

# APTECH LIMITED

UNLEASH  
YOUR  
POTENTIAL



Investor Update – Quarter Ending 31<sup>st</sup> Dec 2012

# Safe Harbor Statement

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in vocational training space including those factors which may affect our market share, network across the world, our ability to attract and retain highly skilled professionals, time and cost overruns on government contracts, our ability to manage our international marketing & sales operations, slowdown in demand for the end-use sectors, liability for damages on our service contracts & placement guarantees, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements and our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time forward to time by or on behalf of the company.

# MD & CEO's Message

Dear Friends,

As conveyed in my previous messages, our focus recently has been on boosting our booking levels in the retail business. Despite facing a handicap due to freeze on new degree enrollments in MAAC, we have again been successful in delivering a small growth in retail booking in Q3. While we have been successful in mitigating the impact of IGNOU's decision to temporarily halt alliance courses on the enrollments done till Q2 FY13, work on ensuring availability of a degree product (a key part of the product mix) for MAAC is still under progress. We have also been successful in generating major traction for our brand franchise in the domestic market by signing up 21 new franchisees.

While the core retail business in International remains a concern area, especially in Vietnam, the volumes in International Retail projects are on an upswing. In Vietnam, the good news is that we have at least been able to arrest the trend of decline in booking in December. On the profitability front, now Aptech English has turned in its 1<sup>st</sup> EBITDA positive quarter in the domestic market.

Aptech Testing continued being the engine of growth for the Enterprise Business group. In the next quarter, we will be delivering the next CMAT, which will be the largest implementation of its kind for Aptech in its history. With many state governments now accepting CMAT scores for admissions to local management institutions, this contract will continue to deliver growth for Aptech Testing in the near future.

At the end, I wish that this new year brings many good tidings for you and your family, and is as successful for you as I believe it will be for Aptech.

Ninad Karpe  
22<sup>nd</sup> January 2013



# Summary

- Operating income for Q3 FY13 was `367.38 million as against `397.84 million in Q3 FY12 (7.7% de-growth)
- Operating EBITDA for the quarter was `52.11 million, growth of 1.2% over last year
- Profit Before Tax (before exceptional items) of `68.44 million vs. `59.60 million in Q3 FY12, represents growth of 14.8% on a y-o-y basis
- Recorded PAT of `60.38 million in comparison with `59.38 million in Q3 FY12, growth of 1.7% in spite of higher taxes



## Consolidated Financials

**Q3 FY2013**

# Consolidated Results

For Period	Q3 FY13	Q2 FY13	% Variation (PQ)	Q3 FY12	% Variation (PY)
<b>Operating Income</b>	<b>367.38</b>	<b>452.16</b>	<b>-18.8%</b>	<b>397.84</b>	<b>-7.7%</b>
Less: Operating Expenses	315.26	368.96	-14.6%	346.38	-9.0%
<b>Operating EBITDA</b>	<b>52.11</b>	<b>83.21</b>	<b>-37.4%</b>	<b>51.48</b>	<b>1.2%</b>
Add: Other + Dividend Income	38.95	18.48	110.8%	34.54	12.8%
Less: Interest Expense	0.33	0.41	-19.5%	0.32	3.1%
Less: Depreciation	22.30	20.61	8.2%	26.07	-14.5%
<b>PBT</b>	<b>68.44</b>	<b>80.66</b>	<b>-15.2%</b>	<b>59.60</b>	<b>14.8%</b>
Less: Tax	7.73	20.9	-63.0%	-	-
<b>PAT (before minority interest)</b>	<b>60.71</b>	<b>59.76</b>	<b>1.6%</b>	<b>59.60</b>	<b>1.9%</b>
Add: Minority Interest	(0.35)	(0.23)	-52.2%	(0.22)	-59.1%
<b>PAT (after minority interest)</b>	<b>60.38</b>	<b>59.55</b>	<b>1.4%</b>	<b>59.38</b>	<b>1.7%</b>

# Key Notes & Segment Results

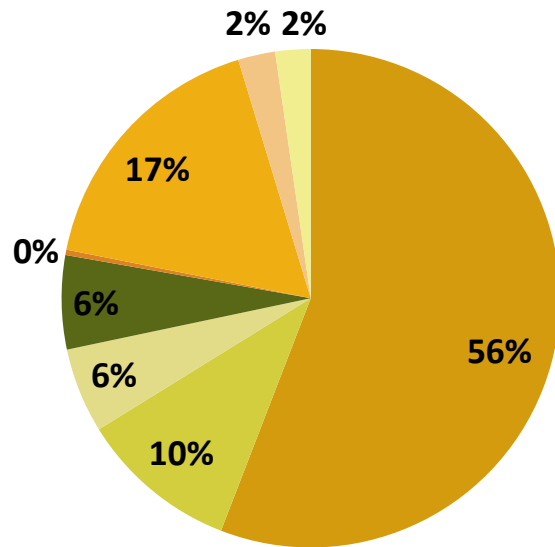
- The Board of Directors have recommended an interim dividend of ` 1.50 per equity share (15 % on Face value of Rs. 10/-) for the financial year 2012-13

Segment (Quarterly)	Retail	Non-retail	Un-allocable	Total
Operating Income	300.04	67.35	-	367.38
Operating EBITDA	82.46	20.07	(50.43)	52.11
Operating EBIT (before exceptional items)	68.90	18.28	(57.38)	29.80
Exceptional Items	-	-	-	-
Less: Interest Expense				0.33
Un-allocable Income				38.95
Profit Before Tax				68.44
Capital Employed*	149.06	52.05	3,196.59	3,397.70

\* Un-allocable includes Cash & Cash Equivalents of ` 1,110.00 million and Investments (China & Poland) of ` 1107.84 million

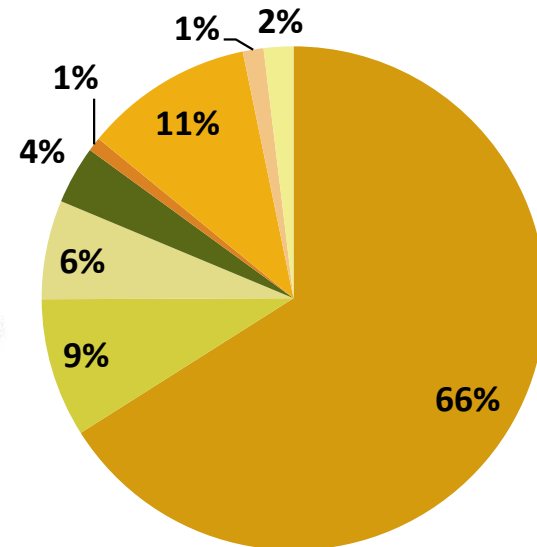
# Retail Revenue Analysis

**Q3 FY13 Retail Revenue**



- Royalty income declines by 22.7% mainly due to change in MAAC revenue recognition policy
- University fees drop by 65.1% on account of freeze on MAAC IGNOU courses and other University issues
- Upswing of 44.6% in International projects income due to higher number of batches in ITEC

