



Financial Results

Quarter ended September 30, 2006

October 27, 2006

Agenda



- *Business Review*
 - *Results Highlights*
 - *Consolidated Financials*
 - *Business Operations Analysis*
 - *Headcount*
 - *Shareholding pattern*

Financial Highlights

- **Global System Wide Revenues grow 66% YoY & 96% QoQ to Rs. 3213 mn**
- **Net Revenue grows 64% YoY & 84% QoQ to reach Rs. 2031 mn**
- **EBITDA up 36% YoY & 54% QoQ to reach Rs. 238 mn**
- **Net profit up 23% YoY & 22% QoQ to touch Rs. 161 mn**

**Individual business clocks 48% YoY & 52% QoQ growth in net revenues
Corporate business grows 14% YoY % & 18% QoQ**

JAS'06 Highlights – Value through momentum



- **Acquisition of Element K**
 - Generates revenues of USD 15.36 mn (Gross) & \$11.7 mn (net) for August – September & EBITDA of USD 0.59 mn
 - Contributes 26% of the net revenues
 - EPS accretive from the 1st quarter of operations
- **Three New businesses launched**
 - IFBI – with ICICI Bank equity partnership
 - Imperia – tie ups inked with IIM Ahmedabad, Kolkata & Indore – launched in September
 - Litmus – Custom assessment testing services - Launched in October 2006
 - New Businesses clock Rs. 11 mn revenues in the quarter

JAS'06 Consolidated Financials



(Rs in mn)	JAS'06	JAS'05	AMJ'06	YoY (%)	QoQ (%)
System Wide Revenue	3,213	1,940	1,637	66%	96%
Net Revenues	2,031	1,241	1,102	64%	84%
Operating Expenses	1,792	1,066	948	68%	89%
Operating Profit	238	175	154	36%	54%
OPM	12%	14%	14%	-235 bps	-227 bps
Depreciation	113	90	106	25%	7%
Other Income	(23)	15	23	-251%	3%
Profit Before Taxes	103	100	71	2%	44%
Provision For Tax	8	7	-6		
Operational Net Profit	94	93	77	1%	22%
Share of Profits from Associates	67	38	54	75%	23%
PAT	161	132	132	23%	22%
Basic EPS (Rs)	8.3	6.8	6.8	22%	22%

Organic revenue growth 20% YoY, OM 16% improvement of 153 bps YoY

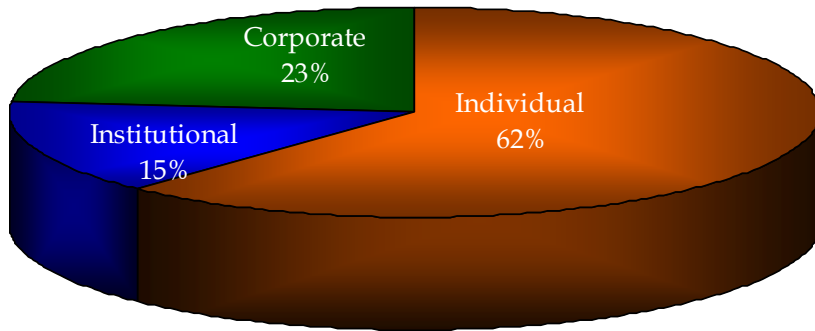
Financial summary by business line



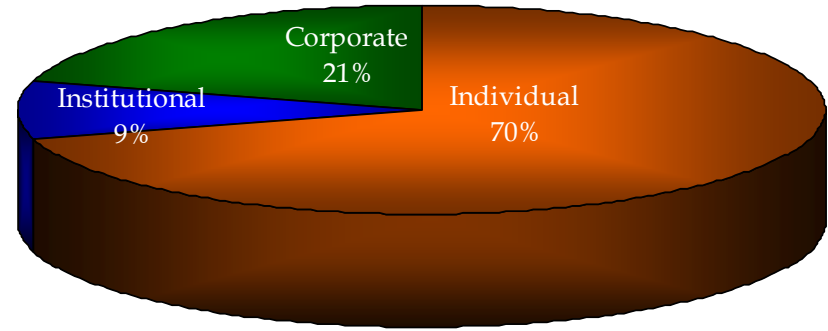
	Individual	Insitutional	Corporate	Existing NIIT	New Biz & Acquisition related	Organic NIIT	EK	NIIT
Net Revenues	746	221	515	1,483	11	1,493	537	2,031
YoY%	48%	-22%	14%	19%	0%	20%	0%	64%
QoQ%	52%	29%	18%	35%	488%	36%	0%	84%
Opex	614	186	434	1,235	47	1,282	510	1,792
EBITDA	132	35	80	247	(36)	211	27	238
EBITDA margin	18%	16%	16%	17%	-331%	14%	5%	12%
Net Other Income						(2)	(21)	(23)
Depreciation						110	3	113
PBT						99	3	103
Tax						7	1	8
PAT						92	2	94
Associate Profit						67	-	67
PAT (after associate profit)						160	2	161
EPS						8.2		8.3

