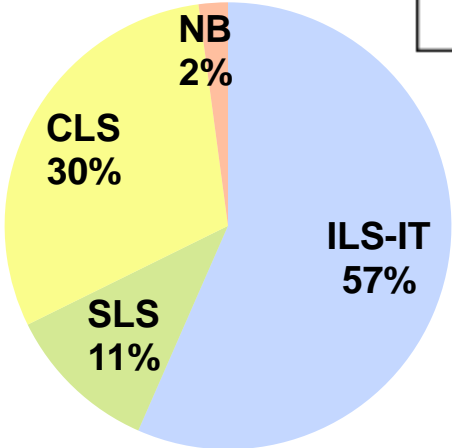
FY'11 - Consolidated Financials

(Rs. in mn)	FY'11	FY'10	YoY (%)
System wide Revenues	19,072	17,964	6%
Net Revenues	12,483	11,993	4%
Operating expenses	10,889	10,425	4%
EBITDA	1,593	1,569	2%
EBITDA%	13%	13%	-32 bps
Depreciation	854	751	14%
Net Other Income	-181	-329	148 mn
Profit before Tax	557	488	14%
Tax	89	108	-18%
Operational Net Profit	469	380	23%
Share of Profits from Associates	453	322	41%
PAT	922	702	31%
Basic EPS (Rs.)	5.6	4.3	31%

FY'11 - Business Mix



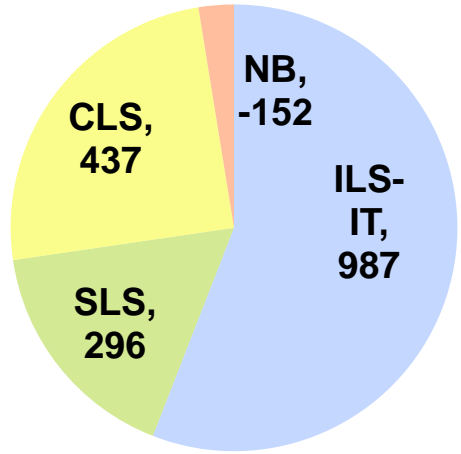
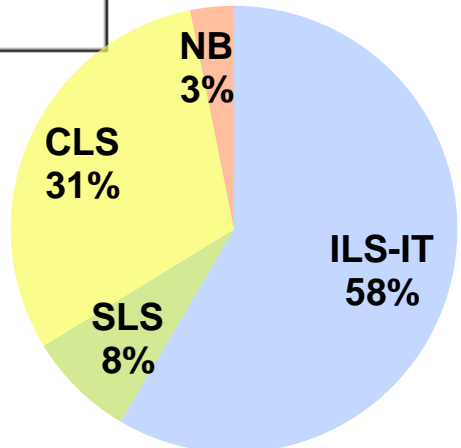
FY'10



System Wide Revenues

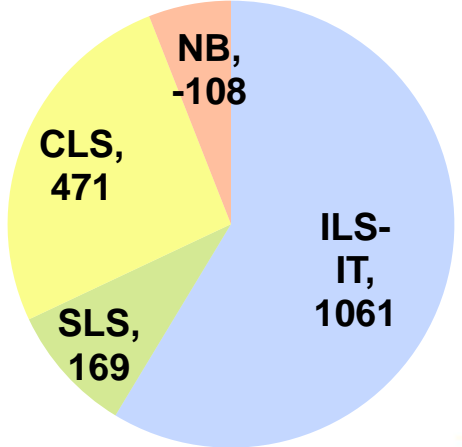
	% Change
Individual	+10%
Schools	-26%
Corporate	+8%
New Biz	+59%

FY'11



EBITDA

	Change
Individual	+7%
Schools	-43%
Corporate	+8%
New Biz	+44 mn



Volume growth helps improve share of Individual and Corporate business in EBITDA. New business EBITDA losses reduced by 44 million YoY



Individual - IT

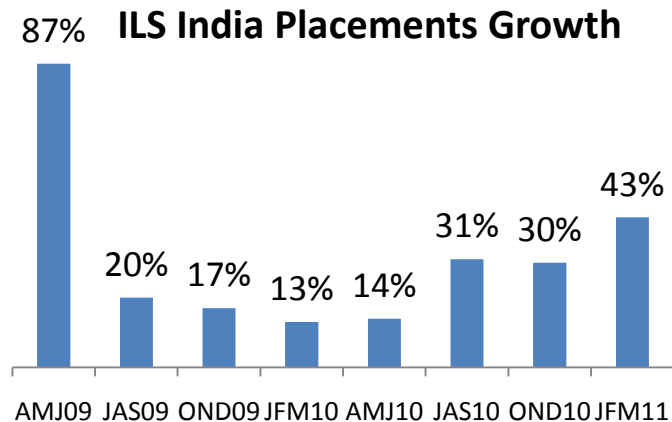
₹ Mn	Q4'11	Q4'10	YoY	FY'11	YoY
System wide Revenues	3,118	2,929	6%	11,153	10%
Net Revenues	1,221	1,144	7%	4,681	10%
EBITDA	276	282	-2%	1,061	7%
EBITDA %	23%	25%	-207 bps	23%	-43 bps