**Q3 FY12 Retail Revenue**



- 63.7% jump in sign-up fee with 21 new centers signed in domestic market vs. 9 in Q3 FY12 and 20.9% jump in renewal fee vis-à-vis Q3 FY12
- Jump in reimbursable marketing income lead to higher contribution from Domestic Retail Project income in Q3 FY13



# Expense Analysis

Operational Expenses	Q3 FY13	Q2 FY13	Q3 FY12
Employment cost	94.17	90.23	95.11
Training and Education expenses	109.15	129.57	134.94
Marketing and Advertising expenses	21.24	48.96	17.81
Provision for Doubtful Debts	22.09	29.10	32.87
Administration expenses	68.62	71.10	65.65
<b>Total</b>	<b>315.26</b>	<b>368.96</b>	<b>346.38</b>

- Reimbursible marketing expenses (by Arena & MAAC franchisees) of `2.8 million vs. `12.5 million in Q2 FY13 and `1.1 million in Q3 FY12
- Increase of `6.6 million in leave encashment provisions is only partially offset by `1.4 million reduction in salary costs and `0.5 million decline in gratuity provisions in Q3 FY13 vs. Q2 FY13
- Execution of CMAT project overall contributed `19.9 million to costs in Q2 FY13, which are largely accounted under Training & Education expenses
- Provision for doubtful debts in Q3 FY13 include `8.1 million provision from MAAC vs. `15.9 million MAAC provision in Q2 FY13 and `27.8 million in Q3 FY12

# Key Balance Sheet Information

	31 <sup>st</sup> December 2012	30 <sup>th</sup> September 2012
Share Capital	489.23	489.23
Reserves & Surplus	2,908.47	2,936.73
Debt (incl. Commercial Paper)	-	-
Goodwill	661.85	661.85
Net Fixed Assets	366.64	365.94
Cash & Cash Equivalent	1,110.00	1,044.95
Debtors (Net of provisions)	219.91	225.12

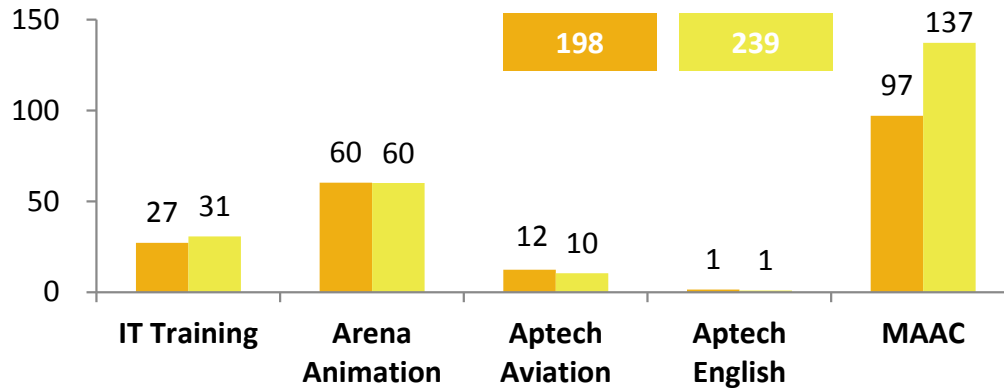
- Decline in Reserves & Surplus is on account of payout of dividend from the profit for year till date period



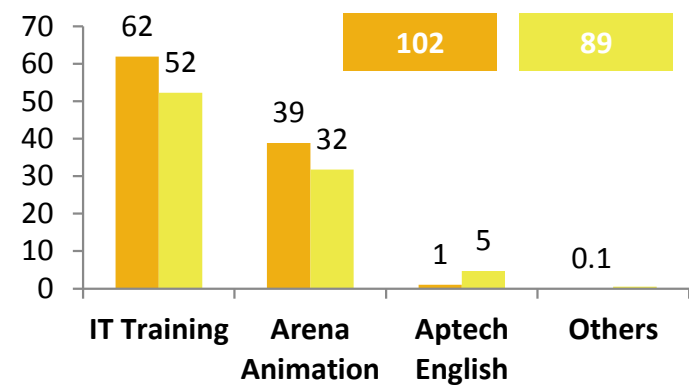
## BRAND-WISE PERFORMANCE

# Revenue By Brand

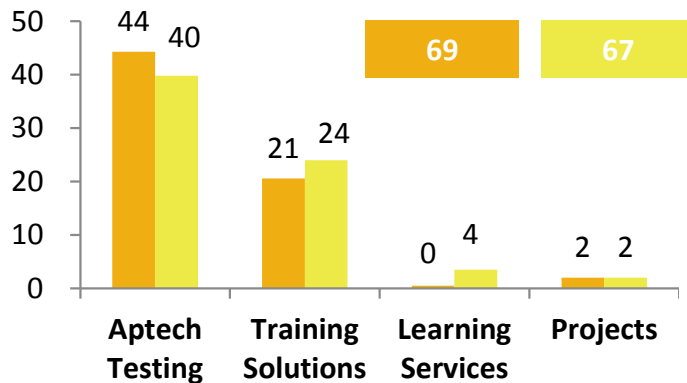
## DOMESTIC RETAIL



## INTERNATIONAL RETAIL



## ENTERPRISE



- MAAC revenue declined by 26.9% mainly due to accounting policy change and freeze on new IGNOU enrollments
- Franchising of Own Centers and decline in Logistics income in IT Training contributed `2.6 million and `1.7 million to the drop in revenue vis-à-vis Q3 FY12
- Drop in Arena royalty income compensated by additional `2.0 million sign-up income vis-à-vis Q3 FY12
- Jump of `15.9 million in revenue from International projects contributed to growth of International retail in Q3 FY13

