NIIT Technologies
Financial Results Analysis

Financial Year 2008-09 &
Quarter 4, 2009
Outline

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

• Financial Statements
  – Income Statement
  – Balance Sheet

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

• Shareholding Pattern
Highlights for the Quarter

- Consolidated Revenues at Rs 2270mn
  - Down 8.7% YoY (Excl hedging loss Flat), Down 8.7% QoQ
  - Revenue loss due to Hedging Rs. 221 m

- Operating profits at Rs 404Mn
  - Down 14% YoY, (Up34% excluding hedging loss), Down 10% QoQ
  - Operating Margins at 18%, Down 18 bps QoQ
  - Operating Margins excluding hedging impact 25%

- Net Profits at Rs 263Mn
  - Down 15% YoY; Up 57% QoQ
  - Net Margins at 11.6%

- Fresh order intake of $46mn
Highlights for the Financial Year

• Consolidated Revenues at Rs 9799mn
  • Up 4% (10% excl Hedging loss)
  • Revenue loss on account of hedging 542 Mn

• Operating Profits at Rs 1764Mn
  • Profits preserved at same levels (up 31% without hedging)
  • Operating Margins at 18% down 72 bps
  • Cost optimization helps to reduce the impact of hedging loss on margins

• Net Profits at Rs1148Mn
  • Down 15%
  • Net Margins at 12%
  • EPS at Rs 19.56

• Board recommends 65% dividend
Business Highlights for the Quarter

• Focus verticals contribute 86% to revenues (LQ 84%)

• BFSI Down 7% YoY, Contributes 45% (LQ 43%)
  – Challenged segment cutting IT spend
  – New Insurance Customer acquisition in USA & Room Solutions

• Transport up 1% YoY, Contributes 28% (LQ 27%)
  – Large Contract duration extended to reduce current spend
  – New Airline customer added

• Retail & Distb down 3% YoY, Contributes 13% (LQ 14%)
  – Severe pressure to reduce prices
  – New Domestic manufacturing customer added

• Non-linear Business grows 13% YoY, Contributes 27% (LQ 25%)
  – Production support/ Security Monitoring and Infrastructure Management services scaling up well
Acknowledgements during the Year

• NIIT Technologies ranked Number 1 in the Black Book of Outsourcing 2008 Travel Industry survey.
• NIIT Technologies ranked No. 3 in the IT Outsourcing Vendors and No. 7 in the BPO Vendors space in the Black Book of Outsourcing 2008 Insurance industry Survey.
• NIIT Technologies ranked amongst the 2008 Black Book Top 50 Best Managed Outsourcing Vendors.
• NIIT Technologies declared 'Business Superbrand' for 2008 by the Superbrands Council of India.
• NIIT Technologies was awarded the Distinguished Services Award for their initiatives and efforts in promoting business with USA by Georgia Tech Center for International Business Education & Research.
• NIIT Technologies was felicitated with the Employer Branding Award for Excellence in HR through Technology and for Innovation in Career Development by the Asia Pacific HRM congress at the regional level.
• NIIT Technologies' subsidiary ROOM Solutions Ltd UK. conferred with an Accomplishment Award at the ACORD LOMA Insurance Systems Forum.
• NIIT Technologies was recognized amongst the top 50 IT Innovators for the year 2008 by NASSCOM.
• NIIT Technologies was amongst the Top 100 IT organizations ranked by IAOP. NIIT Technologies stands at 33rd overall and 7th in the Balanced Performance.
• NIIT Technologies amongst the Global Services 100 - 2009 list. The list represents companies who have the maturity and capability to lead the next wave of services globalization.
## Annual Income Statement

(Rs Mn)

<table>
<thead>
<tr>
<th></th>
<th>Q1’09</th>
<th>Q2’09</th>
<th>Q3’09</th>
<th>Q4’09</th>
<th>FY09</th>
<th>YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2458</td>
<td>2587</td>
<td>2485</td>
<td>2270</td>
<td>9799</td>
<td>4%</td>
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<tr>
<td>Expenses</td>
<td>2002</td>
<td>2128</td>
<td>2039</td>
<td>1866</td>
<td>8035</td>
<td>5%</td>
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<tr>
<td>Operating Profit</td>
<td>456</td>
<td>458</td>
<td>446</td>
<td>404</td>
<td>1764</td>
<td>0%</td>
</tr>
<tr>
<td>OPM (%)</td>
<td>19%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>(72) Bps</td>
</tr>
<tr>
<td>Depreciation</td>
<td>112</td>
<td>104</td>
<td>107</td>
<td>100</td>
<td>422</td>
<td>8%</td>
</tr>
<tr>
<td>Other Income (net of interest)</td>
<td>62</td>
<td>81</td>
<td>(101)</td>
<td>5</td>
<td>46</td>
<td>(66%)</td>
</tr>
<tr>
<td>Tax</td>
<td>51</td>
<td>65</td>
<td>69</td>
<td>40</td>
<td>224</td>
<td>63%</td>
</tr>
<tr>
<td>PAT after Minority Interest</td>
<td>351</td>
<td>367</td>
<td>168</td>
<td>263</td>
<td>1148</td>
<td>(15)%</td>
</tr>
<tr>
<td>Net Margins (%)</td>
<td>14%</td>
<td>14%</td>
<td>7%</td>
<td>12%</td>
<td>12%</td>
<td>(265) Bps</td>
</tr>
<tr>
<td>EPS</td>
<td>5.99</td>
<td>6.25</td>
<td>2.85</td>
<td>4.48</td>
<td>19.56</td>
<td></td>
</tr>
</tbody>
</table>