Consolidated Revenue Mix

System wide revenues – Up 29%



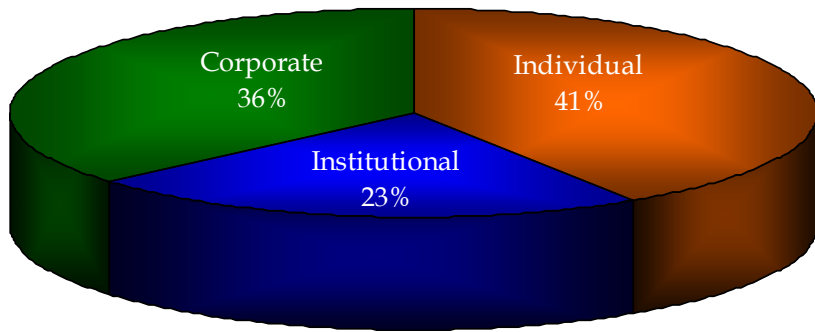
JAS'05



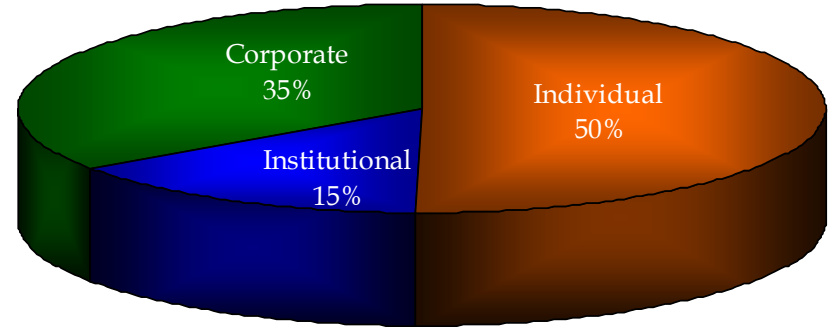
JAS'06

**Individual & Corporate business share increases,
Institutional share reduces**

Net Revenues – Up 20%



JAS'05

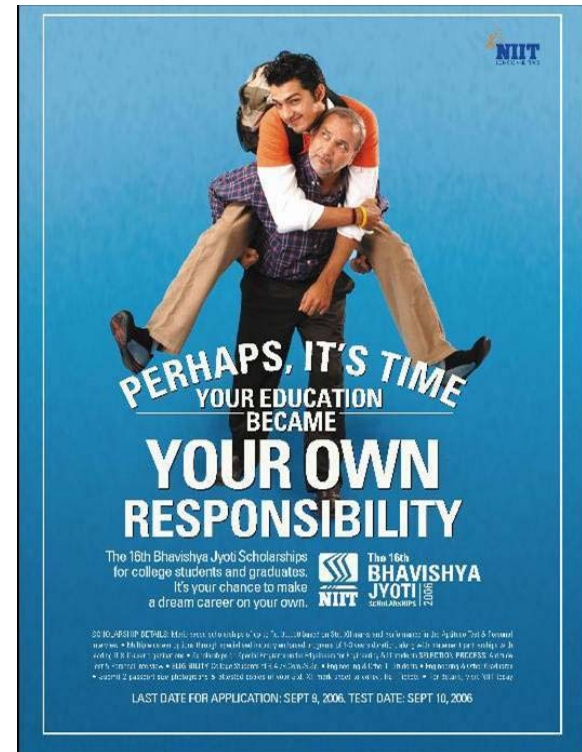


JAS'06

Individual Business financials

(Rs in mn)	JAS'06	JAS'05	AMJ'06	Growth YoY%	Growth QoQ%
System Wide Revenue	1,758	1,204	1,026	46%	71%
Net Revenues	746	505	492	48%	52%
<i>Operating Expenses</i>	614	438	415	40%	48%
Operating Profit	132	67	76	96%	73%
<i>OPM</i>	18%	13%	16%	432 bps	213 bps

- India revenues clock a record 62% growth – contribute 57% to total Individual biz. SWR
- China grows 35% to contribute 21% to total Individual business System wide revenues fuelled by NIIT Inside
- Improvement in cap utilization to 61% from 54% in JAS'05 leads to benefit in operating leverage
- Seat capacity increase by 4% QoQ



