



CRISIL

A Standard & Poor's Company

CRISIL Analyst Meet

Roopa Kudva

Managing Director & Chief Executive Officer
CRISIL Limited

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Disclaimer

This presentation contains forward-looking statements, which may be identified by their use of words like plans, expects, will, anticipates, intends, all statements that address expectation and projection about the future including but not limited to statements about the Company's strategy for growth, product development, market development, market position, expenditure and financial results. These forward-looking statements are based on certain assumptions and expectation of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual result or performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend any forward-looking statements, on the basis of any subsequent developments, information or events.

Key Messages

- **Good growth in 2009 despite challenging environment**
 - Revenue growth 15%, PAT growth 19% from continuing operations
 - Growth primarily driven by Ratings revenues (+26.5%)
 - Continued EBITDA margin expansion: 39.7% (2009) from 37.4% (2008)
- **2009 : Strong platform built for future growth in all businesses**
 - Established 14000+ new client relationships in Ratings over the last 4 years; 60% of them in 2009 
 - Geographical presence enhanced to 150+ cities in India and 4 international locations
 - Focus on new product development and new client segments in Irevna
 - Launch of a new model for independent equity research
 - Invested in new office premises to accommodate future growth

Key Messages

- **Maintained leadership positions across businesses**

- 53% market share in the bank loan ratings segment
- Irevna ranked No. 1 financial services and investment Research KPO in the Black Book of Outsourcing

- **Growth drivers for 2010**

- Bank loan ratings (BLR) and SME will drive ratings growth
- New products and new verticals to contribute to growth in research business
- Key challenges
 - Rupee appreciation can affect research business and IREVNA
 - Consolidation of offices in Mumbai will affect profitability in the short term

Leadership Positions Across the CRISIL Businesses

Ratings

- Strong 60% penetration in the domestic bond market and a 53% market share in the bank loan rating segment
- Rated over 7900 entities (excluding SMEs) with total debt aggregating more than Rs.30.7 trillion (USD634 billion)

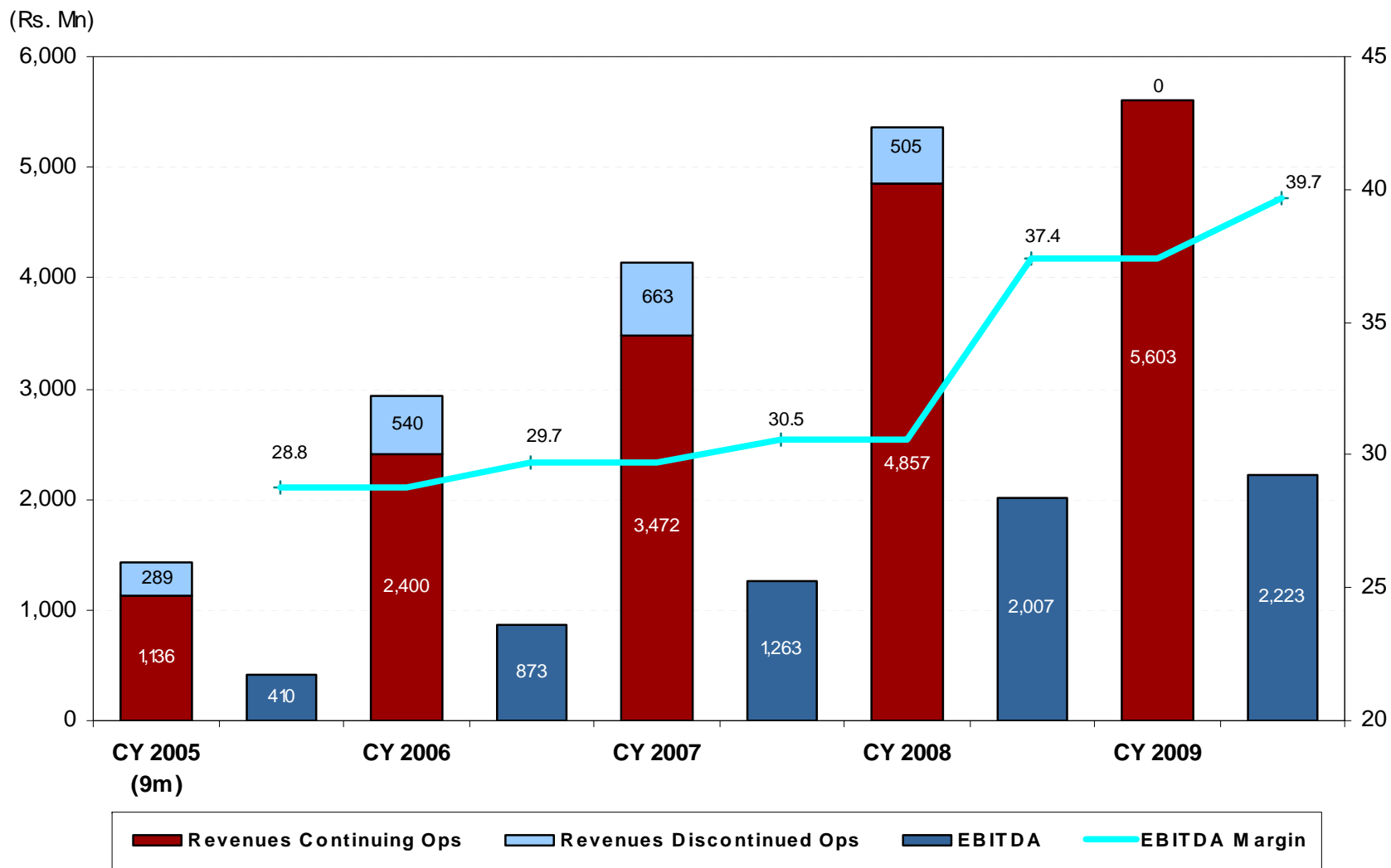
Research

- Irevna – a global leader in research and analytical outsourcing
- CRISIL Research – India’s leading independent, integrated business research house
 - Over 750 clients including 90% of commercial banks operating in India
- CRISIL FundServices and Fixed Income – market leader in the Indian funds space and the only provider of Bond Valuations and Fixed Income indices

