



Q3 Financial Results
October 2005 – December 2005
January 18, 2006

- Industry Environment
- Results Highlights
- Consolidated Financials
- Business Operations
- Headcount
- Shareholding pattern

- India
 - Improvement in sentiment for IT careers continues
 - Nasscom – Mckinsey study – Dec 2005:
 - IT-BPO industry would employ nearly 2.3 mn people & provide indirect employment to 6.5 mn workers by 2010
 - Shortfall of nearly 0.5 mn qualified workers
 - Higher Education policy under discussion by Govt.
- China
 - Focused approach to IT Education as part of formal system
 - Hiring commences by Indian IT companies
- USA
 - Corporate spend on Training on an increase
 - Technology companies – new product launches e.g. Microsoft
 - Increased focus on time to market, readiness and enablement
- Europe
 - Interest in training outsourcing from Corporates

OND'05: Robust revenue growth

Seasonal volatility reduces with better product mix

- Net revenues for the quarter record a 22% YoY growth reaching Rs. 1,052 Mn
- Operating profit of Rs. 119 mn grows 29% YoY
- Operating margin for the quarter at 11.3% Vs. 10.7% for OND'04 – an improvement of 63 bps
- PAT at Rs. 55 mn for the quarter up 14% YoY
- OND'05 System wide revenues at Rs. 1,494 Mn up 13% YoY

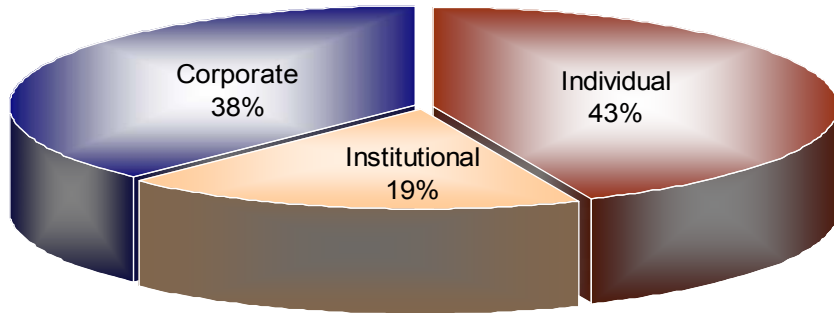
OND'05 Financials – Consolidated

(Rs in mn)	OND'05	OND'04	JAS'05	Growth YoY (%)	Growth QoQ (%)
System Wide Revenue	1,494	1,327	2,085	13%	-28%
Net Revenues	1,052	861	1,241	22%	-15%
Operating Expenses	933	769	1,066	21%	-12%
Operating Profit	119	92	175	29%	-32%
OPM	11%	11%	14%	63 bps	(279) bps
Depreciation	96	84	90	13%	6%
Other Income	(5)	7	15	-172%	-131%
Profit Before Taxes	19	14	100	32%	-81%
Provision For Tax	9	0	7	-	25%
Operational Net Profit	10	14	93	-30%	-89%
Share of Profits from Associates	45	34	38	33%	16%
PAT	55	48	132	14%	-59%
Basic EPS (Rs)	2.8	2.5	6.8	14%	-59%

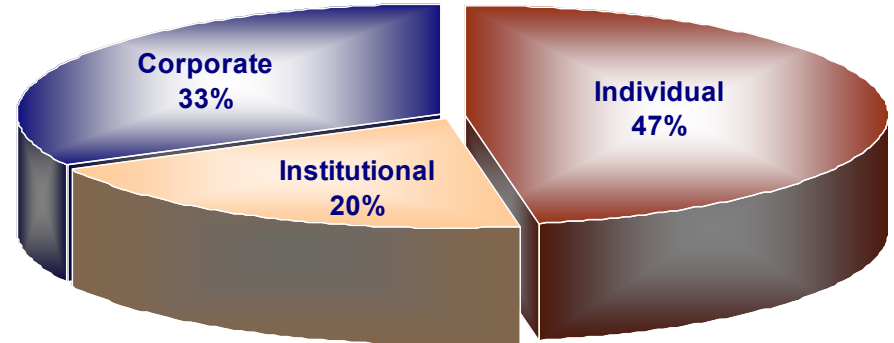
- SWR growth lower than net revenue growth due to product mix changes
- Institutional business contributes to improved OM
- Other income affected by exchange fluctuation

