



**SHARPENING
THE EDGE**

Financial Results

Quarter ended June 30, 2010

July 21, 2010

- Strong economic growth predicted for India at 8.5% and above. Global growth outlook pegged at 4.6% by IMF. Europe specifically remains an unresolved concern while USA predicted to grow modestly
- Overall hiring outlook in India strong and edges towards pre-downturn pace. +42% (up 19 percentage points YoY) as per Manpower Employment Outlook Survey
- Strong announcement on hiring by IT majors (Infosys : 36,000 ; TCS : 40,000) with the IT/ITES industry set to hire over 200,000 freshers
- Banking Industry set to hire over 50,000 with another estimated 20,000 in the Insurance industry. (ICICI Bank: 7,000)
- Education and skill development remains a top agenda in India and more governments around the world
- Return of confidence in the Corporate sector reflected in increased activities and order closures

Q1'11 – Financial Highlights



- Consolidated System wide revenues ₹ 4,013 million , up 9% YoY
- Net Revenues at ₹ 2,780 million, up 7% YoY
- EBITDA ₹ 287 million; up 1% YoY. EBITDA margin at 10%, 61 bps lower YoY. This is despite a 306 bps margin impact due to a step increase in people cost and rentals compounded by adverse movement in exchange rate
- Profit after Tax ₹130 million, up 32%

➤ Key Drivers

- Growth in IT and Banking enrolments in the Individual business
- In Corporate Learning Solutions order intake of \$ 34 mn fuelled by significant orders for Managed Training Services
- Robust order intake of ₹ 1586 Mn in School Learning Solutions (both Government and Private)

Volume growth. Margin impacted due to step increase in select costs

Q1'11 – Business Highlights



- Individual:
 - Net revenues at ₹ 908 million; up 6% YoY
 - EBITDA at ₹ 151 million
- Schools:
 - Net revenues at ₹ 384 million, up 7% YoY
 - EBITDA at ₹ 64 million
- Corporate:
 - Net revenues at ₹ 1,377 million ; up 2% YoY
 - EBITDA at ₹ 109 million , margin at 8%, an improvement of 33 bps YoY
- New Businesses:
 - Net revenues at ₹ 110 million, up 122% YoY

Q1'11 – Business Highlights



- Individual Learning Solutions : Global enrolments grew 8% (Q1FY10 : 6%). India IT enrolments grew 14% on like to like basis. FMT enrolments grew 125%.
- School Learning Solutions : New orders for 1,013 schools received from Govt. of Maharashtra with an order intake of ₹ 1,274 million. Added 218 non Govt. schools reflecting 91% increase YoY. Non Government schools revenue grew by 22% YoY.
- Corporate Learning Solutions : Strong volume growth of 11% supported by significant wins for Training Outsourcing and Learning Products.

Q1'11 - Consolidated Financials



(Rs. in mn)	Q1'11	Q1'10	YoY (%)
System wide Revenues	4,013	3,688	9%
Net Revenues	2,780	2,610	7%
Operating expenses	2,493	2,324	7%
EBITDA	287	286	1%
EBITDA%	10%	11%	-61 bps
Depreciation	203	168	21%
Other Income	-74	-101	27 mn
Profit before Tax	10	17	-41%
Tax	-15	-26	-42%
Operational Net Profit	25	43	-42%
Share of Profits from Associates	105	56	88%
PAT	130	99	32%
Basic EPS (Rs.)	0.8	0.6	32%

Individual - IT



₹ Mn	Q1'11	Q1'10	YoY	QoQ
System wide Revenues	2,114	1,918	10%	-28%
Net Revenues	908	856	6%	-21%
EBITDA	151	160	-6%	-47%
EBITDA %	17%	19%	-214 bps	-809 bps

100418 GNIT Girl Ad 20x12cm - Bangalore

I DEMAND MORE FROM TIME.
Earn a Dual Qualification by the time you graduate.

At NIIT, we believe you already have the makings of a professional. So, as you are about to enter college, start preparing now for the professional world with the NIIT programs. NIIT gives you a comprehensive 1-year certificate, an industry-relevant certificate and a "Global Professional" certificate. Total duration is Semester 1 & 2 of B.E., BT, B.Tech & B.A. (The degree awarded by Karnataka University, Dharwad).