Q4'11

- ❖ Enrolments: Career enrollments up 19% YoY, Edgeineers up 33%; Overall enrolments up 12%
- ❖ Strong growth in placements; up 43% YoY

FY'11

- ❖ Enrolments : Overall up 6%YoY; 66% growth in short duration IT diploma programs and 18% in Edgeineers programs
- ❖ Partnership with SAP, Zend (PHP), Google (Android) for advanced programs
- ❖ Seat capacity added : 6% YoY



₹ Mn	Q4'11	Q4'10	YoY	FY'11	YoY
Net Revenues	374	321	16%	1,481	-26%
EBITDA	28	74	-62%	169	-43%
EBITDA %	8%	23%	-1550 bps	11%	-336 bps

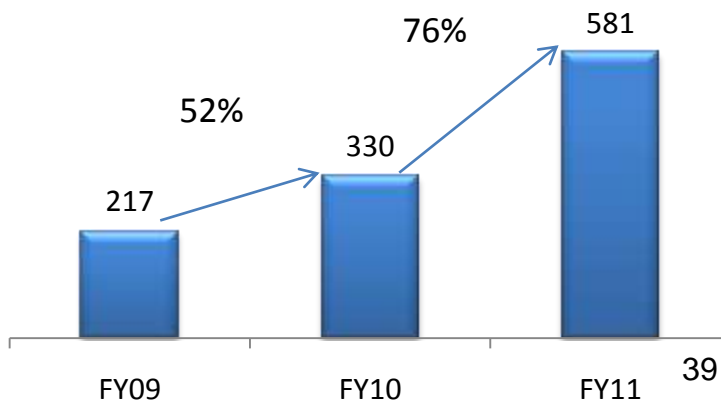
Q4'11

- ❖ 196 Non Government schools added (Signups up 94% YoY)
- ❖ Order intake of Rs. 352 million .
- ❖ Non Government Revenue contributed 44% of revenue, grew at 26% YoY

FY'11

- ❖ Strong addition of non-government schools (581), up 76% YoY; Total schools added at 1,594
- ❖ Improved business mix, with Non-GSA at 40% of SLS revenues (vs 23 % LY); Non-GSA grows at 25% YoY
- ❖ Order Intake at Rs. 2,567 million.
- ❖ Pending Order book at Rs. 4,402 million, up 33%; 30% executable in next 12 months

Non –GSA School Additions



₹ Mn	Q4'11	Q4'10	YoY	FY'11	YoY
Net Revenues	1,526	1,393	9%	5,835	8%
EBITDA	119	141	-16%	471	8%
EBITDA %	8%	10%	-233 bps	8%	1 bps

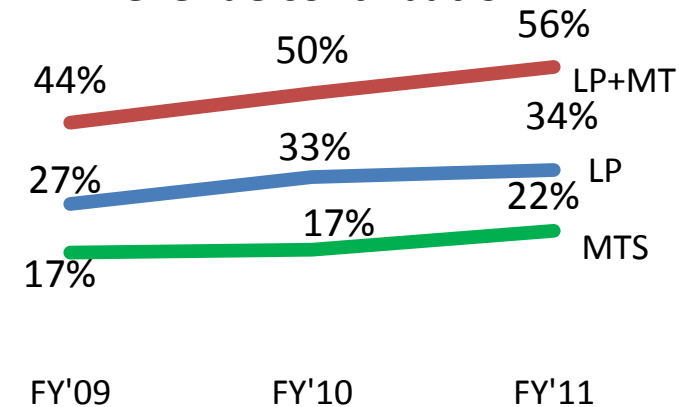
Q4'11

- ❖ 12% volume growth, driven by growth in MTS & Online Learning Products
- ❖ 2 multi million dollar wins for MTS, during the quarter; Margins impacted by transition costs and Forex impact

FY'11

- ❖ 13% volume growth, driven by strong growth in MTS (up 38% YoY) and LP (up 18% YoY)
- ❖ 4 new multi million MTS wins; 1 existing customer upgraded to MTS
- ❖ Adverse exchange impact : Revenue Rs. 255 million and EBITDA Rs. 53 million
- ❖ Order intake of \$ 138.1 million; Pending Order book at \$ 98.2 million, 59% executable in next 12 months.