PERHAPS, IT'S TIME
YOUR EDUCATION
BECAME
**YOUR OWN
RESPONSIBILITY**

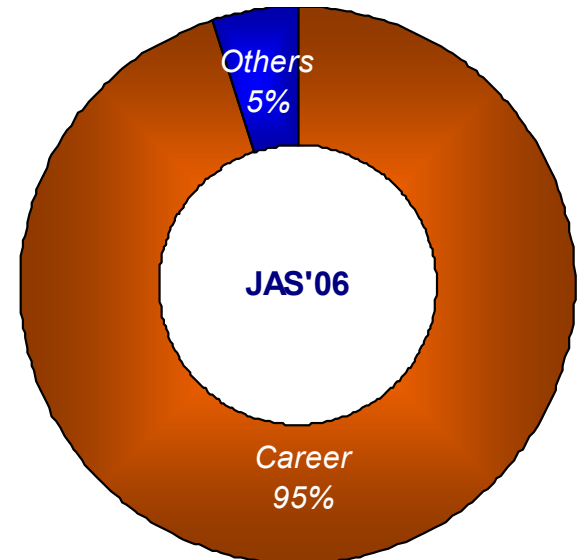
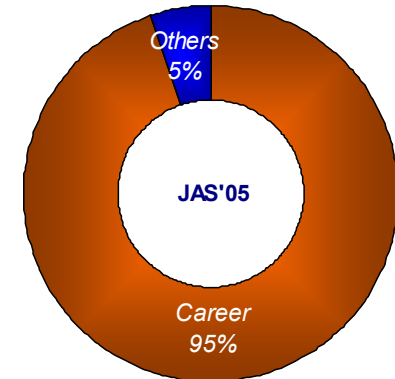
The 16th Bhavishya Jyoti Scholarships
for college students and graduates.
It's your chance to make
a dream career on your own.

NIIT The 16th
**BHAVISHYA
JYOTI**
2006

SCHEMATIC: 16th BHAVISHYA JYOTI 2006. The 16th Bhavishya Jyoti Scholarships for college students and graduates. It's your chance to make a dream career on your own. NIIT logo and The 16th BHAVISHYA JYOTI 2006 logo. LAST DATE FOR APPLICATION: SEPT 8, 2006. TEST DATE: SEPT 10, 2006.

Individual Business Metrics

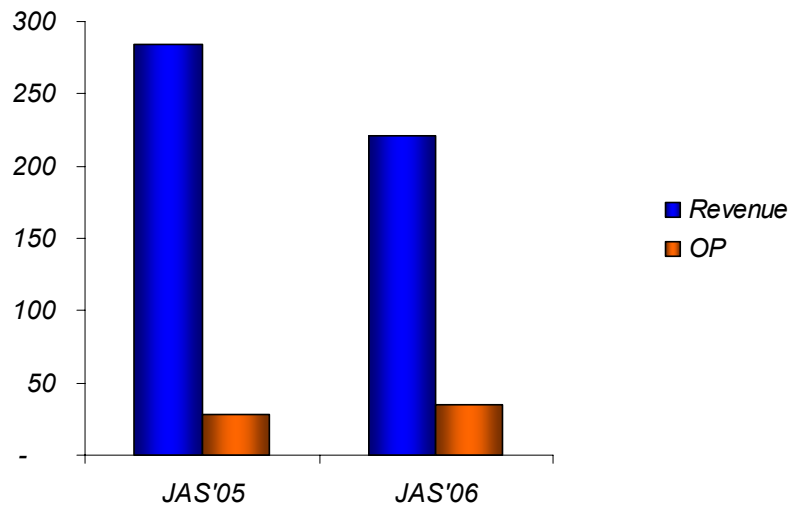
- *GNiIT & AAE programs fuel growth in India*
 - *Career Revenues up 62%*
 - *30,774 engineering & comp science students enrolled; up 45%*
 - *GNiIT Enrolments up 98%*
- *Overall Enrolments at 96,284 up 26% YoY*