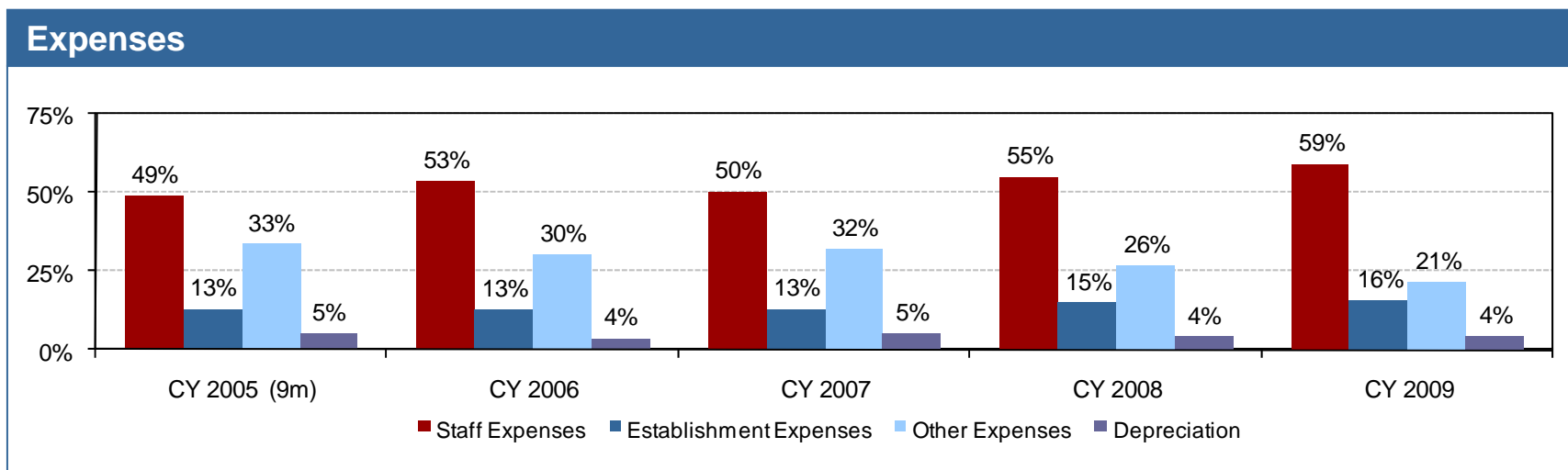
Infrastructure and Risk Solutions (CRIS)

- India’s premier provider of consulting services in the infrastructure space, with an increasing presence in international markets
- Leading provider of risk solutions to the Indian banking sector