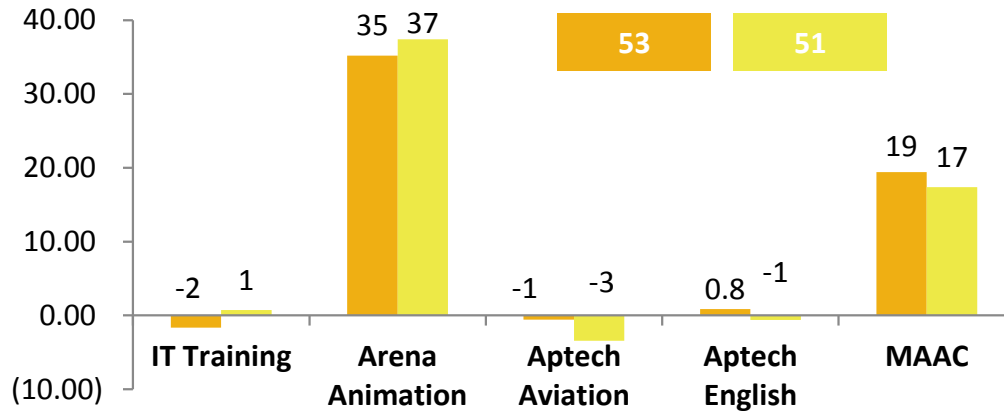
\* IT Training = Aptech Computer Education (Aptech Computer) + Aptech Hardware & Networking (Aptech Networking)

■ Q3 FY13

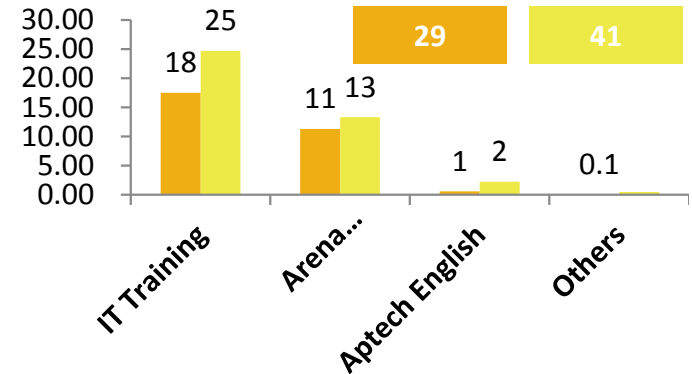
■ Q3 FY12

# Operating EBITDA By Brand

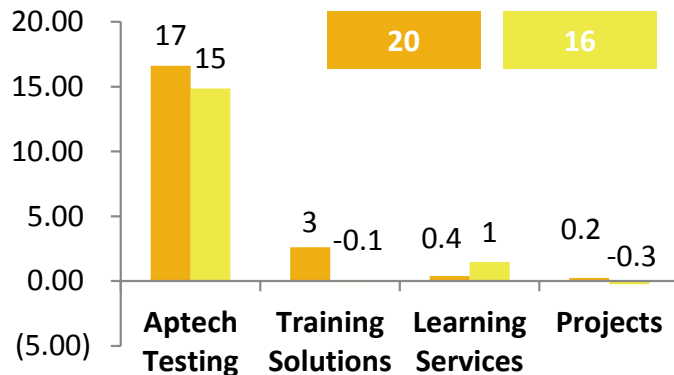
## DOMESTIC RETAIL



## INTERNATIONAL RETAIL



## ENTERPRISE

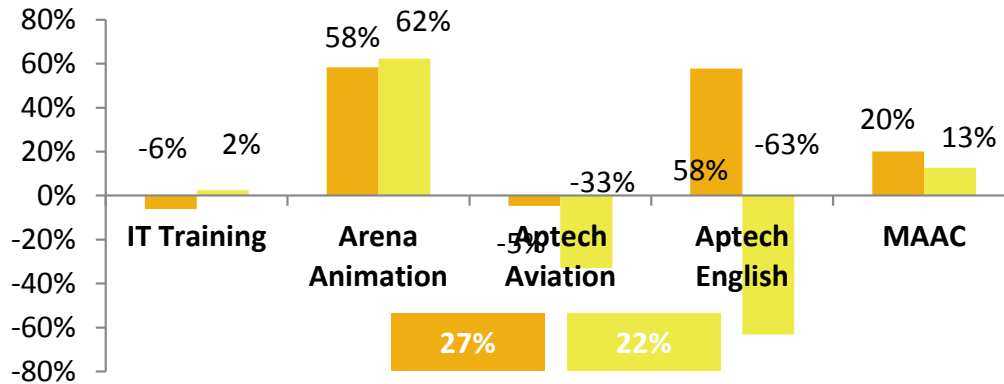


- Provision for doubtful debts of `3.2 million each in IT Training and Arena contributed to decline in EBITDA
- Higher sign-up fees and lower provisions for doubtful debts enable MAAC EBITDA to grow by 11.7% Y-o-Y
- Aptech English crosses break-even level for the 1<sup>st</sup> time in the domestic market
- International Retail EBITDA impacted by change in revenue mix and higher provisions for doubtful debts

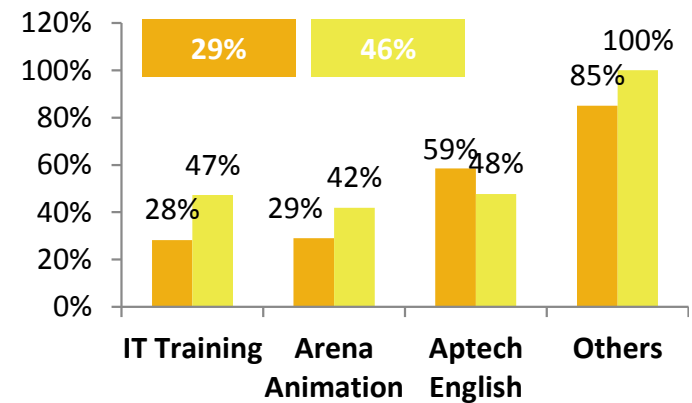
■ Q3 FY13 ■ Q3 FY12

# % Operating EBITDA By Brand

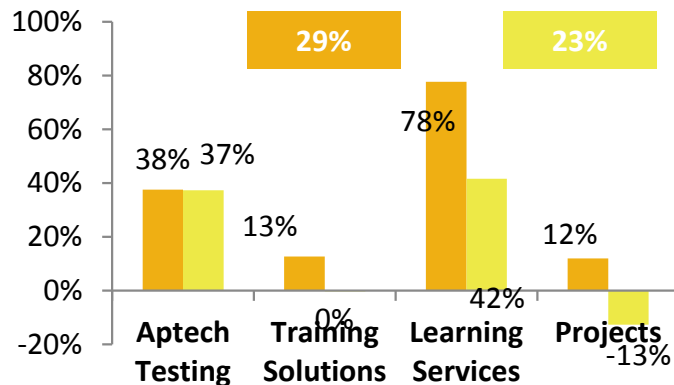
## DOMESTIC RETAIL



## INTERNATIONAL RETAIL



## ENTERPRISE



- Overall Retail % EBITDA of 27.6% in Q3 FY13 vis-à-vis 28.1% in Q3 FY12
- Enterprise % EBITDA of 29.5% in Q3 FY13 vs. 23.1% in Q3 FY12
- Overall % Operating EBITDA was 27.9% in Q3 FY13 as against 27.2% in Q3 FY12