Institutional Business financials

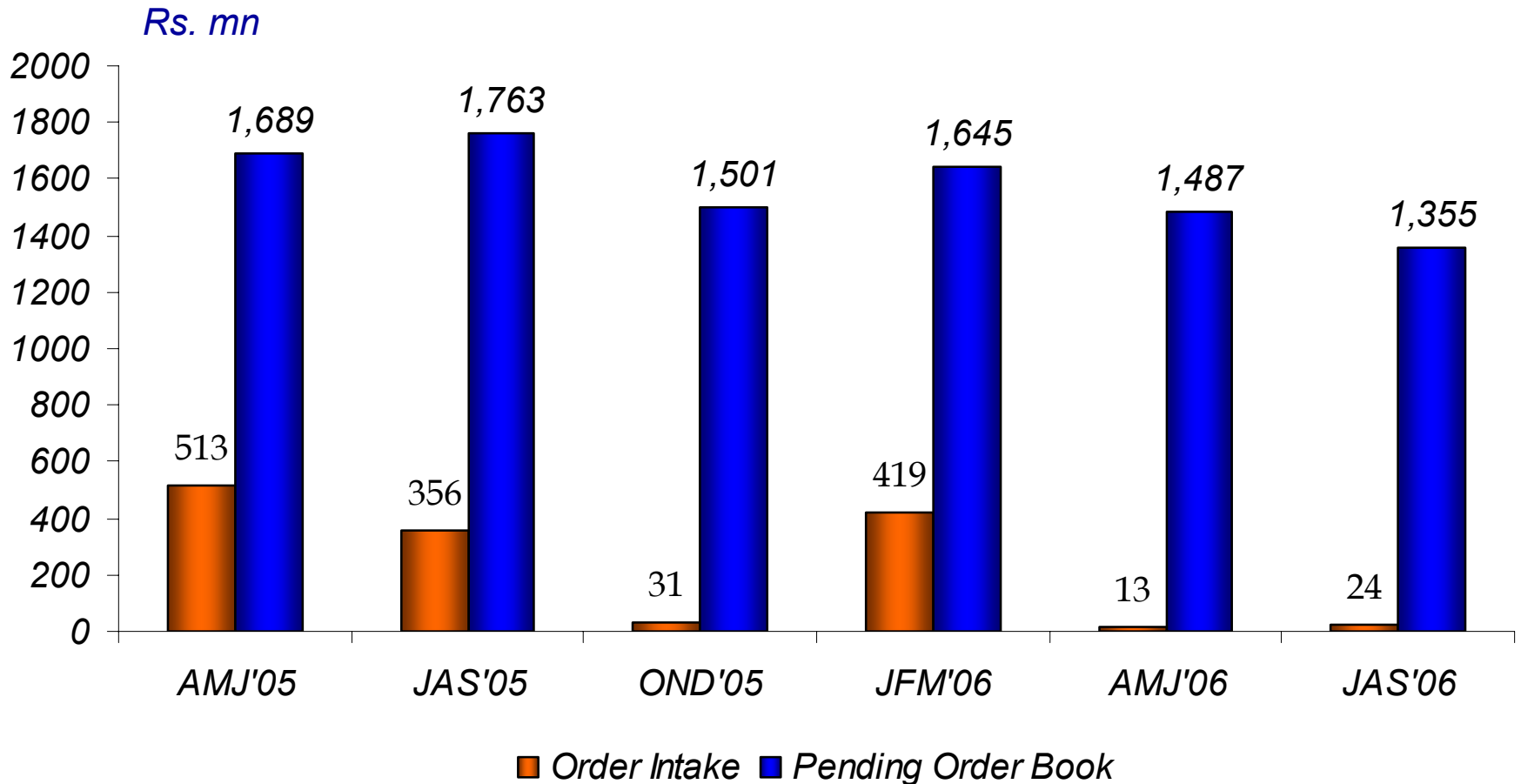


(Rs in mn)	JAS'06	JAS'05	AMJ'06	Growth YoY%	Growth QoQ%
Net Revenues	221	285	171	-22%	29%
<i>Operating Expenses</i>	186	256	160	-27%	17%
Operating Profit	35	29	12	22%	200%
<i>OPM</i>	16%	10%	7%	574 bps	901 bps



- Non Govt business contributes 24% of revenues for the quarter compared to 17% in JAS'05 – 11% YoY growth
- Completion of existing Govt orders along with the focused approach to de-risk the business impacted revenues and margins
- Annual milestones billed

Institutional Business Metrics

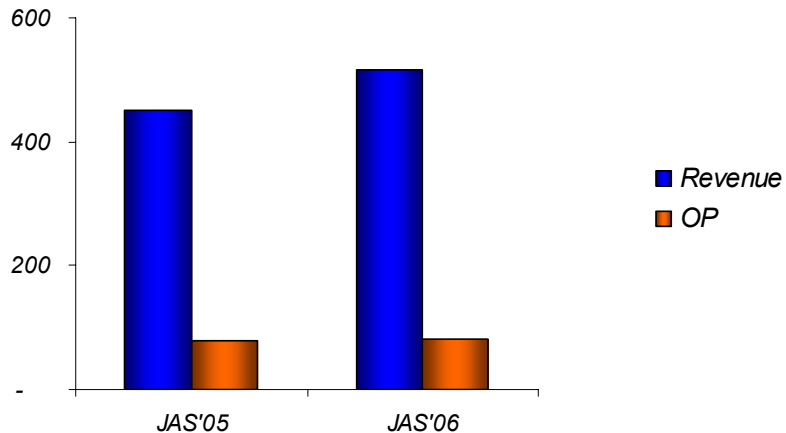


49% executable in next 12 months

Corporate Business financials



(Rs in mn)	JAS'06	JAS'05	AMJ'06	Growth YoY%	Growth QoQ%
Net Revenues	515	451	438	14%	18%
<i>Operating Expenses</i>	434	372	369	17%	18%
Operating Profit	80	79	69	2%	17%
<i>OPM</i>	16%	17%	16%	(182) bps	(8) bps