CRISIL – Revenues & Profitability



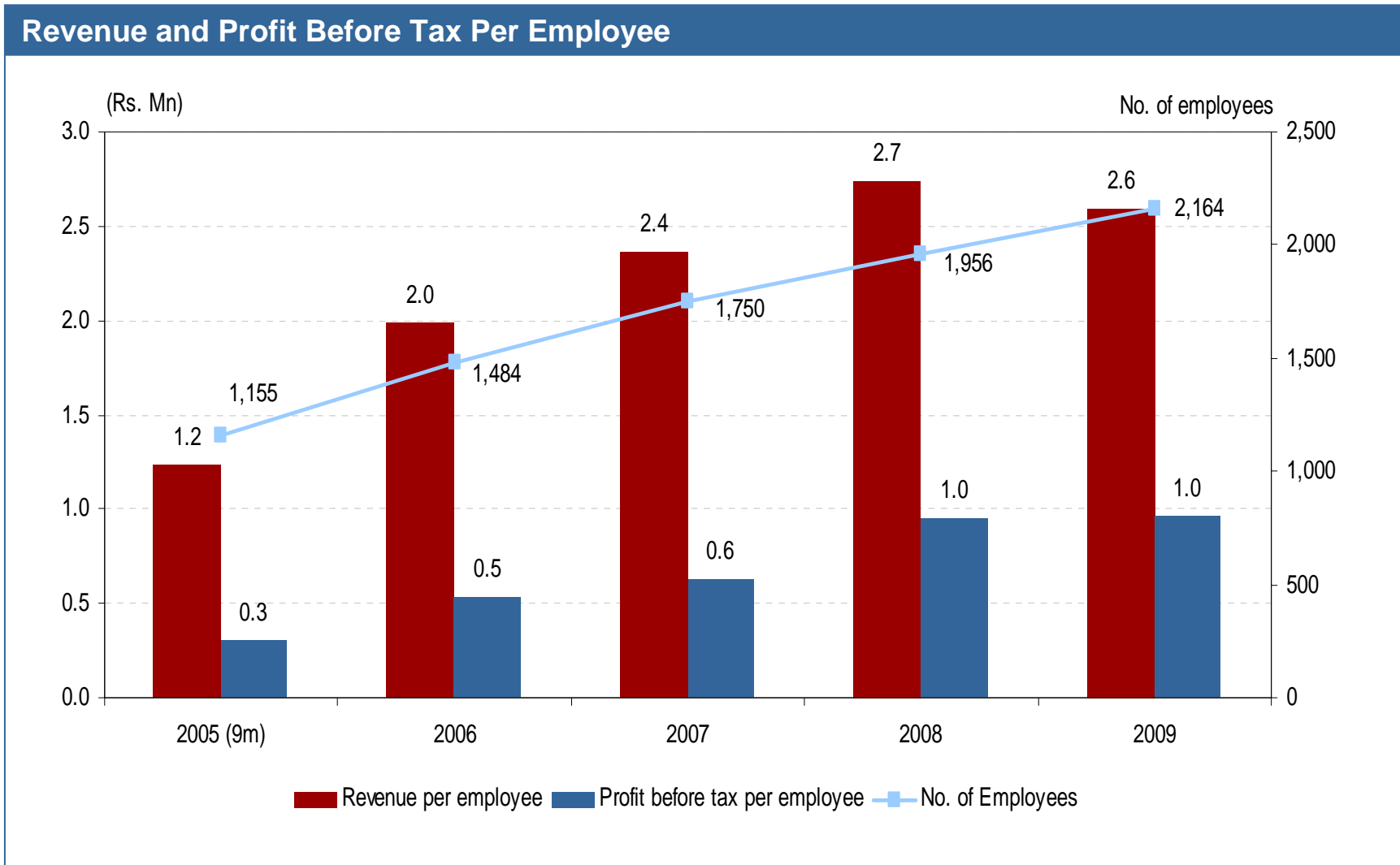
CRISIL – Expenses



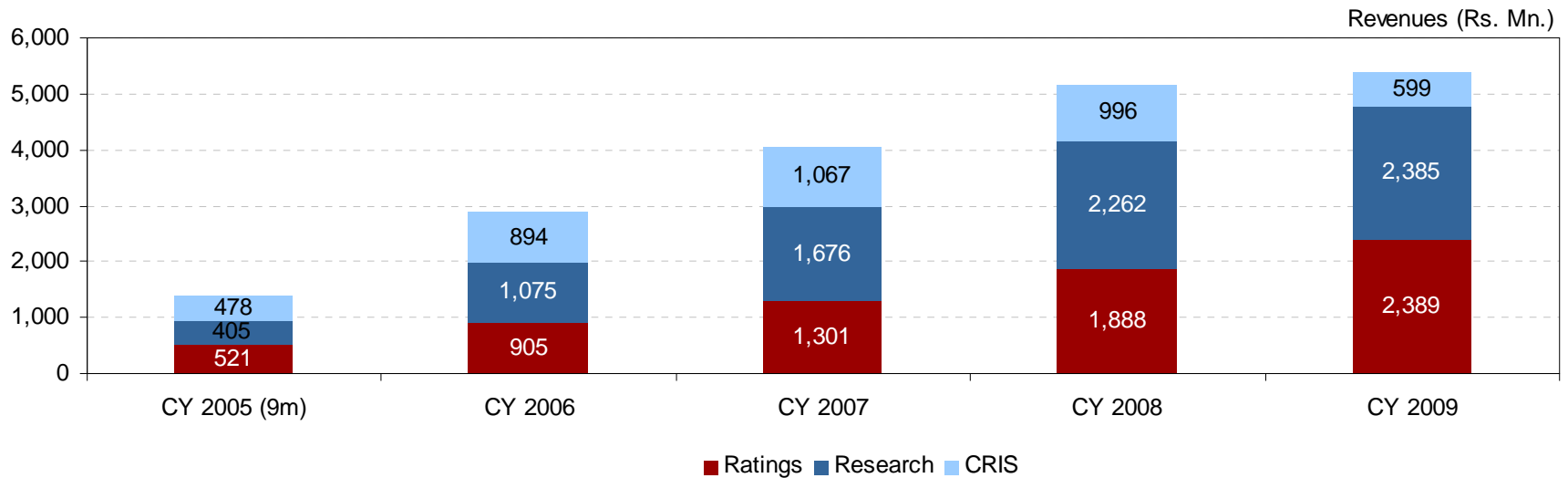
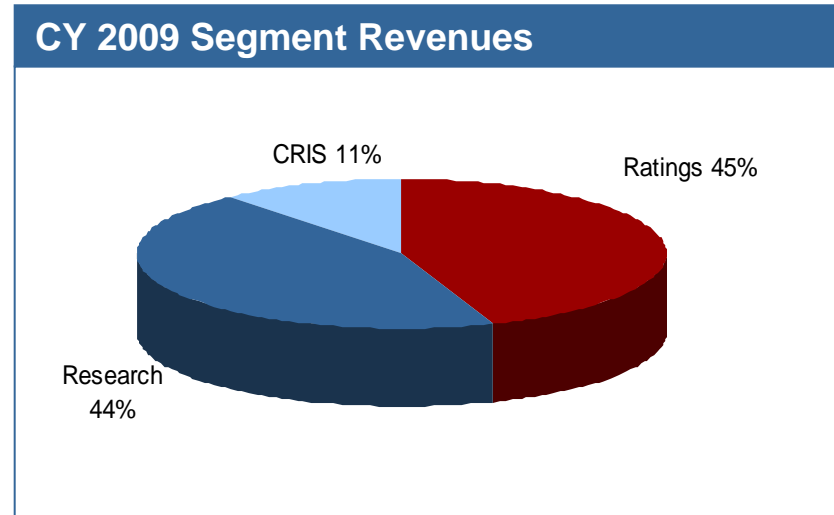
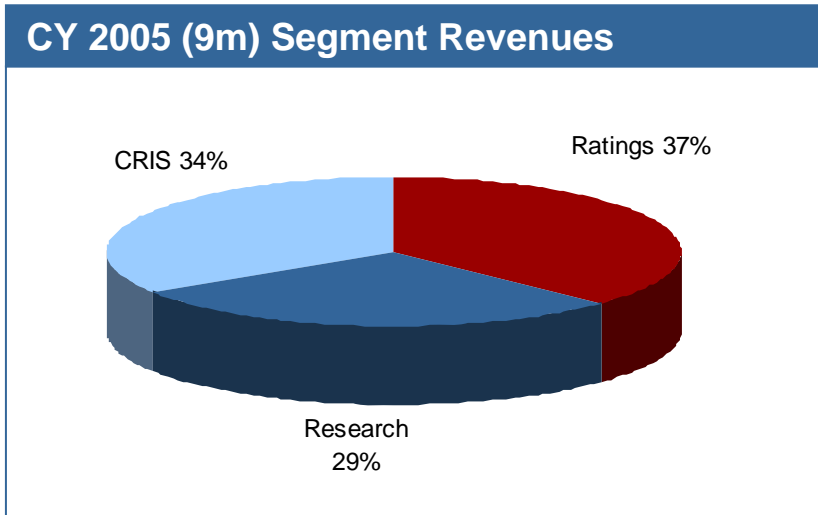
Rs. Mn.	CY 2005 (9m)	CY 2006	CY 2007	CY 2008	CY 2009
Staff Expenses	520	1,146	1,520	1,912	2,079
Establishment Expenses	137	275	391	518	549
Other Expenses	358	647	960	925	752
Depreciation	55	79	157	136	149
Total Expenses	1,070	2,147	3,028	3,491	3,529

