

NIIT Technologies

Financial Results Analysis – Q2FY12

18 October 2011



Outline



- Financial Highlights
- Business Update
- Financial Statements
 - Income Statement
 - Balance Sheet
- Business Analysis

Financial Highlights for Q2FY12

- Consolidated Revenues at Rs 3711 Mn
 - Up 12.9% QoQ, Up 14.3% YoY
- Operating profits at Rs 550 Mn
 - Down 9.6% QoQ, Down 7.3% YoY
 - One time expense of INR 119 Mn on account of legal and professional services
 - Operating Profit without one time expense at Rs 669 Mn
 - Operating Margins at 14.8%, Down 368 bps QoQ, Down 345 bps YoY
- Net Profits at Rs 458 Mn
 - Up 11.2% QoQ, Up 5.1% YoY
 - EPS at 7.72
- Fresh order intake of \$200 Mn

Business Highlights for Q2FY12

- BFSI Up 7% QoQ, Contributes 39%
 - 2 New clients added

- Transport Up 16% QoQ, Contributes 36%
 - 1 New client added

- Manufacturing/Distt Up 4% QoQ, Contributes 8%
 - 1 New Client added

- Government Up 5% QoQ, Contributes 4%
 - 2 New clients added

- Non-linear revenues Up 9% QoQ, Contributes 27%
 - Good traction in Managed Services
 - Asset based services contribute 14%

- NIIT Technologies ranked in Top 20 Best IT Employers in DQ-CMR Best Employers Survey 2011
- Conferred with “Excellence in Training” Award at ASIA’s Best Employer Brand Awards 2011
- The Company’s Chief People Officer was awarded “HR Leadership” Award at ASIA’s Best Employer Brand Awards 2011

Consolidated Quarterly Income Statement

(Rs Mn)	Q2'11	Q1'12	Q2'12	QoQ (%)	YoY (%)
Revenues	3246	3288	3711	12.9%	14.3%
Cost of Revenues	2141	2015	2301	14.2%	7.5%
SG&A	512	664	860	29.4%	67.9%
Total Operating Expenses	2653	2680	3161	17.95%	19.15%
Operating Profit	593	608	550	-9.6%	-7.3%
OPM (%)	18.3%	18.5%	14.8%	-368 bps	-345 bps
Depreciation	72	78	83	6.7%	15.5%
Other Income (net of interest)	17	39	115	195.8%	586.8%
Tax	97	151	151	0.0%	56.8%
PAT after Minority Interest	441	418	431	3.0%	-2.4%
Net Margins (%)	13.4%	12.5%	12.3%	-18 bps	-108 bps
EPS (Rs. Basic)	7.40	6.95	7.72	11.1%	4.3%

- Operating margins decline due to one time expense related to Legal and Professional fee for Morris and Proyecta of INR 119 Mn and no margins in Morris during transition.
- QoQ improvement in EPS by 11.07%, due to transfer of loss in Morris to minority shareholders and improvement in other income due to gain on revaluation of assets and liabilities in foreign currency.

Balance Sheet

(Rs in Mn)	Sep30, 2010	Jun 30, 2011	Sep 30, 2011		Sep30, 2010	Jun 30, 2011	Sep 30, 2011
Equity	589	593	598	Net Block	1,917	3,380	3,854
Reserves & Surplus	6,260	7,316	7,799	Capital WIP	1,258	138	144
Net worth	6,849	7,909	8,397	Debtors	3,117	2,721	3,398
Minority Interest	40	49	123	Cash & Equivalents	1561	1,946	1,422
Loans	163	119	511	Other Current Assets (OCA)	1,785	2,312	2,395
				Current Liabilities	(2,711)	(2,556)	(2,367)
				Deferred tax Assets (DTA)	125	136	185
	7,052	8,078	9,031		7,052	8,078	9,031