■ Q3 FY13

■ Q3 FY12

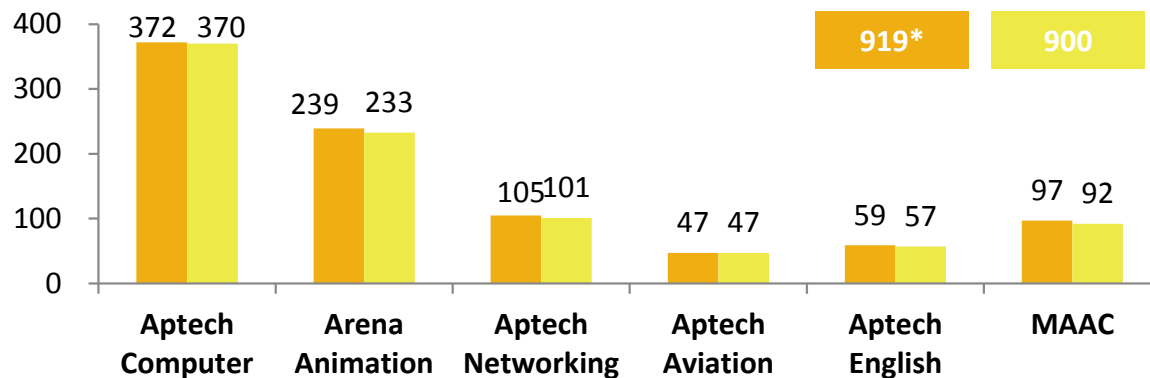




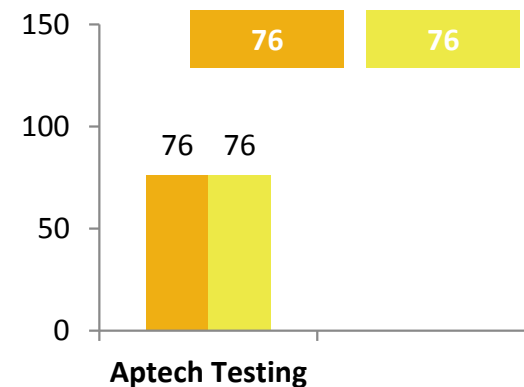
# OPERATING PARAMETERS

# Network (# of Centers) By Brand

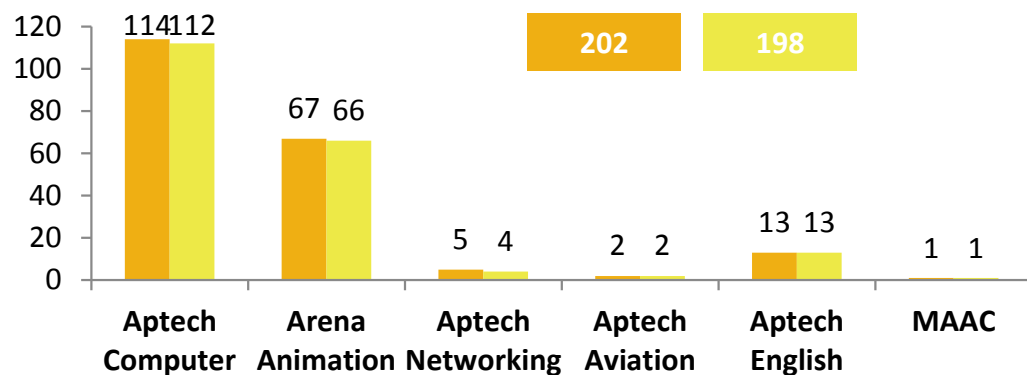
## DOMESTIC RETAIL



## ENTERPRISE



## INTERNATIONAL RETAIL



Gross Additions	India	ROW	Total
Aptech Computer	4	2	6
Arena Animation	6	1	7
Aptech Networking	4	1	5
Aptech Aviation	-	-	-
Aptech English	2	-	2
MAAC	5	-	5
<b>Grand Total</b>	<b>21</b>	<b>4</b>	<b>25</b>

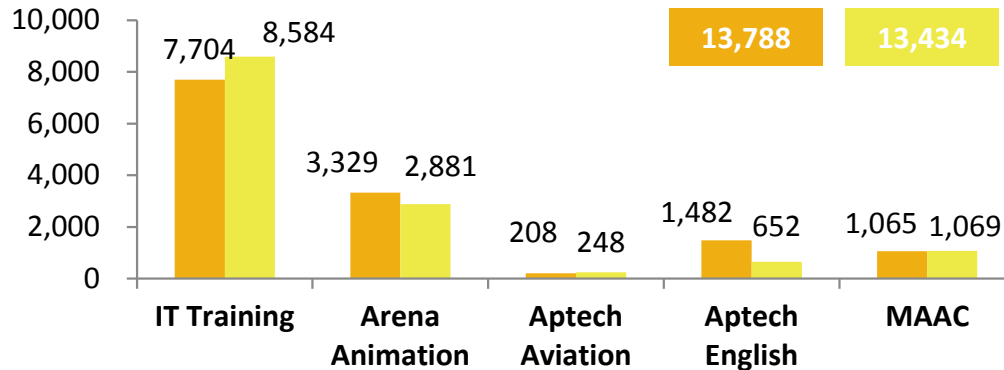
\* includes 11 owned and 7 semi-owned centers