- Strong focus on expense control. Expense CAGR of 18% significantly lower than revenue CAGR of 23% over last 4 yrs

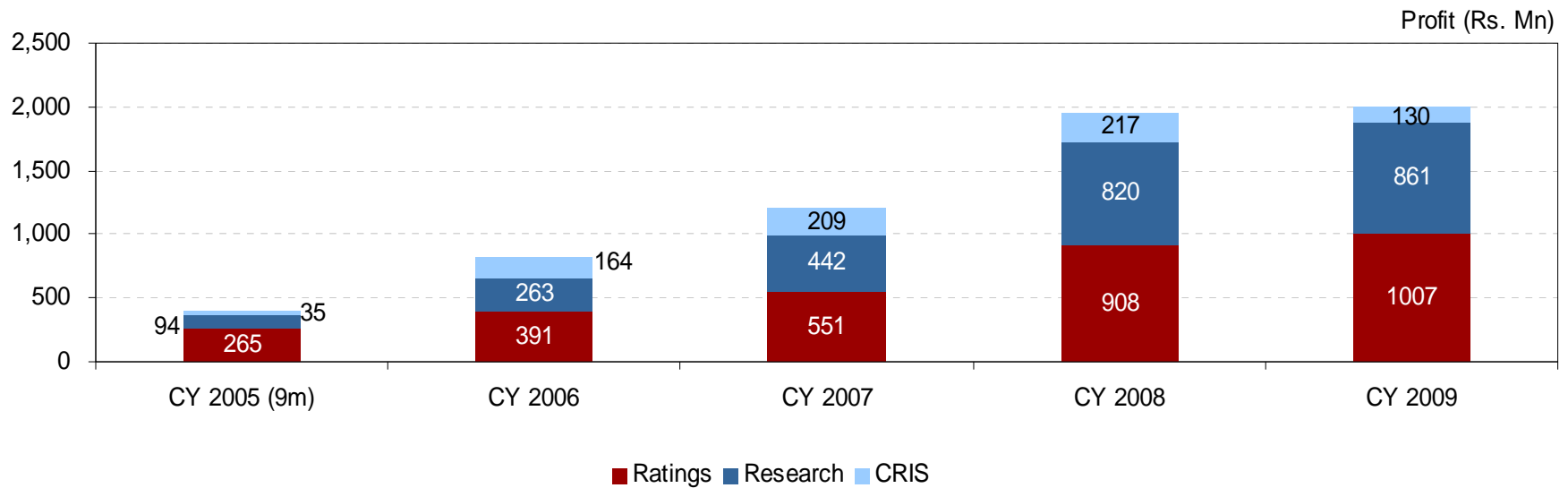
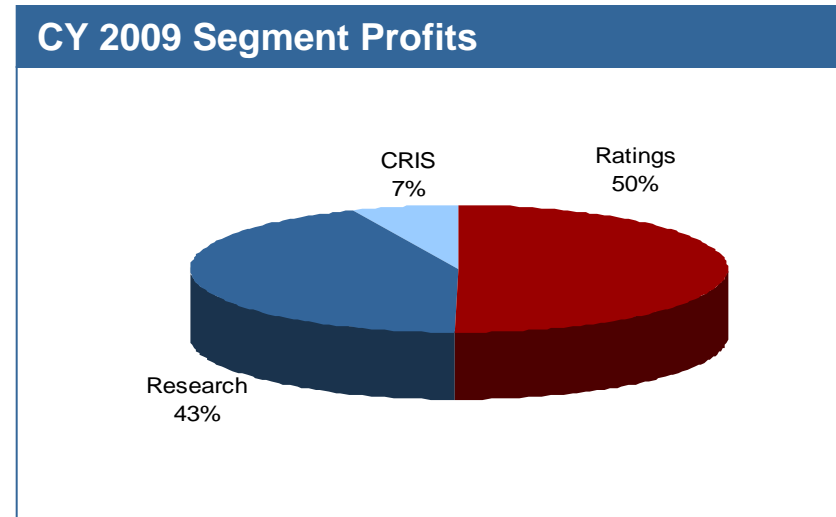
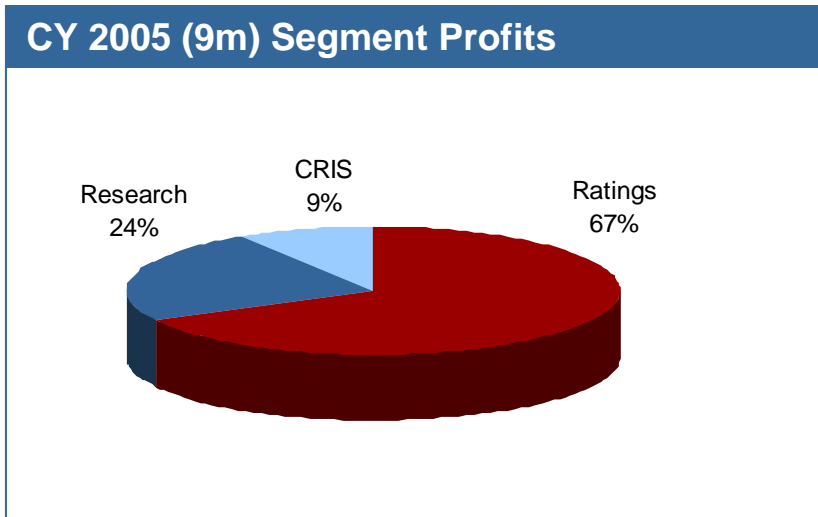
Revenue and Profit Before Tax Per Employee



