

# NIIT net rises 41% in Q2

## 'Outlook for training sector positive; shift towards specialisation'

Our Bureau

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Talent development and IT training company NIIT Ltd on Tuesday posted 41 per cent rise in its consolidated net profit for the quarter ended September 30, 2008, at Rs 29.7 crore, buoyed by growth in the individual learning solutions business, and the overall surge in enrolments.

The company's global system-wide revenue increased 17 per cent to Rs 468 crore against Rs 398.6 crore in the year-ago period.

The company said that despite the fact that turmoil in the global markets was infusing volatility in the corporate spending, the overall outlook in the training sector remained positive.

"The demand for specialised skills will go up. We see a shift from 'generalisation' to 'specialisation' as there would be a shortage of skills in areas such as business intelligence, business analytics, network management and security, and



**Steady growth:** (From left) Mr P. Rajendran, COO, NIIT; Mr Rajendra S. Pawar, Chairman; and Mr Vijay K. Thadani, CEO; at a press conference in the Capital on Tuesday.- Kamal Narang

infrastructure management," NIIT CEO, Mr Vijay K. Thadani, said.

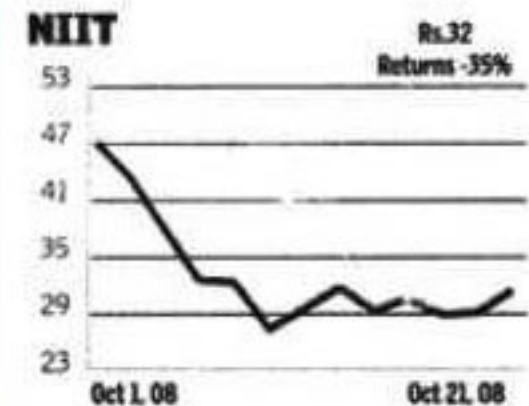
### OPERATING MARGINS

He said that NIIT is trying to improve operating margins beyond 13 per cent through cost rationalisation and capac-

ity consolidation. "We will improve it (core margins). The capacity to improve is 100-150 basis points," he added.

During the quarter, the net revenue surged 15 per cent to Rs 309.5 crore compared with Rs 270.2 crore in the same period previous year.

Commenting on the company's performance across various segments, NIIT Chairman Mr Rajendra S Pawar said that the individual learning solutions space recorded a 26 per cent year on year growth in revenue, while the overall enrolments were up 22 per cent



led by the engineers segment (up 25 per cent). Finance & Management Training recorded 37 per cent growth in net revenue; and the school learning solutions recorded growth of 32 per cent in net revenue.

"In corporate learning solutions segment, we are trying to reduce dependence on customs project, and focus on learning products and training outsourcing" Mr Thadani pointed out

With fresh order intake during the quarter at \$39.4 million, the pending order book as on September 30 stood at \$93.35 million, 65 per cent of which is executable over the next one year.