

Financial Results FY'12

May 9, 2012



You can't spell **TRAINING** without **NIIT**

- Global Economy faced fresh challenges in FY12 with several of the major economies battling with issues of growth and solvency
- Indian economy witnessed a year of slower growth, high inflation and strong forex volatility, the situation exacerbated by slow pace of decision making by government
- Environmental uncertainties affected hiring sentiments across sectors in India; Net Employment Outlook declined YoY in H2 FY12 by 8 percentage points to +34% *(source: Manpower Employment Outlook Survey)*
- Though large IT firms did not announce any slow down in hiring, their cautious future outlook and actual delays in hiring affected consumer sentiment
- Education and skill development remained a top agenda in India, and for governments around the world.
- In US & Europe, there was increase in demand for managed training services, evidenced by substantial increase in RFP's issued by large corporates

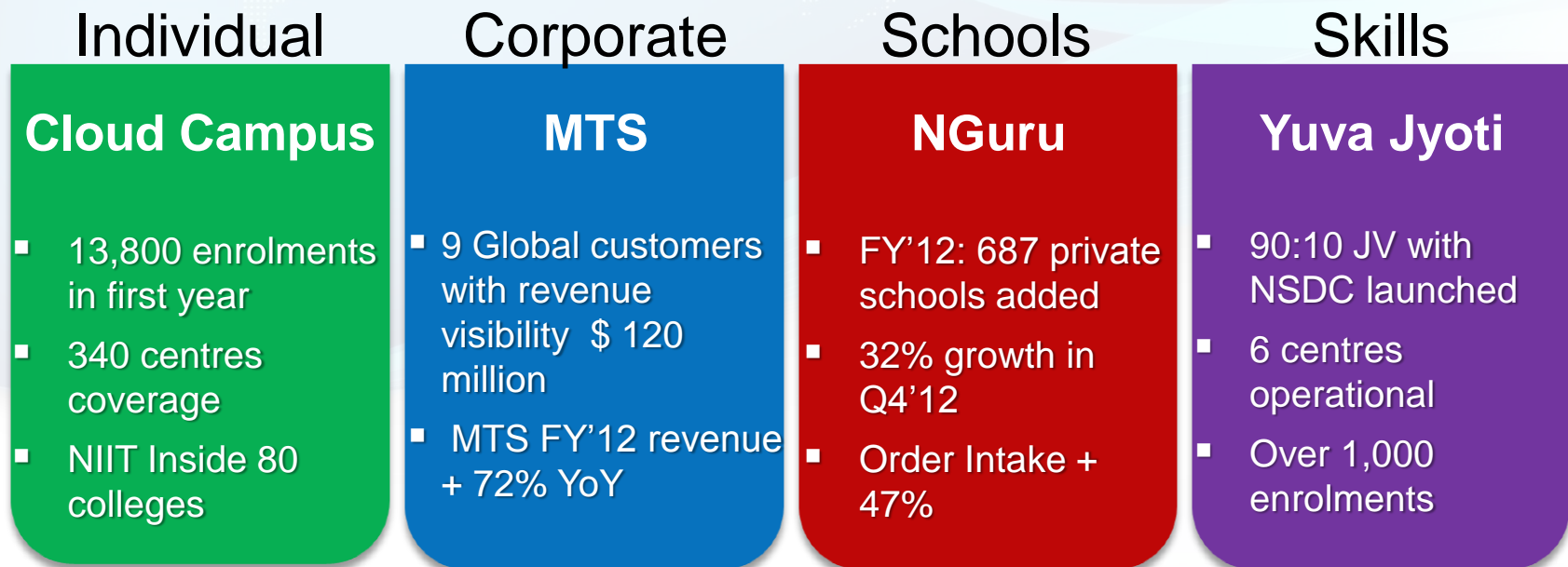
Overall, FY12 presented a challenging business environment