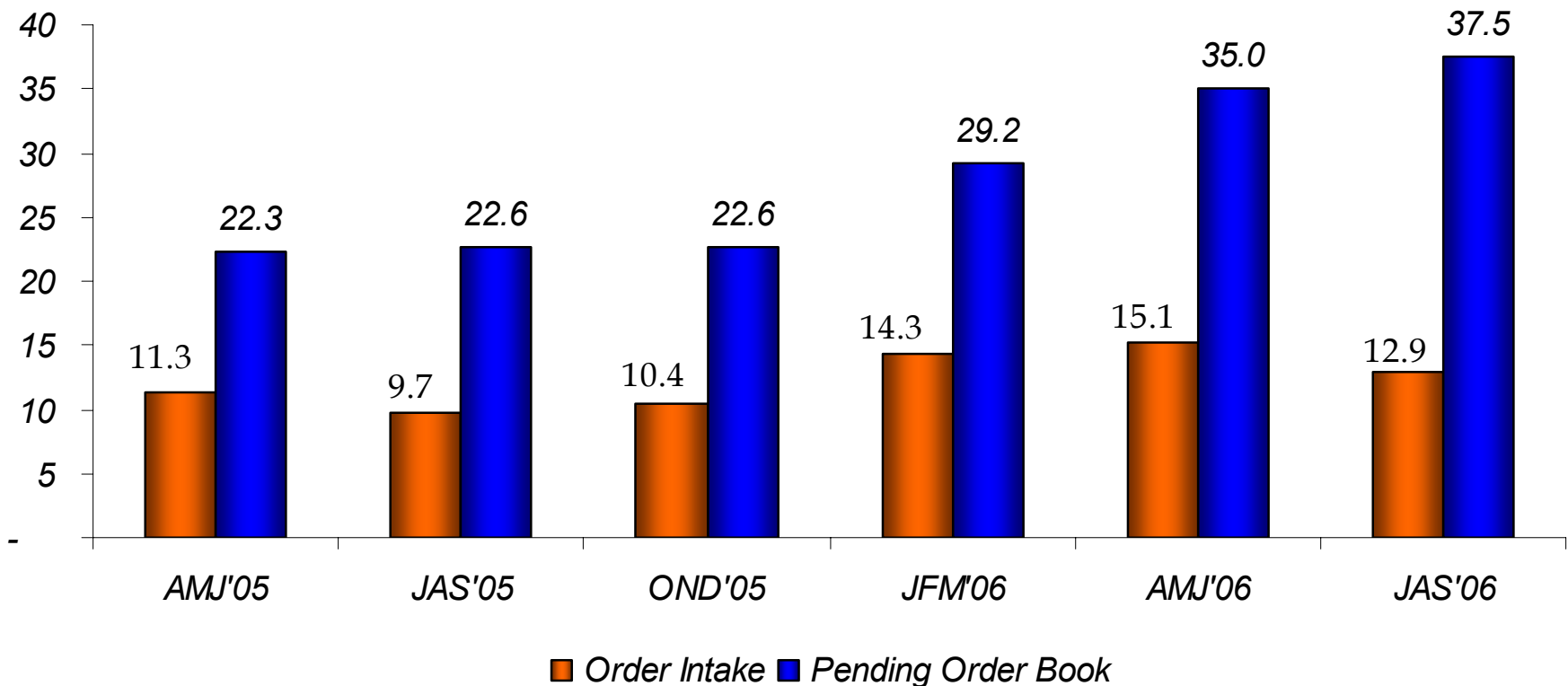
- Revenue Product mix improves with Content 49%; LD 32% & LT 19%
- Margin stable despite continuing product mix transformation & high cost of ramp up
- Technology vertical revenues increase by 40% YoY
- Added 3 new technology customers & deepened relationships with existing customers
- Added 6 new corporate clients
- Business actively engaged in Element K

