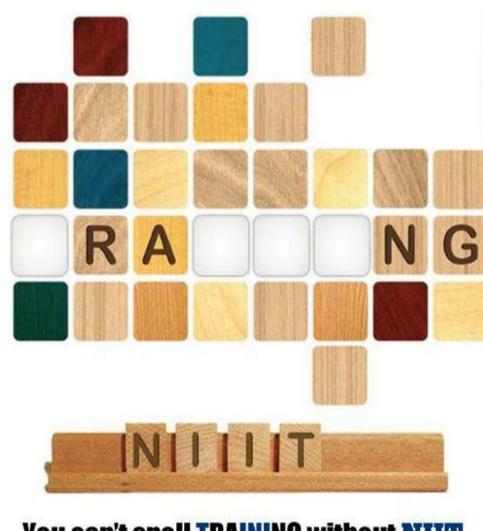


NIIT Limited Financial Results Q3FY'13

January 18,2013



You can't spell TRAINING without NIIT

Environment





Pronounced business challenges continue

NIIT: Growth Platforms





Individual Cloud Campus

- 24 K enrolments since roll out
- 5 programs now offered on the cloud

Corporate

MTS

- 13 Global customers
- Revenue visibility increases to \$ 134 million
- CYD Q3 FY13 revenue + 27% YoY in USD

Schools

NGuru

- CYD Q3FY'13: 609 private schools added, +42% YoY
- Cumulative 1,296Schools added

Skills

Yuva Jyoti

- 26 centres operational
- 3,300+ enrolments CYD

Platforms Of Growth



Q3 FY13 – In Perspective

□ Corporate Learning Solutions (On a continuing business basis)

- Revenues up14% YoY; EBITDA margin improved to 12% (vs 10% in Q3 FY12, on continuing business basis); Revenues are up 11% QoQ (in USD terms)
- High growth in Managed Training Services (MTS) continued, up 23% YoY; MTS now contributes 70% of CLS business.

□ Schools Learning Solutions

- Revenues grow 35% YoY
- Non GSA business grew 13% YoY; Added 137 schools during the quarter (up 11% YoY).
- OM at 8%

☐ Individual Learning Solutions

- Revenue down 22% YoY
- Overall enrolments 75 K; Enrolments contracted 21 % due to poor student sentiment as a result of slow hiring by the industry
- IT Short-term technology courses grew 9% YoY
- China revenue grew @ 36%
- Fresh career enrolments in Banking grew by 33% YoY
- Placed 8,879 NIIT graduates; cumulative 26,700 CYD Q3, down 6%

☐ Skills Building Solutions

- 26 Centers operational, with addition of 5 centers during the quarter (20 added in CYD FY13); Enrolments ramping up ~ 1,500 registrations in Q3



Key Financials-On Continuing Business Basis

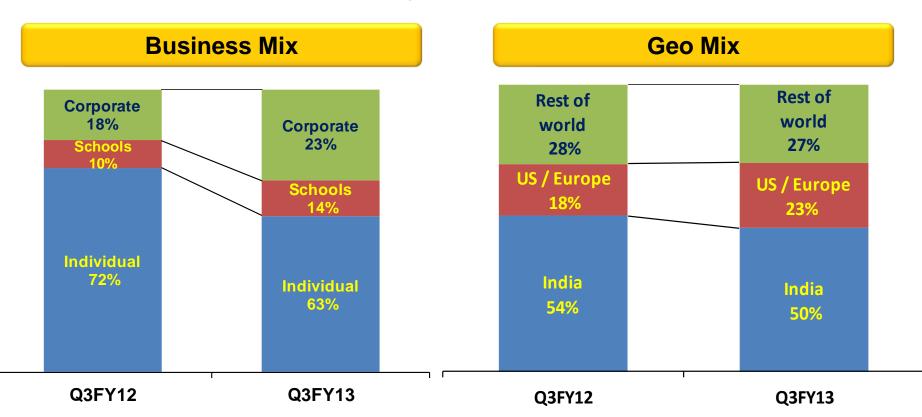
(Rs. in mn)	Q3 FY13	Q3 FY12	YoY (%)
System wide Revenues	3,985	3,844	4%
Net Revenues	2,327	2,390	-3%
Operating expenses	2,250	2,146	5%
EBITDA	77	244	-68%
EBITDA%	3%	10%	-690 bps
Depreciation	215	198	9%
Net Other Income	-41	-379	338 mn
Tax	-53	-10	44 mn
Share of Profits from Associates	131	154	-15%
PAT	5	-169	103%
Basic EPS (Rs.)	0.0	-1.0	103%

