

NIIT Technologies Limited

CHAIRMAN'S SPEECH

Dear Shareholders,

Welcome to the 16th Annual General Meeting of NIIT Technologies Ltd.

As you very well know, the year 2007-08 was a year rife with challenges for the Indian IT Industry. The US slowdown along with the depreciating dollar were few of the hurdles we faced. Despite the current macroeconomic environment, NIIT Technologies has grown revenues over the previous year and retained its net margins. This has been possible in large part due to its continued focus in its verticals of choice and a concerted effort to emerge as a leader in those verticals through its strategy of "Focus and Differentiation."

Since inception, the Company has followed a consistent strategy of building scale in its verticals, expanding its reach and offerings and investing in both organic and inorganic growth initiatives. 2007-08 was a year where we took strides to challenge our current status and progressed along our strategy direction. Capitalizing on the mantra of 'Constant Innovation', the company achieved excellence and efficiency in all spheres. Launching new offerings, expanding our geographical presence, taking the inorganic growth route and celebrating a decade of partnership with a key customer were some of the major milestones we achieved during the year.

FINANCIALS

Focus on the chosen industry verticals & endeavor to improve its performance in businesses in all geographies, helped ensure moderate growth rates in revenue & maintain profitability despite adverse global macroeconomic conditions. NIIT Technologies and its subsidiaries posted a consolidated income of Rs. 9561 million for the financial year ending March 31, 2008. The year saw revenues from operations touch Rs. 9415 million, up from Rs. 8859 million in the previous year, resulting in an annual growth of 6 percent.

During this year, while consolidating its position in existing geographies, the Company continued to post the largest share of revenues from Europe, a market it has been focusing on since its inception. The Company derives half of its revenues from Europe, 32 percent from the Americas and 18 percent from Asia and Australia.

Our single-minded focus on building strengths in our verticals resulted in BFSI, our largest vertical, accounting for 44 percent of the revenues including 28 percent from the Insurance sector. Travel, Transportation & Logistics contributes 25 percent and Retail & Distribution 12 percent towards overall revenues. In all, 81 percent of the company's revenues are derived from these chosen areas.

CUSTOMER CONTRIBUTIONS

NIIT Technologies' worked on improving its deep and enduring relationships with marquee customers enabled the Company to maintain a healthy project pipeline and keep the order books full. The company garnered a steadily increasing order intake in each quarter, including a record intake of US\$ 81 million in Q4.

Almost 91 percent of NIIT Technologies' revenues were a result of repeat business - a sign of increasing customer satisfaction. The top five clients accounted for around 36 percent of the Company's revenues during 2007-08 while top 10 clients made up for 47 percent of the pie.

INNOVATION & INORGANIC GROWTH PATH

To survive the new order the old ways of doing business must change. As most organizations come to realize that Innovation is the key to transformation, we have already started implementing it. To further reenergize our growth, and improve margins, we embarked on a program last year to transform our business model from linear to a non-linear one. Our foray into the new business segment of Infrastructure Management is a case in point. We have also integrated this offering with our Application Development & Maintenance (ADM) & Business Process Outsourcing (BPO) services to provide a compelling & unique value proposition to our customers.

NIIT Technologies has chosen the inorganic route to build capability in its chosen verticals and become a specialist player offering end-to-end solutions to customers globally. The company acquired 100 percent of German-based SofTec GmbH - a specialist in providing IT solutions and services in the airline revenue accounting and operations space. With its client list of 26 medium-sized airlines, and strong competitive positioning in its chosen space, Softec will further strengthen NIIT Technologies' domain leadership in the Travel, Transportation and Logistics vertical.

Taken together, these innovative initiatives will form the basis of our non-linear business model.

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RECOGNITIONS

NIIT Technologies continued to draw respect of peers and industry analysts. In addition to getting listed by NASSCOM among Top 20 Software Solution providers in India, NIIT Technologies was listed among the “Best 200 under a billion companies in Asia” by Forbes Asia Magazine. The research and analysis giant, Forrester, in its report titled, “Bigger might not always be better for IT infrastructure services” profiled NIIT Technologies as a significant managed services player, with a strategic direction to grow the infrastructure business.

Besides bagging the numerous accolades in the subcontinent, the bouquets were in abundance in the global arena too. For realizing innovative projects with the Financial Services Industry in the Netherlands, Belgium/Luxembourg, NIIT Technologies was awarded the prestigious Banking & Finance “ICT Innovation Award 2007”. ROOM Solutions, a subsidiary of NIIT Technologies and a leading supplier of IT solutions and services to the London and international re/insurance market, received an Accomplishment Award at the 2008 ACORD LOMA Insurance Systems Forum.

Honoring our initiatives and efforts in promoting business with USA, The Georgia Tech Center for International Business Education & Research conferred us with the Distinguished Services Award for 2008.

To top it all, NIIT Technologies was recently listed among the Top 50 best managed outsourcers globally and ranked Number 1 with top honors for services to the Travel Industry by the prestigious Black Book of Outsourcing 2008

BUILDING PEOPLE RESOURCES AND INFRASTRUCTURE

NIIT Technologies’ efforts to become a “People-centric” organization—encompassing innovative HR strategies, Best Practices and unique approaches to attracting and retaining talent—bore fruit, with the Company continuing to attract high caliber professionals at all levels. At the end of the financial year, NIIT Technologies’ IT services and BPO employee numbers stood at 5118, up from 4448.

Besides People, the Company also expanded its infrastructure during the year. At the end of the financial year 2008, NIIT Technologies had an offshore development capacity of over 300,000 square feet. The construction of its SEZ campus in Greater Noida is proceeding on schedule. Phase I of this facility is expected to house around 3500 people and is expected to be ready by the end of this year.

With our investments in people, infrastructure and inorganic growth strategies, I can say with confidence that your company is constantly innovating to take on challenges. Moving ahead, we will continue to deploy benchmarked practices as we implement our non-linear business model.

I take this opportunity to congratulate and thank all NIITians who are playing a key role in building this organization.

And finally, I thank you all for supporting and encouraging us to put in our best. I look forward to your continued support in the future.

Rajendra S Pawar
Chairman

Date: July 22, 2008