YOUR PROFESSIONAL EDGE: You can choose among 10 professional technology specializations - Web, Java, .Net, Mobile, Embedded, Computer Design with 17 years of the Best of Business, Microsoft, SAP, Oracle, IBM, and CISCO's Technology Specializations - Systems Engineering, Systems & Information Management, Business Systems & Information Management - Placement Partnerships.

THERE'S A PROFESSIONAL IN YOU

ADMISSIONS OPEN For Details, SMS:GNIT to 9696, call: 1800 102 6448 (BSNL) or 1800 102 6448 (Airtel).

www.niit.com/professional

- ❖ Enrolments - up 8% YoY, globally .
- ❖ India enrolments up 14% on like-to-like basis
- ❖ Pending Order Book ₹ 1,185 million, up 21% vs. Mar '10. 68% executable in next 12 months
- ❖ Step increase in people costs and rentals, compounded by adverse movement in exchange rate impacted margins by 315 bps

100783 Poster 14x19inch

www.niit.com/99days

NIIT

MOST TAKE YEARS TO BECOME PROFESSIONALS. ALL I NEEDED WAS 99* DAYS.

ACCELERATED, PLACEMENT-BACKED* DIPLOMA PROGRAMMES FOR GRADUATES.

Range of Diploma Programmes for Graduates Mapped to Global Certifications:

- Java
- .Net
- Developing Rich Internet Applications for Web 2.0 using Adobe Technologies
- Creative Publishing
- Systems and Networking
- Business Intelligence and Data Warehousing
- Software Testing
- Database Administration using Oracle 10g
- Financial Accounting with Tally.ERP
- Core Programming
- Cisco Career programmes in Security
- Cisco Career programmes in Voice
- Network Administration and Server Foundation
- Network Administration with Security & Server Foundation
- Network Administration with Voice & Server Foundation

THERE'S A PROFESSIONAL IN YOU

Call: 1800 180 6448(BSNL) or 1800 102 6448(Airtel).

*Duration of the programme varies. Placement assistance provided upon request.



School Learning Solutions

NIIT

₹ Mn	Q1'11	Q1'10	YoY	QoQ
Net Revenues	384	359	7%	20%
EBITDA	64	66	-2%	-13%
EBITDA %	17%	18%	-154 bps	-623 bps

- ❖ Order Intake : ₹1,586 million, new order received from Govt. of Maharashtra for 1,013 schools with an order intake of ₹ 1,274 million.
- ❖ Schools added : 218 non Government schools added with an order intake of ₹ 312 million
- ❖ Non Govt. revenue contributed 34% of revenue, grew at 22% YoY
- ❖ Pending Order Book ₹ 4,518 million, 30% executable in next 12 months
- ❖ Expanded sales presence through larger sales team
- ❖ Margin impact primarily due to step increase in people cost



Automatic data capture

Collaborative learning

Learning can be connected to real life

Built to handle wear and tear

MOBILE SCIENCE LAB

NIIT



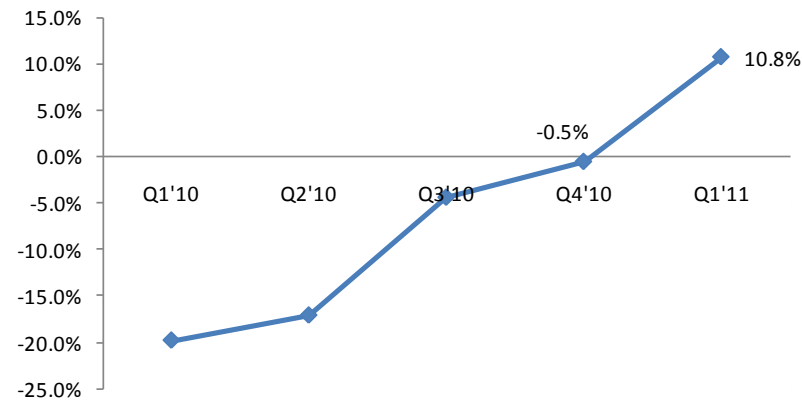
Corporate Learning Solutions



₹ Mn	Q1'11	Q1'10	YoY	QoQ
Net Revenues	1,377	1,345	2%	-1%
EBITDA	109	102	7%	-23%
EBITDA %	8%	8%	33 bps	-225 bps