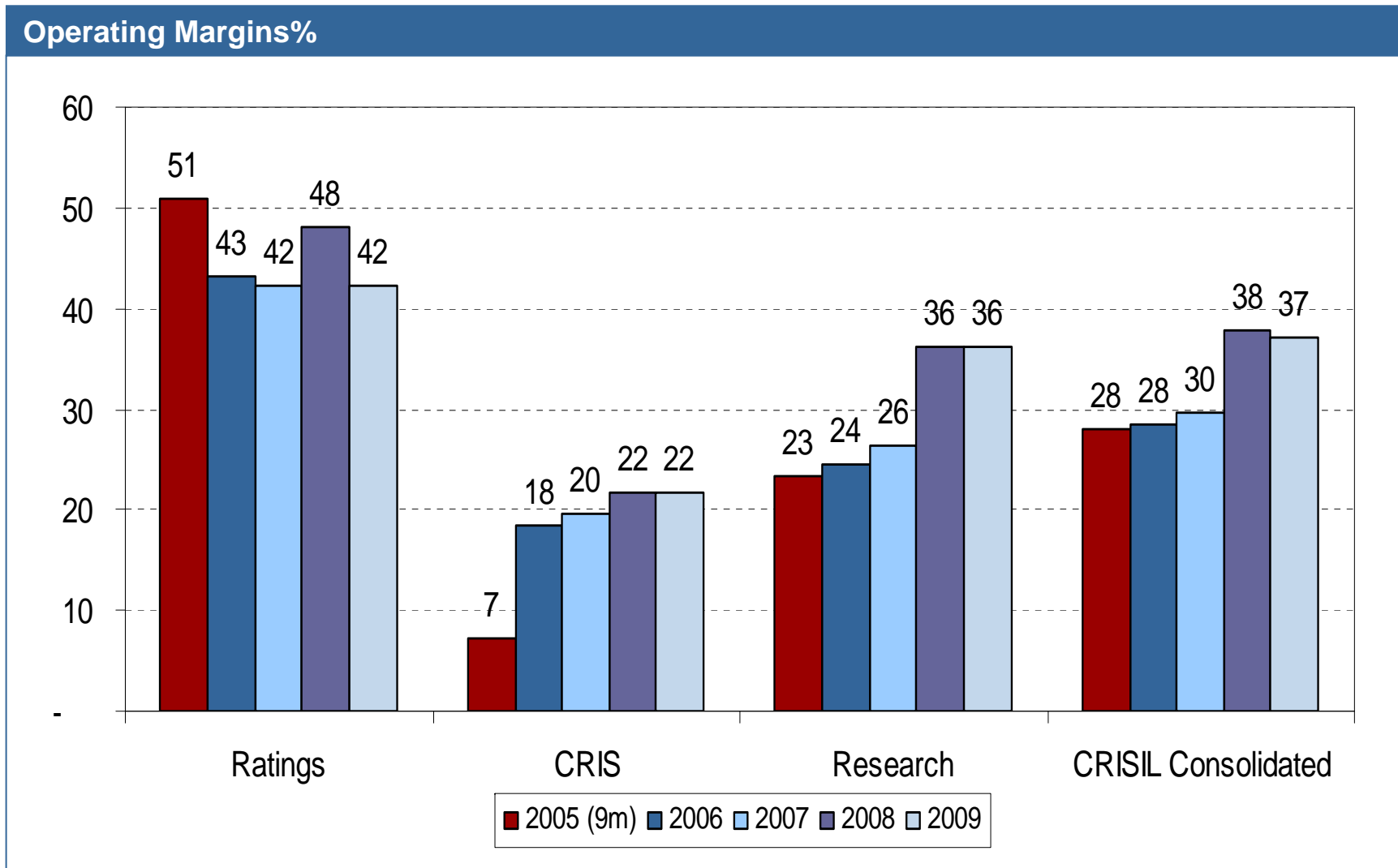
CRISIL – Business Wise Revenue Mix



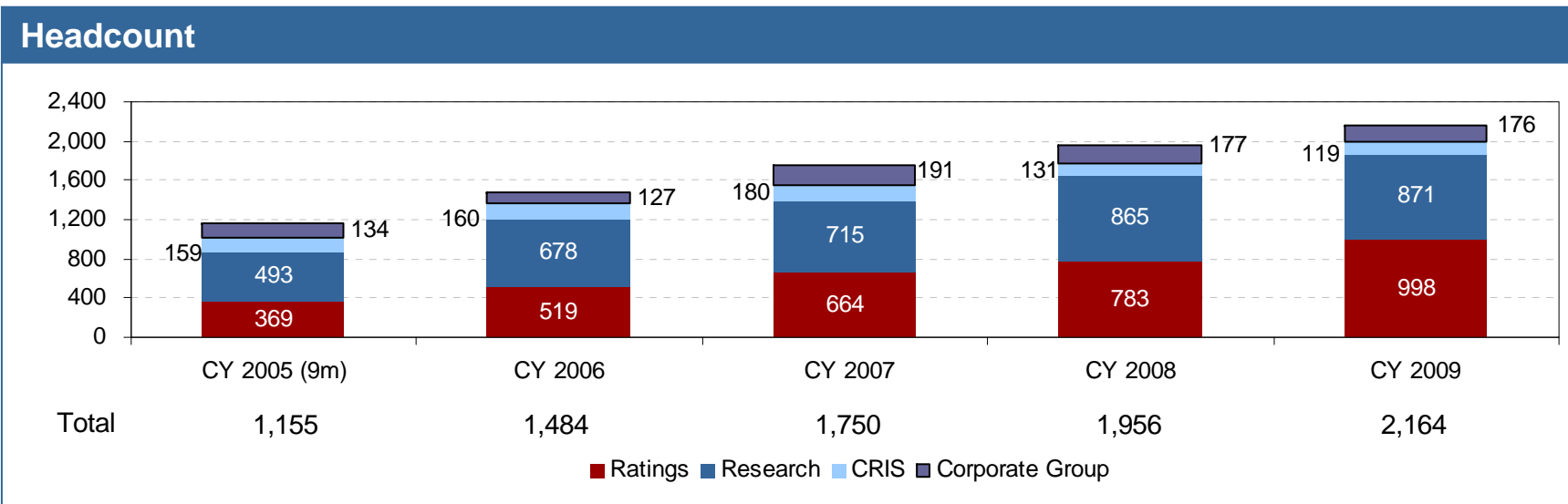
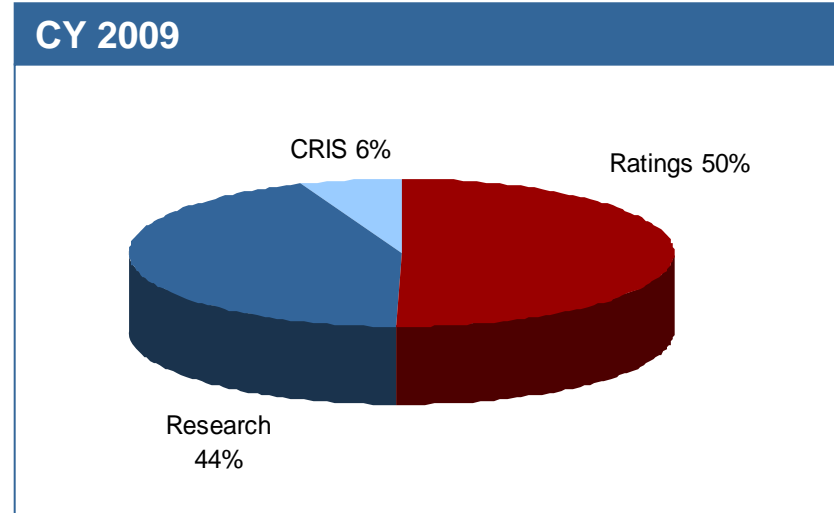
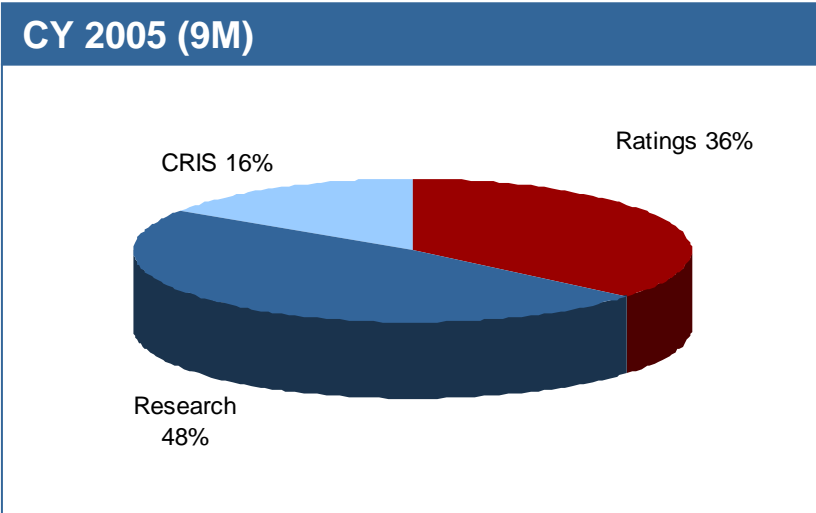
CRISIL – Strategic Diversification: Segment Profits



