Investor Presentation

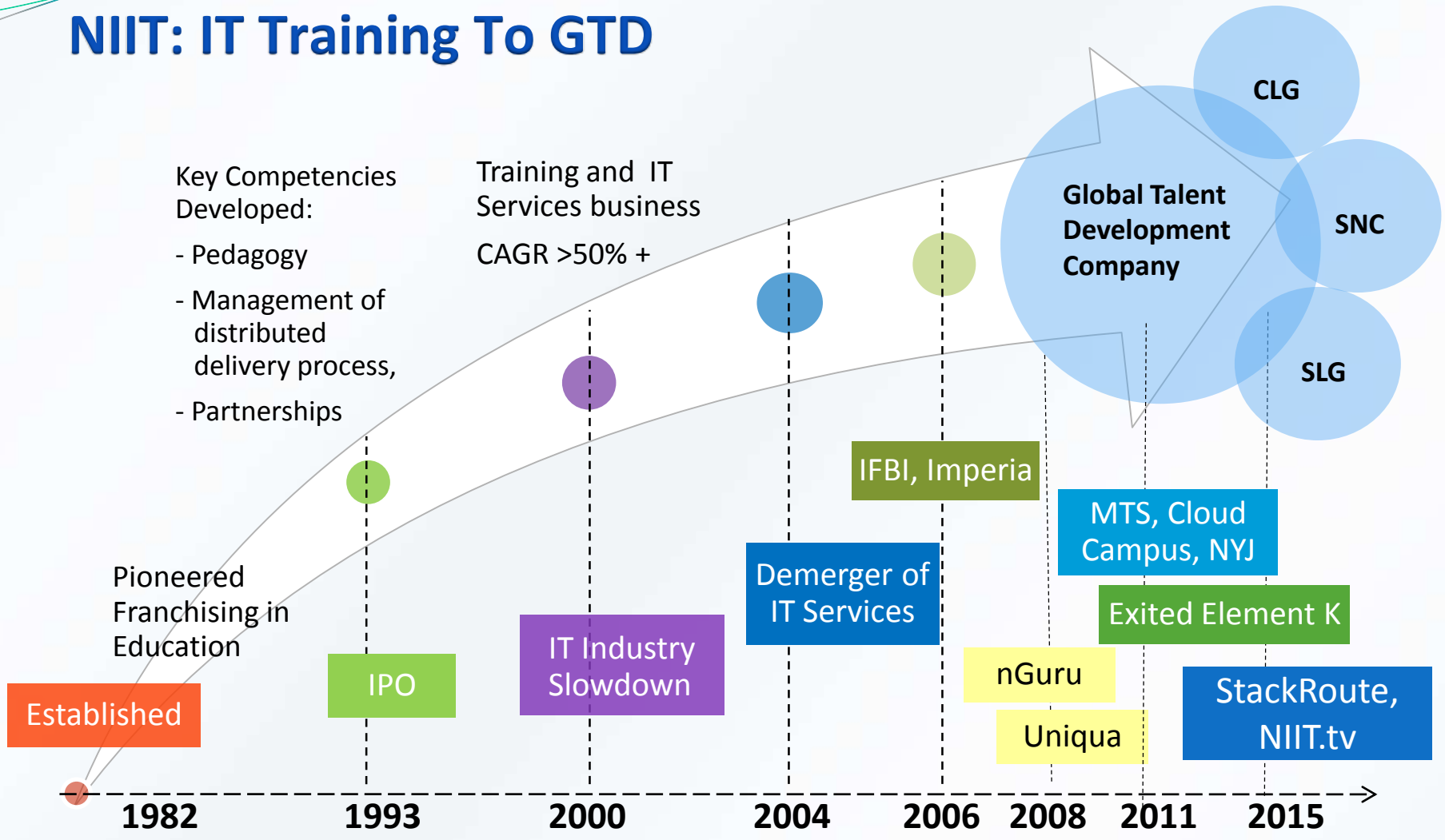
Edelweiss Investor Conference

December 1, 2015

Agenda

- NIIT: Company Overview
  - Corporate Learning Group
  - Skills & Careers Group
  - Schools Learning Group
- Business Transformation
- Q2’FY16 Results Update
- The Next Frontier: Future Direction

NIIT: IT Training To GTD



NIIT has grown from being an IT training company to a global talent development corporation

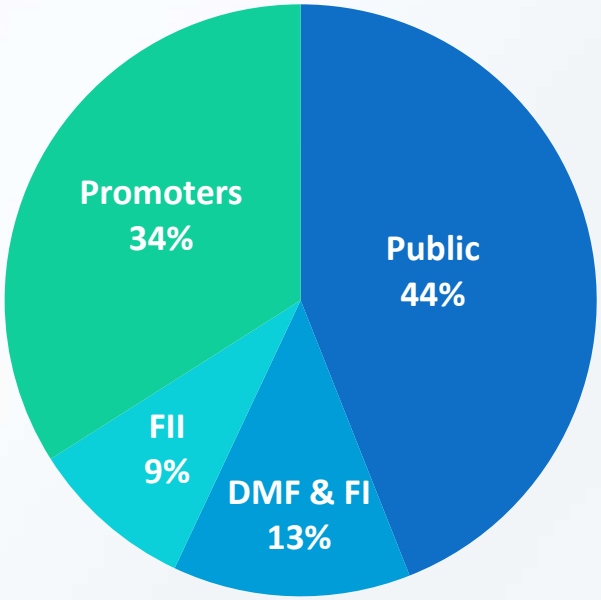
NIIT: Business Structure

Corporate Learning	Skills & Careers	Schools Learning
Rs 4,878 Mn, 51%	Rs 3,283 Mn, 34%	Rs 1,413 Mn, 15%
Productivity	Employability	Academics
US, Europe	India, China	India
• Managed Training Services • Custom Projects	• Service Sector skills • Professional Life skills	• Teaching & Learning Solutions • School Services

Percentages reflect share of Net Revenue for the business for FY15, and are rounded to nearest integer

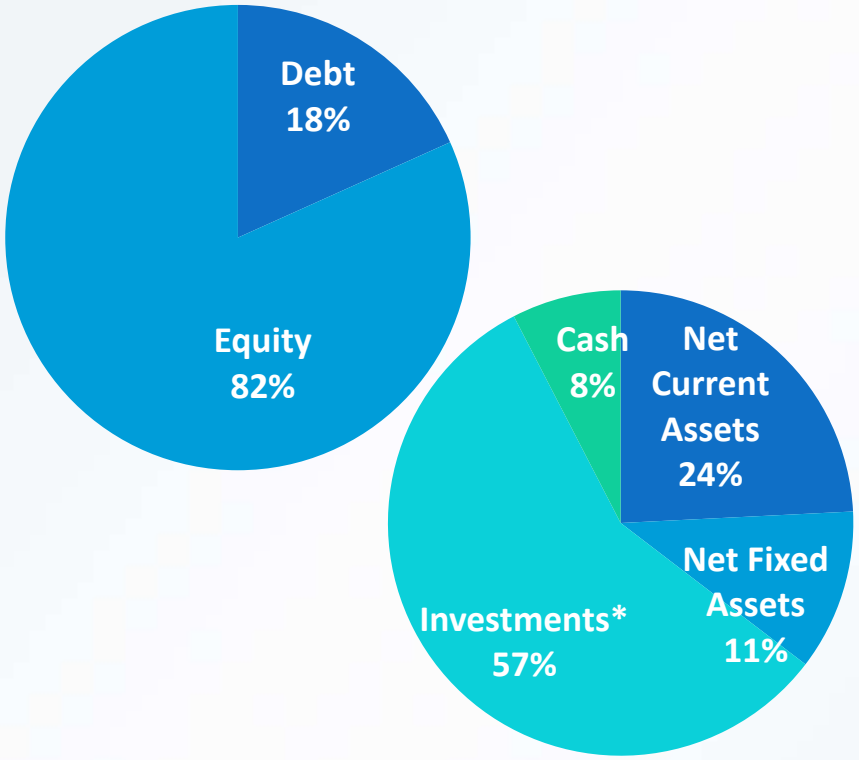
Capital Structure

Shareholding



No of Shares: 165.2 million

Total Capital Employed – Rs. 9,508 million



*NIIT Limited owns 23.72% of NIIT Technologies

As of Sept 30, 2015

NIIT has made significant contribution to training and education, globally

Skilled over 4 M students over the last 10 years

Career courses in IT, ITES, BFSI, Mgmt, Retail, Telecom etc

439 B2C education centers

20% higher premiums for agents on-boarded for a leading Insurance company

Reduction of learning expenditures by 25% for a diversified Health and Well-being company

Reduced time to proficiency by 30% in 22 locations worldwide for a global Energy major

Technology enabled over 10 M school children

Trained over 400 K school teachers to leverage technology

74% students prefer learning mathematics with NIIT Math Lab

*Representative

…and has received numerous recognitions and awards

Highest Rated Education Brand

THE BRAND TRUST REPORT

GREAT PLACE TO WORK®

Ranked 4th Best Company to work for in India. No 1 in Education and Training

NIIT Nguru awarded as "Best Interactive Solution Provider" by ASSOCHAM

TRAINING INDUSTRY 2015 TOP TRAINING COMPANIES TRAINING OUTSOURCING

NIIT USA ranked among the Top 20 Companies in Training Outsourcing. for the eighth consecutive year

GOLD BrandonHall GROUP EXCELLENCE AWARDS Learning 2014

23 Brandon Hall awards for Corporate Training

NIIT received Dataquest 'Top IT Training Company' Award for the 20th consecutive year