Aggressive cost management initiatives in Q3 result in reduction of fixed costs run-rate

Business Mix



System-Wide Revenue on a continuing business basis



	Growth
Individual Learning	-21%
Schools Learning	+35%
Corporate Leaning	+85%

	Growth
India	-16%
US / Europe	+85%
Rest of World	-10%



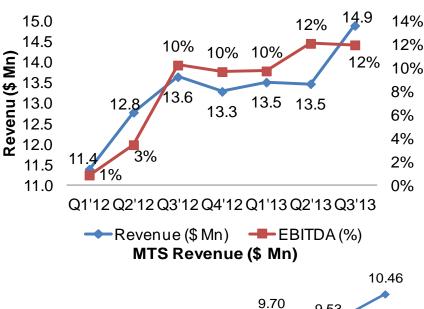
Corporate Learning Solutions

On a continuing business basis

Rs. Mn	Q3'13	Q3'12	YoY	Q2'13	QoQ
Net Revenues	792	694	14%	754	5%
EBITDA	95	71	33%	91	4%
EBITDA %	12%	10%	172 bps	12%	-13 bps

- MTS revenues grow 23% YoY; contributes 70% to Corporate Learning Solutions revenue
- 6 MTS deals in Q3, including 3 new, 1 upgrade and 2 expansions
- Order Intake of \$21.5 million, up 56% QoQ (+13% YoY)
- Pending order Book stood at USD 53.3 million, 61% executable in next 12 months
- Overall revenue visibility of USD 134 million

CLS Revenue & EBITDA %



8.82

8.85

7.71

6.83

9.53

Schools Learning Solutions

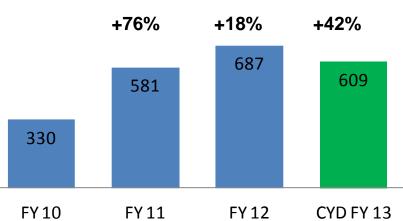


Rs. Mn	Q3'13	Q3'12	YoY	Q2'13	QoQ
Net Revenues	498	368	35%	541 *	-8%
EBITDA	38	14	180%	38	0%
EBITDA %	8%	4%	398 bps	7%	62 bps

^{*} Includes pass through revenue of Rs 138 million

- Non GSA revenue up 13% YoY, contributes 45% to SLS business mix
- Overall Revenue up 24% on QoQ basis, excluding pass through revenue
- Added 137 schools during Q3,up 11% YoY
- Order Intake of Rs. 160 million
- □ Pending Order book stood at Rs. 5,272 million, 26% executable in next 12 months

Private School additions







Individual Learning Solutions

Rs. Mn	Q3'13	Q3'12	YoY	Q2'13	QoQ
System wide Rev	2,201	2,781	-21%	3,401	-35%
Net Revenues	1,034	1,327	-22%	1,494	-31%
EBITDA	-34	173	-	152	-
EBITDA %	-3%	13%	-1,640 bps	10%	-1351 bps

- □ Revenue impacted by lower enrolments
- EBITDA down due to throughput drop; cost savings offset inflation substantially
- □ Strategic alliance with NASSCOM to enhance Skill Development for college students
- ☐ Tied up with Digital Marketing Institute (DMI) for launching courses in Digital Marketing
- ☐ China revenue up 36% in an otherwise challenged quarter all around
- MOU signed to participate in a large project of China's NDRC (National Development & Reforms Committee) supported project in Hainan
- □ Pending order book at Rs. 1,883 million, over 2/3rd executable in next 12 months

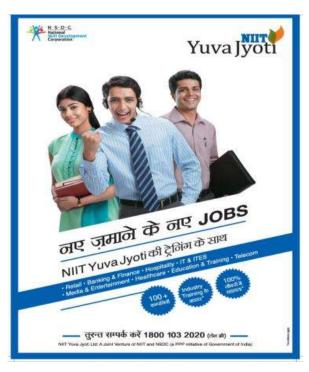


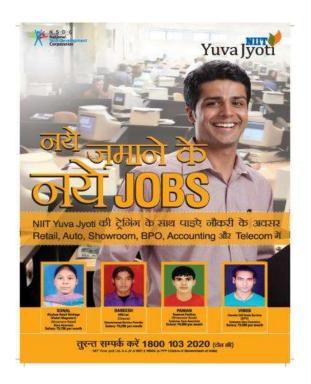
Skill Building Solutions



Rs. Mn	Q3'13	Q3'12	YoY	Q2'13	QoQ
System wide Revenues	3	0	3 mn	2	69%
Net Revenues	3	0	3 mn	2	69%
EBITDA	-21	-14	-7 mn	-20	-1 mn