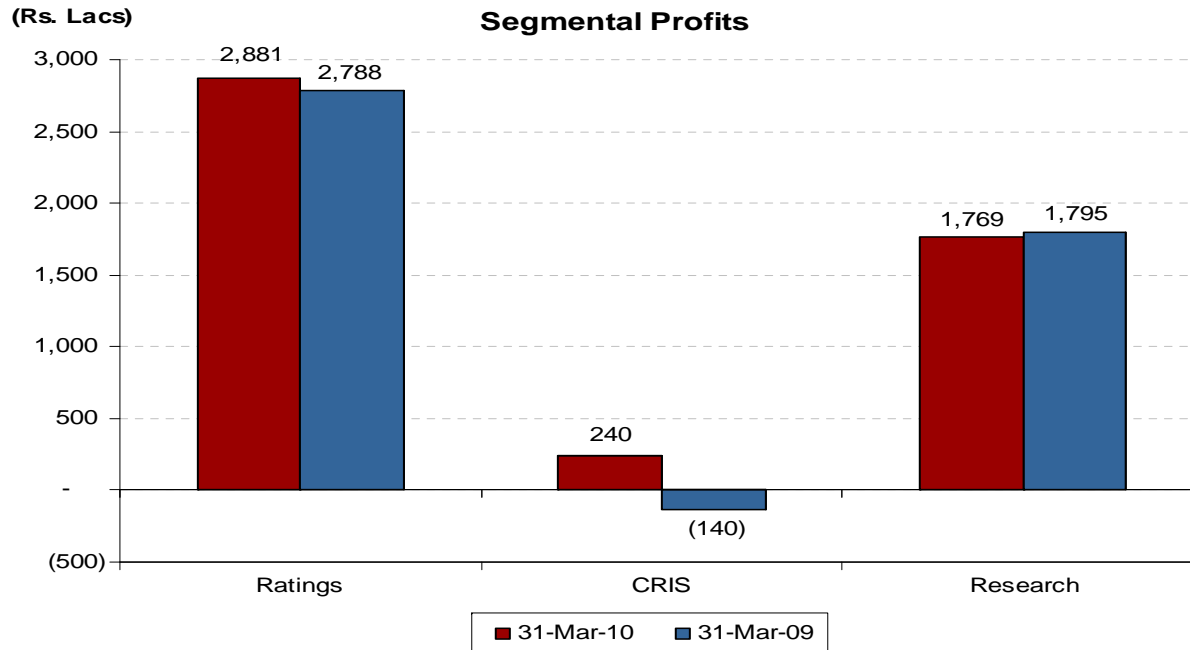
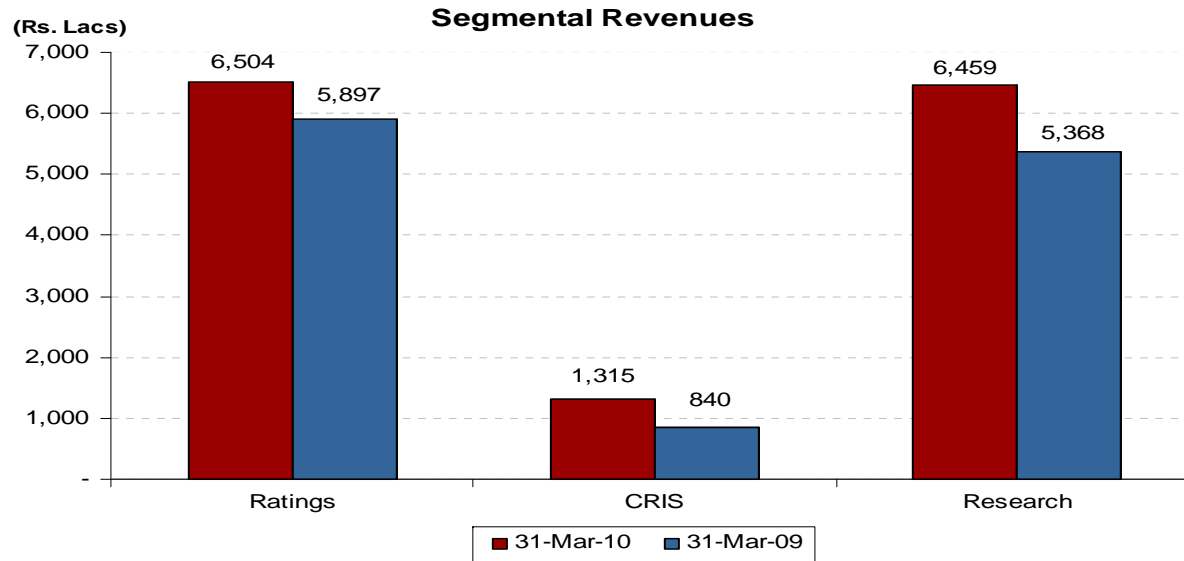
CRISIL – Segment Operating Margins



Headcount




CRISIL Quarterly Results – Q1 2010 vs. Q1 2009



Rating: Performance Highlights 2009 and Outlook 2010

- **Performance Highlights 2009**

- Robust business performance driven by significant growth in revenues
 - Bank Loan (2268 ratings announced against 845 in 2008)
 - SME Ratings (5178 ratings assigned against 2518 in 2008)
- Bank Loan Rating (BLR) market share up to 55% in 2009 from 46% in 2008 
- Bond market remained muted in 2009 
- Business Development and Delivery processes re-aligned to service high volumes and quality expectations
- Extended operations at GAC to 24/6 to provide real time support to S&P during US market hours

- **Outlook 2010**

- Large untapped Bank Loan Ratings opportunity. Growth momentum expected to continue in 2010
- SME Ratings expected to grow to 10000 new ratings in 2010 from 5000 in 2009
- Structured finance expected to remain muted
- Robust growth expected at Global Analytical Centre

IREVNA: Performance Highlights 2009 and Outlook 2010

- **Performance Highlights – 2009**

- Registered growth despite difficult conditions in global financial markets
- Enhanced business from existing highly satisfied clients
- Expanded service offerings
- Acquired several strategic and high-potential clients
- Widened global business development footprint into Asia and Australia

- **Outlook – 2010**

- Strong revival of demand since Q4/2009
- New verticals (Actuarial and Corporate) getting good traction, expected to achieve critical mass in 2010
- Well positioned with global delivery centers. Poland center has been set up and Argentina is in expansion mode
- Strong client relationship management, enlargement of business development team and launch of new verticals to mitigate risks and enhance and diversify revenue streams
- Adverse currency movement pose a key risk

Domestic Research: Performance Highlights 2009 and Outlook 2010

- **Performance Highlights – 2009**

- Launched Independent equity research, a new frontier in Equity Research
- Traditional business grew, despite challenging market conditions

- **Outlook – 2010**

- IER and IPO grading to drive business growth
- Continued focus on client retention

Infrastructure Solutions: Performance Highlights 2009 and Outlook 2010

- **Performance Highlights – 2009**

- Improved performance despite slowdown in infrastructure activity
- Investor-focused business improved its positioning and size in an unfavorable environment
- Expanded international footprint and strengthened hold on Government power business
- Maintained good mix of international, investor-focused, and large-ticket business

- **Outlook – 2010**

- Investment interest is higher compared to 2009
- Government focus on infrastructure projects to drive growth
- Healthy order book and good pipeline
- International business is picking up

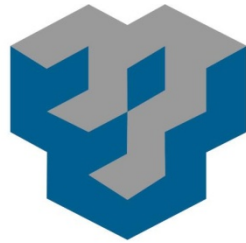
Risk Solutions: Performance Highlights 2009 and Outlook 2010

- **Performance Highlights – 2009**

- Maintained its position as India's leading risk solutions provider
- Delivered critical and high-value mandates in India and abroad
- Strengthened value proposition in Operational Risk

