NIIT Technologies
Financial Results Analysis

Financial Year 2010-11
Quarter 1, 2011
Outline

• Highlights
  – For the Quarter
  – Business Highlights for the quarter

• Financial Statements
  – Income Statement
  – Balance Sheet

• Business Analysis
  – Revenue Cuts
  – Order Intake
  – Top clients
  – People Resources

• Shareholding Pattern
Highlights for the Quarter

- Consolidated Revenues at Rs 2914mn
  - Up 21.8% QoQ, Up 33.6% YoY
  - Up 3% QoQ, Up 13% YoY without BSF bought outs.

- Operating profits at Rs 541Mn
  - Up 2.3% QoQ. Up 37.3% YoY
  - Operating Margins at 18.6%, down 355 bps QoQ and up 51 bps YoY.

- Net Profits at Rs 408Mn
  - Down 1.1% QoQ, up 131.6% YoY.
  - Net Margins at 14%

- Fresh order intake of USD 40mn
Business Highlights for the Quarter

- BFSI grows 3% QoQ, (42% contribution)
  - Growth in revenues from top US customers.

- TTL up 1% QoQ, (30% contribution)
  - 3 New customers added
  - US customers showing good traction.

- Mfg./Dist. up 1% QoQ (10% contribution)
  - Good traction in Auto segment.

- Government share up 21% QoQ (9% contribution)
  - Execution of project at BSF.
  - Support SI in APDRP.
## Consolidated Qtrly Income Statement

<table>
<thead>
<tr>
<th>(Rs Mn)</th>
<th>Q1’10</th>
<th>Q4’10</th>
<th>Q1’11</th>
<th>YoY (%)</th>
<th>QoQ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>2182</td>
<td>2392</td>
<td>2914</td>
<td>33.6</td>
<td>21.8</td>
</tr>
<tr>
<td>Cost of Revenues</td>
<td>1345</td>
<td>1404</td>
<td>1908</td>
<td>41.9</td>
<td>35.9</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1788</td>
<td>1863</td>
<td>2373</td>
<td>32.7</td>
<td>27.4</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>394</td>
<td>529</td>
<td>541</td>
<td>37.3</td>
<td>2.3</td>
</tr>
<tr>
<td>OPM (%)</td>
<td>18.1%</td>
<td>22.1%</td>
<td>18.6%</td>
<td>51 Bps</td>
<td>(355) Bps</td>
</tr>
<tr>
<td>Depreciation</td>
<td>95</td>
<td>86</td>
<td>80</td>
<td>(15.1)</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Other Income (net of interest)</td>
<td>-84</td>
<td>-25</td>
<td>24</td>
<td>128.5</td>
<td>194.3</td>
</tr>
<tr>
<td>Tax</td>
<td>37</td>
<td>-3</td>
<td>70</td>
<td>90</td>
<td>2371</td>
</tr>
<tr>
<td><strong>PAT after Minority Interest</strong></td>
<td>176</td>
<td>413</td>
<td>408</td>
<td>131.6</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Net Margins (%)</td>
<td>8.1%</td>
<td>17.3%</td>
<td>14%</td>
<td>593 Bps</td>
<td>(324) Bps</td>
</tr>
<tr>
<td>EPS (Rs. Basic)</td>
<td>3.00</td>
<td>7.03</td>
<td>6.94</td>
<td>131.2</td>
<td>(1.2)</td>
</tr>
</tbody>
</table>

- Operating margins down QoQ due to BSF bought outs.
- Positive other income on account of decrease in exchange losses QoQ and YoY.
- Tax increase due to increased domestic revenues and improved profits in subsidiaries.
### Balance Sheet

---|---|---|---|---
Equity | 588 | 589 | Net Block | 1853 | 1917
Reserves & Surplus | 5210 | 5626 | Capital WIP | 1287 | 1251
Net worth | 5798 | 6214 | Debtors | 1851 | 2499
Minority Interest | 28 | 34 | Cash & Equivalents | 1895 | 2179
Loans | 217 | 222 | Other Current Assets | 1250 | 1309
Deferred tax Liability | 0 | 0 | Current Liabilities | (2200) | (2806)
| | | Deferred tax Assets | 107 | 121
| | 6043 | 6470 | | 6043 | 6470

- Hedge reserves loss increases by Rs. 26 mn.
- Normal Capex addition Rs 134 mn
- G. Noida campus CWIP at Rs. 1224 mn
- DSO at 92 days (74 days LQ) due to increase in Govt. engagement.
US showing improvement on account of growth in volumes.
Europe volumes increase however realization impacted by fall in exchange rates.
Strong growth in Indian market primarily on account of BSF execution and APDRP support.
• All round sequential growth in all verticals
• Government biz grows on back of large engagements.
• 3 new significant customers added during the quarter in Travel & Transport
• $40 mn intake in the quarter leading to 149$mn of firm business executable over next 12 months
Top Client Mix (excluding BSF Bought outs)

Top 5 revenues decline due to sale of certain ING business which NIIT continues to service but is not accounted for in ING
On-Offshore Mix

<table>
<thead>
<tr>
<th></th>
<th>Jun'09</th>
<th>Sep'09</th>
<th>Dec'09</th>
<th>Mar'10</th>
<th>Jun'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTL</td>
<td>4024</td>
<td>3917</td>
<td>4114</td>
<td>4476</td>
<td>4585</td>
</tr>
<tr>
<td>Onsite</td>
<td>24%</td>
<td>24%</td>
<td>23%</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>Offshore</td>
<td>76%</td>
<td>76%</td>
<td>77%</td>
<td>78%</td>
<td>76%</td>
</tr>
</tbody>
</table>

People Resources

Jul 20, 2010
Thank You