- Operating margins stable across 4 qtrs despite increasing hedging loss
- Other income reduced in Q3 & Q4 on account of loss on ineffective hedges and exchange rate losses
- Tax increased due to increase in onsite taxable income while offshore profit (tax free) was lower due to hedging losses
### Balance Sheet

---|---|---|---|---
Equity | 587 | 587 | Net Block | 1859 | 2105
Reserves & Surplus | 3826 | 3289 | Capital WIP | 518 | 1052
Net worth | 4413 | 3876 | Debtors | 2178 | 1935
Minority Interest | 49 | 22 | Cash & Equivalents | 1972 | 1585
Loans | 647 | 348 | Other Current Assets | 811 | 1086
Deferred tax Liability | 0 | 0 | Current Liabilities | (2295) | (3953)
Deferred tax Assets | 5109 | 4246 | | 5109 | 4246

- Reserves down primarily due to increased hedging losses
- Loans Reduced – NCD and UK loan repaid.
- Net block & CWIP increased due to capacity additions & GNIDA campus
- DSO improves to 72 days from 84 days LY & 74 days LQ
- Current Liabilities up due to increased Derivative Reserve now standing at 1990mn
- DTA increase due to hedging
• USA down 1% due to hedging impact
• India up 1% due to strong domestic demand
Vertical Revenue Mix

FY’08

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

FY’09

- Insurance: 27%
- Retail & Manfg.: 13%
- Transportation: 28%
- BFS: 16%
- Others: 16%

• Focussed vertical contribute 84% (81% last year)
- 5 new significant customers added during the quarter (Travel – 1; Insurance – 2, Retail & Dist-1, others -1)

- $46 mn intake in the quarter leading to $97mn of firm business executable over next 12 months.
Top Client Mix

- 36 Million dollar clients
- Broad Basing of customers
People Resources

Segmental Mix

<table>
<thead>
<tr>
<th>NTL Corp</th>
<th>Onshore</th>
<th>Offshore</th>
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</thead>
<tbody>
<tr>
<td>Mar'08</td>
<td>5118</td>
<td>77%</td>
</tr>
<tr>
<td>Jun'08</td>
<td>4888</td>
<td>75%</td>
</tr>
<tr>
<td>Sep'08</td>
<td>4667</td>
<td>77%</td>
</tr>
<tr>
<td>Dec'08</td>
<td>4438</td>
<td>78%</td>
</tr>
<tr>
<td>Mar'09</td>
<td>4238</td>
<td>76%</td>
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</table>

<table>
<thead>
<tr>
<th>BPO Solutions</th>
<th>Onshore</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar'08</td>
<td>711</td>
<td>23%</td>
</tr>
<tr>
<td>Jun'08</td>
<td>602</td>
<td>25%</td>
</tr>
<tr>
<td>Sep'08</td>
<td>542</td>
<td>23%</td>
</tr>
<tr>
<td>Dec'08</td>
<td>499</td>
<td>22%</td>
</tr>
<tr>
<td>Mar'09</td>
<td>84</td>
<td>24%</td>
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</table>

On-Offshore Mix

<table>
<thead>
<tr>
<th>Mar'08</th>
<th>Jun'08</th>
<th>Sep'08</th>
<th>Dec'08</th>
<th>Mar'09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onsite</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23%</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Offshore</td>
<td>77%</td>
<td>75%</td>
<td>77%</td>
<td>78%</td>
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</table>

May 26, 2009  Q4 ’09 Results
### Summary

<table>
<thead>
<tr>
<th>(Rs Mn)</th>
<th>FY07-08</th>
<th>FY08-09</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>9415</td>
<td>9799</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1763</td>
<td>1764</td>
</tr>
<tr>
<td>OPM (%)</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>PAT after Minority</td>
<td>1353</td>
<td>1148</td>
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<tr>
<td>EPS (Rs)</td>
<td>23.05</td>
<td>19.56</td>
</tr>
<tr>
<td>Capital Expenditure excl CWIP</td>
<td>821</td>
<td>744</td>
</tr>
<tr>
<td>People</td>
<td>5118</td>
<td>4238</td>
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</tbody>
</table>
Thank You