- Hedge reserve down by INR 115 Mn

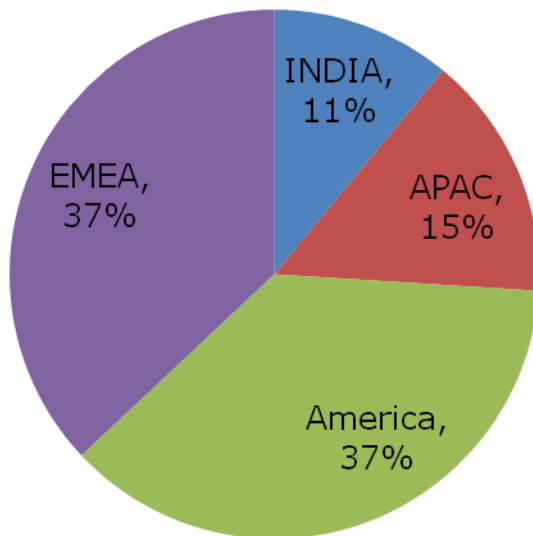
- Loans increased due to acquisitions

- DSO – 94 days

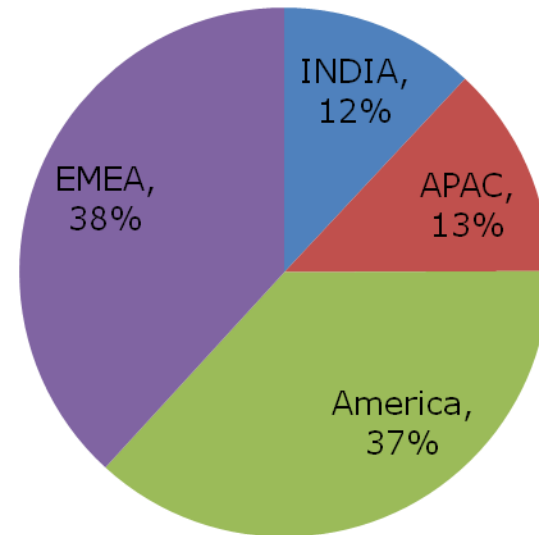
- Net assets addition for the qtr Rs. 497mn (INR 82 Mn – GNOIDA, Other – INR 90 Mn, Morris & Proyecta Acquisition – INR 325 Mn)

Geographic Revenue Mix

Q1FY12



Q2FY12

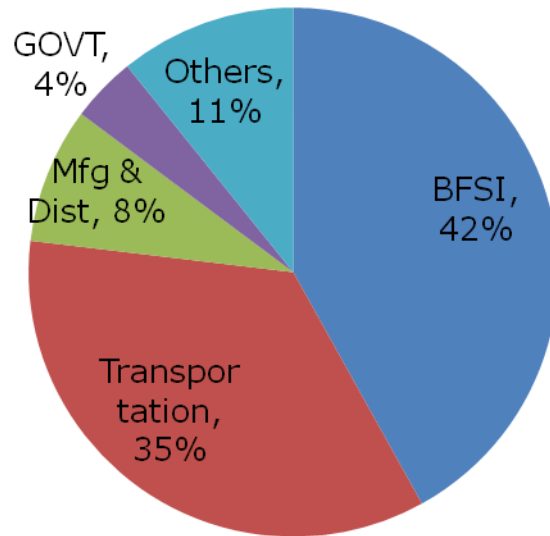


- All round growth in all Geographies
- US, EMEA and India recorded double digit growth QoQ

