NIIT Technologies
Financial Results Analysis

Financial Year 2010-11
Quarter 3, 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 3006Mn
  - Down 7.4% QoQ, Up 30.6% YoY
  - Up 5.5% QoQ, Up 24.2% YoY without BSF bought outs.
  - Volume growth at 4.7% net of BSF bought outs.

- Operating profits at Rs 622Mn
  - Up 4.9% QoQ, Up 22.7% YoY
  - Operating Margins at 20.7%, up 243 bps QoQ

- Net Profits at Rs 478Mn
  - Up 9.8% QoQ, Up 35.3% YoY.
  - Net Margins at 15.9%.

- Fresh order intake of USD 50Mn
Business Highlights for the Quarter

- BFSI grows 4% QoQ, (41% contribution)
  - Growth in Asset based services
  - One new BFS client in US.

- TTL up 8% QoQ, (32% contribution)
  - Growth in key accounts.
  - Two new customers added.

- Mfg./Dist. Down 7% QoQ (9% contribution)
  - Successful completion of DMS rollout in India for Toyota Motors.

- Government up 20% QoQ (10% contribution)
  - One new customer added.
  - Strong growth in GIS business.
  - 15% contribution in absolute terms including BSF bought outs.

- Non Linear business up 8% QoQ (27% contribution)

- Foray into Healthcare with acquisition of cloud based referral management platform (Preferr).
## Consolidated Qtrly Income Statement

<table>
<thead>
<tr>
<th>(Rs Mn)</th>
<th>Q3’10</th>
<th>Q2’11</th>
<th>Q3’11</th>
<th>Growth YoY (%)</th>
<th>Growth QoQ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>2301</td>
<td>3246</td>
<td>3006</td>
<td>30.6</td>
<td>(7.4)</td>
</tr>
<tr>
<td><strong>Cost of Revenues</strong></td>
<td>1324</td>
<td>2141</td>
<td>1822</td>
<td>37.7</td>
<td>(14.9)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1794</td>
<td>2653</td>
<td>2383</td>
<td>32.9</td>
<td>(10.2)</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>507</td>
<td>593</td>
<td>622</td>
<td>22.7</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>OPM (%)</strong></td>
<td>22%</td>
<td>18.3%</td>
<td>20.7%</td>
<td>(134) BPS</td>
<td>243 BPS</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>89</td>
<td>72</td>
<td>71</td>
<td>(20.1)</td>
<td>(2.0)</td>
</tr>
<tr>
<td><strong>Other Income (net of interest)</strong></td>
<td>(15)</td>
<td>17</td>
<td>27</td>
<td>275.6</td>
<td>58.6</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>48</td>
<td>97</td>
<td>90</td>
<td>87.5</td>
<td>(6.7)</td>
</tr>
<tr>
<td><strong>PAT after Minority Interest</strong></td>
<td>353</td>
<td>435</td>
<td>478</td>
<td>35.3</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Net Margins (%)</strong></td>
<td>15.4%</td>
<td>13.4%</td>
<td>15.9%</td>
<td>55BPS</td>
<td>250 BPS</td>
</tr>
<tr>
<td><strong>EPS (Rs. Basic)</strong></td>
<td>6.01</td>
<td>7.40</td>
<td>8.09</td>
<td>34.5</td>
<td>9.4</td>
</tr>
</tbody>
</table>

- Revenues down 7.4% QoQ due to less BSF bought outs.
- Accretive Operative Profits up 22.7% YoY and 4.9% QoQ.
- Net profits up 35.3% YoY and 9.8% QoQ due to improved operating profits and other income.
### Balance Sheet

<table>
<thead>
<tr>
<th>(Rs in mn)</th>
<th>Sep 30, 2010</th>
<th>Dec 31, 2010</th>
<th>Net Block</th>
<th>Sep 30, 2010</th>
<th>Dec 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>589</td>
<td>591</td>
<td></td>
<td>1917</td>
<td>1899</td>
</tr>
<tr>
<td>Reserves &amp; Surplus</td>
<td>6260</td>
<td>6820</td>
<td>Capital WIP</td>
<td>1258</td>
<td>1321</td>
</tr>
<tr>
<td>Net worth</td>
<td>6849</td>
<td>7411</td>
<td>Debtors</td>
<td>3117</td>
<td>2969</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>40</td>
<td>50</td>
<td>Cash &amp; Equivalents</td>
<td>1561</td>
<td>1298</td>
</tr>
<tr>
<td>Loans</td>
<td>163</td>
<td>172</td>
<td>Other Current Assets</td>
<td>1785</td>
<td>1819</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Current Liabilities</td>
<td>(2711)</td>
<td>(1805)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deferred tax Assets</td>
<td>125</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>7052</td>
<td>7633</td>
<td></td>
<td>7052</td>
<td>7633</td>
</tr>
</tbody>
</table>

- Hedge reserve losses decrease by Rs. 71 mn.
- Hedge reserve loss balance at Rs 37 mn
- Capex consumed Rs 129 mn.
- Debtors at 94 days of sales outstanding.
Geographic Revenue Mix

(Excluding BSF Bought out)

Q2’11

EMEA 35%
America 36%
India 16%
APAC 13%

Q3’11

EMEA 35%
America 35%
India 16%
APAC 14%

• Balanced Revenue mix
Vertical Revenue Mix

(Excluding BSF Bought outs)

- Growth in BFSI, TTL, Govt. verticals.
- Reduced Mfg./Distt. Mix due to completion of DMS roll out for TKMI.
$50 mn fresh intake leading to $137 mn of firm business executable over next 12 months
4 new clients; One in BFS, two in TTL & one in Govt.
Top Client Mix (excluding BSF Bought outs)

- **Top 5**: Q2'10 - 33%, Q3'10 - 33%, Q4'10 - 32%, FY'10 - 33%, Q1'11 - 31%, Q2'11 - 31%, Q3'11 - 30%
- **Top 10**: Q2'10 - 45%, Q3'10 - 50%, Q4'10 - 48%, FY'10 - 47%, Q1'11 - 49%, Q2'11 - 48%, Q3'11 - 46%
- **Top 20**: Q2'10 - 60%, Q3'10 - 65%, Q4'10 - 62%, FY'10 - 62%, Q1'11 - 64%, Q2'11 - 64%, Q3'11 - 61%
- **Others**: Q2'10 - 40%, Q3'10 - 35%, Q4'10 - 38%, FY'10 - 38%, Q1'11 - 36%, Q2'11 - 36%, Q3'11 - 39%
People Resources

Onsite-Offshore Mix

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<table>
<thead>
<tr>
<th></th>
<th>Dec'09</th>
<th>Mar'10</th>
<th>Jun'10</th>
<th>Sen'10</th>
<th>Dec'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Resources</td>
<td>4114</td>
<td>4476</td>
<td>4585</td>
<td>4994</td>
<td>5358</td>
</tr>
<tr>
<td>Onsite Direct resources</td>
<td>23%</td>
<td>22%</td>
<td>24%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Offshore Direct Resources</td>
<td>77%</td>
<td>78%</td>
<td>76%</td>
<td>78%</td>
<td>78%</td>
</tr>
<tr>
<td>Attrition 18.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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Shareholding Pattern

- 0.23 mn shares exercised under ESOP scheme by staff during Q3.
Thank You