Business Overview

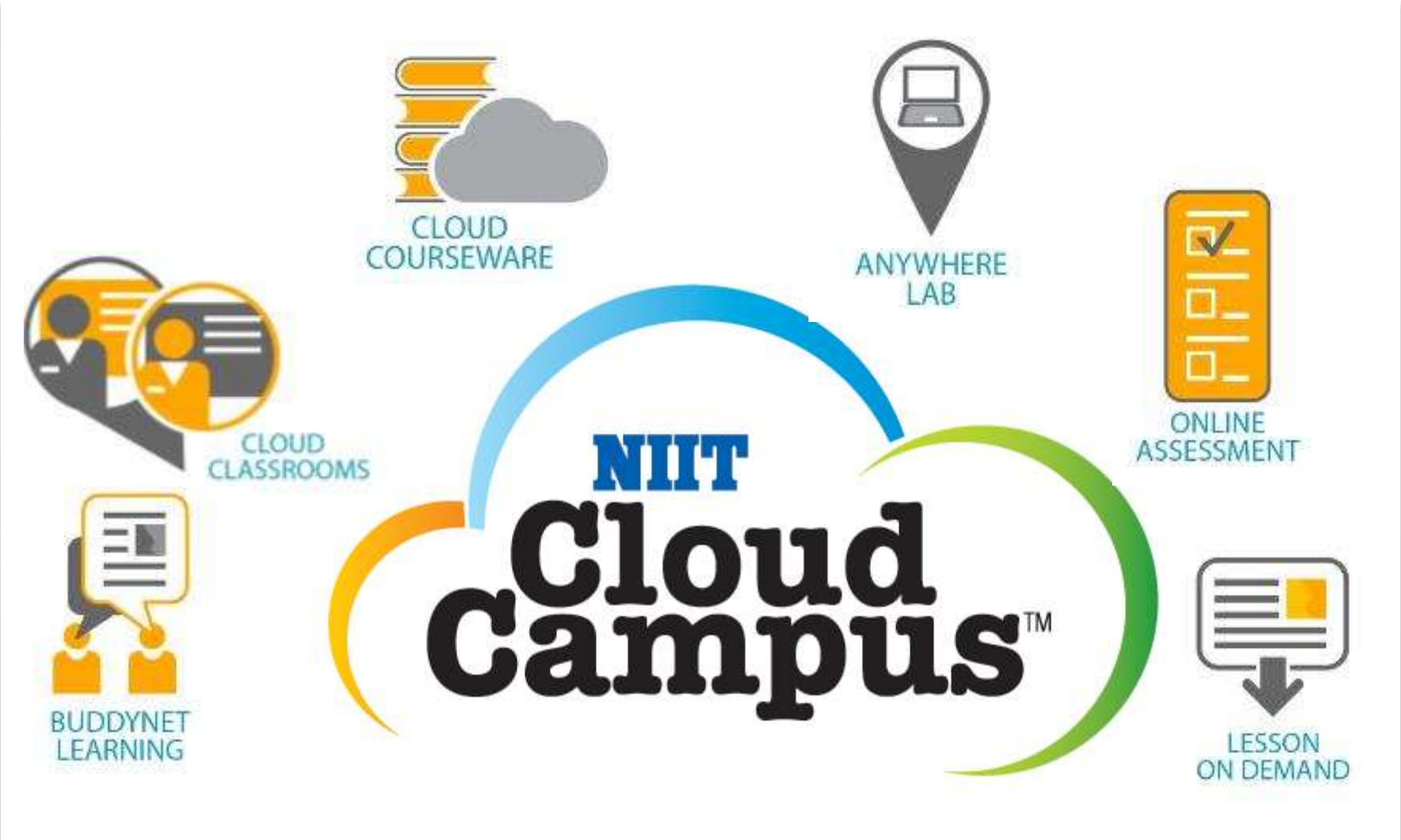
Corporate Learning: End to End Servicing Capability

CURRICULUM & CONTENT	LEARNING DELIVERY	LEARNING ADMINISTRATION	STRATEGIC SOURCING	LEARNING TECHNOLOGY

Corporate Learning: Marquee Customers

Logos represented above are trademarks of respective companies

Skills & Careers: A New Way Of Learning



Skills & Careers: Expanding Product Portfolio

1982-2006

IT

Brick & Portal

2007-2012

- IT
- Banking & Finance
- Business Process Mgmt
- Professional Life Skills
- Management Education

NIIT Cloud Campus

Current

- Software Engineering
- Banking & Finance
- Business Process Mgmt
- Management Education
- SMAC
- Digital Marketing
- E-Commerce
- Retail
- Telecom/Mobility
- Design
- Healthcare
- Hospitality

- ✓ Explosion of diverse skill needs
- ✓ Changing learner needs: flexibility, on-demand learning
- ✓ Improved speed to market and scalability
- ✓ lower delivery cost, better capacity utilization