- **Outlook – 2010**

- Operation / Treasury / Market risk and Basel II to be major growth areas in Banking Sector
- New products and new verticals to contribute to business growth
- International market opportunities also have potential



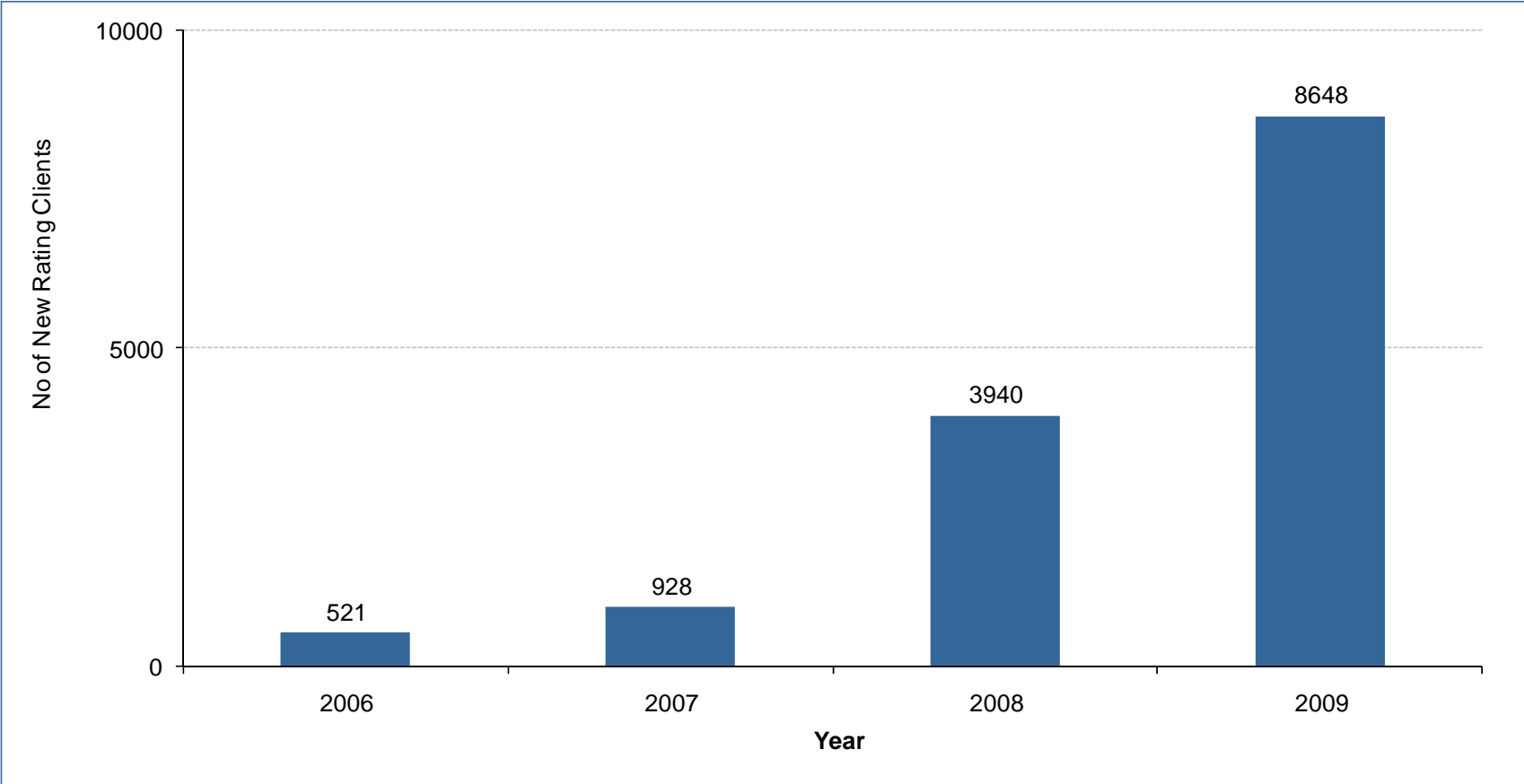
CRISIL

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www.crisil.com

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Substantial Growth in New Client Relationships



Bank Loan Ratings

- **CRISIL continues to lead the market**

- 3825 ratings announced until March 2010, market share of about 53%
- Rated facilities totaling over Rs 8.69 trillion

CRISIL Market Share*		
Quarter	# Ratings announced	Market Share %
2007	15	42
2008	845	46
2009	2268	55
Q1/2010	697	57
Total	3,825	53

*Market share based on ratings published

Distribution of Bank Loan Ratings by loan size - CRISIL				
Loan Size (Rs. Mn.)	No. of Ratings upto Q1 2009	% of total 2008	No. of Ratings upto Q1 2010	% of total 2009
<100	70	5	503	13
100-250	270	19	1,232	32
250-500	234	17	764	20
500-2,500	553	40	977	26
2,500-5,000	112	8	161	4
>5,000	161	12	188	5
Total	1,400	100	3,825	100



Ratings – Bond Market Trends

Segment-wise Debt Volumes (Rs. Bn)	FY – 06	FY – 07	FY – 08	FY – 09	Apr – Dec 09
Financial Sector	651	833	1,058	1,191	862
Structured Finance	184	221	714	507	360
Corporate and Infrastructure	143	102	96	573	327
Total	978	1,156	1,868	2,271	1,549
Commercial Paper #	173	213	338	471	827 ^

- **Bond markets were sluggish last year**
- **However, a pick up is expected in 2010 driven by:**
 - Return to capital spending by corporate India
 - Infrastructure growth (tax relief on retail infrastructure bonds, take out financing etc. are positive for bond markets)

Source: Prime database for non-structured issuances, press releases of rating agencies /market data for structured issuances

Source :RBI data on Commercial Paper. Amounts refer to average CP outstanding for the year

^ Data is for full year 2009-10

