

NIIT Technologies
Financial Results Analysis

Financial Year 2008-09 &
Quarter 4, 2009

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- 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

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

- 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

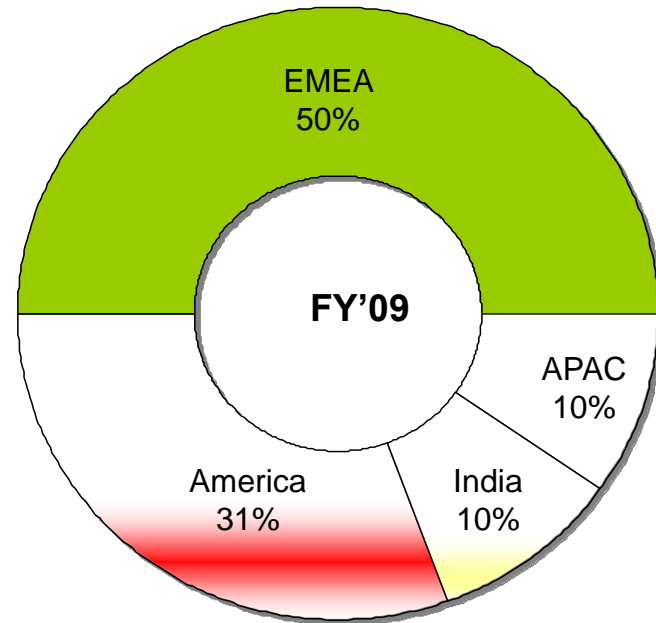
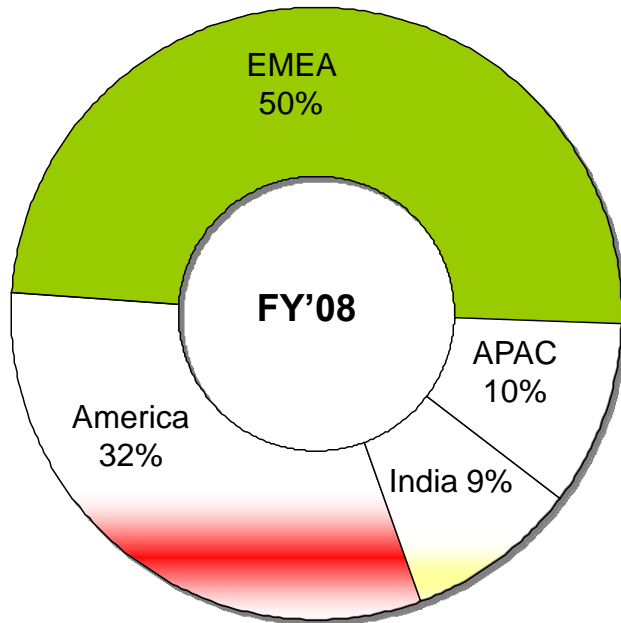
Balance Sheet

(Rs in mn)	Mar 31, 2008	Mar 31, 2009		Mar 31, 2008	Mar 31, 2009
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	67	435
	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