NIIT: Growth Platforms

NIIT



Highest Rated Education Brand



Platforms Of Growth

Highlights

- Successful implementation of Cloud Campus
- Break out growth in Managed Training Services
- All new businesses turned profitable
- Strong growth in Private Schools
- Launch of Skill Building Solutions
- Divestment of Element K at significant premium to acquisition cost
- Recognized as the highest rated education brand, by the Brand Trust Report. Several other awards and recognitions



Highest Rated
Education Brand



Challenges

- Weaker industry hiring and changing customer preferences
- Pace of improvement in government collections
- Continuing cost pressures and impact of new initiatives

Response

- Focus on four platforms for faster growth
- Balance Sheet strengthening

Decisive actions and strong focus led to a number of favorable outcomes

FY12 – Overall Financials

	FY12	FY11	Growth (%)
Net Revenues (Rs. Mn)	12,603	12,483	1%
EBITDA (Rs. Mn)	1,475	1,593	-7%
EBITDA margin (%)	12%	13%	-106 bps
Profit before Tax (Rs. Mn)	2,030	557	264%
Profit after Tax (Rs. Mn)	1,102	922	19%
EPS (Rs.)	6.7	5.6	19%

FY'12 financials not comparable since impacted by EK divestiture in October 2011

On a continuing business basis:

- ✓ ***Revenue + 21%***
- ✓ ***EBITDA 12%***
- ✓ ***PAT + 9%***

FY12 – Consolidated Financials

On a continuing business basis excl pass through revenues

	<u>FY12</u>	<u>FY11</u>	<u>Growth (%)</u>
Net Revenues (Rs. Mn)	9,935	8,642	15%
EBITDA (Rs. Mn)	1,198	1,269	-6%
EBITDA margin (%)	12%	15%	-263 bps
Profit before Tax (Rs. Mn)	253	312	-19%
Profit after Tax (Rs. Mn)	735	677	9%
EPS (Rs.)	4.5	4.1	9%

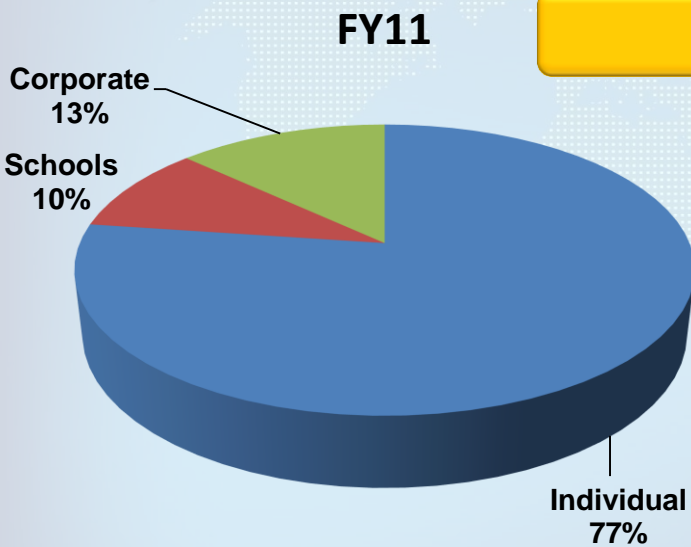
EK financials, exceptional items & pass through revenues excluded from both periods

- Revenue grew 21% on a continuing business; 15% on a like to like basis.
- EBITDA margin at 11%. Normalized margin at 12%
- Net Debt reduced by 98% from Rs. 3,022 million to Rs. 67 million
- D/E ratio improved from 0.65 to 0.16
- Reduction in balance sheet size from 9,253 million to Rs. 7,746 million
- EPS @ Rs. 6.7; + 19%
- Proposed Dividend of 80%