Revenue contribution



Individual - New Businesses

₹ Mn	Q4'11	Q4'10	YoY	FY'11	YoY
System wide Revenues	150	112	34%	602	59%
Net Revenues	117	92	28%	485	64%
EBITDA	-20	-22		-108	

Q4'11

- ❖ Order Intake Rs. 116 million. Pending order book at Rs. 107 million
- ❖ FMT enrolments up 177% signaling strong hiring in the Banking sector
- ❖ IFBI crosses 10,000 placement mark

FY'11

- ❖ Order Intake Rs. 529 million. Pending order book at Rs. 107 million.
- ❖ Overall enrolments up 82%
- ❖ New Corporate clients added in BFSI as well as Uniqua

**10000 STUDENTS
WON'T BE
WEARING
T-SHIRTS
ANYMORE.**



**WE'RE PROUD TO ANNOUNCE THAT
10000 IFBI STUDENTS HAVE BEEN PLACED
WITH INDIA'S TOP BANKS & FINANCIAL
SERVICES ORGANIZATIONS**



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ILS: Realigning For Higher Growth

- Started the year with lower order book
- Launched new initiatives
 - **New products** to address changing preferences
 - **New delivery model:** Embedding VSAT based delivery, across centers and online portal to expand reach and increase efficiency
 - **NIIT Inside:** Separate team with focus on in College delivery
 - **Higher end segment:** New products (ERP, business analytics etc) launched to cater to this segment
 - **'One NIIT':** Integrating IT, FMT and New Businesses
 - **Stronger placement push:** Placements up 31% in FY11 (up 43% in Q4)
- Closed the year with strong order book
- Consequently, we expect the growth momentum to pick up in FY12



SLS: Reprioritization Of Portfolio

- Capital intensity of Government ICT contracts and delay in payments impacted returns



NIIT took the following steps

- **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(25% YoY) while overall revenue has been flat (excluding pass through revenues from Gujarat contract in Q2, FY10) ; 76% increase in private school signups
 - Government revenue share drops from 77% last year to 60% in FY11
- **Strong order book (Rs 4,402 million, up 33%) to provide steady revenue base; Growth to be spearheaded by private schools**

- Larger percentage of CLS was project based and therefore susceptible to economic volatility

NIIT took the following steps

- **Focus on higher margin annuity based businesses**
 - Learning Products: Invested in sales force and product development
 - Managed Training Services: sharpened the value proposition of the offering; added 5 new large accounts in FY11 to the existing Philips engagement
- **FY11 saw a significant improvement in business volume and profitability**
 - Share of LP and MTS increased from 52% of CLS revenues in Q1 FY11 to 58% in Q4 FY11
 - Margin growth in FY11 restricted by exchange and by transition costs
- **Annuity contracts in LP and MTS to provide accelerated revenue growth with improving margins**



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



NIIT plans to establish a large presence in skills development



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

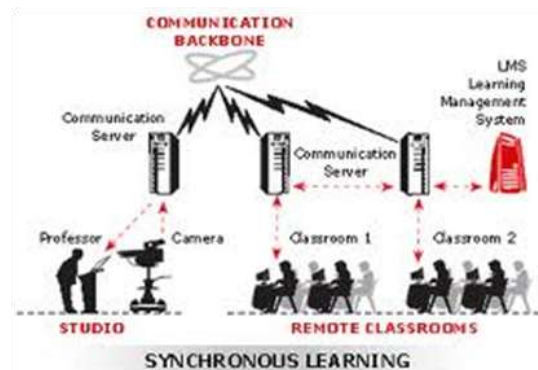
Partnerships

Building sustainable partnerships

NIIT: Overall

Leverage Capabilities developed to drive growth in all businesses

- Low cost training centers – CLC, DLC
- Technology based delivery models – SLT (VSAT Based), V-Lab, Online portal
- Learning libraries - EK, SLS
- ‘NIIT Inside’ model; University partnerships



1. Quality of Revenues to improve

Quality of revenues is improving with higher **IP Led, annuity based, higher margin businesses**

- IP led revenue has improved from 43% in FY10 to 44% in FY11
- Total Pending Order book is up 20% YoY to \$225 million
- Order book >1 year at 53%, up from 48% as of March 31, 2010

2. Higher Margins through:

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

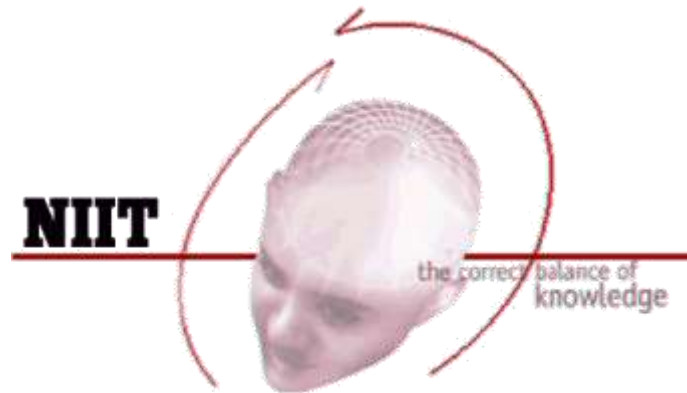
3. ROCE improvement due to:

- Better margins
- Capital redeployment

4. Skills development offering: An attractive opportunity

To build on NIIT's existing strengths

NIIT



Leadership in the Century of the Mind