- ❖ USA revenues : growth in volumes of Training Outsourcing and Learning Products
- ❖ Training Outsourcing business grew at 37% YOY
- ❖ Online Learning Products business grew at 16% YoY; 33% of product mix
- ❖ Order Intake \$ 34.0 million, up 10% YoY
- ❖ Pending order book at \$ 93.0 million; 56% executable in next 12 months
- ❖ Adverse YoY Exchange impact : Revenue ₹ 115 million EBITDA ₹ 23 million.
- ❖ 327 bps margin impact due to a step increase in people cost and rentals compounded by adverse movement in exchange rate

CLS Volume Growth % YoY



New Businesses



₹ Mn	Q1'11	Q1'10	YoY	QoQ
System wide Revenues	138	65	110%	23%
Net Revenues	110	50	122%	20%
EBITDA	-36	-42		

- ❖ FMT retail enrolments grew at 125%, signaling accelerating hiring trend in the Banking sector and appetite for management programs
- ❖ 4 more placement clients added for IFBI (United Bank of India, Barclays, CAMS and Central Bank of India) taking the total to 28
- ❖ Tied up with IGNOU for offering an Executive MBA through the imperia platform
- ❖ Integration of the new businesses into the Individual business commenced – starting with reach expansion into ILS IT centers



Posted: Mon, May 3 2010, 2:16 PM IST

Corporate News [RSS](#)

ICICI Bank to hire up to 7,000 staff in 2010-11




Give your career the MBA advantage.

IGNOU in collaboration with NIIT launches Executive MBA.

Last date of submission of application: June 28, 2010

It's only for those who are serious about their career that you can get the advantage of an Executive MBA. This is a very important time for you, to gain an edge over others and stand out in your field of work. The need of the hour is to recognize, learn, understand and implement the right strategies that will help you move forward. This is the time when you should be looking for the right MBA program. The Executive MBA program is the perfect choice for you. It is a 2-year program that will help you gain the skills and knowledge you need to succeed in your career. The program is designed for professionals who are already working in their field and want to advance their careers. The program is offered by IGNOU in collaboration with NIIT. The program is a 2-year program that will help you gain the skills and knowledge you need to succeed in your career. The program is designed for professionals who are already working in their field and want to advance their careers. The program is offered by IGNOU in collaboration with NIIT.

Module 1	Module 2	Module 3
Business Fundamentals	Business Fundamentals	Business Fundamentals
Management Principles	Management Principles	Management Principles
Business Strategy	Business Strategy	Business Strategy
Business Law	Business Law	Business Law
Business Ethics	Business Ethics	Business Ethics
Business Communication	Business Communication	Business Communication
Business Finance	Business Finance	Business Finance
Business Marketing	Business Marketing	Business Marketing
Business Operations	Business Operations	Business Operations
Business Information Systems	Business Information Systems	Business Information Systems
Business Internationalization	Business Internationalization	Business Internationalization
Business Sustainability	Business Sustainability	Business Sustainability
Business Innovation	Business Innovation	Business Innovation
Business Entrepreneurship	Business Entrepreneurship	Business Entrepreneurship
Business Leadership	Business Leadership	Business Leadership
Business Negotiation	Business Negotiation	Business Negotiation
Business Conflict Resolution	Business Conflict Resolution	Business Conflict Resolution
Business Decision Making	Business Decision Making	Business Decision Making
Business Problem Solving	Business Problem Solving	Business Problem Solving
Business Creativity	Business Creativity	Business Creativity
Business Innovation	Business Innovation	Business Innovation
Business Entrepreneurship	Business Entrepreneurship	Business Entrepreneurship
Business Leadership	Business Leadership	Business Leadership
Business Negotiation	Business Negotiation	Business Negotiation
Business Conflict Resolution	Business Conflict Resolution	Business Conflict Resolution
Business Decision Making	Business Decision Making	Business Decision Making
Business Problem Solving	Business Problem Solving	Business Problem Solving
Business Creativity	Business Creativity	Business Creativity