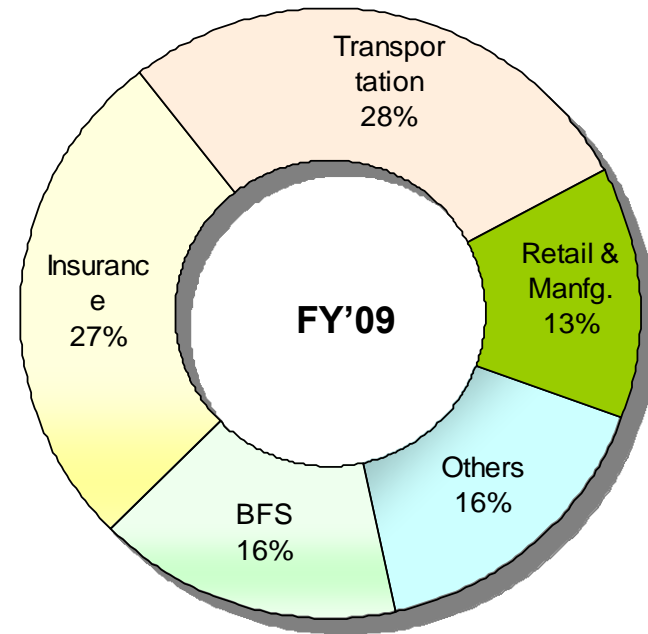
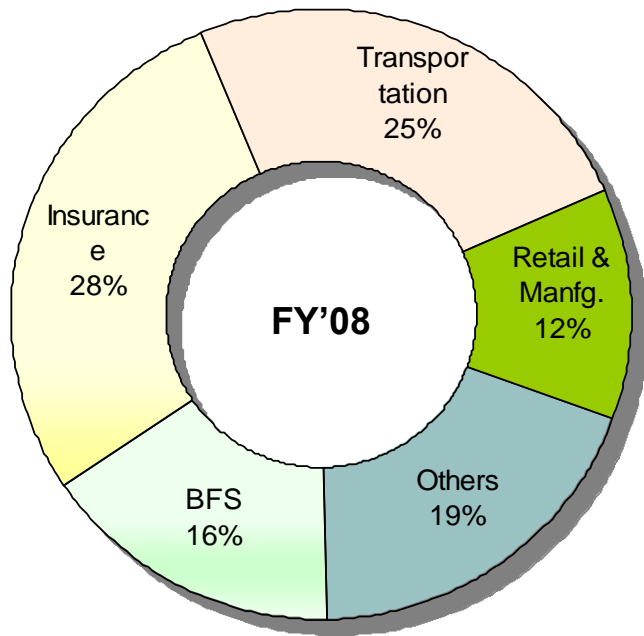
- DSO improves to 72 days.from 84 days LY &74 days LQ
- Current Liabilities up due to increased Derivative Reserve now standing at 1990mn
- DTA increase due to hedging