Corporate Business Metrics



US\$ Mn

63% executable in next 12 months



Order intake of \$ 12.91 mn

Order intake LD 32%, Content 49%; LT 19%

Pending order book at \$ 37.53 mn

New Businesses

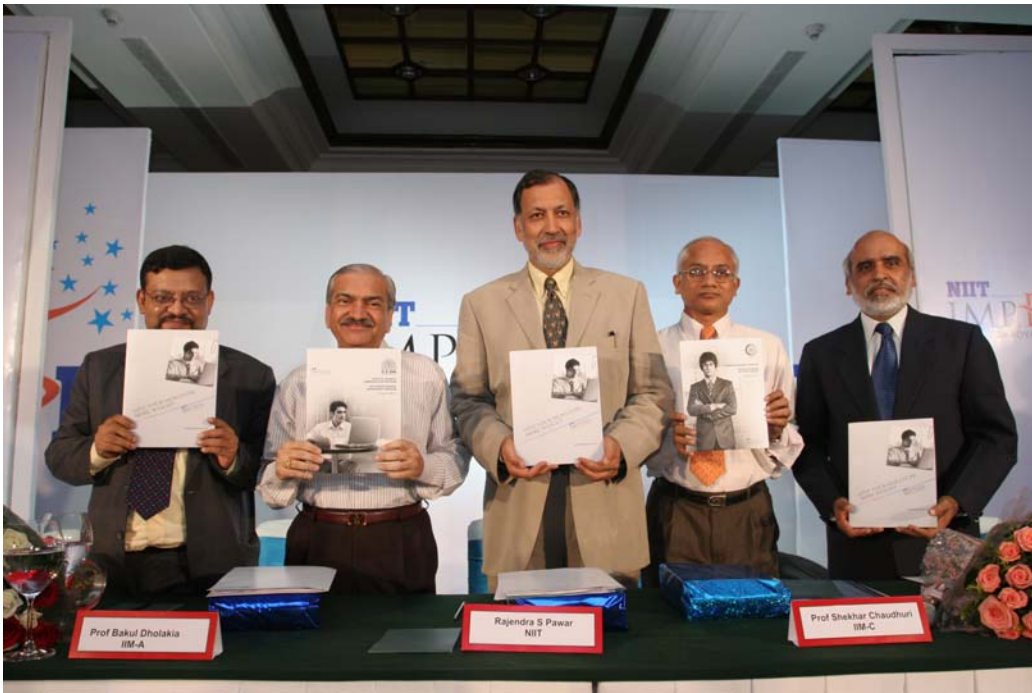


- *All 3 new businesses launched on schedule*
 - *NIIT Imperia Centre for Advanced Learning (NICAL), launched on Sept 12th*
 - *Institute for Finance, Banking & Insurance (IFBI) launched on Sept 26th*
 - *NIIT Litmus acquired its first customer in Sept, though the launch event was on Oct 9th*
- *Overall, while all 3 are still in the learning phase and business models are being perfected:*
 - *Extremely positive response to all 3 launches*
 - *On course w.r.t. projected financials*
 - *Market opportunity as per expectations, and better in some cases*
- *For these 3 businesses, we estimate current market opportunity as Rs 2100 mn, growing at 31% CAGR.*

NIIT Imperia Launch



- *Launch event where Directors of IIM-A & IIM-C were present, and Director IIM-I inaugurated studio in Indore live during the function and participated by web-presence.*





- *Launch Event at Mumbai on Sept 26th.*
- *Subsidiary set up with equity participation by ICICI Bank*
- *Addresses exploding people resource needs of Indian Finance sector*



New Business financials



ifbi

Institute of Finance, Banking & Insurance

NIIT
IMPERIA
CENTRE FOR ADVANCED LEARNING

(Rs in mn)	<i>JAS'06</i>	<i>AMJ'06</i>	<i>Growth QoQ%</i>
Net Revenues	11	2	488%
<i>Operating Expenses</i>	47	4	988%
Operating Profit	-36	-2	1365%
<i>OPM</i>	-331%	-133%	

Element K – an Introduction



- *Started as a training business in 1982 in Rochester, NY*
- *Products & Services (2005 revenue \$83 M)*
 - *Printing and Distribution - Fulfillment (46 M)*
 - *eLearning (28 M)*
 - *Services (Content Dev) (9 M)*
- *Experience*
 - *3rd largest eLearning content library (after Skillsoft and NETg)*
 - *Own ILT content for key technologies; also major authorized distributor*
 - *Large content development capability*
 - *Built own technology platform – on open source technology*
- *Key Competencies*
 - *Custom printing and fulfillment*
 - *Off-the-shelf eLearning & ILT content creation*
 - *Hosting & managed services*
 - *Inside Sales*