The information details, please call 1800 3009 300 or 0848 238154 to 180079



Q1'11 – Awards & Recognitions

NIIT



Brandon Hall Research

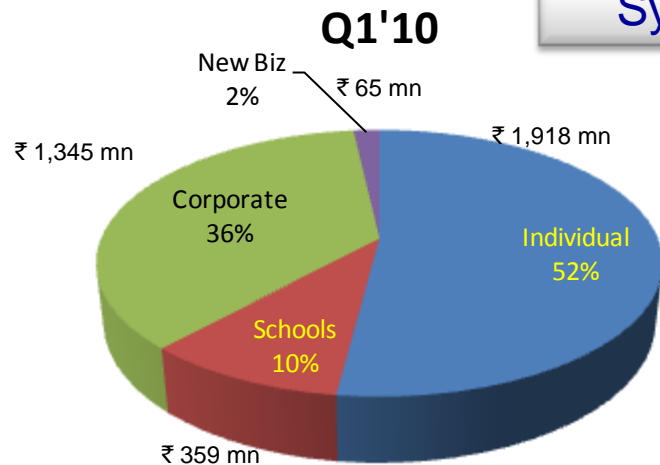
- ✓ Element K wins the Brandon Hall Silver Excellence Award for blended learning
- ✓ NIIT (US) Accepts Honors for Learning and Talent Management Solution at Bersin Impact 2010 Conference
- ✓ NIIT (US) ranks amongst Top 10 Training & Learning Business Process Outsourcing Vendor in – Black Book of Outsourcing
- ✓ NIIT Vietnam bags the ICT GOLD MEDAL and ICT TOP 5 for the year 2010



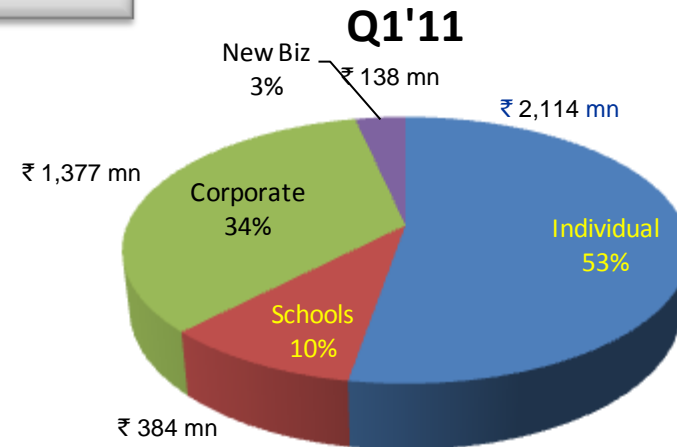
NIIT HiWEL wins the prestigious Mac Arthur Digital Media and Learning Award

Q1'11 – Business Mix

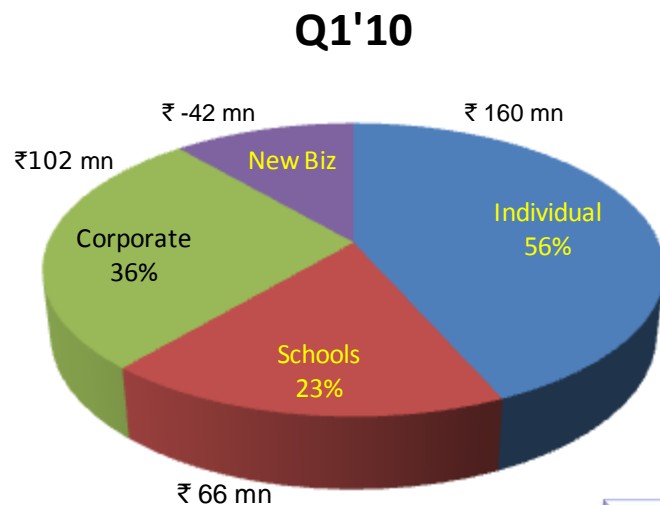
System wide revenues- up 9%



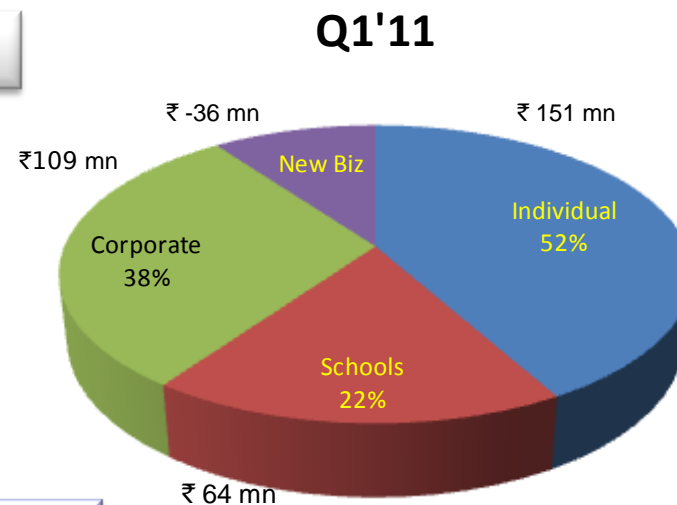
	% Change
Individual	10%
Schools	7%
Corporate	2%
New Biz	110%