■ Q3 FY13

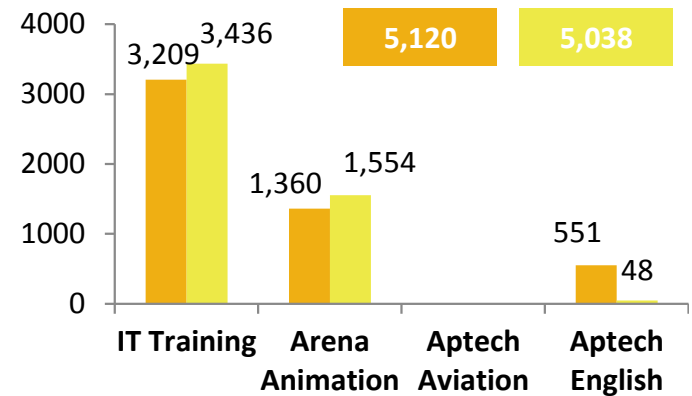
■ Q2 FY13

# Retail – Enrollment & Booking

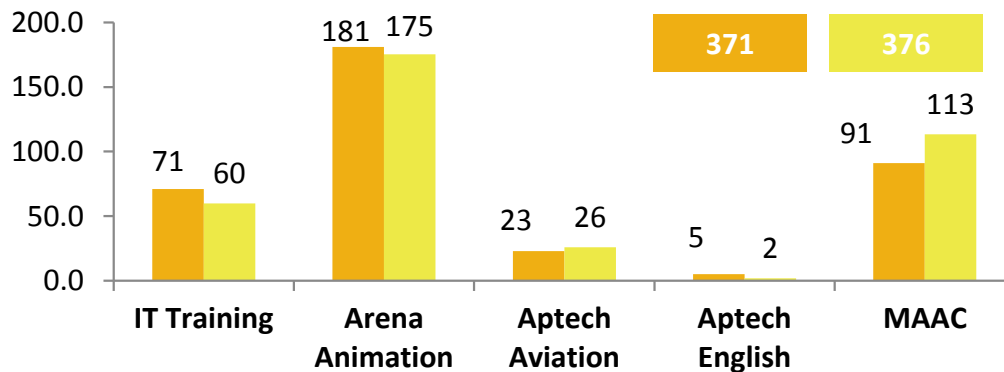
## ENROLLMENT – DOMESTIC RETAIL



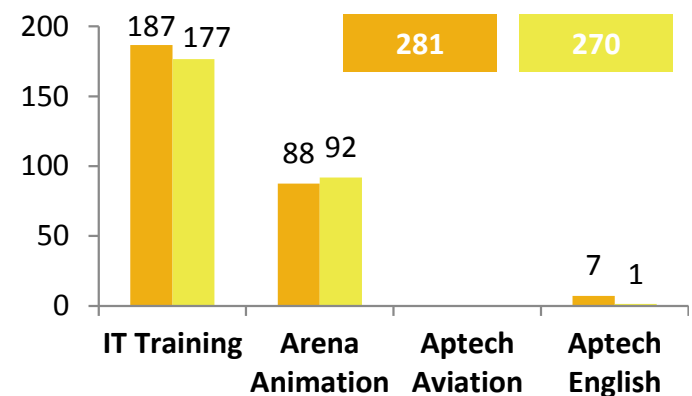
## ENROLLMENT – INTERNATIONAL RETAIL



## BOOKING – DOMESTIC RETAIL

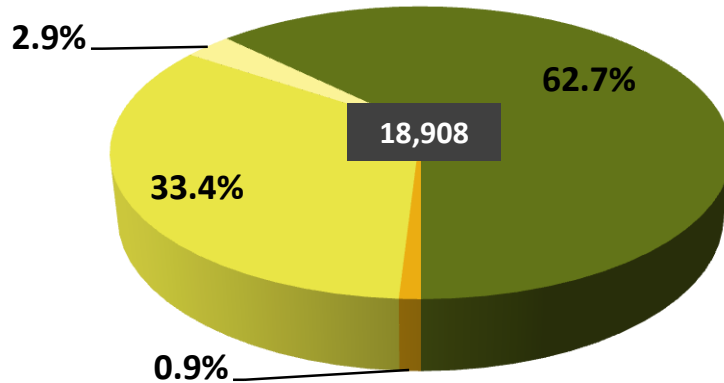


## BOOKING – INTERNATIONAL RETAIL



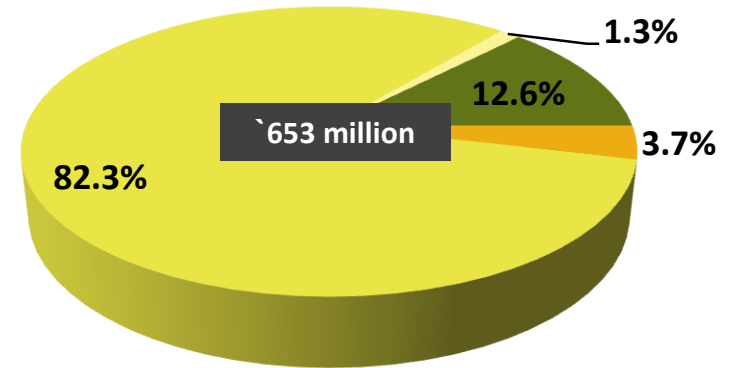
■ Q3 FY13 ■ Q3 FY12

# Retail – Product Distribution



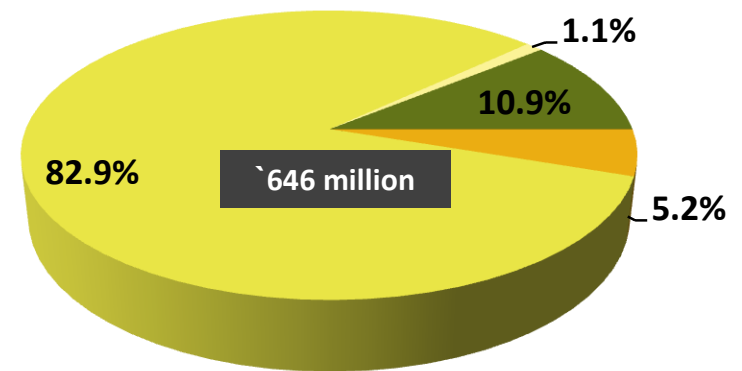
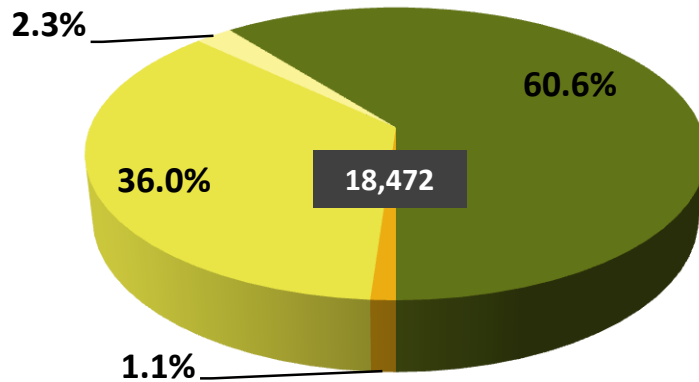
ENROLLMENT – PRODUCT SPLIT (Q3 FY13)

ENROLLMENT – PRODUCT SPLIT (Q3 FY12)