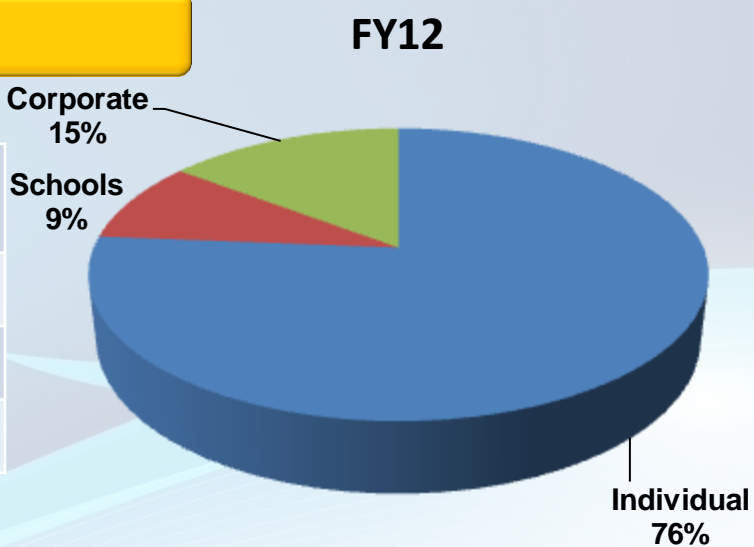
Business Mix

On a continuing business basis excl pass through revenues

Business Mix

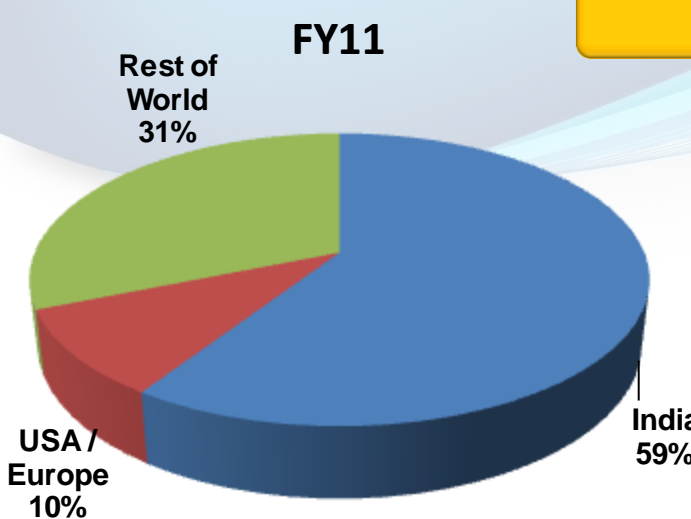


	% Change
Individual	+12%
Schools	+5%
Corporate	+28%

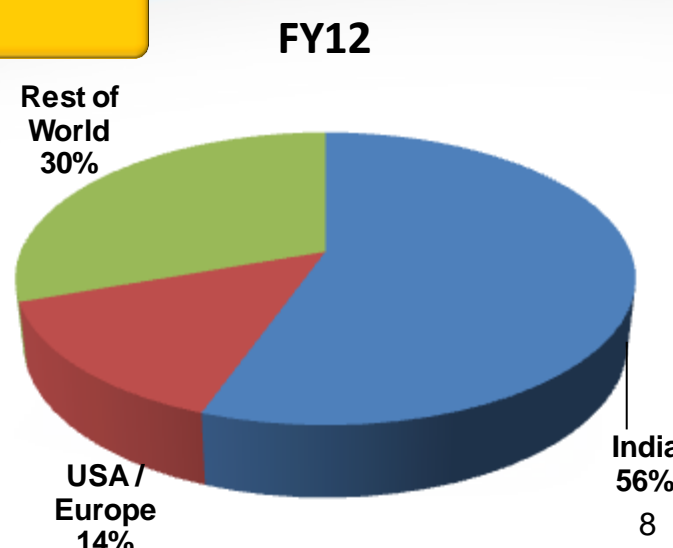


On SWR basis

Geo Mix



	% Change
India	+6%
US / Europe	+67%
Rest of World	+11%



On SWR basis

Q4 FY12 – Overall Financials

	<u>Q4FY12</u>	<u>Q4FY11</u>	<u>Growth (%)</u>
Net Revenues (Rs. Mn)	3,052	3,237	-6%
EBITDA (Rs. Mn)	357	405	-12%
EBITDA margin (%)	12%	13%	-80 bps
Profit before Tax (Rs. Mn)	93	266	-65%
Profit after Tax (Rs. Mn)	262	378	-31%
EPS (Rs.)	1.6	2.3	-31%