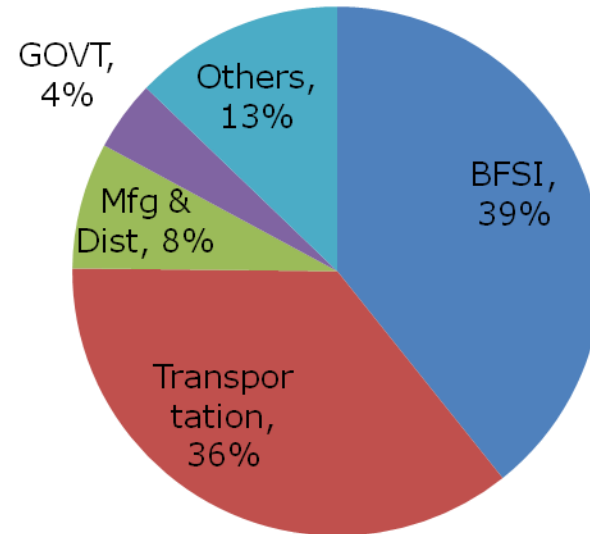
Vertical Revenue Mix



Q1FY12



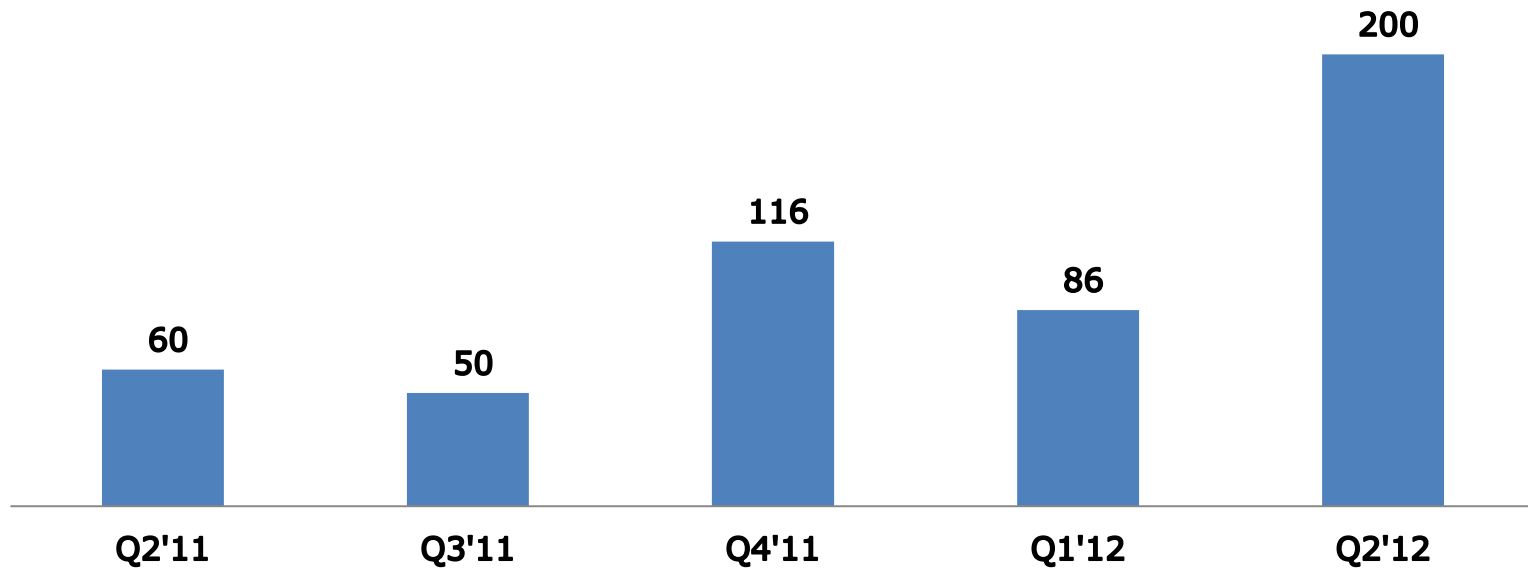
Q2FY12



- All round growth in global industry segments

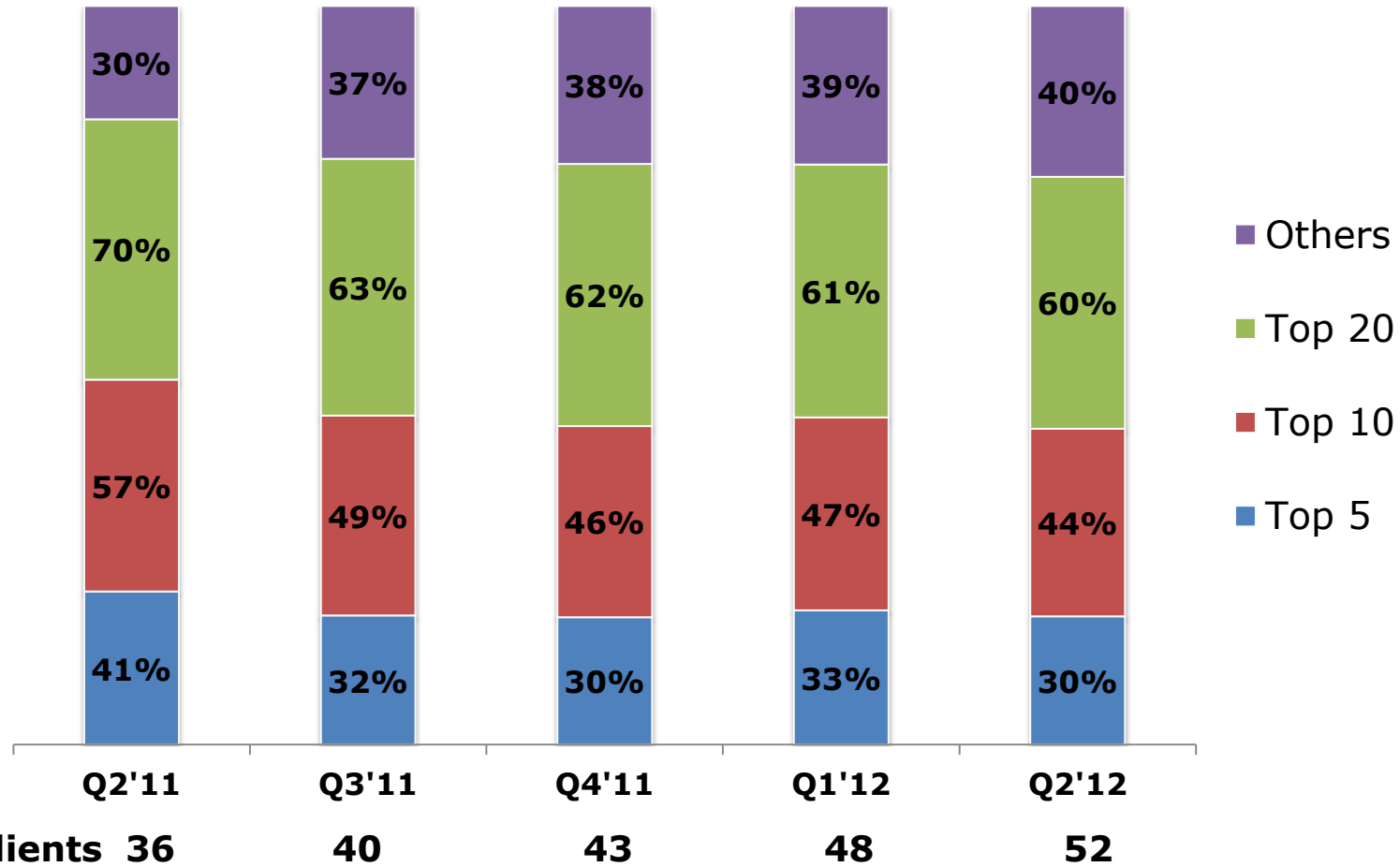


US\$ Mn



- 7 new customers added during the quarter
- \$200 Mn order intake in the quarter leading to \$232 Mn of firm business executable over next 12 months