EBITDA – Up 1%



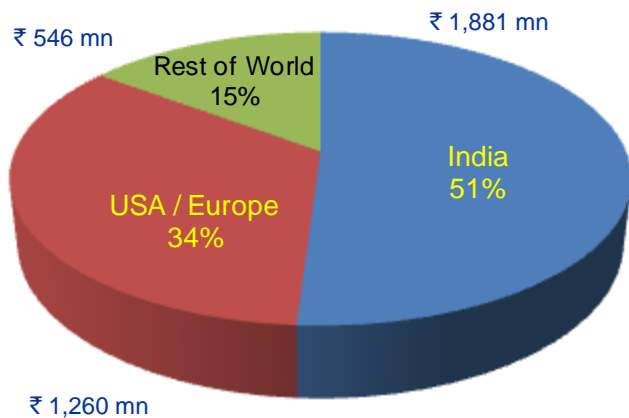
	Change
Individual	-6%
Schools	-2%
Corporate	+7%
New Biz	+6 mn



Volume growth and margin improvement help improve share of Corporate business in total EBITDA

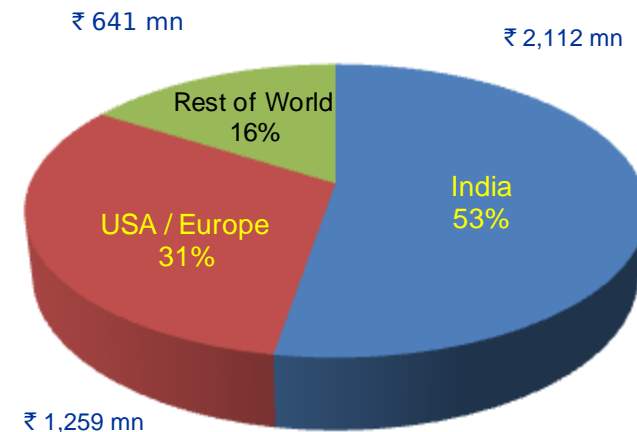
Q1'11– System wide revenue-Geo Mix

Q1'10



	% Change
India	12%
USA / Europe	0%
ROW	17%

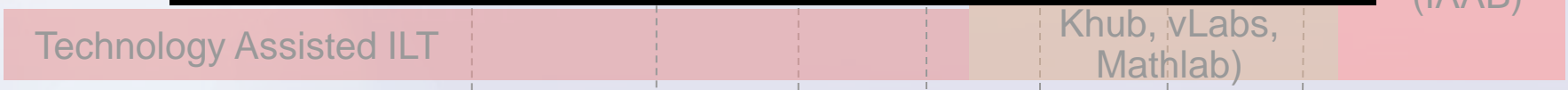
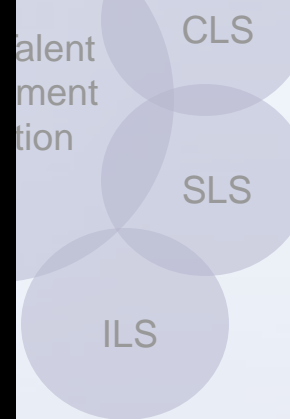
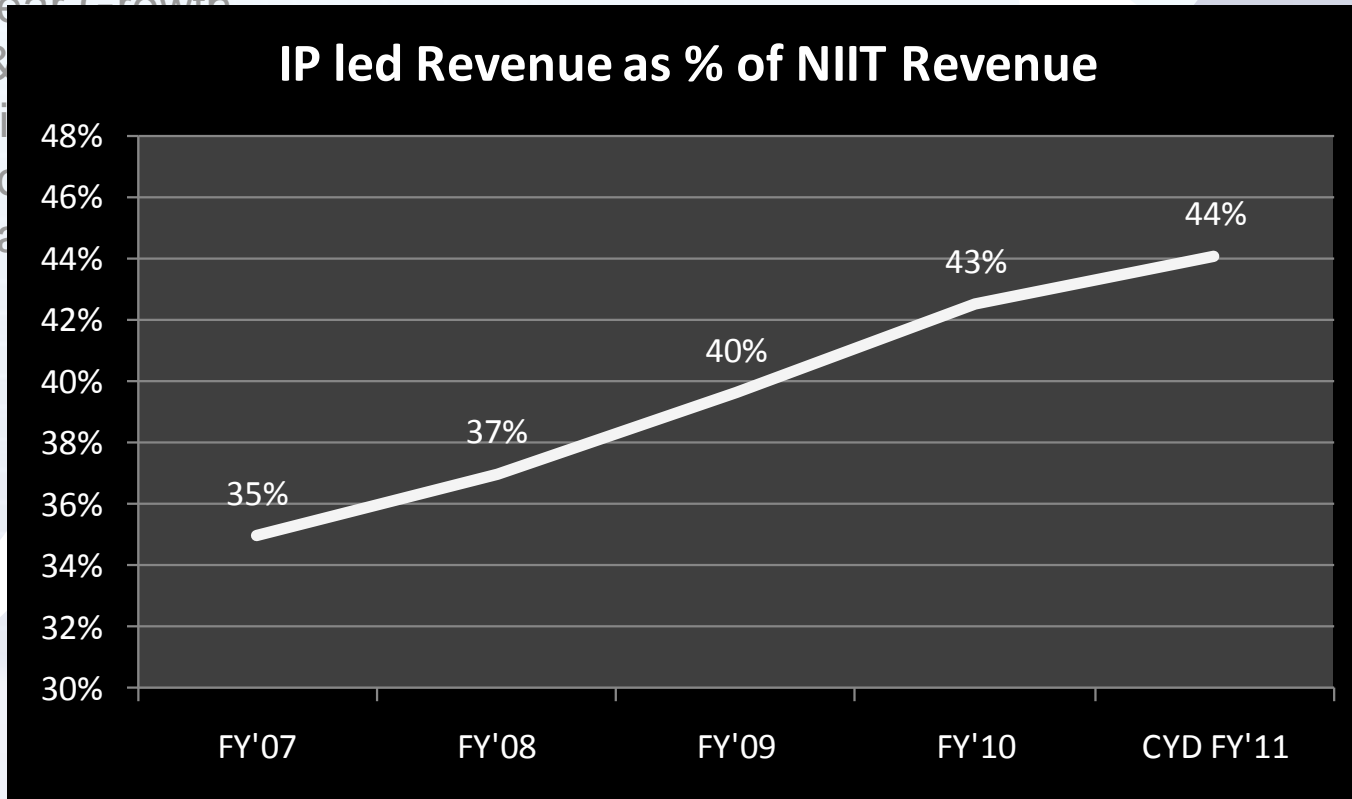
Q1'11