Q4'12 financials not comparable since impacted by EK divestiture

On a continuing business basis:

- ✓ ***Revenue + 39%***
- ✓ ***EBITDA 12%***
- ✓ ***PAT + 31%***

Q4 FY12 – Consolidated Financials

On a continuing business basis excl pass thru revenues

	<u>Q4FY12</u>	<u>Q4FY11</u>	<u>Growth (%)</u>
<u>Net Revenues (Rs. Mn)</u>	2,570	2,200	17%
<u>EBITDA (Rs. Mn)</u>	357	310	15%
<u>EBITDA margin (%)</u>	14%	14%	-21 bps
<u>Profit before Tax (Rs. Mn)</u>	141	86	64%
<u>Profit after Tax (Rs. Mn)</u>	261	199	31%
<u>EPS (Rs.)</u>	1.6	1.2	31%

EK financials, exceptional items & pass through revenues excluded from both periods

Individual Learning Solutions

Rs. Mn	Q4'12	Q4'11	YoY	FY'12	YoY
System wide Revenues	3,549	3,268	9%	13,187	12%
Net Revenues	1,522	1,338	14%	5,829	13%
EBITDA	274	256	7%	936	-2%
EBITDA %	18%	19%	-114 bps	16%	-239 bps

Q4FY12

- Enrolments: Global enrolment grow 8% , Short term program enrolments up 25%.
- Margin drop of 114 bps YoY due to cloud campus related expense and adverse product mix

FY12

- Cloud Campus rolled out successfully to over 340 centers; Digital GNIIT enrolments at 13,800
- Enrolments: Short term program enrolments grew 14%, Banking career enrolments up 54% in FY12
- High level of interest in IT programs evidenced by 11% higher number of applicants and 77% higher number of test takers in NIIT Aptitude Test
- Placements up 5% YoY
- All new businesses turn profitable
- Pending order book at Rs. 1,564 million, 2/3rd executable in next 12 months



School Learning Solutions

Rs. Mn	Q4'12	Q4'11	YoY	FY'12	YoY
Net Revenues	865	374	131%	2,042	38%
EBITDA	37	28	31%	146	-14%
EBITDA %	4%	8%	-326 bps	7%	-427 bps

Q4FY12:

- Without Pass through revenues; revenue Rs. 384 mn; OM 10%
- Repeat BOT contract from Assam on favorable terms – Rs. 2,097 mn
- nGuru Interactive Class Room solutions contribute to an addition of 258 schools (+32%)
- Non Govt. schools revenue grow 24%, contributes 54%

FY12

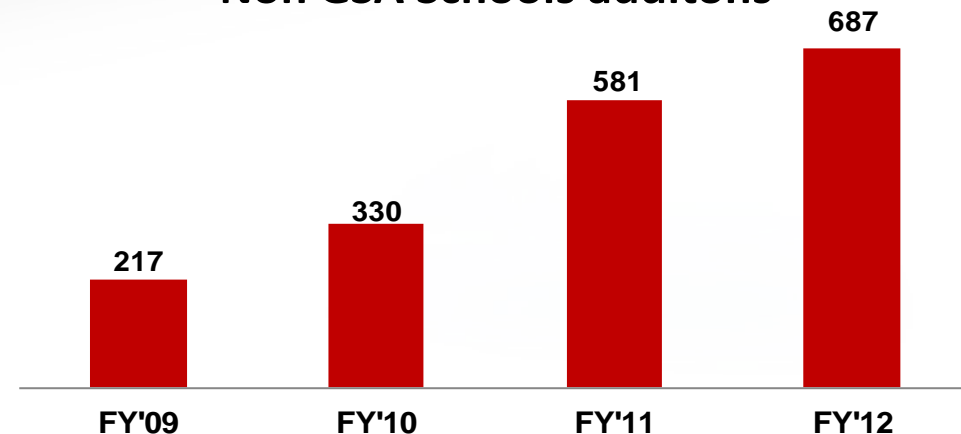
- Order Intake of Rs. 3,762 million, + 47% YoY
- 687 Non Govt. schools added vs. 581 LY, up 18%
- Non Govt. revenue contributes 47%, + 24% YoY
- Pending Order book Rs. 6,122 million, 30% executable in next 12 months
- Margin impacted due to closure of Govt. contracts & pass thru revenues