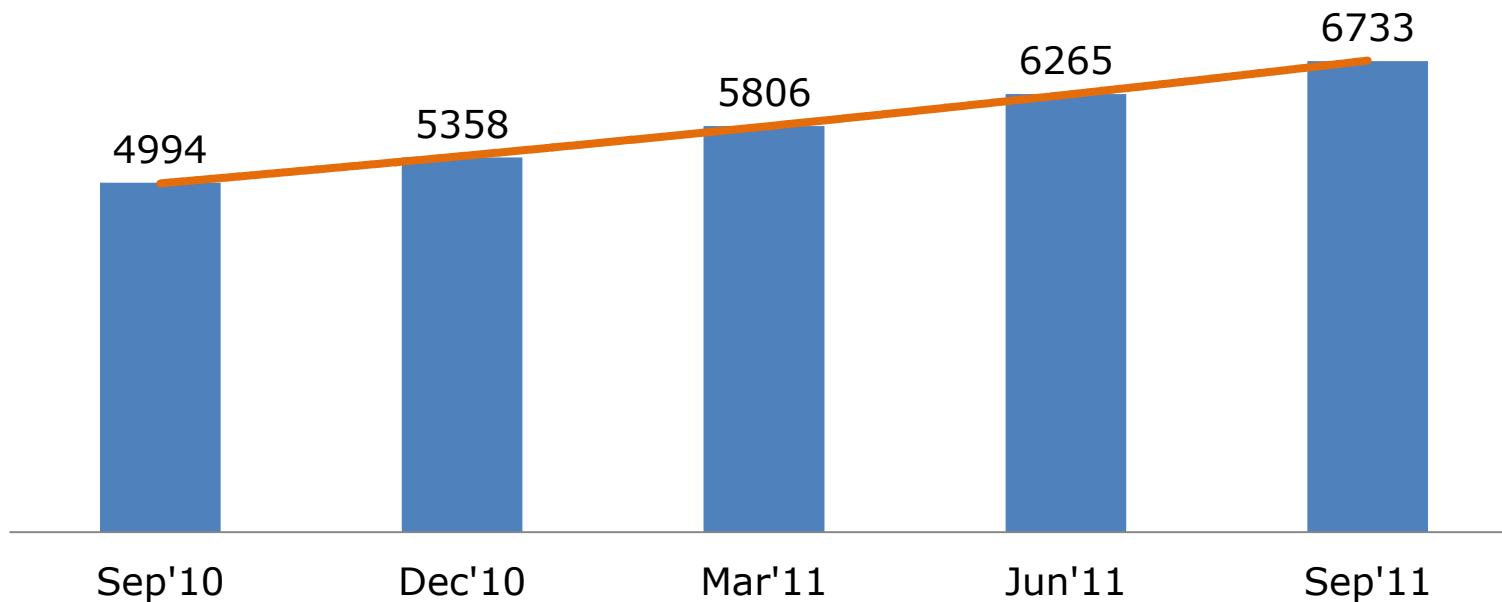
Top Client Mix



**Clients becoming more broad base
Sequential increase in Million \$ Clients**



People Data



	Sep'10	Dec'10	Mar'11	Jun'11	Sep'11
Net Additions	409	364	448	459	468
Attrition%	18.60%	18.40%	17.50%	15.80%	13.40%
Utilization	83.40%	84.40%	83.60%	79.60%	82.50%

Thank You