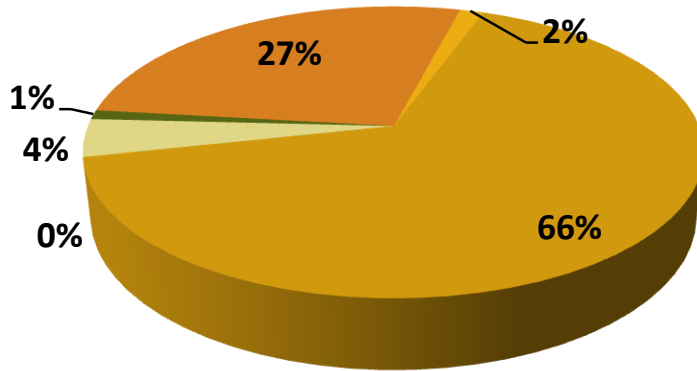
BOOKING – PRODUCT SPLIT (Q3 FY13)

BOOKING – PRODUCT SPLIT (Q3 FY12)

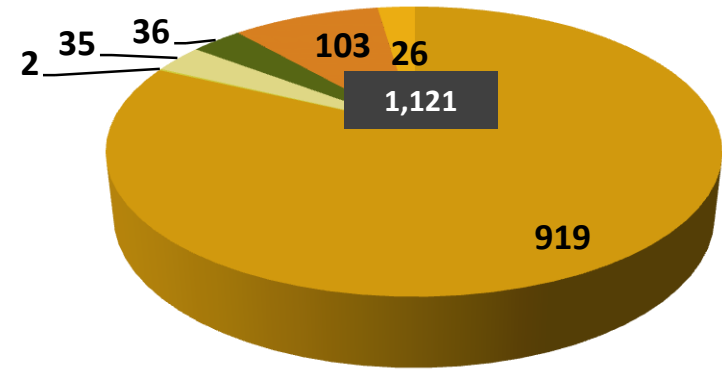


■ University 
 ■ Career 
 ■ Certification 
 ■ STCs

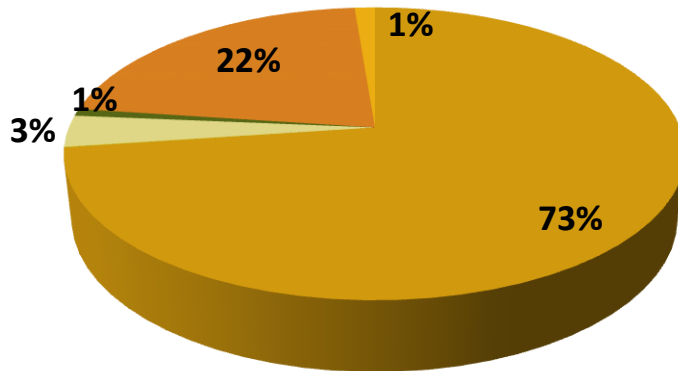
# Retail – Region-wise Split



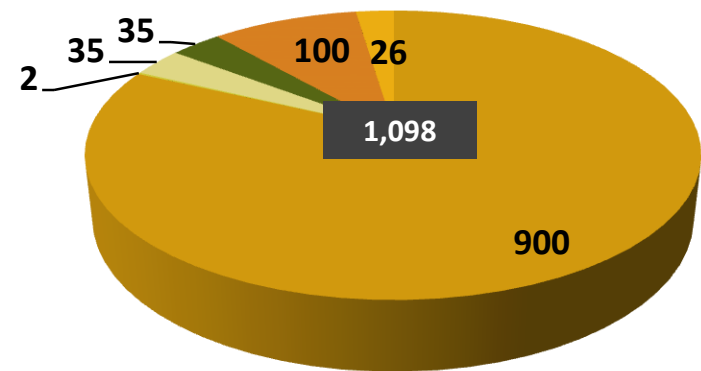
REVENUE SPLIT (Q3 FY13)



NETWORK SPLIT (Q3 FY13)



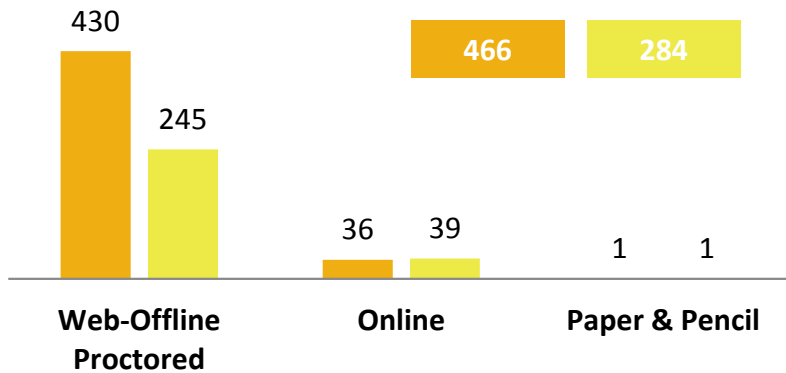
REVENUE SPLIT (Q3 FY12)



NETWORK SPLIT (Q2 FY13)

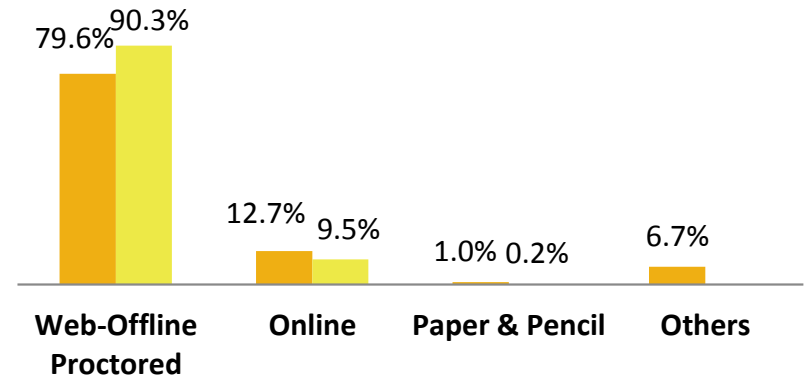
India Americas Africa CIS APAC Middle East