Despite volume growth, share of USA/Europe went down due to ₹ appreciation

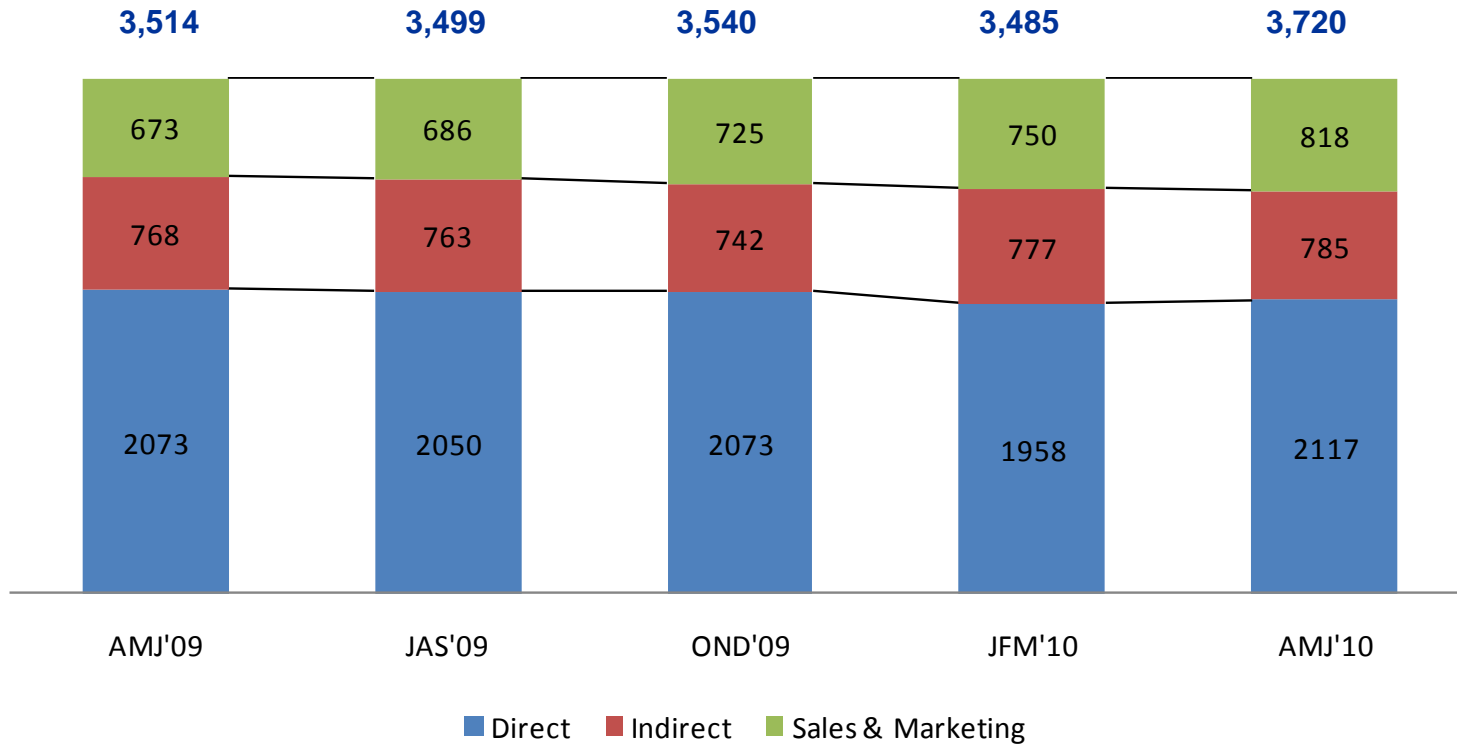
IP led Growth Strategy

- IP for
- Non Linear Growth
- Reach & Scale
- Competitive Advantage
- Speed to Market
- Cost Leadership