Schools Learning: nGuru Solutions Portfolio for Schools

Teacher Training

Math Lab

School Consultancy

Quick School @ Cloud

IT, Web & Multimedia

Math magic

Schools Learning: Credentials

10 Mn + Students

400 k + Teachers

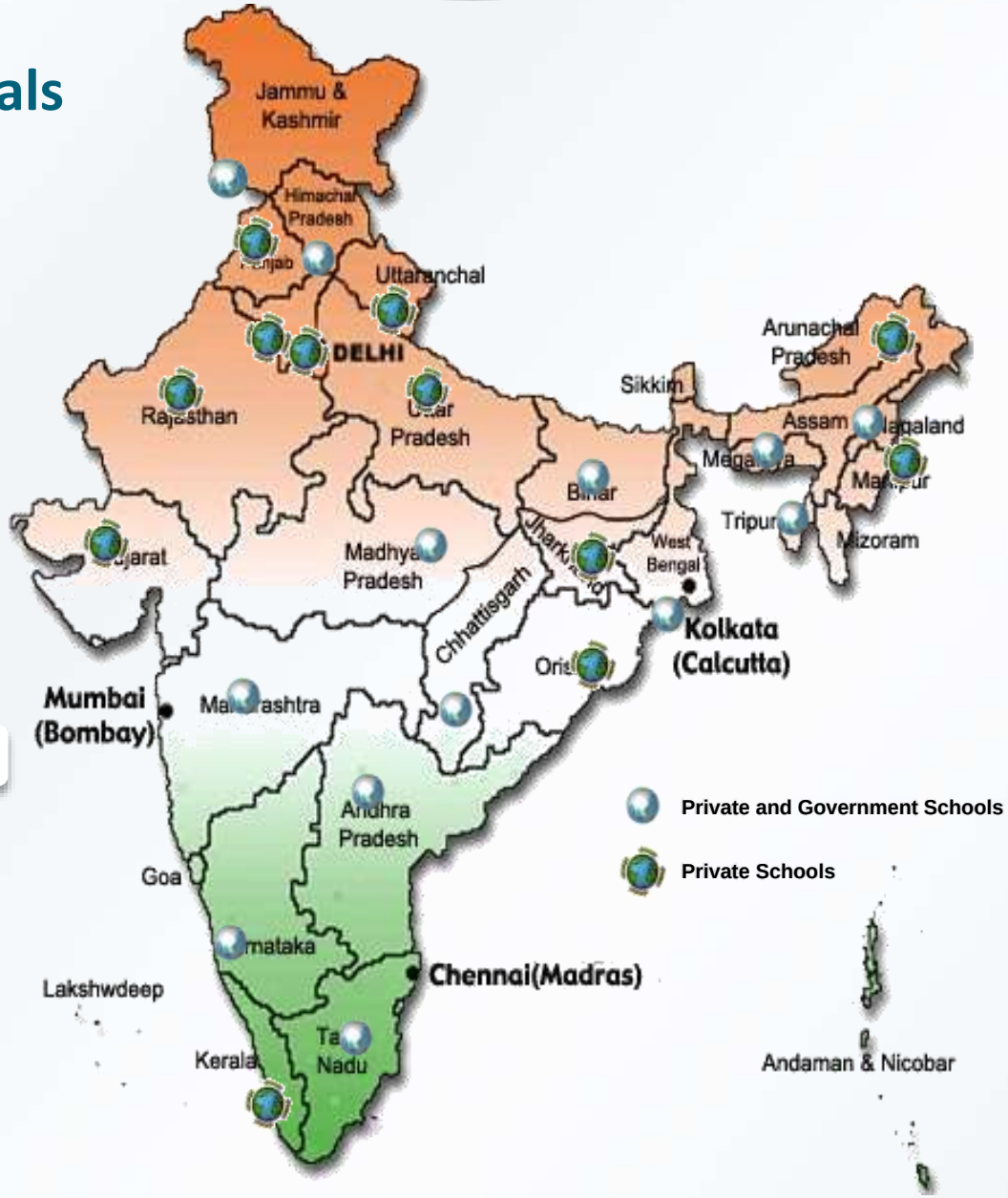
100 k + Nodes

24 k + Hrs of Content

45 k + Instructors

16 k + Schools

Cumulative



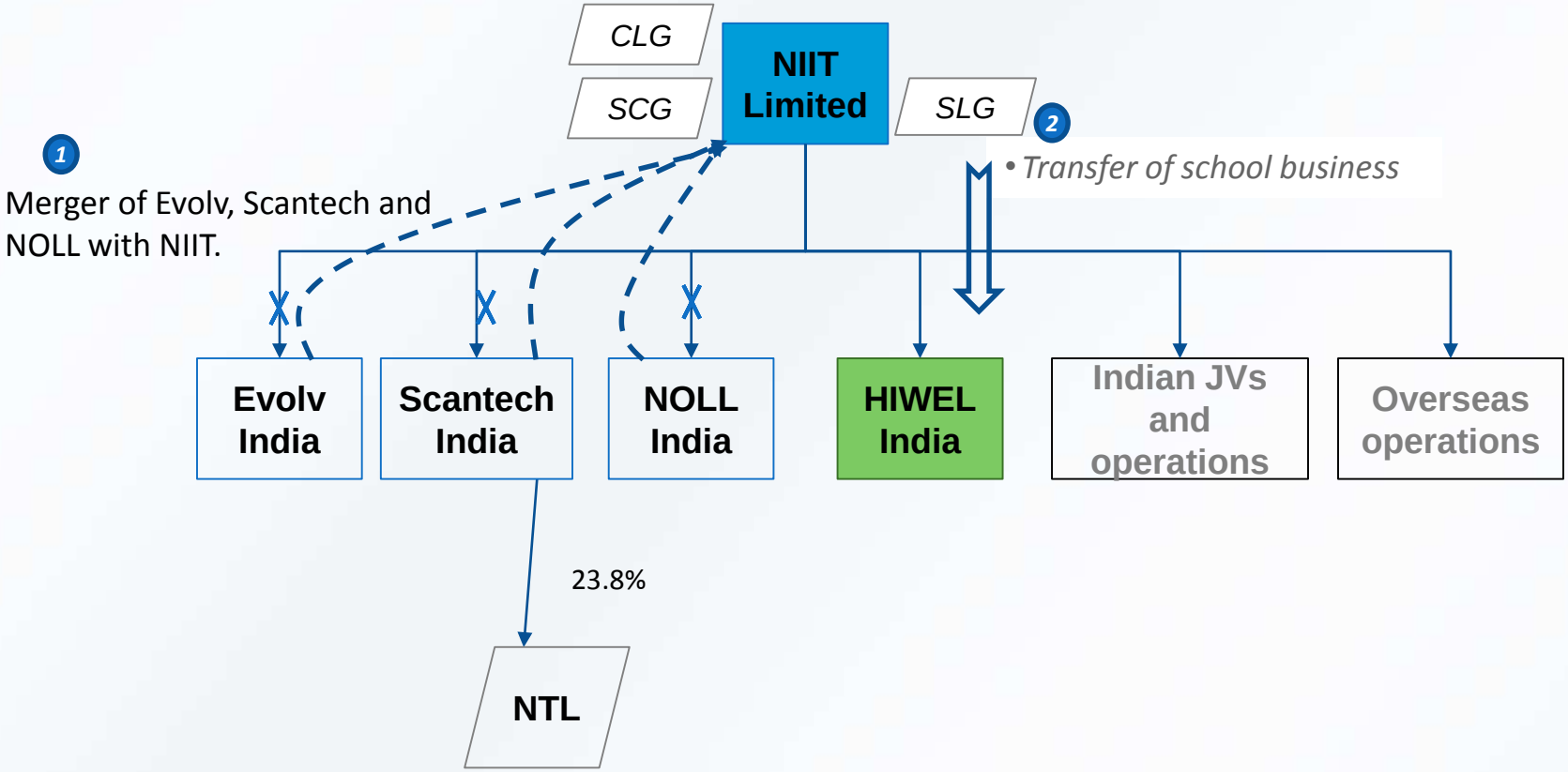
Business Transformation

Business Transformation Journey

- Top management succession and strengthening the leadership team
- Rationalization of Subsidiaries: Scheme of Arrangement
- Reassessment of existing Business/ Geographies/ Products

Focus on Asset light, Growth oriented Businesses

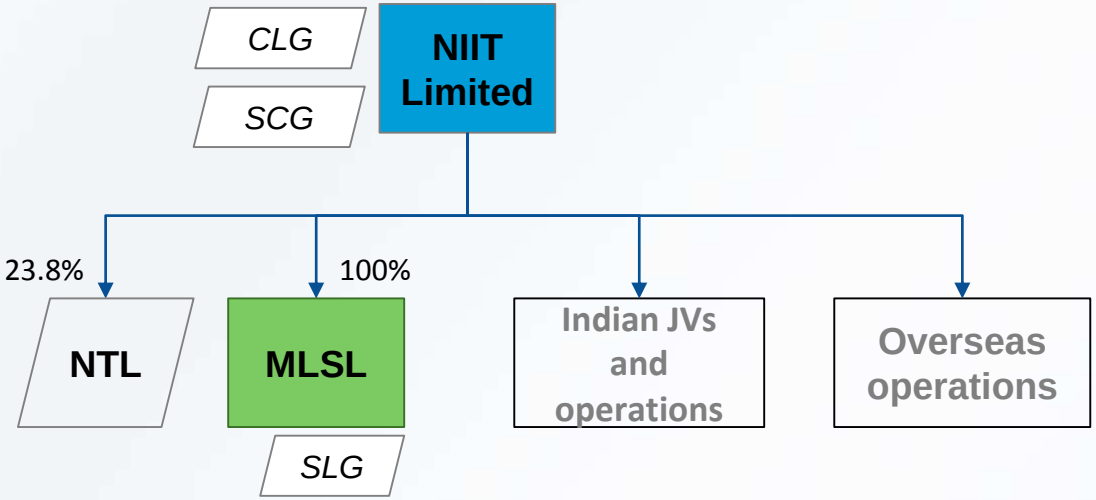
Business Transformation: Scheme of Arrangement



Appointed Date: 01 April 2014

Business Transformation: Resulting Structure

- Simplified entity structure to reflect realigned business operations
- Enabling structure for more funding opportunities for Schools business



Appointed Date: 01 April 2014

Business Transformation

Reassessment of existing Business/ Geographies/ Products

1. Exit capital intensive government businesses and capex driven models in schools
2. Sharpen focus on Skills & Careers business on the larger markets and exit other international geographies
3. Capacity & Structure consolidation of Skills & Careers business
4. Product portfolio rationalization – exit low margin products

- **Sharpen focus on Growth oriented products, businesses & geographies**
- **Annualized run rate saving of Rs 252 mn in people and premise costs**

Q2'FY16 Results Update

Environment

- Increased global economic uncertainty driven by slowdown in emerging markets. IMF cut global growth forecast for CY2015 to 3.1% (vs 3.3% earlier)
- Lower commodity prices and volatility in exchange rates creates risks and opportunities
- Corporate spending on training in US and Europe remains robust; Companies are looking for ways to drive efficiency and effectiveness in training to improve business performance
- GOI planning structural reforms to improve business environment. However uncertainty on timing continues to impact investment sentiment
- Government continues to focus on driving skills development to drive sustainable and inclusive growth
- Start-ups disrupting traditional industries and driving demand for new-age skills. India ranks third among global start-up ecosystems with more than 4,200 new-age companies. Create 80,000 jobs in 2015 (NASSCOM)

NIIT Growth Platforms

NIIT

Corporate

MTS

- 26 global MTS customers vs 23 in Q2 FY15
- Revenue visibility at $191 mn vs 164 mn in Q2 FY15

Skills & Careers

Beyond IT & Cloud Campus

- Beyond IT contributes 40% vs 29% in Q2 FY15
- 59% centres cloud enabled
- 76% portfolio cloud enabled

Schools

nGuru

- Signed 65 Schools in Q2. Total 2,803 schools addressed
- Focussed IP led private school business contributes 26%

Liquidity, Profitability and Capital Efficiency

Q2'FY16: In Perspective

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,448 Mn up 16% YoY; Constant currency growth @ 12% YoY; EBITDA margin at 12% (rock steady consistency)
- Added 1 new MTS customer; MTS now contributes 91% to CLG revenue
- Revenue Visibility at $ 191 Mn; Order Intake at $23.9 Mn up 15% YoY

Skills & Careers Group (SNC): Continued re-energization

- Revenue at INR 1,045 Mn (up 1% YoY; compared to drop of 18% in Q2FY15)
- Revenue from Focus-Business up 13% YoY compared to drop of 20% in Q2FY15
- Q2FY16 EBITDA INR 69 Mn (7% of revenue), due to overall impact of Business transformation
- Beyond-IT contributes 40% to SNC revenue compared to 29% in Q2FY15

School Learning Group (SLG): Subsidiary implementation

- Revenue at INR 232 Mn down 27%; EBITDA margin at 6% (up 379 bps YoY)
- Focussed IP led private school business contributes 26%

NIIT: Growth & Profitability continues its march upwards – Firmly & Steadily

- Revenue at INR 2,725 Mn (up 5% YoY); Revenue from Focus-Business up 13% YoY
- EBITDA at INR 252 Mn at 9% of revenue; up 230 bps YoY
- PAT at INR 208 Mn vs INR 103 Mn in Q2FY15 and INR 150 Mn in Q1 FY16
- Operating ROCE at 10.1% vs 4.5% in Q1 FY16

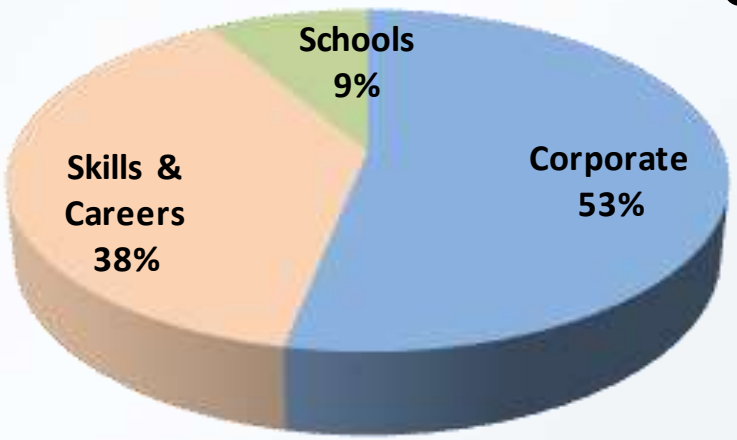
Key Financials

INR Mn	Q2 FY'16	Q2 FY'15	YoY	Q1 FY'16	QoQ
Net Revenue	2,725	2,604	5%	2,332	17%
Operating expenses	2,473	2,423	2%	2,168	14%
EBITDA	252	181	39%	164	54%
EBITDA%	9%	7%	230 bps	7%	224 bps
Depreciation	129	147	-12%	130	0%
Net Other Income	-51	-39	-12 mn	-14	-38 mn
Profit before Tax	**72**	**-5**	**77 mn**	**20**	**52 mn**
Tax	11	0	-11 mn	6	-5 mn
Operational Net Profit	**61**	**-5**	**66 mn**	**14**	**46 mn**
Share of Profits from Associates	147	108	39 mn	136	12 mn
PAT	**208**	**103**	**105 mn**	**150**	**58 mn**
Basic EPS (Rs.)	**1.3**	**0.6**	0.6	**0.9**	0.4

- Strong growth in Corporate Learning and cessation of de-growth of Skills & Careers Group helps offset planned ramp down of government business
- EBITDA improved by 230 bps YoY on account of Business transformation and business mix
- Depreciation down 12% YoY, reflecting planned reduction in capital intensity