# Enterprise Business Parameters



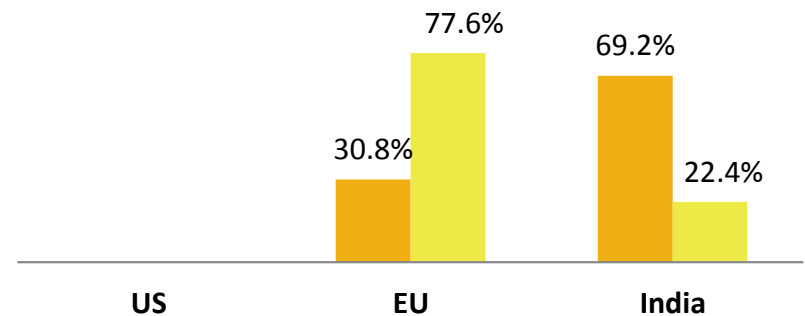
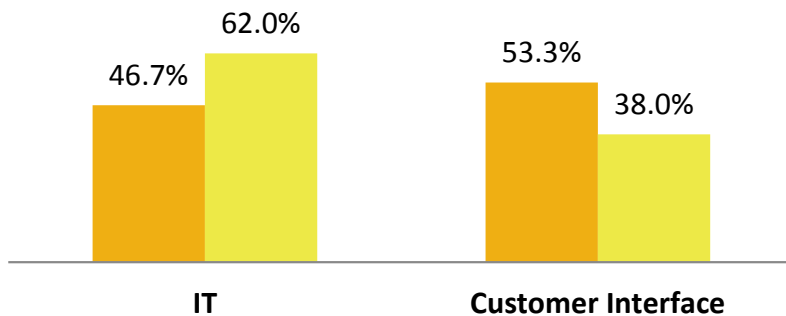
# OF TESTS BY CATEGORY (Unit '000)

REVENUE BY PRODUCT (Training Solutions)



REVENUE BY CATEGORY (Aptech Testing)

REVENUE BY MARKET (Learning Services)



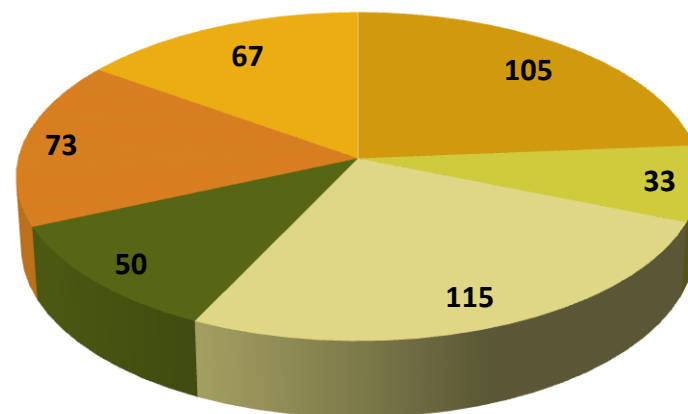
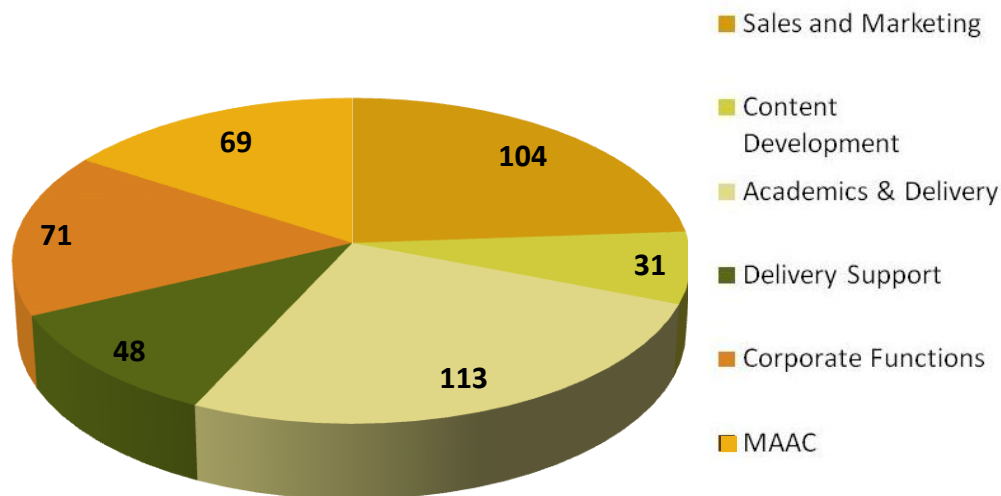
Q3 FY13 Q3 FY12



# Employee Data

Employee Count as on 31<sup>st</sup> December  
2012 = 436

Employee Count as on 30<sup>th</sup> September  
2012 = 443



In addition to the above employees, there are  
137 staff on contract as on 31<sup>st</sup> December  
2012 vis-à-vis 145 as on 30<sup>th</sup> September 2012



## KEY BUSINESS HIGHLIGHTS

- Placements for Aptech Computer Education grew by 48% and for Arena by 33% for the year till date period
- Franchised out two Aptech Computer Education own centers
- Refurbished and repurposed Arena Point launched with 4 programs in Design, Publishing, Web & Multimedia
- App development technologies based, progressive Short Term Course (STC) combo (4 products) launched with certifications mapped to Microsoft
- MF signed-up for Aptech Computer Education and Arena in Nepal
- Aptech Learning Ladder – IT & Multimedia curriculum for schools launched in International markets





# Student Events



## Aptech Vision 2012 Student Work Exhibition (Pakistan)



## Media Revolution Digital Art Exhibition (Arena Pakistan)





# Some BTL Activities

**Scholarship Tests**



**MAAC-A-THON Run**



**MAAC-artoon Contest**



**Flash Mob**



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ANDHERI (W): 4082118/41 | BORIVALI (W): 61984444 | DADAR (W): 67222444 | GHATKOPAR (E): 25011536 / 37 | MALAD (W): 4246474/48 | MULUND(W): 65665005 | POWAI: 42479900/9619274/97 | THANE (W): 65100586/25393353 | VASHI: 67910350 / 51

For franchisee enquires, contact Mamta Varma on 9323399944 or mamta.varma@apttech.ac.in

The 23rd Annual International Music Festival

**MAAC**

MAAC is launching the 23rd Annual International Music Festival. The festival is a celebration of music and culture, featuring a variety of performances and activities. The festival is open to all ages and is a great opportunity to enjoy the best of Indian music and culture.

Launching **Autodesk® Smoke®** on Mac OS®

**MAAC**

Smoke is a powerful motion graphics software that allows you to create stunning visual effects and animations. It is now available on Mac OS, making it accessible to a wider range of users. Smoke is a great choice for anyone looking to create professional-quality motion graphics.

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The world of applications has opened up a whole new world of opportunities for students (beginners, intermediate, advanced). The world is the growing need of applications courses, which is the first step to develop comprehensive programs on the latest technologies in app development with instruction by using Visual Studio, Xcode, Swift and Objective-C. These programs are unique and offer a wide range of opportunities for students to learn and grow in the field of app development. The world of applications has opened up a whole new world of opportunities for students (beginners, intermediate, advanced). The world is the growing need of applications courses, which is the first step to develop comprehensive programs on the latest technologies in app development with instruction by using Visual Studio, Xcode, Swift and Objective-C. These programs are unique and offer a wide range of opportunities for students to learn and grow in the field of app development.