Element K financials



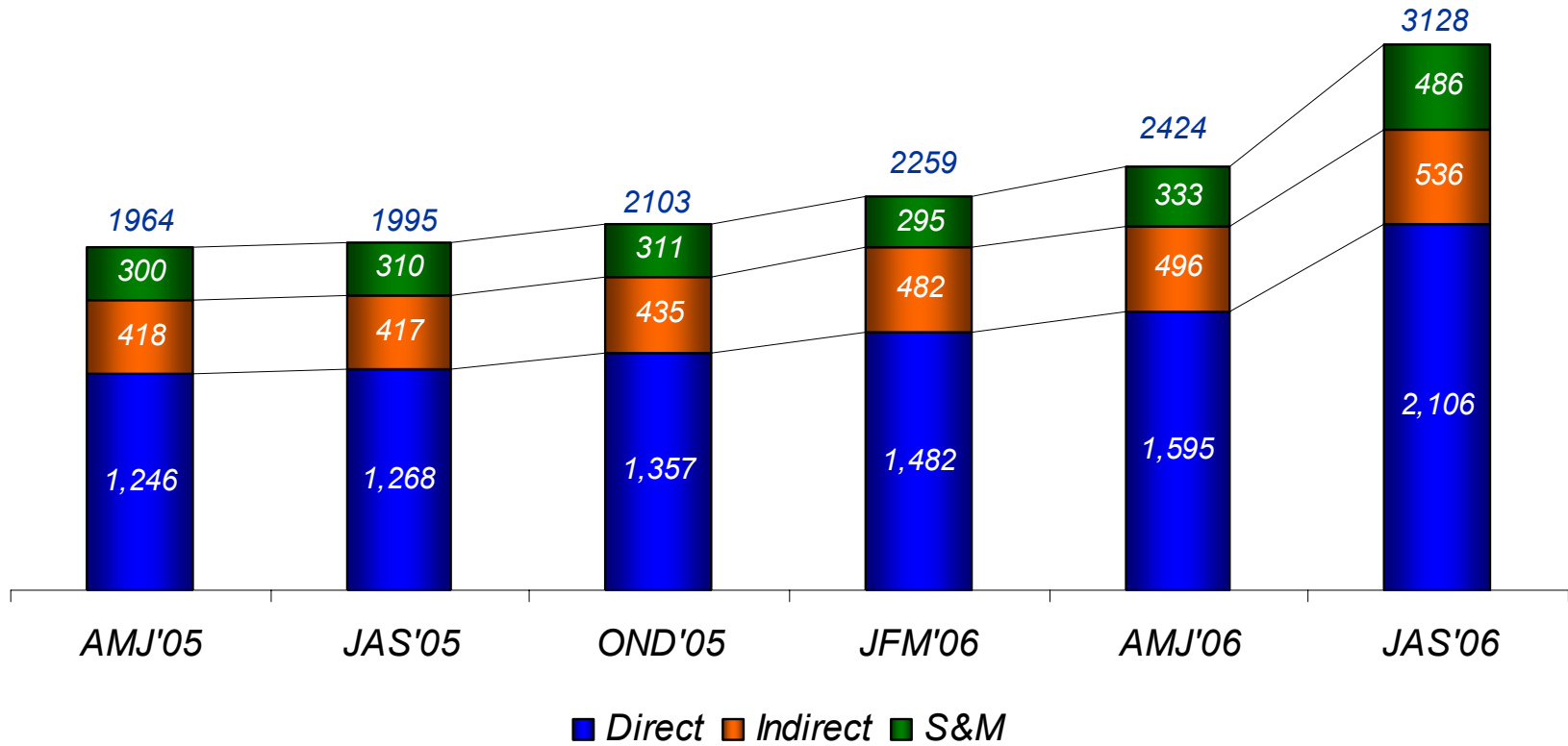
(Rs in mn)	JAS'06
Gross Revenues	707
Net Revenues	537
<i>Operating Expenses</i>	510
Operating Profit	27
<i>OPM</i>	5%

- *Acquisition effective August 2, 2006*
- *Managed as an independent subsidiary*
- *Revenue normalised to NIIT norms*
- *Strengths*
 - *Advanced printing & distribution capability*
 - *3rd largest e-learning content library*
 - *Hosting & Managed services*
- *EK offering in India launched as “eNIIT”*