Business Mix

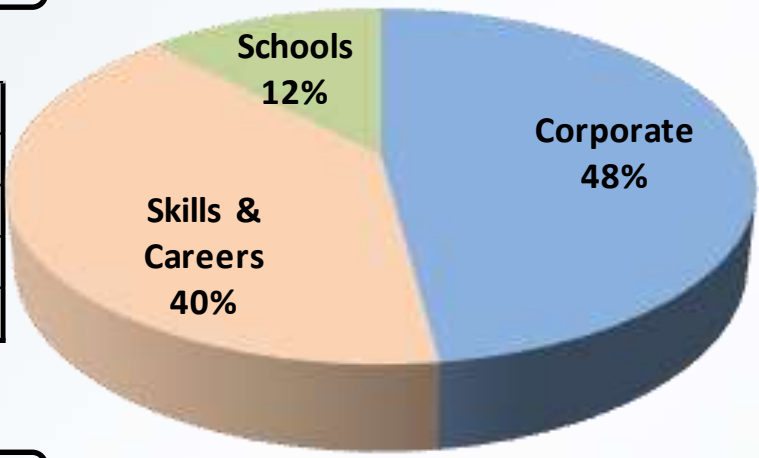
Q2 FY16



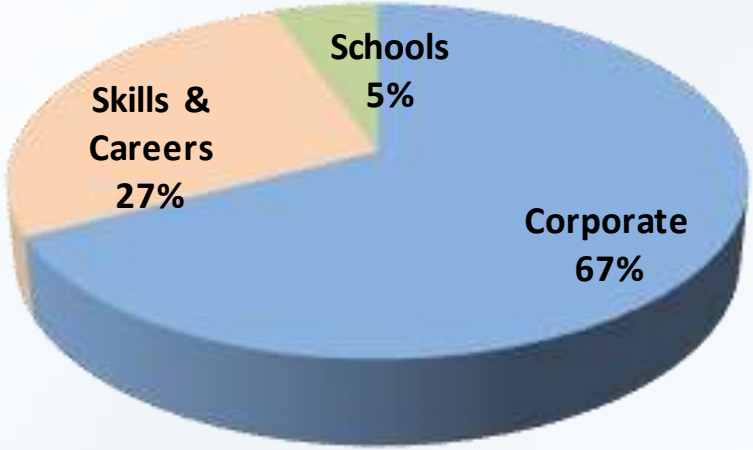
Net Revenue

	Growth
Corporate	16%
Skills & Careers	1%
Schools	-27%
NIIT	**5%**

Q2 FY15



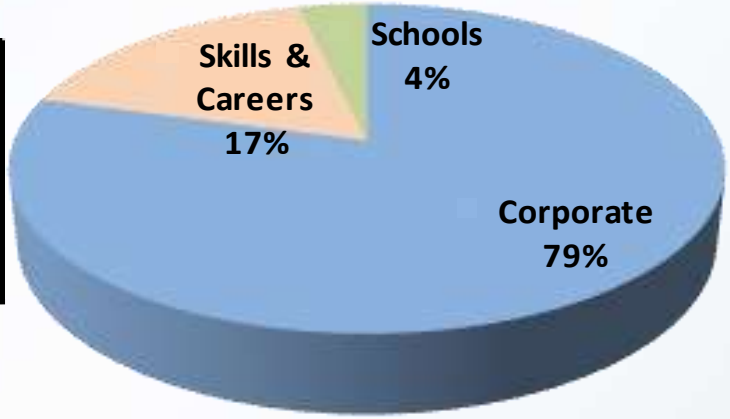
Q2 FY16



EBITDA

	Growth
Corporate	+26 Mn
Skills & Career	+38 Mn
Schools	+7 Mn
NIIT	**+71 Mn**

Q2 FY15



Corporate Learning Group

INR Mn	Q2 FY16	Q2 FY15	YoY	Q1 FY16	QoQ
Net Revenues	1,448	1,248	16%	1,285	13%
EBITDA	170	144	18%	149	14%
EBITDA %	12%	12%	21 bps	12%	12 bps

- Revenue at INR 1,448 Mn up 16% YoY; Constant currency Revenue growth at 12% YoY
- EBITDA at 12%; Rock steady consistency
- Strong business momentum continuing in FY16, driven by growth in MTS; MTS contributes 91% to CLG revenues
- Revenue Visibility at $ 191 Mn
- Signed 1 new MTS contract taking the no. of MTS customers to 26
- Order Intake up at $23.9 Mn up 15%

Skills & Careers Group

INR Mn	Q2 FY16	Q2 FY15	YoY	Q1 FY16	QoQ
Net Revenues	1,045	1,039	1%	725	44%
EBITDA	69	31	122%	-3	2095%
EBITDA %	7%	3%	359 bps	0%	704 bps

- Revenue at INR 1,045 Mn up 1% YoY (vs -3% in Q1 FY16, and -18% in Q2 FY15); Revenue from Focus-Business up 13% compared to drop of 20% in Q2 FY15
- Beyond-IT contributes 40% to SNC revenue vs 29% in Q2 FY15
- Successful turnaround on Revenue, EBITDA & Cash by go-forward Emerging Markets Overseas business (China + ROW)
- Cloud campus implemented in China

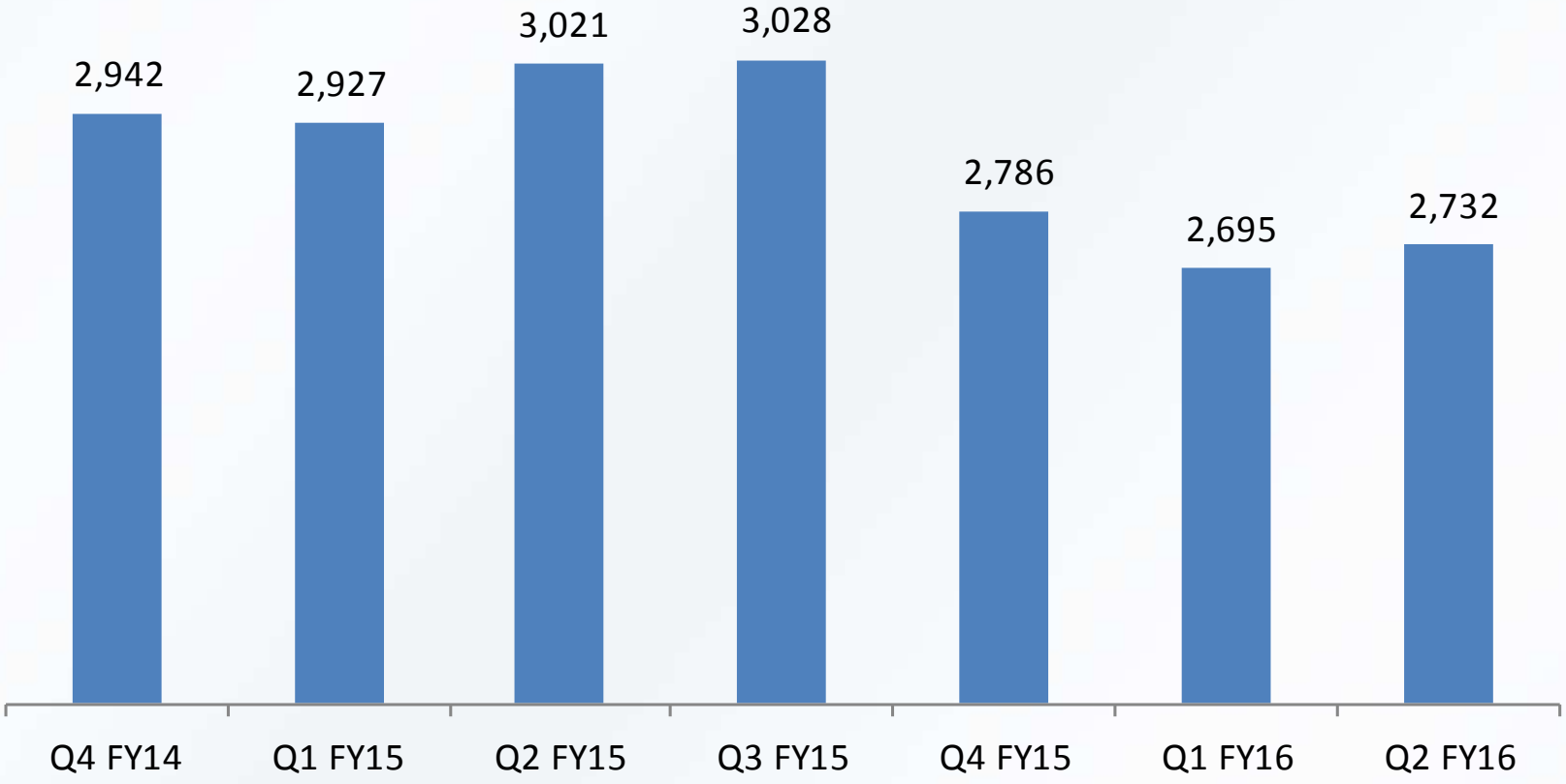
Schools Learning Group

INR Mn	Q2 FY16	Q2 FY15	YoY	Q1 FY16	QoQ
Net Revenues	232	318	-27%	322	-28%
EBITDA	14	7	107%	18	-24%
EBITDA %	6%	2%	379 bps	6%	31 bps

- Overall revenue impacted due to planned ramp down of government school projects
- Revenue from Focussed IP led private school business contributes 26% to SLG revenue
- Added 65 schools, Order intake of INR 63 Mn