**Programs Available:**

- Android Development:**
  - Students will learn the basics of Android development, including Java, XML, and the Android Studio IDE.
  - Students will learn how to design and develop Android applications, including user interfaces, data storage, and network connectivity.
  - Students will learn how to test and deploy Android applications to the Google Play Store.
- iOS Development:**
  - Students will learn the basics of iOS development, including Swift, Xcode, and the App Store.
  - Students will learn how to design and develop iOS applications, including user interfaces, data storage, and network connectivity.
  - Students will learn how to test and deploy iOS applications to the App Store.

**Register Now!**



Column

BUSINESS INDIA • THE MAGAZINE OF THE CORPORATE WORLD

## Bond and the art of reinvention

Reinvention can be done with a good amalgam of the old and the new

In the latest Bond movie – Skyfall – a young, geeky Q (played by Ben Whishaw) hands over two gadgets to James Bond – a gun which works only with Bond's palms and a radio. And then Q passes a snide remark: "Wine you expecting an exploding pen? We don't really go in for that anymore!" In the many changes that Bond fans have had to deal with, this really sums up the reinvention of James Bond in his latest avatar.

Glancing back over the years, Sean Connery played Agent 007 in the first Bond film, *Dr. No*, released in 1962 and, with this movie, the iconic line, *The name's Bond...* James Bond became a tagline. James Bond started as being a product of the Cold War and was created by Ian Fleming, a British naval intelligence officer. The Bond franchise that spilled out had an amazing run for a glorious 50 years. Daniel Craig has been the latest Bond on the block in the last three movies.

So, with such success over time, any real need to look at Bond at is different in Skyfall? Has Bond vented? And does it hold any lessons and strategy?

**Change management:** The older Bond were based on the Cold War and the North Koreans were shown as arch enemies at the end of the Cold War, the reason Bond was over. And yet, a lot of Bond pull and stretch the same Cold War much as possible.

In Skyfall, the Bond theme has been to focus on the more modern day terrorism. In a telling statement, M (head of British Intelligence Agency) deposits a committee consisting of a cabinet minister, my intelligence outfit, mentions enemies are no longer known to us. They are a map. They are individuals. She's arguments by asking – "How safe do we immediately after that, Raoul Silva (i) Skyfall, brilliantly played by Javier Bardem into the courtroom with the sole aim down M.

A shoot out in a courtroom in which the villain coolly walks in, we able in the Bond movies of the past battle was fought in the field, in straits, definitely not on home ground the courtroom scene resonates with day terrorism, which does not owe a



SUNAND KARKHE

any country?

In an earlier sequence, the global headquarter of M6 in London is attacked, reinforcing the fact that the enemy will not engage on the field, strike with impunity at the core – a far cry from the cold war!

Drawing parallels to business, it is obvious, that for any organisation living on its past glory, that an important lesson of change management. Markets environments change rapidly and adapt to the new reality is critical. What worked yesterday need not necessarily work tomorrow!

**Competition:** Bond was a unique spy. He surrounded by gorgeous girls, drank bountiful bedded beautiful women, drove fancy cars, visited exotic locales around the world. And it came Jason Bourne in 2002, when Matt Damon played the role of a mysterious Black Ops CIA officer. Bourne was an expert in martial arts, first



## Aptech-NSDC to hold selections for WorldSkills 2013 web design category

Information Week India ( Technology | Magazines ) Published On: 2012-12-19

India, Dec. 19 -- Aptech, a global leader in learning solutions, in association with the National Skill Development Corporation (NSDC), would be holding national selections to determine who would be representing India in the Web Design discipline at the next WorldSkills Competition to be held at Leipzig, Germany, in July 2013.

Interested participants in the selection process may download the application forms from the website <http://www.aptecheducation.com/nsdc/nsdcindex.aspx>

The final date for submission of applications is December 30, 2012. The national selection competition is open to students below 23 years and those born after January 01, 1991. Participation in the competition is free of cost, and the travel and accommodation of the national winners would be covered. The best entry will represent India in the WorldSkills championship to be hosted in Germany next year.

## The Hitavada | Bright career in animation for students, says Bhavika

Business Bureau

THIS year, the country has produced 4 animation films. India boasts of a rich heritage with spices like Karamaram, Madhura and so on to forget, the Panchatantra. All these have been reproduced into animation films. This is, therefore, a bright scope for career in animation industry. said Bhavika Chavhan, Vice President and Marketing Head, Maya Academy of Advanced Cinematics (MAAC) while talking to newspaper editor of Karmchari. MAAC India's



From left: Abhishek Acharya, Abhishek G and Mahesh Kulkarni at the press event.

MAAC India's Vice President, Bhavika Chavhan, informed that the MAAC India is a branch of the MAAC, founded in 1998, and has over 70,000 students.

## Animation Xpress.com

December 10-2012

9:33 am PDT 10/12/2012 By AnimationXpress Team

Mumbai, December 8, 2012: Maya Academy of Advanced Cinematics (MAAC) – leader in 3D Animation and VFX training celebrated its tenth anniversary with successful completion of '24FPS Annual International Animation Awards 2012' organized by MAAC in association with the UNIC on Dec 7 at the Lalit Intercontinental in Mumbai.

This year's award surpassed all expectations with the magnificent show that saw 'Poised', bag the coveted Best Animated Short Film – Gold award from MAAC's Andheri centre in Mumbai and Best Visual Effects Short Film – Gold was won by 'Karmchari' from MAAC's South Extension in Delhi.

## Koramangala Clicks at Animation Sector

Riding on the countrywide boom in animation industry, institutes of the area reap profits with wide range of courses offered here



RASHI VARDHANI

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**THANK YOU**

# About Aptech

Aptech commenced its education and training business in 1986 and has globally trained over 6.5million students. Aptech is an ISO 9001:2008 organization and the first IT Training and Education company to get this certification for Education Support Services in 1993. Aptech has presence in more than 40 emerging countries through its two main streams of businesses – Individual training and Enterprise Business. As a leader in career education, it has over 1300+ centres of learning across the world.

Under Individual Training, Aptech offers career and professional training through its Aptech Computer Education, Arena Animation & Maya Academy of Advanced Cinematics (both in Animation & Multimedia), Aptech Hardware & Networking Academy, Aptech Aviation & Hospitality Academy and Aptech English Learning Academy brands. Enterprise business includes Content Development (Aptech Learning Services), Training and Assessment Solutions for Corporates & Institutions (Aptech Training Solutions, Aptech Assessment & Testing Solutions).

For further information on Aptech Limited, please visit our website at [www.aptech-worldwide.com](http://www.aptech-worldwide.com) or contact:

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