NIIT Technologies
Financial Results Analysis

Financial Year 2008-09
Quarter 3
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

All nos. on a Consolidated Basis
Highlights for the Quarter

- Consolidated Revenues at Rs 2485mn
  - Up 6% YoY, Down 4% QoQ (Flat excluding hedging)
  - Revenue loss on account of hedging Rs. 189Mn

- Operating profits at Rs 446Mn
  - Flat YoY, Down 3% QoQ (Up 17% QoQ excluding hedging)
  - Operating Margins at 18% (Up 25bps QoQ)
  - Operating Margins excluding hedging 24%
  - Capacity Utilisation at 84.5%

- Net Profits at Rs 168Mn
  - Down 52% YoY; 54% QoQ
  - Exchange Loss on forex & non-effective hedges of Rs. 139Mn
  - Net Margins at 7% (LQ 14%; LY 15%)

- Fresh order intake of $148mn
Business Highlights for the Quarter

• Focus verticals contribute 84% to revenues

• BFSI grows 10% YoY (Contributes 43%)
  – 5-year Contract Extensions from existing customers
  – Added a European Insurance Broker as a client

• Transport grows 10% YoY (Contributes 27%)
  – 1 new client

• Manufacturing & Retail grows 24% YoY (Contributes 14%)
  – Contract extensions with existing client

• Non-linear Business grows 31% YoY (Contributes 25%)
  – 2 new contracts for IPF³, the next generation insurance process framework from Room
### Consolidated Qtrly Income Statement

<table>
<thead>
<tr>
<th>(Rs Mn)</th>
<th>Q3’08</th>
<th>Q2’09</th>
<th>Q3’09</th>
<th>YoY (%)</th>
<th>QoQ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2338</td>
<td>2587</td>
<td>2485</td>
<td>6</td>
<td>(4)</td>
</tr>
<tr>
<td>Cost of Revenues</td>
<td>1438</td>
<td>1653</td>
<td>1536</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>456</td>
<td>475</td>
<td>503</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1893</td>
<td>2128</td>
<td>2039</td>
<td>8</td>
<td>(4)</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>444</td>
<td>458</td>
<td>446</td>
<td>0</td>
<td>(3)</td>
</tr>
<tr>
<td>OPM (%)</td>
<td>19%</td>
<td>18%</td>
<td>18%</td>
<td>(105) Bps</td>
<td>25 Bps</td>
</tr>
<tr>
<td>Depreciation</td>
<td>95</td>
<td>104</td>
<td>107</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income (net of interest)</td>
<td>60</td>
<td>81</td>
<td>(101)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>56</td>
<td>65</td>
<td>69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAT after Minority Interest</td>
<td>347</td>
<td>367</td>
<td>168</td>
<td>(52)</td>
<td>(54)</td>
</tr>
<tr>
<td>Net Margins (%)</td>
<td>15%</td>
<td>14%</td>
<td>7%</td>
<td>(811) Bps</td>
<td>(742) Bps</td>
</tr>
<tr>
<td>EPS (Rs. Basic)</td>
<td>5.92</td>
<td>6.25</td>
<td>2.85</td>
<td>(52)</td>
<td>(54)</td>
</tr>
</tbody>
</table>

- Net Margins drop mainly on account of net loss in other income on forex
**Balance Sheet**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>587</td>
<td>587</td>
<td>Net Block</td>
<td>2152</td>
</tr>
<tr>
<td>Reserves &amp; Surplus</td>
<td>3654</td>
<td>3437</td>
<td>Capital WIP</td>
<td>790</td>
</tr>
<tr>
<td>Net worth</td>
<td>4241</td>
<td>4024</td>
<td>Debtors</td>
<td>2153</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>58</td>
<td>60</td>
<td>Cash &amp; Equivalents</td>
<td>1307</td>
</tr>
<tr>
<td>Loans</td>
<td>413</td>
<td>498</td>
<td>Other Current Assets</td>
<td>1116</td>
</tr>
<tr>
<td>Deferred tax Liability</td>
<td>0</td>
<td>0</td>
<td>Current Liabilities</td>
<td>(3002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deferred tax Assets</td>
<td>196</td>
</tr>
</tbody>
</table>

|               |              |              | 4712         | 4583         |

- DSOs at 74 days Vs. 80 days LQ
- Improved cash position
Geographic Revenue Mix

Operational Revenues (Excl. Hedging)

FY'08
- EMEA 50%
- Americas 32%
- APAC 10%
- India 8%

Q2'09
- EMEA 50%
- Americas 31%
- APAC 9%
- India 10%

Q3'09
- EMEA 47%
- Americas 36%
- APAC 9%
- India 8%
Vertical Revenue Mix

FY’08:
- Insurance: 28%
- Transportation: 25%
- Retail & Manfg.: 12%
- BFS: 16%
- Others: 19%

Q2’09:
- Insurance: 27%
- Transportation: 28%
- Retail & Manfg.: 13%
- BFS: 15%
- Others: 17%

Q3’09:
- Insurance: 28%
- Transportation: 27%
- Retail & Manfg.: 14%
- BFS: 16%
- Others: 16%
• Record intake with significant 5-year contract extensions
• 2 new significant customers added during the quarter
• $99mn of firm business executable over next 12 months
Top Client Mix

- 42 Million dollar clients
People Resources

**Segmental Mix**

<table>
<thead>
<tr>
<th>Solutions</th>
<th>NTL Corp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec'07</td>
<td>4,149</td>
</tr>
<tr>
<td>Mar'08</td>
<td>4,318</td>
</tr>
<tr>
<td>Jun'08</td>
<td>4,207</td>
</tr>
<tr>
<td>Sep'08</td>
<td>4,046</td>
</tr>
<tr>
<td>Dec'08</td>
<td>3,858</td>
</tr>
</tbody>
</table>

**On-Offshore Mix**

- **Onsite**
  - Dec'07: 77%
  - Mar'08: 77%
  - Jun'08: 75%
  - Sep'08: 77%
  - Dec'08: 78%

- **Offshore**
  - Dec'07: 23%
  - Mar'08: 23%
  - Jun'08: 25%
  - Sep'08: 23%
  - Dec'08: 22%
Shareholding Pattern

All figures in %

<table>
<thead>
<tr>
<th></th>
<th>Dec'07</th>
<th>Mar'08</th>
<th>Jun'08</th>
<th>Sep'08</th>
<th>Dec'08</th>
</tr>
</thead>
<tbody>
<tr>
<td>FII's</td>
<td>13</td>
<td>11</td>
<td>9</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Banks/MF/FI's</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Promoters</td>
<td>34</td>
<td>41</td>
<td>39</td>
<td>46</td>
<td>48</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>8</td>
<td>12</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

Dec'07  Mar'08  Jun'08  Sep'08  Dec'08
Thank You