1982 1991 96 2000 2004 2006 2008 2010

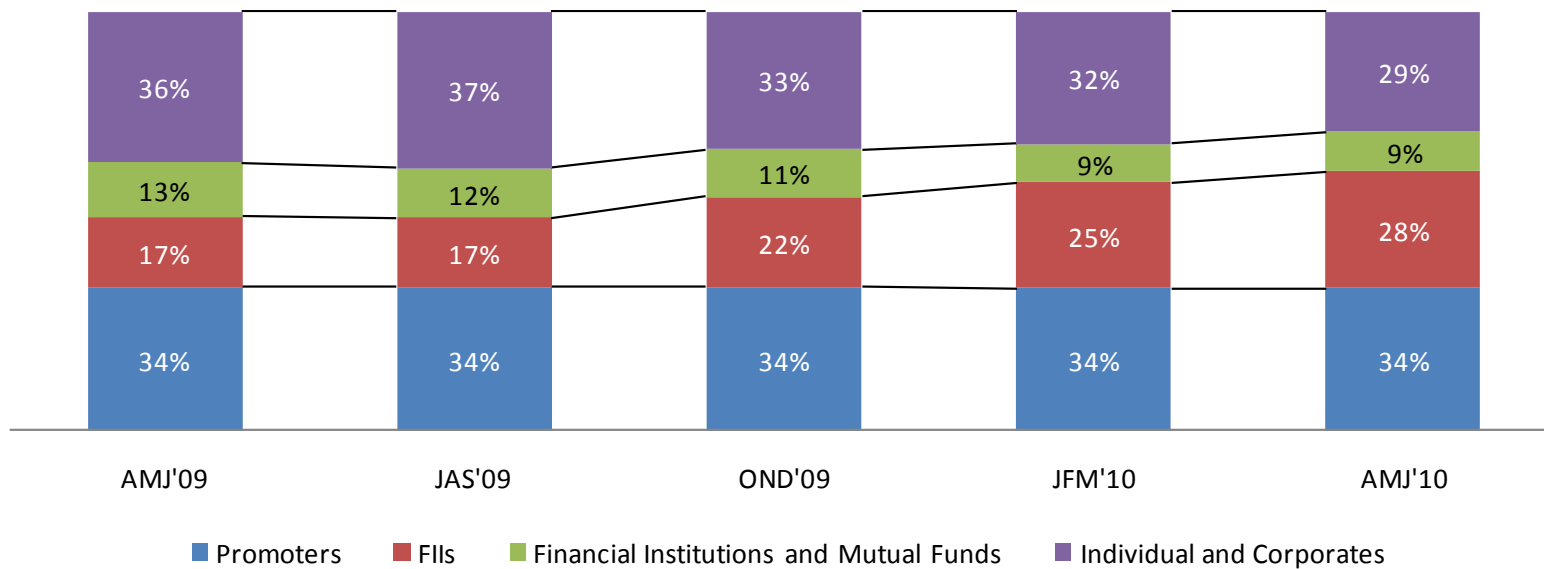
Head Count



➤ Added 235 people in the Quarter, taking total headcount to 3,720



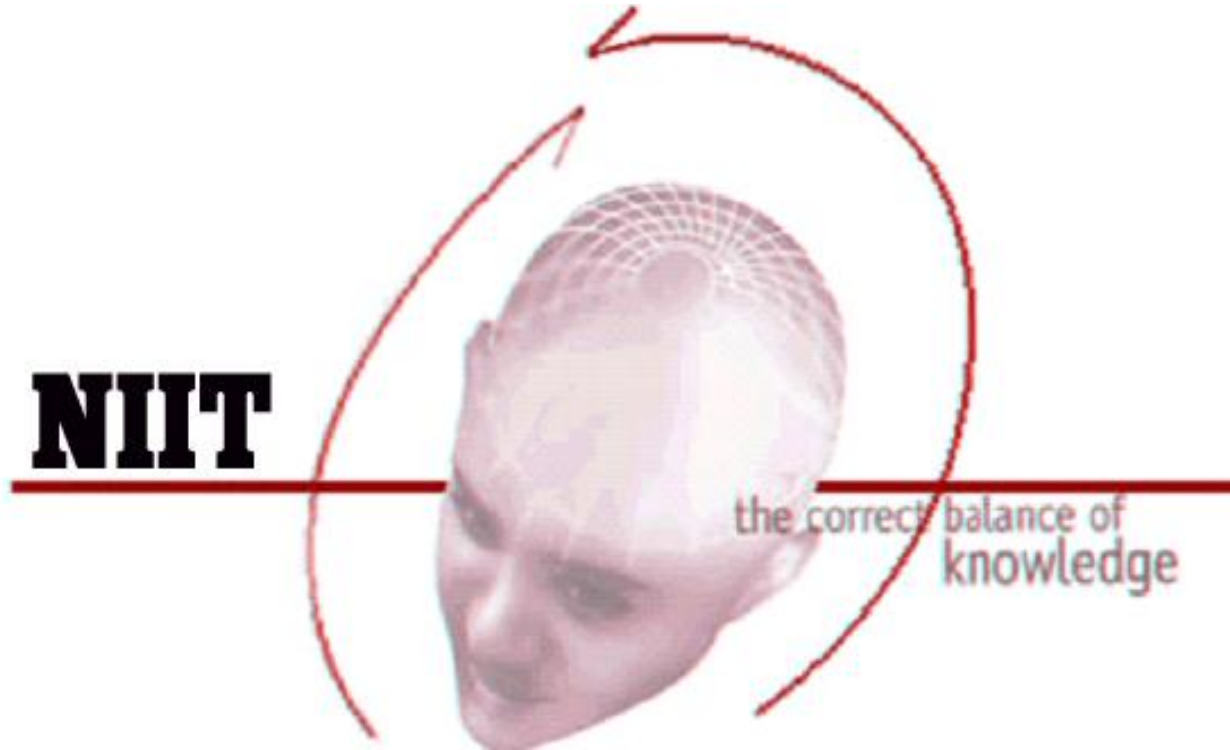
Shareholding Pattern



In Summary

- India:
 - Individual : Improving job prospects to lead to more consistent enrolment & revenue growth
 - Schools: strong foundation of execution excellence and scale. Growth in Order Intake and pending Order Book should support business growth
 - Corporate : growth expected to continue on strength of order book, competitor wins and growth in Learning Products and Training Outsourcing businesses
- International: USA / Europe : Volume growth in Learning Products and Training Outsourcing coupled with margin expansion will remain a focus. Forex volatility expected to continue.
- Overall :
 - Job-prospects driven demand for individual training, committed drive to non-Government schools and successful growth in Training Outsourcing and Learning products should help revenue growth in the coming quarters.
 - Operating leverage with higher enrolments in Individual, selectivity in participation in Government schools business and sustained cost management actions in Corporate should contribute to margin expansion.

NIIT



Leadership In The Century Of The Mind