Geographic Revenue Mix

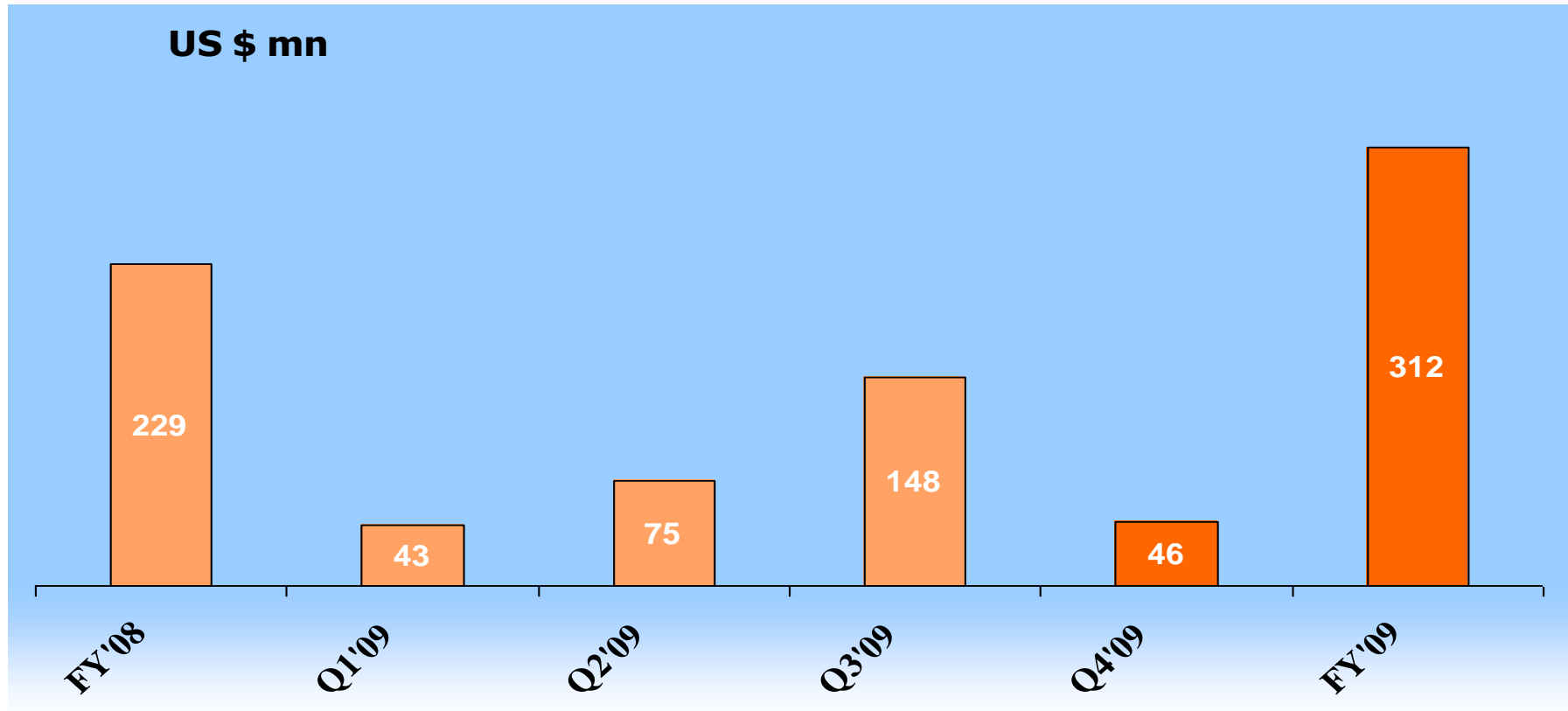


- **USA down 1% due to hedging impact**
- **India up 1% due to strong domestic demand**