- □ Added 5 centers during the quarter, taking total number of operational centers to 26
- □ ~ 1,500 enrolments during Q3 FY13, CYD enrolments 3,300+.
- Overall placements at 74%

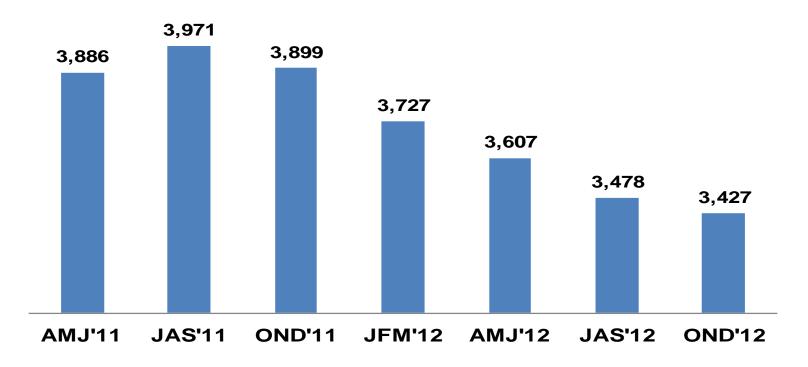




People



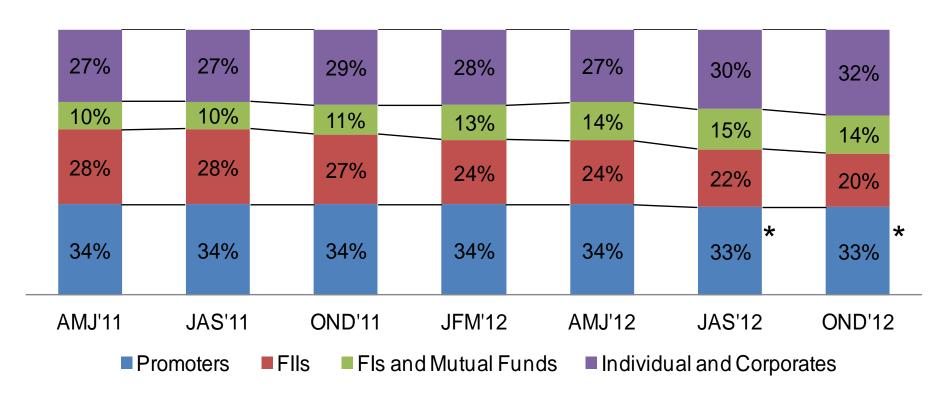
On a continuing business basis



Net reduction of 472 people YoY (12% of headcount)

Share Holding Pattern





^{*} Due to technical reclassification

Future Direction



- <u>Individual:</u> Taking steps to align to changing market realities. Plan to recover growth through
 - Growth in New Age IT programs: Analytics, Cloud, Apps Development etc.
 - Growth in Additional Domains: Applied Finance, Digital Marketing, etc.

Margin improvement through lower structural cost through Re-sized head-count, Rationalized businesses / functions, One NIIT and significant efficiency through Cloud Campus

- <u>Corporate</u>: Growth expected to continue on strength of significant order book and strong growth in Managed Training Services businesses. Forex volatility expected to continue. Improved product mix in Corporate business should contribute to margin expansion.
- <u>Schools:</u> Continuing momentum in non-GSA school addition, IP based orders and pending order book expected to support business growth. Selectivity in participation in Government schools and IP led orders will help margin expansion and Cash release
- **Skill Building**: Continued ramp up of centers during the year coupled with aggressive mobilization efforts
- Overall: Business impacted by temporary squeeze in hiring by IT sector; Long term fundamentals remain intact with increasing enrolment in higher education (GER has increased from 12.4 % to 18.8 % with enrolments increasing by over 50% in the last 4 years)
- Consistent pursuit of the four Platforms of growth in the context of market realities should consolidate our strength in the Industry



Thank you