NIIT Technologies
Financial Results Analysis

Financial Year 2010-11
Quarter 2, 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 3246mn
  - Up 11.4% QoQ, Up 43.5% YoY
  - Up 9.9% QoQ, Up 19.7% YoY without BSF bought outs.
  - Volume growth at 6.9% net of BSF bought outs.

- Operating profits at Rs 593Mn
  - Up 9.7% QoQ, Up 29.4% YoY
  - Operating Margins at 18.3%

- Net Profits at Rs 435Mn
  - Up 6.6% QoQ, Up 35.6% YoY
  - Net Margins at 13.4%

- Fresh order intake of USD 60mn
Business Highlights for the Quarter

• BFSI grows 9% QoQ, (42% contribution)
  - Strong recovery with US clients
  - New customer added in Insurance.
  - ROOM Solutions name changed to NIIT Insurance Technologies Ltd

• TTL up 13% QoQ, (31% contribution)
  - Growth in key accounts in US and Europe
  - Expansion of business in APAC.
  - 2 new customers added

• Mfg./Dist. up 11% QoQ (10% contribution)
  - Good traction in APAC region
  - Many new clients in India

• Government share up 10% QoQ (9% contribution)
  - BSF execution progressing well
  - APDRP giving fillip to GIS business
  - 24% contribution in absolute terms including BSF bought outs.
## Consolidated Qtrly Income Statement

<table>
<thead>
<tr>
<th>(Rs Mn)</th>
<th>Q2’10</th>
<th>Q1’10</th>
<th>Q2’11</th>
<th>YoY (%)</th>
<th>QoQ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>2263</td>
<td>2914</td>
<td>3246</td>
<td>43.5</td>
<td>11.4</td>
</tr>
<tr>
<td><strong>Cost of Revenues</strong></td>
<td>1314</td>
<td>1908</td>
<td>2141</td>
<td>62.9</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1804</td>
<td>2373</td>
<td>2653</td>
<td>47.0</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>458</td>
<td>541</td>
<td>593</td>
<td>29.4</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>OPM (%)</strong></td>
<td>20.3%</td>
<td>18.6%</td>
<td>18.3%</td>
<td>(199) Bps</td>
<td>(29) Bps</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>90</td>
<td>80</td>
<td>72</td>
<td>(19.4)</td>
<td>(10.1)</td>
</tr>
<tr>
<td><strong>Other Income (net of interest)</strong></td>
<td>15</td>
<td>24</td>
<td>17</td>
<td>9.1</td>
<td>-30.0</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>62</td>
<td>70</td>
<td>99</td>
<td>59.0</td>
<td>41.2</td>
</tr>
<tr>
<td><strong>PAT after Minority Interest</strong></td>
<td>321</td>
<td>408</td>
<td>435</td>
<td>35.6</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Net Margins (%)</strong></td>
<td>14.2%</td>
<td>14%</td>
<td>13.4%</td>
<td>(78) Bps</td>
<td>(60) Bps</td>
</tr>
<tr>
<td><strong>EPS (Rs. Basic)</strong></td>
<td>5.47</td>
<td>6.94</td>
<td>7.40</td>
<td>35.2</td>
<td>6.6</td>
</tr>
</tbody>
</table>

- Operating margins down due to BSF bought outs but operating profits accretive up 9.7% QoQ
- Net margins down 60 bps QoQ due to reduced other income and increased taxes.
- Higher tax on account of higher domestic revenues and increased revenues from unit out of tax holiday
## Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>589</td>
<td>589</td>
<td>1917</td>
<td>1917</td>
</tr>
<tr>
<td>Reserves &amp; Surplus</td>
<td>5626</td>
<td>6260</td>
<td>1251</td>
<td>1258</td>
</tr>
<tr>
<td>Net worth</td>
<td>6214</td>
<td>6849</td>
<td>2499</td>
<td>3117</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>34</td>
<td>40</td>
<td>2179</td>
<td>1561</td>
</tr>
<tr>
<td>Loans</td>
<td>222</td>
<td>163</td>
<td>1309</td>
<td>1785</td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(2806)</td>
<td>(2711)</td>
</tr>
<tr>
<td>Deferred tax Assets</td>
<td></td>
<td></td>
<td>121</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td>6470</td>
<td>7052</td>
<td>6470</td>
<td>7052</td>
</tr>
</tbody>
</table>

- Hedge reserve losses decrease by Rs. 167 mn.
- Hedge reserve loss balance Rs 108 mn
- Capex consumed Rs 67 mn.
- Debtors at 105 days of sales outstanding.
Geographic Revenue Mix

(Excluding BSF Bought out)

- No change in revenue mix. Consistent all round growth in all Geographies.
Vertical Revenue Mix

(Excluding BSF Bought outs)

- All round growth in all industry segments with TTL showing better growth.
• $60 mn fresh intake leading to $141$mn of firm business executable over next 12 months
• 3 new clients; one in Insurance two in Travel
Top Client Mix (excluding BSF Bought outs)

- Top Client Mix
  - Top 10
    - Q1'10: 33%
    - Q2'10: 40%
    - Q3'10: 35%
    - Q4'10: 38%
    - FY'10: 38%
    - Q1'11: 36%
    - Q2'11: 36%
  - Top 20
    - Q1'10: 61%
    - Q2'10: 60%
    - Q3'10: 65%
    - Q4'10: 62%
    - FY'10: 62%
    - Q1'11: 64%
    - Q2'11: 64%
  - Top 5
    - Q1'10: 47%
    - Q2'10: 45%
    - Q3'10: 50%
    - Q4'10: 48%
    - FY'10: 47%
    - Q1'11: 49%
    - Q2'11: 48%
Onsite-Offshore Mix

Total Resources

Onsite Direct resources

Offshore Direct Resources

Attrition 18.6%

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