Vertical Revenue Mix

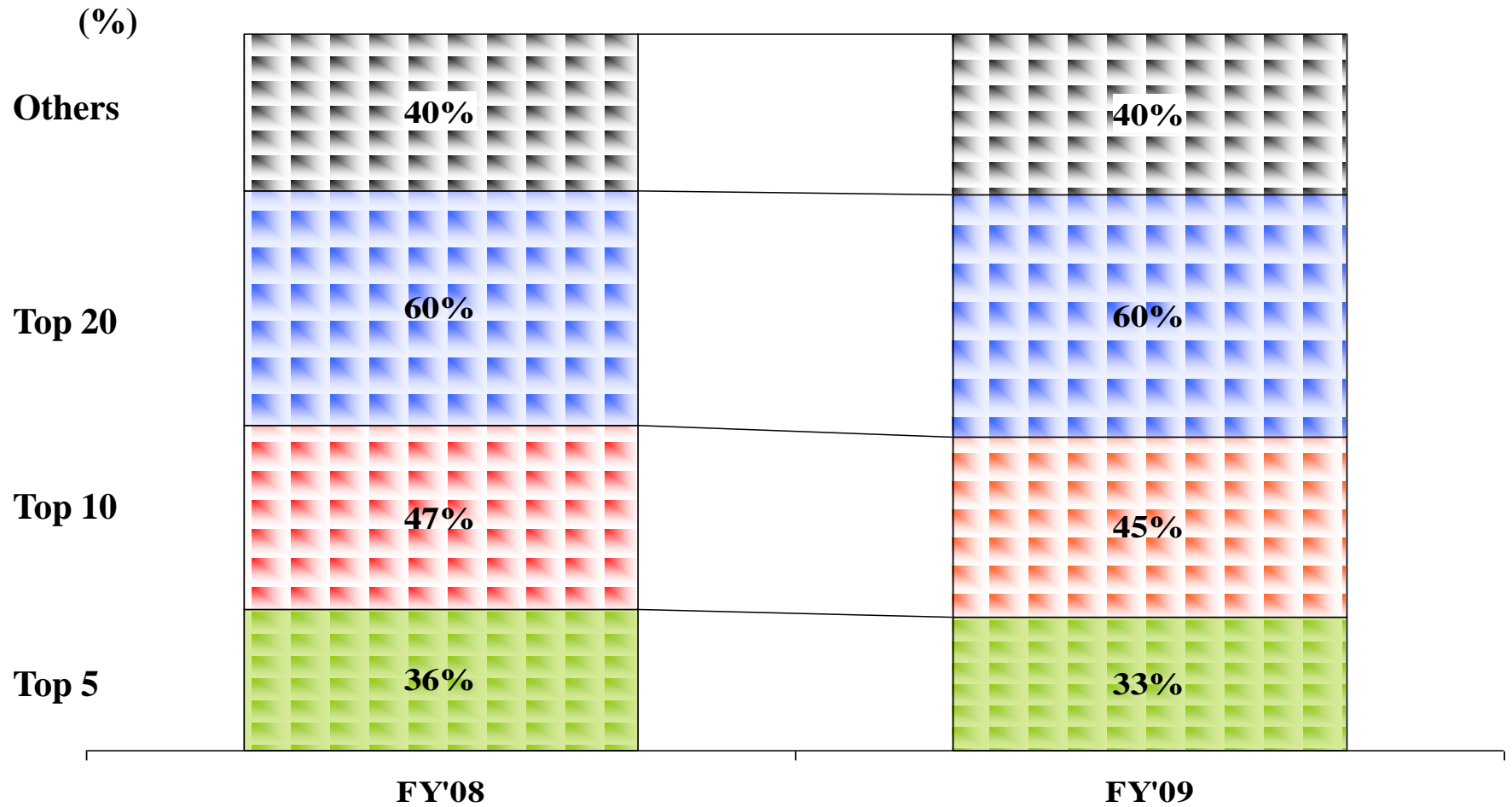


• Focussed vertical contribute 84% (81% last year)



- 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.