ENGLISH PLUS

People

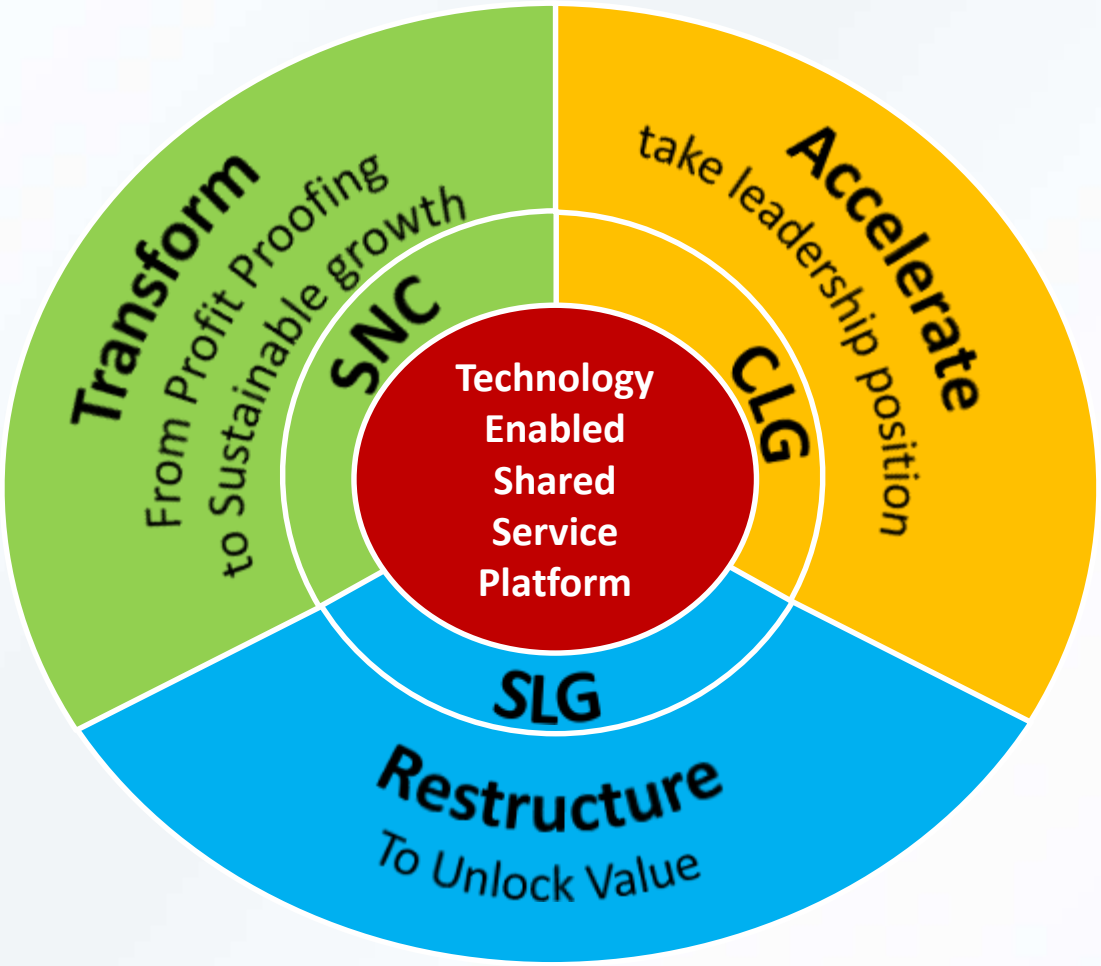


Headcount up 37 QoQ and down 289 YoY

** excludes project retainers*

Future Direction

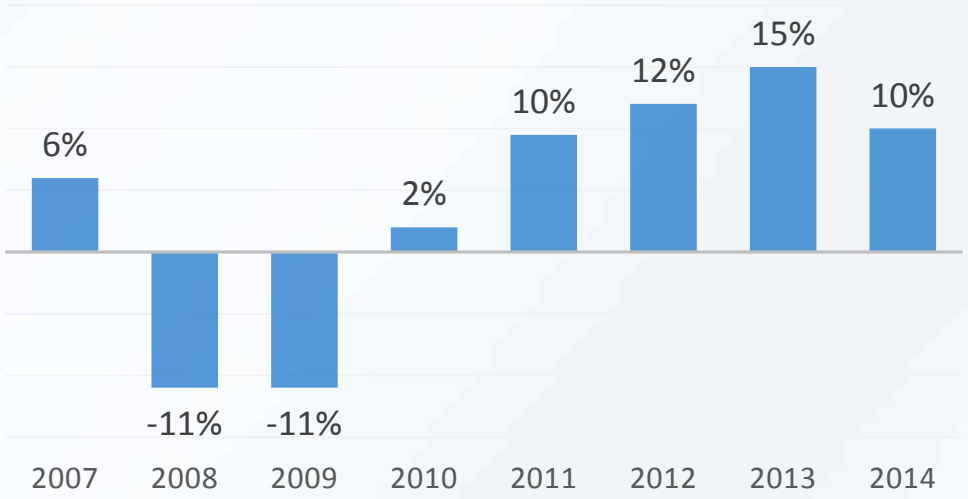
The Next Frontier: Strategic Agenda



Corporate Learning Group

Future Direction

CLG: Corporate Training Spending



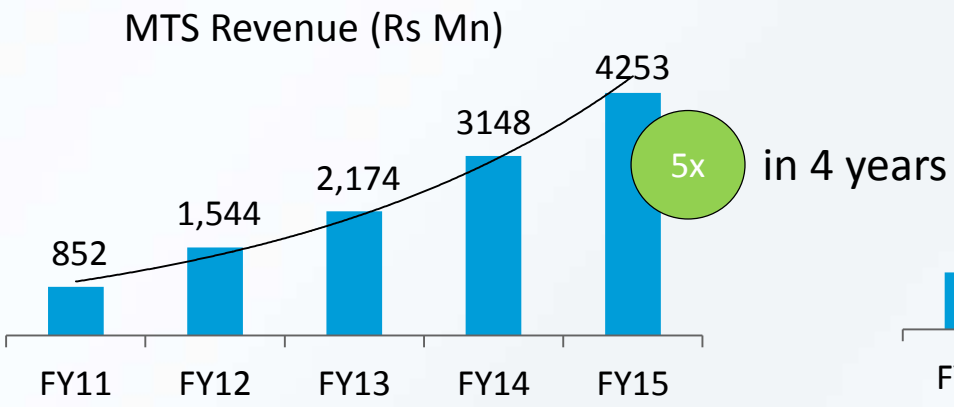
Corporate Training Spend in USA: $90+ Bn
Global Training Spend: $135Bn+

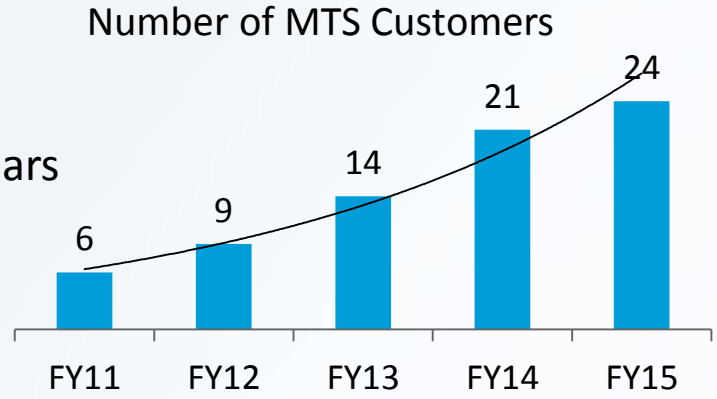
Source: Bersin By Deloitte

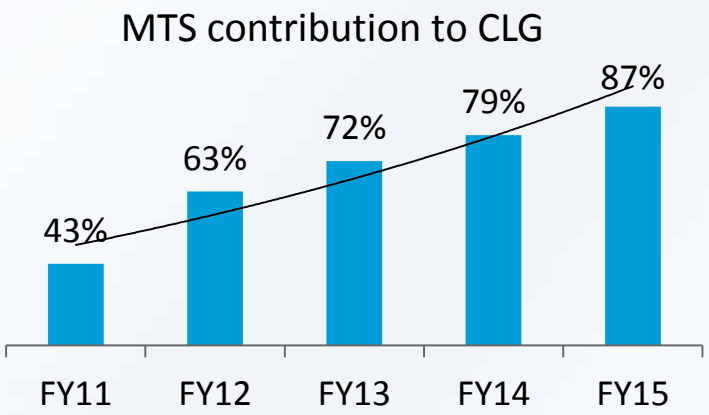
- Continued surge in corporate training spending, as US corporations focus on reskilling their workforce; underscores corporate commitment to training
- In house L&D footprint continues to shrink
- Training is a specialized function and organizations are increasingly relying on specialists to outsource training

Corporate Training market represents a huge opportunity

CLG: Managed Training Services







- Large market with attractive growth opportunity; Increasing contribution from MTS
- NIIT has a differentiated competitive positioning
- 26 MTS customers; Revenue Visibility at $191 Mn from existing contracts

MTS continues drive steady growth for CLG business

CLG: Managed Training Services

Delivering Efficiency and Effectiveness In Training

CLG: Taking MTS to Next Level Of Growth

1 Procurement Efficiency

- Centralized program for ensuring efficiency in procurement of faculty, facilities etc
- Increase value to customer

2 Productivity

- Step up people productivity and optimization of effort & resources through automation and tools
- Improve margins for NIIT

3 Bid Process Mgmt

- Pre-filter RFPs
- Contracting Maturity
- Improve Win Rates
- Higher Sales Productivity

4 Comprehensive Engagements

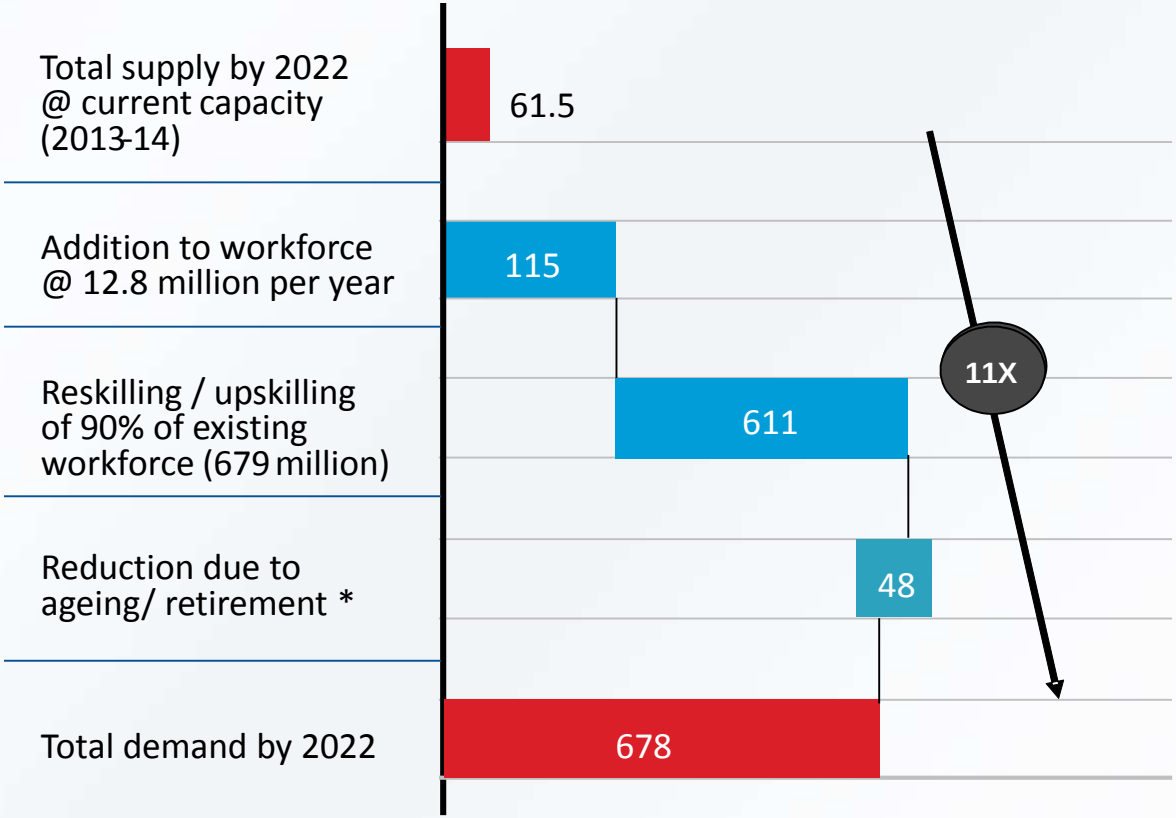
- Big ticket annuity contracts
- Domain expertise
- Grow global delivery capability
- High Capability and Service Maturity
- Improve Book to Bill ratio
- Increased customer value