NIIT nguru
Solutions for Schools

NIIT
30 Years of Innovation

COMPLETE EDUCATION AND TECHNOLOGY SOLUTIONS FOR NEXT GENERATION SCHOOLS.

Non GSA Schools additions



Corporate Learning Solutions

On a continuing business basis

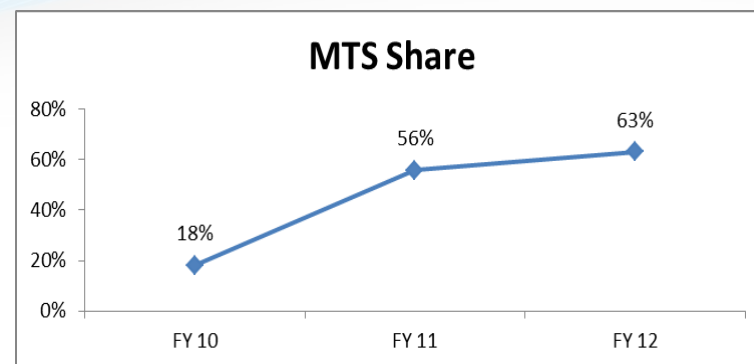
Rs. Mn	Q4'12	Q4'11	YoY	FY'12	YoY
Net Revenues	664	489	36%	2,543	28%
EBITDA	64	25	161%	160	10%
EBITDA %	10%	5%	463 bps	6%	-104 bps

Q4FY12

- Volume growth 23% , MTS volume growth 52%
- Order Intake of \$ 12.8 million

FY12

- 9 global MTS deals with \$120 million revenue visibility over contract period
- Revenues crosses USD 50 million, 19% Volume growth , MTS volume growth 72% YoY
- Order Intake of \$ 56.2 million, up 22%. Pending Order Book at \$ 47.1 million, 60% executable in next 12 months
- Favorable exchange impact in revenue of Rs. 69 million (~13% of revenue YoY)



Skill Building Solutions

Rs. Mn	Q4'12	Q4'11	YoY	FY'12	YoY
System wide Revenues	1	0	1 mn	2	2 mn
Net Revenues	1	0	1 mn	2	2 mn
EBITDA	-17	0	-17 mn	-45	-45 mn

FY12

- Achieved Financial Closure of the skills project with NSDC partnership
- 6 centers operational; over 1,000 enrolments
- Services sector jobs linked 10 courses launched
- Innovative mobilization drive covers over 7,000 prospects
- Technology enabled pedagogy & delivery