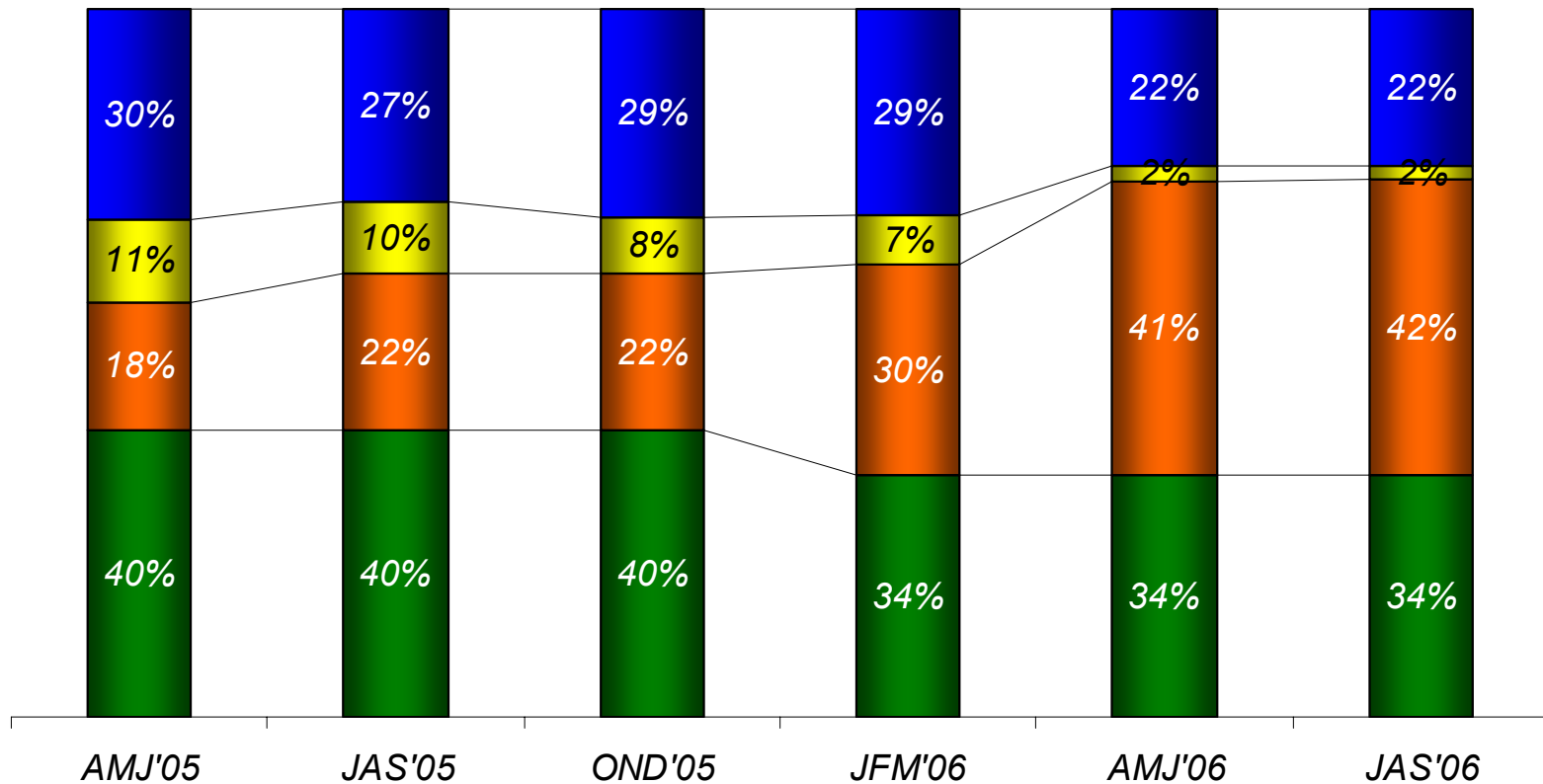
1500 customers
2300 e-learning modules
1500 print titles

Together @ \$250 mn size, NIIT & EK become the First & Best Choice for comprehensive learning solutions, worldwide

Head Count



Shareholding Pattern



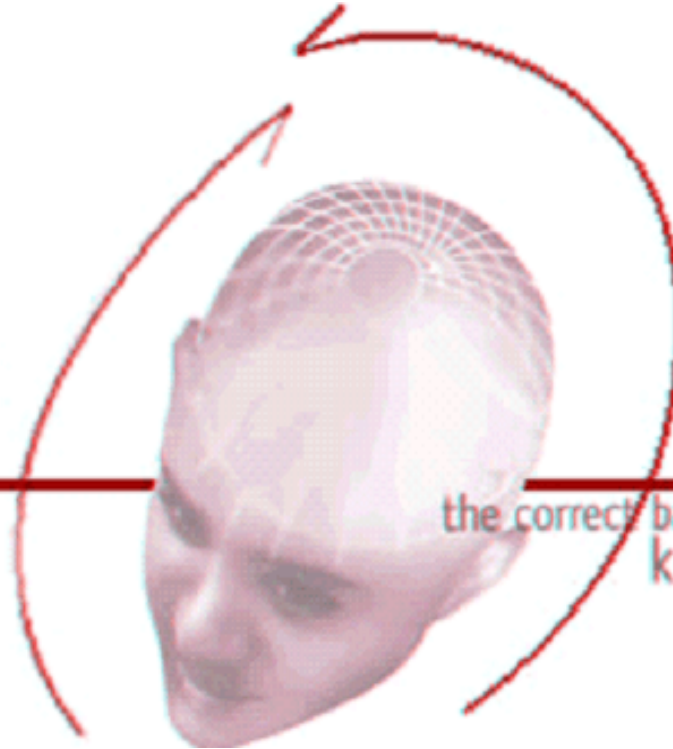
■ Promoters ■ FIs ■ Financial Institutions & Mutual Funds ■ Individuals & Corporates

19.4 Million Equity Shares including 75k ESOPs converted
471k outstanding ESOPs
\$ 10 mn FCCB

Leadership in the Century of the mind



NIIT



the correct balance of
knowledge