Driving Scale and Profitability For CLG

Skills & Careers Group

Future Direction

2022 Projections: Huge Capacity Creation Required



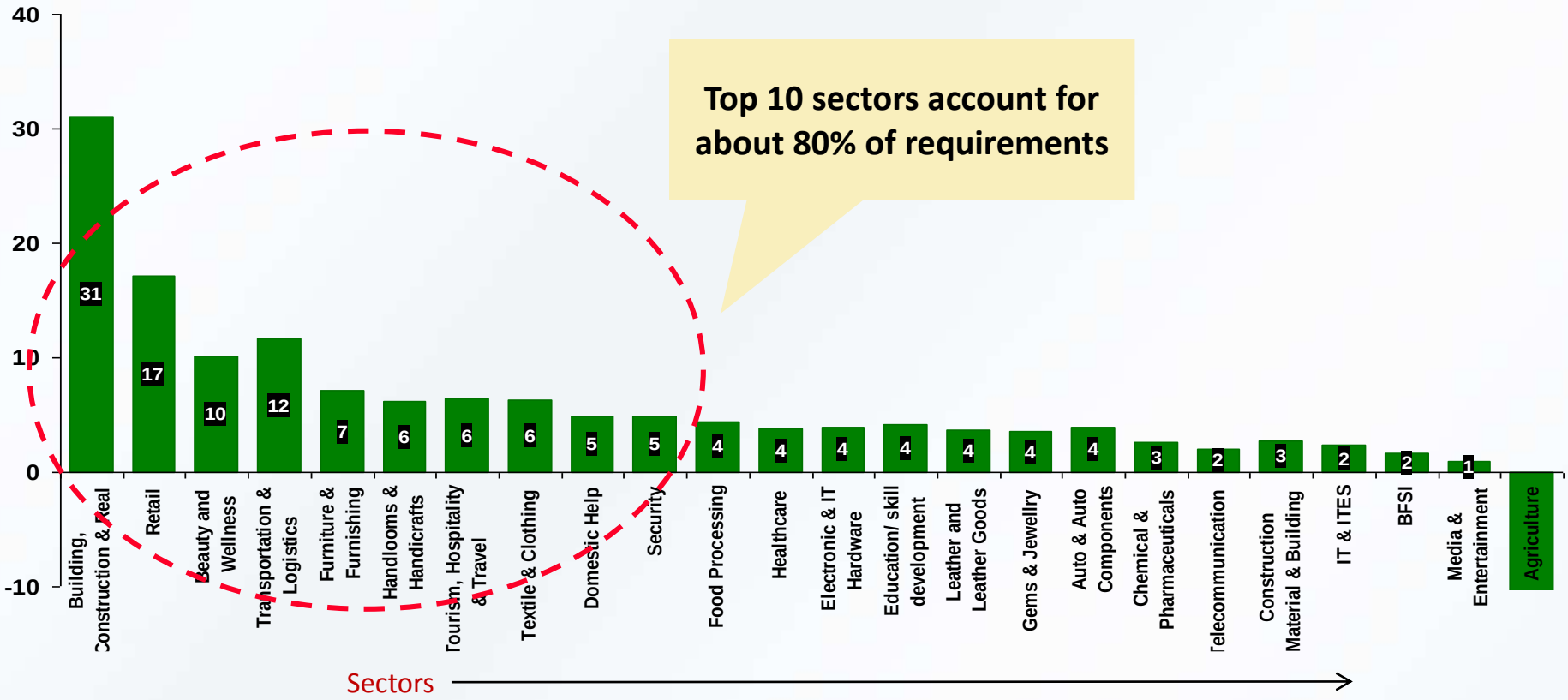
Source: McKinsey analysis; Census 2011; ILO World Development Indicators 2012, NSDA data

*Assuming that the existing workforce in the age group of 51-59 will not be re-skilled

Eleven-fold increase in capacity is required to meet aspirations

Skill Gaps: Sectorial Employment & Growth Opportunities

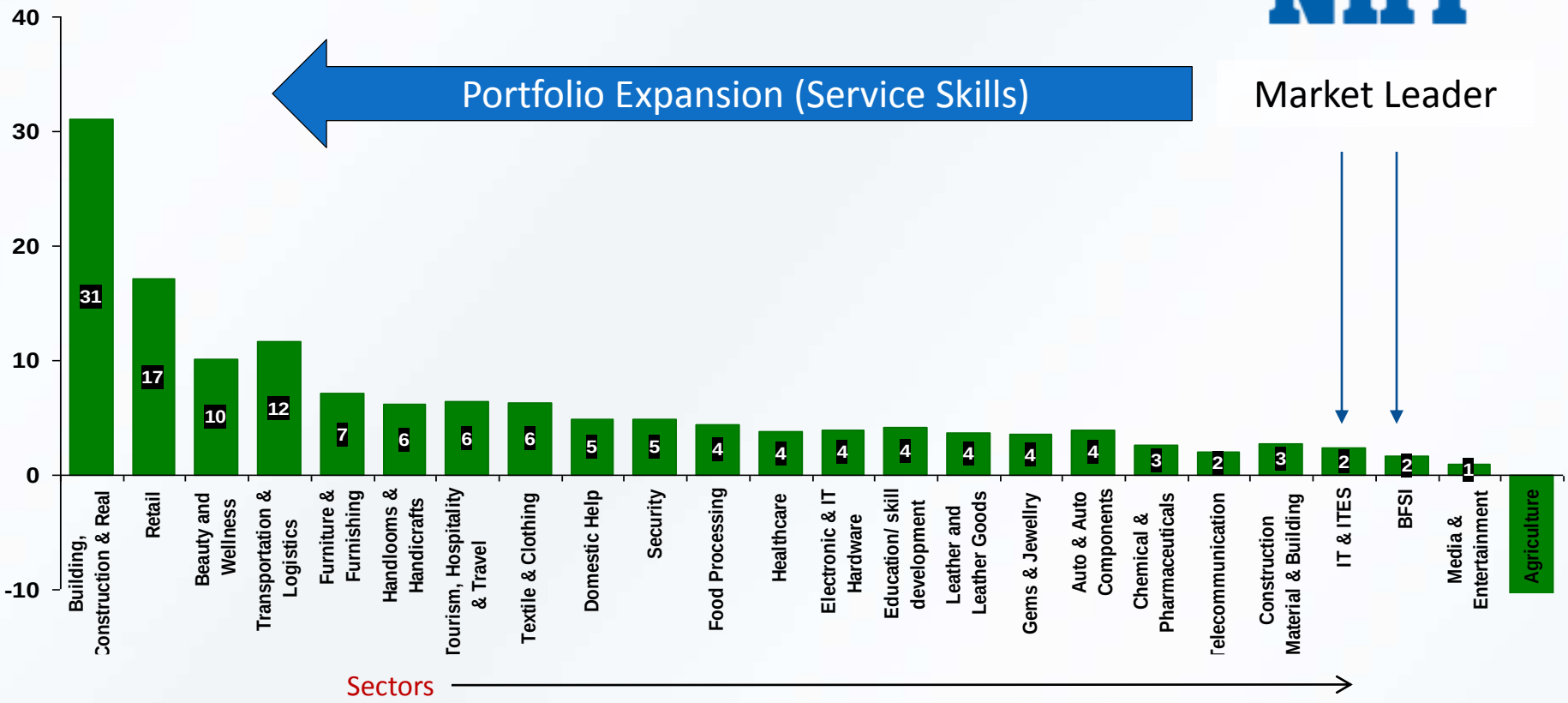
Incremental Human Resource Requirements by Sector between 2013-22 (In Million)



Source: Sector wise Human Resource and Skill Requirements Reports, 2013 – 2022; NSDC

Skill Gaps: Sectorial Employment & Growth Opportunities

Incremental Human Resource Requirements by Sector between 2013-22 (In Million)



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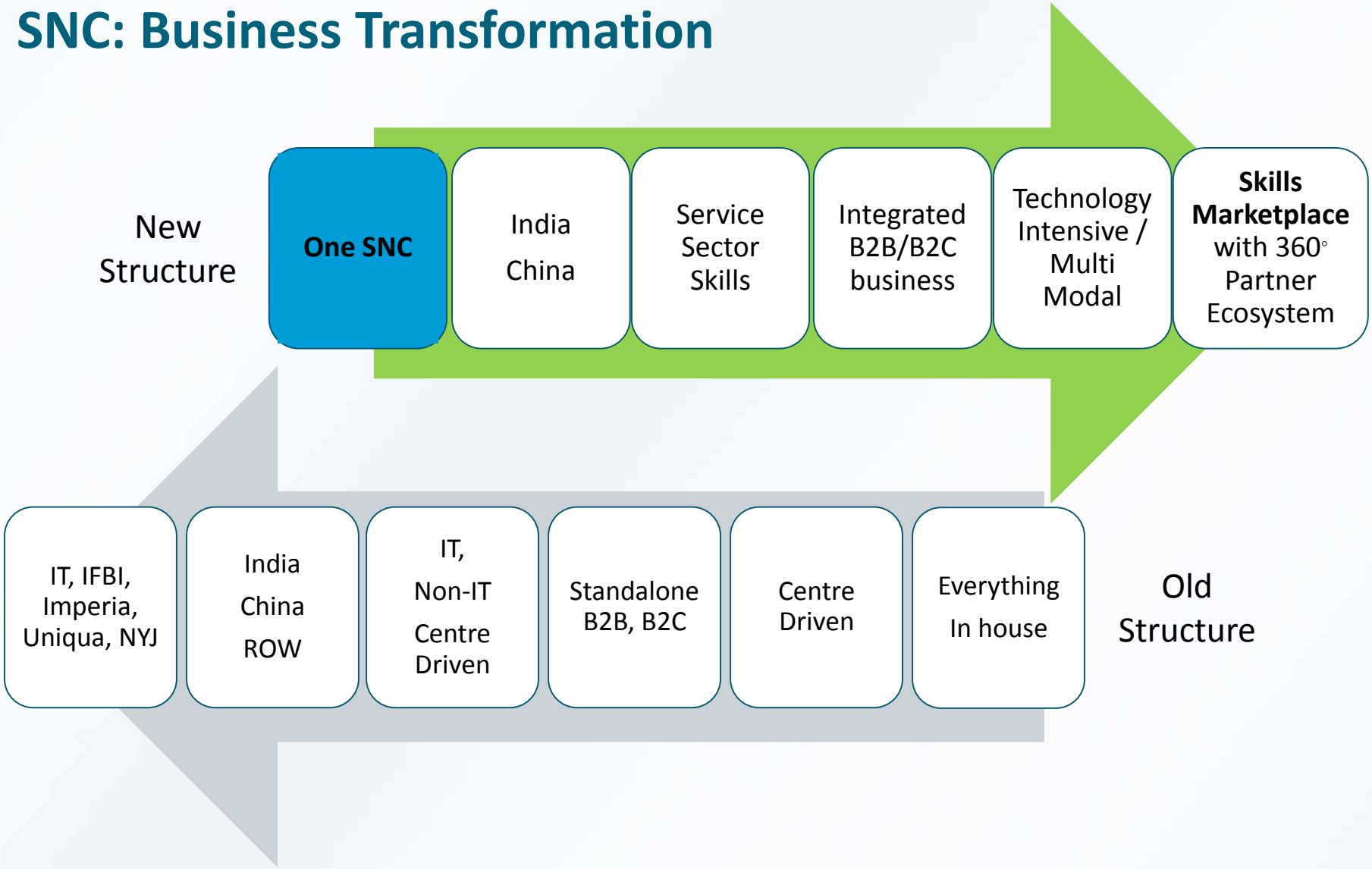
SNC: Business Transformation