NSDC National Skill Development Corporation

Yuva Jyoti

पहले नौकरी पक्की* फिर ट्रेनिंग की तैयारी

अपना offer letter* पाने के लिए NIIT Yuva Jyoti centre आएँ

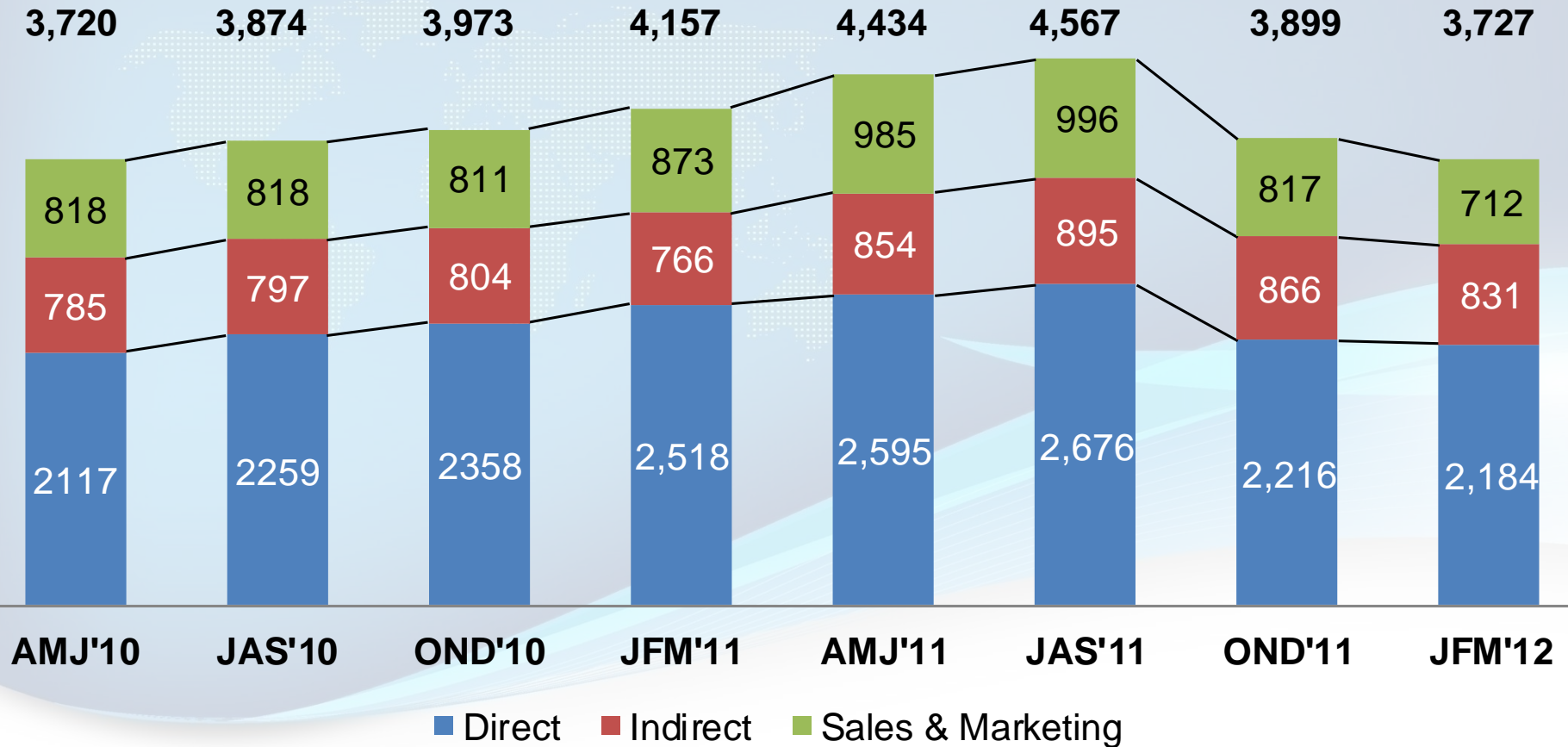
हमारी 5 हफ्तों की सफल ट्रेनिंग के बाद आप पा सकते हैं, एक बेहतरीन नौकरी आपके अपने क्षेत्र में। तो फिर देर किस बात की?