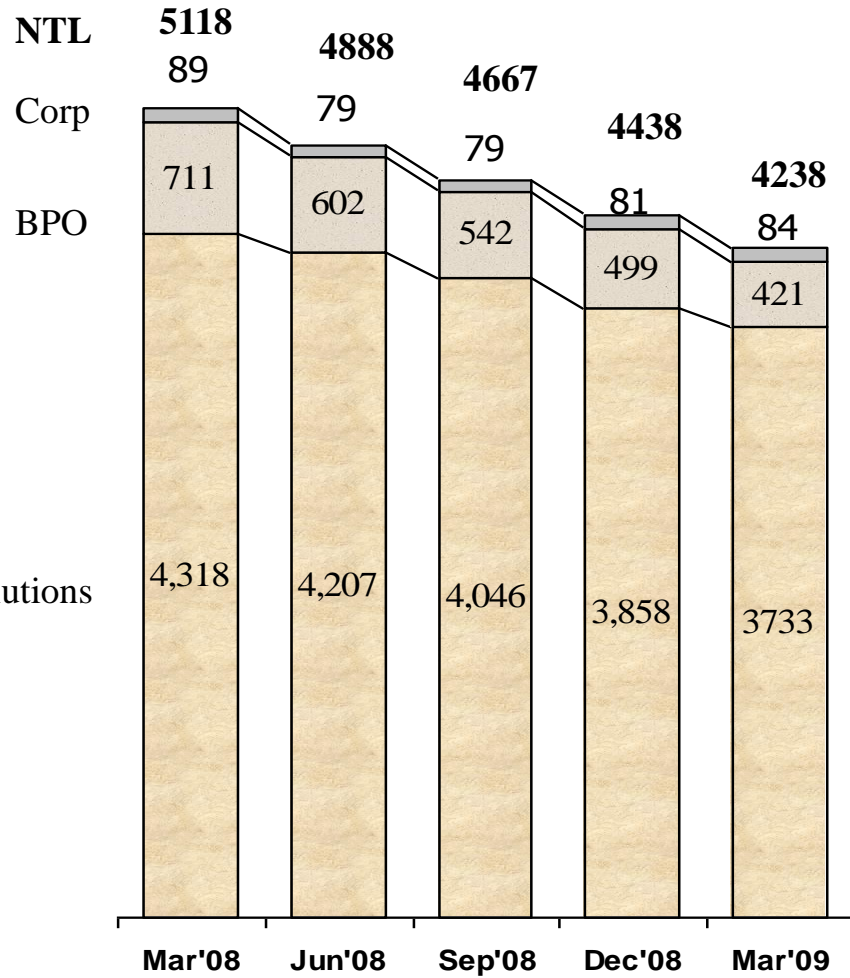
Top Client Mix



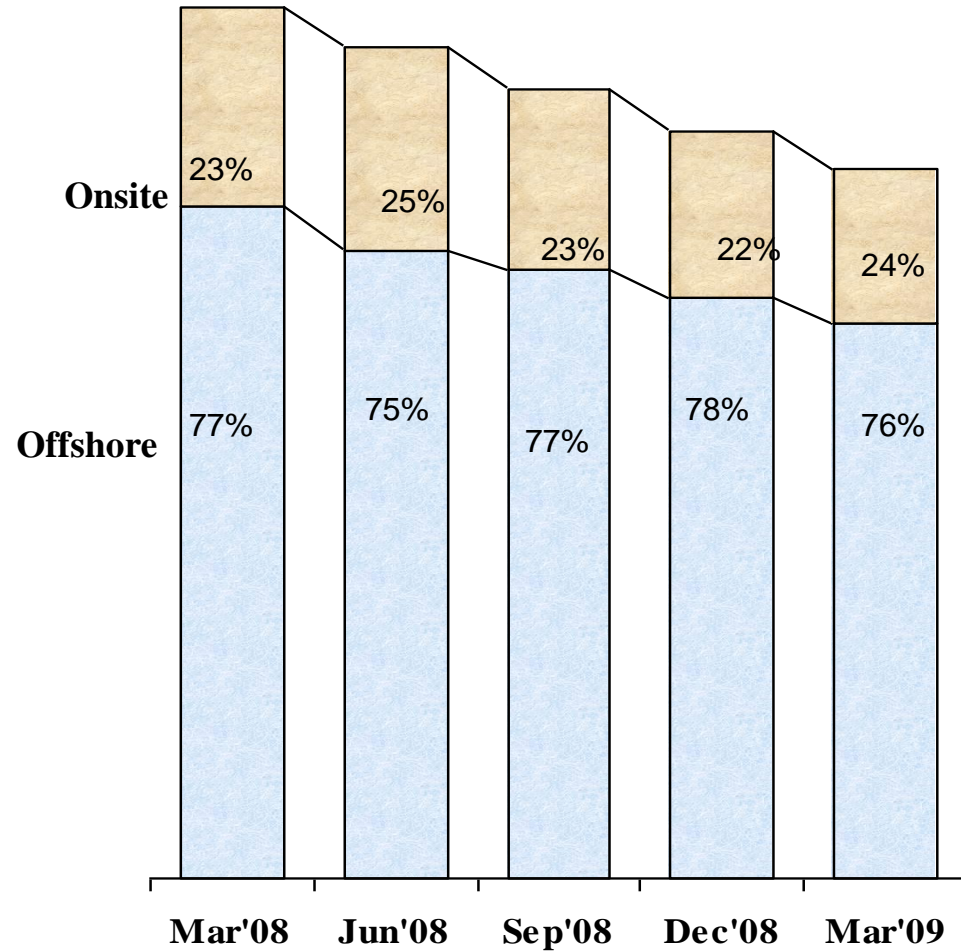
- 36 Million dollar clients
- Broad Basing of customers

People Resources

Segmental Mix



On-Offshore Mix



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

Thank You