SNC: 360 Degree Partner Ecosystem

Industry Demand

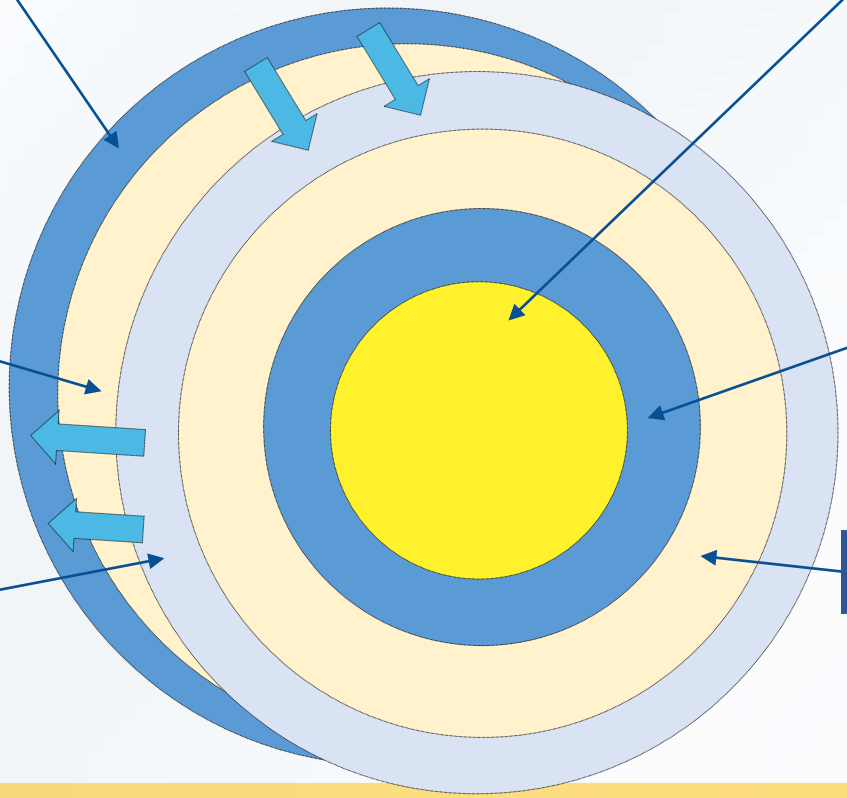
- Certified Skills
- Source to Hire
- Skills Upgrade

Learner Needs

- Learn
- Get Certified
- Get/Change Job
- Get Promoted

B2B Engagement

Multi Modal Marketplace



Ecosystem Needs

- Brand Association
- Reach

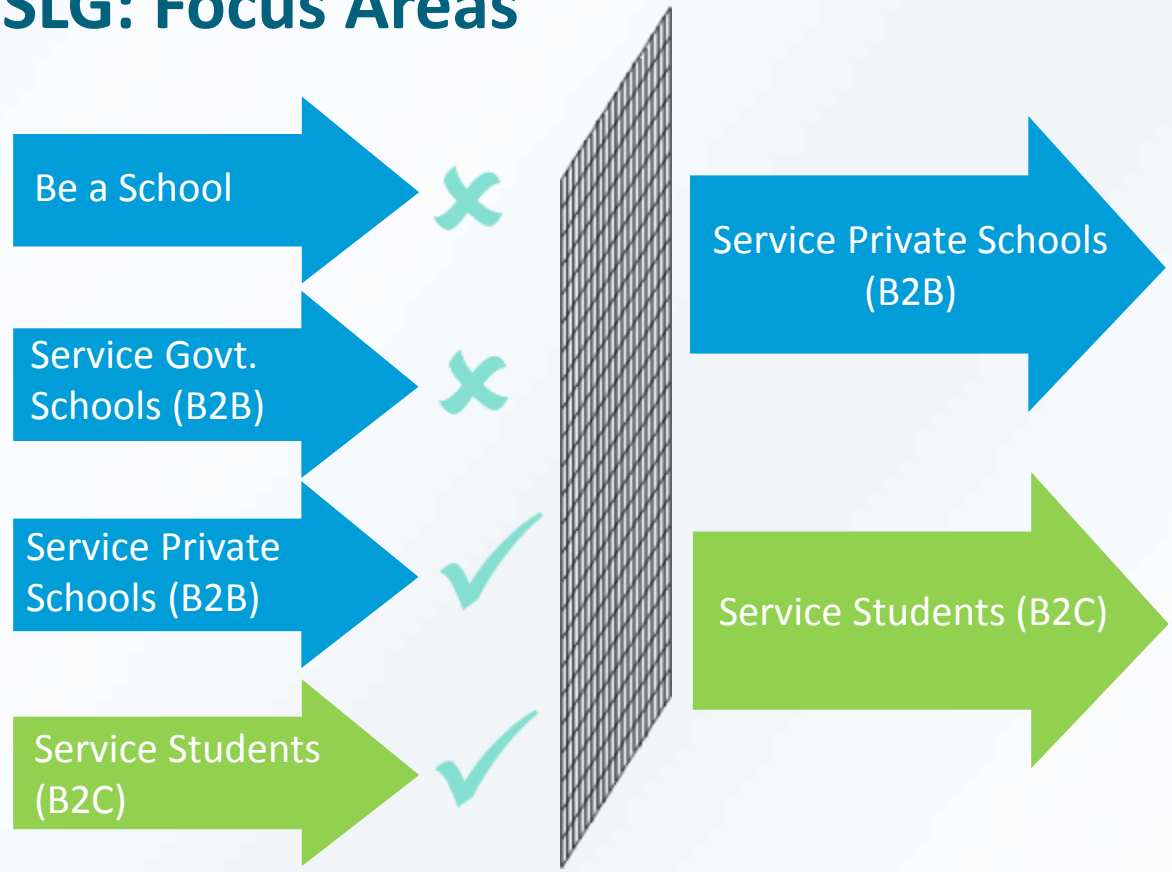
NIIT Managed Services

Building a Comprehensive Skills & Careers Ecosystem

Schools Learning Group

Future Direction

SLG: Focus Areas

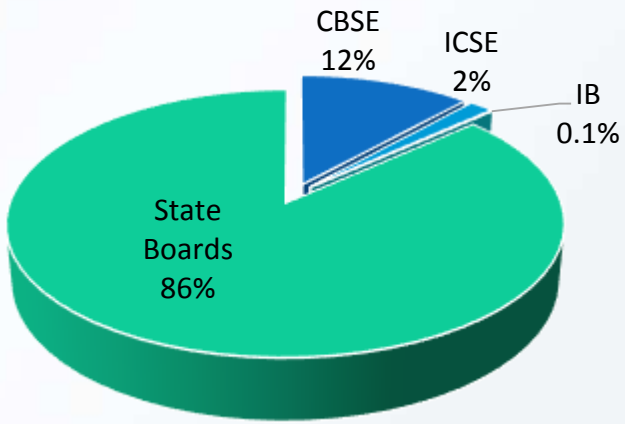


- Defocussed from government schools business
- Exited capex driven business models in private schools
- No Nationally Dominant Player in private schools space with comprehensive product portfolio; Opportunity to transform and scale
- Large untapped opportunity in B2C space
- Needs separate focus and attention