• 5 हफ्तों की ट्रेनिंग • आयु 18-29 वर्ष • 12वीं पास होना जरूरी

तुरन्त सम्पर्क करें 1800 103 2020 (दैन 24)

NIIT Yuva Jyoti Ltd, is a JV of NIIT & NSDC (a PPP initiative of Govt. of India),
Karnal Centre: SCO 111, 1st Floor,
Old Tehsil Complex, Opp, Haryana Photostat, Ph.: 0184-2272170

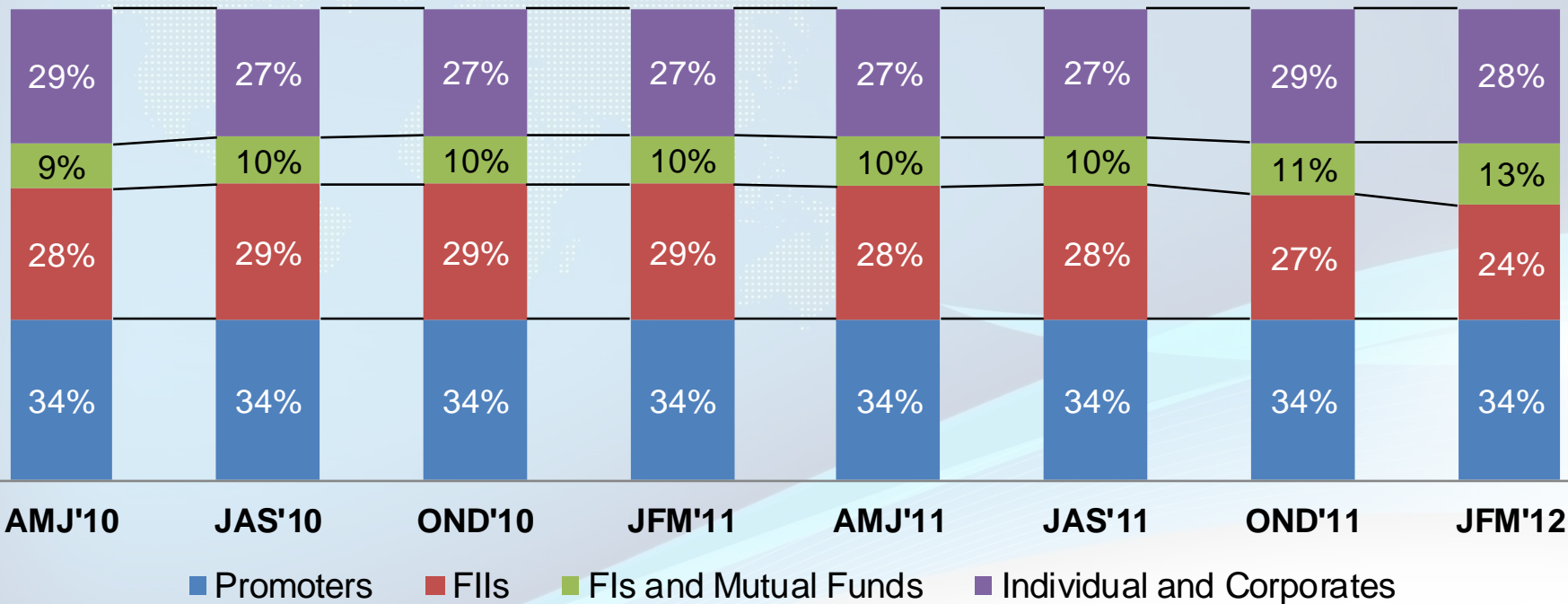
People



➤ On a continuing business basis:

- Hiring in H1'12 (# 326) was replaced by net headcount reductions in H2'12 (# 244)
- Overall for the year, headcount increase of 82

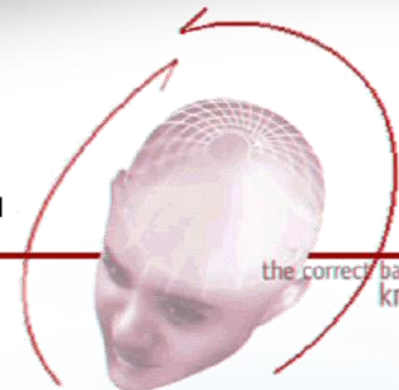
Shareholding Pattern



NIIT

Leadership in the Century of the Mind

NIIT



the correct balance of
knowledge