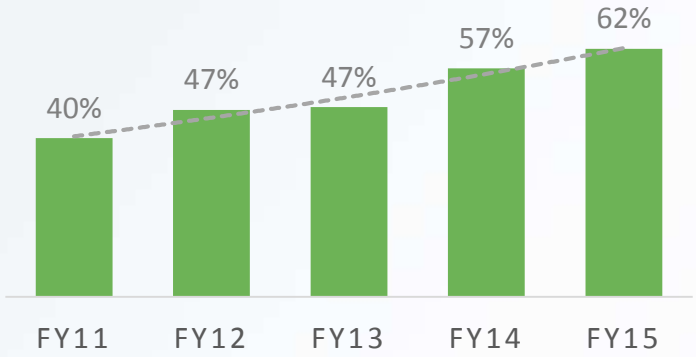
Restructured to unlock value

SLG: Current B2B Opportunity Set

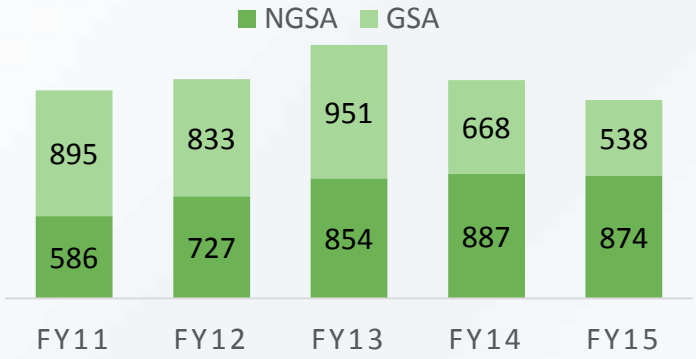
~120K Private Schools



NGSA: Share of Rev



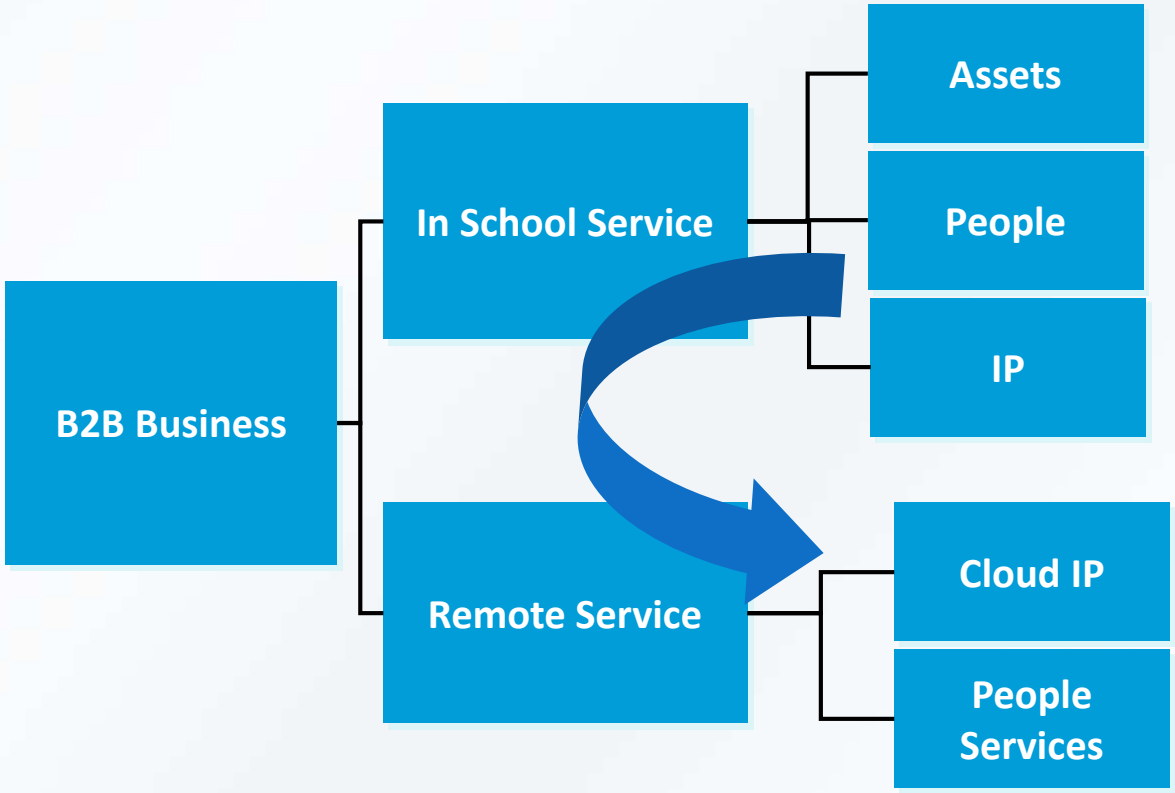
Revenue (Rs Mn)



- ✓ Comprehensive product portfolio
- ✓ Leadership position in white spaces (IT, Math Lab, QS etc)
- ✓ Exit from capex driven model impacting revenue growth in short term, but quality of revenues improving

Increasing share of business from private schools

SLG: Next Frontier For B2B Business

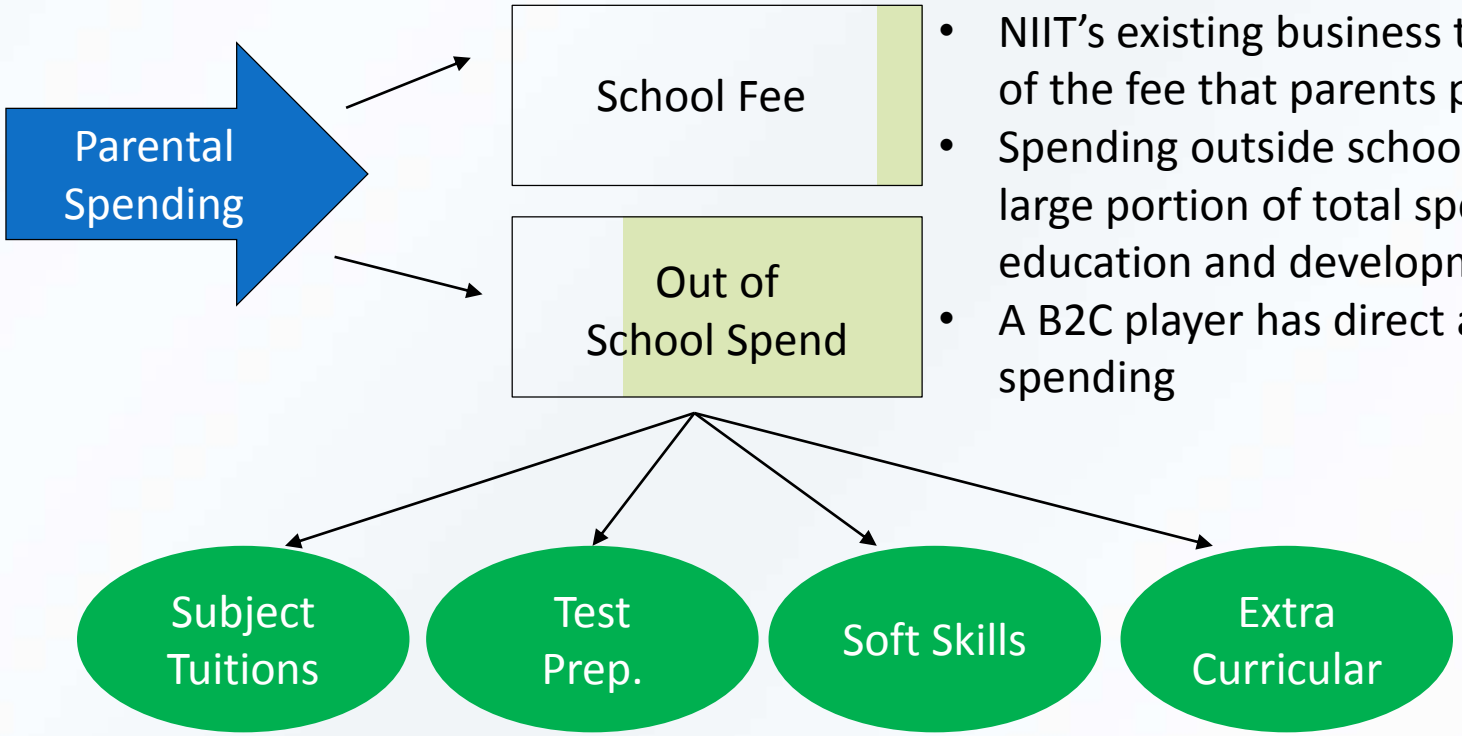


- High capital intensity
- High people dependence
- Diminished value of IP
- Linear, non-scalable

- IP driven
- Asset light
- Technology intensive
- Non linear, highly scalable

Move to asset light, technology intensive, IP driven business model

SLG: K-12 Opportunity Landscape



- NIIT's existing business targets a portion of the fee that parents pay to schools.
- Spending outside schools represents a large portion of total spending related to education and development for kids
- A B2C player has direct access to this spending

*Representative

Large Untapped Opportunity in B2C Segment

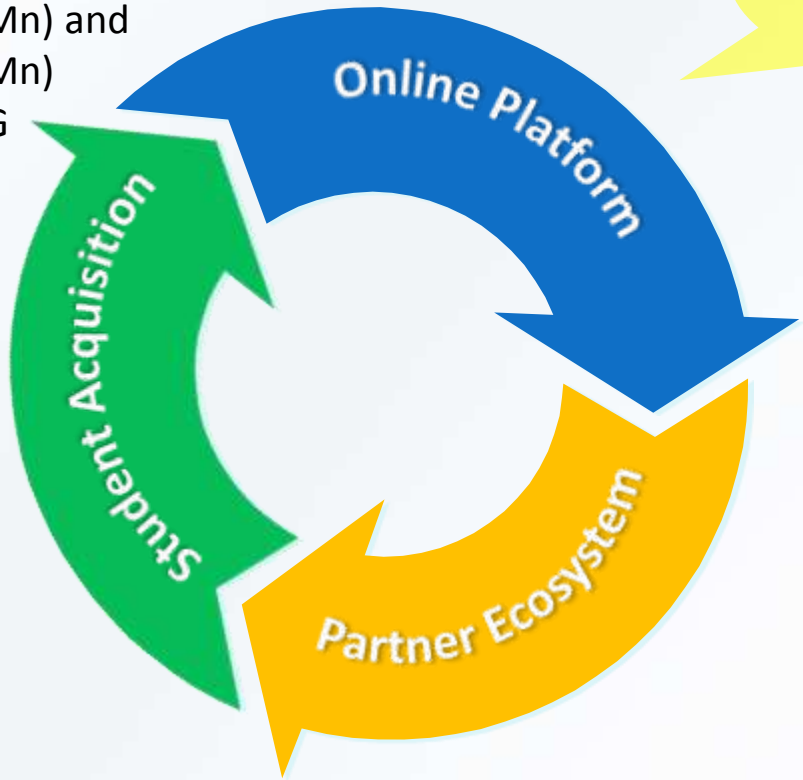
SLG: Grabbing the B2C Opportunity

Leverage Existing Assets

- Students in Private (1.5Mn) and Government schools (2Mn) students serviced by SLG
- NIIT Students/Alumni
- Schools IP
- NIIT Brand
- Offline Reach

Monetization Models

- Freemium
- Subscription
- Pay as you go
- Product specific fees



Big Data based Adaptive Learning Platform

EDUTAINMENT
USEFUL INFORMATION
SELF-PRACTICE
SELF-ASSESSMENT
COLLABORATION
SELF-LEARNING
TUTOR ACCESS
E-MARKETPLACE

Opportunity to leverage existing assets to gain scale

Overall

Future Direction

Skills Market Place
Big Ticket
Annuity deals
Transform
From Profit Proofing
to Sustainable growth
Accelerate
take leadership position
India, China
SNC
CLG
Technology
Enabled
Shared
Service
Platform
Productivity
focus
SLG
Restructure
To Unlock Value
B2B
B2C
Unleash the True NIITian