Consolidated Revenue Mix

System wide revenues - Up 13%



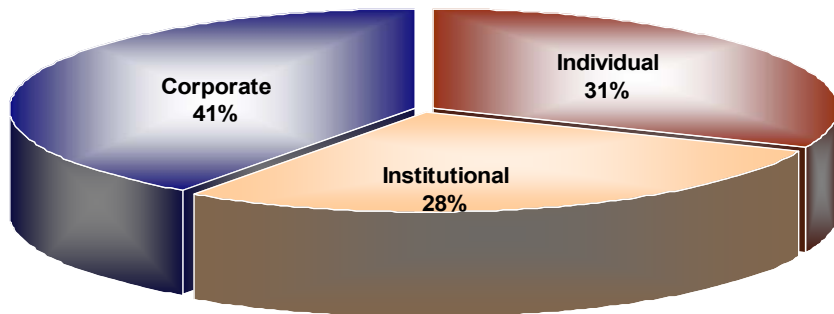
OND'04



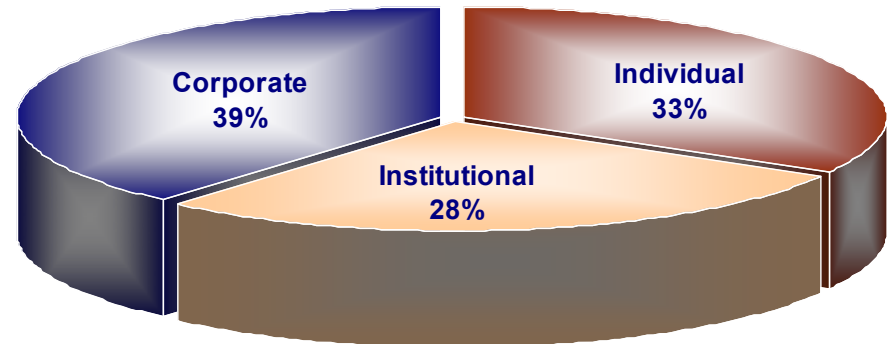
OND'05

**Individual business drives revenue growth
Institutional & Corporate steady**

Net Revenues - Up 22%



OND'04



OND'05

- On a system wide revenue basis
 - Individual records 22% YoY growth
 - India contributed 65%
 - Grows 22%
 - International contributed 35% (China 20% of Individual)
 - China grows 36%
- On a net revenue basis
 - Institutional revenue grow 21% YoY
 - Impact of new contracts this year
 - Annual Milestones billed
 - Corporate grows 17% YoY
 - Technology vertical contributes to growth

Individual Business financials

(Rs in mn)	OND'05	OND'04	Growth YoY%
System Wide Revenue	707	578	22%
Net Revenues	352	271	30%
Operating Expenses	353	267	32%
Operating Profit	(1)	4	-121%
OPM	0%	2%	(191) bps

BILL GETS

10,175 ambassadors for Microsoft's latest platform.

That's right. NIIT is training as many as 10,175 students on Visual Studio 2005 and SQL Server 2005 - new Microsoft products being launched this week in India. Each time Microsoft has something new for the IT community, NIIT is the first one to bring their innovations into our classrooms. With partnership initiatives like these, NIIT is building the manpower for India's IT revolution.

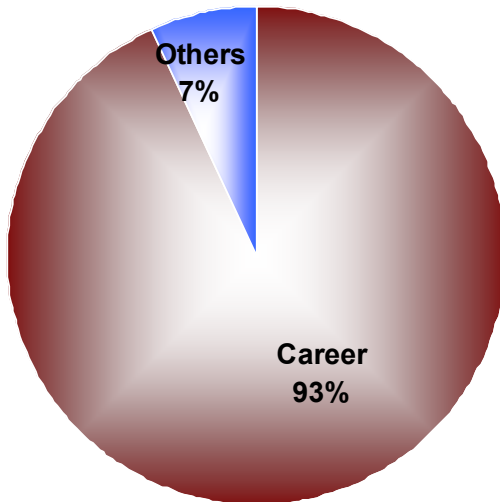
- Quarter Revenue growth led by India (47%) & China (36%)
- China grows to contribute 20% to Individual business
- Margin impacted by
 - Lower Revenue capacity utilization in India
 - Specific marketing campaigns; e.g. MS launch
 - Delayed implementation - higher provisioning

Individual Business Metrics

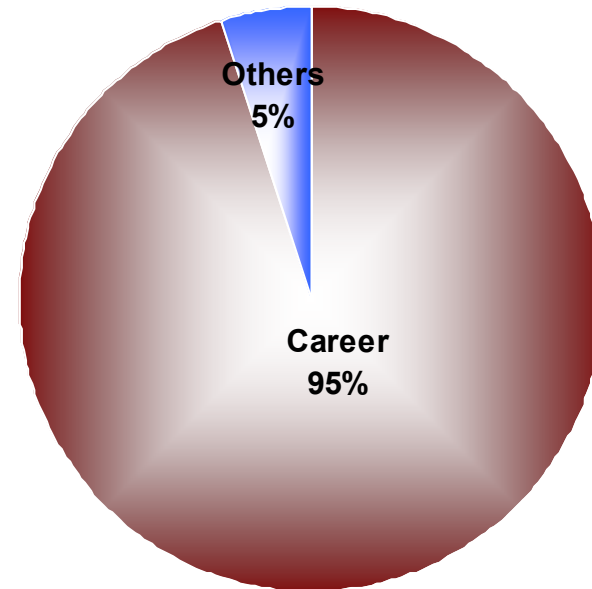
- Overall Enrolments at 61,685 up 46% YoY
- Increased contribution from Career segment
 - Revenues up 50%
 - Enrolments up 61% YoY
- Placements in 9 months up 76% YoY

NIIT forges academic alliance with UK Open University

OND'04

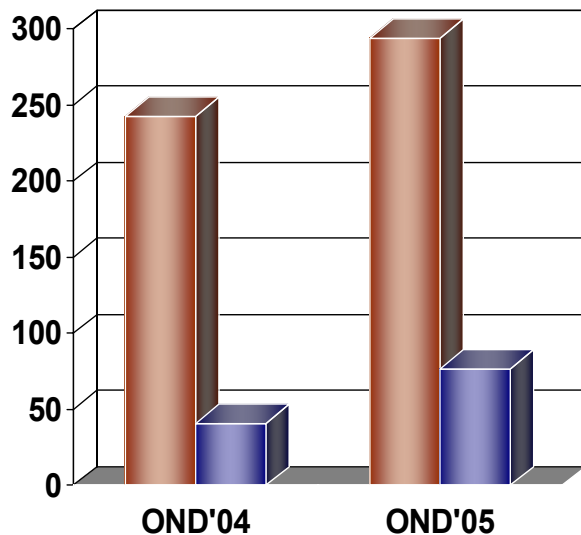


OND'05



Institutional Business financials

(Rs in mn)	OND'05	OND'04	Growth YoY%
System Wide Revenue	296	249	19%
Net Revenues	294	243	21%
Operating Expenses	216	202	7%
Operating Profit	77	41	88%
OPM	26%	17%	941 bps

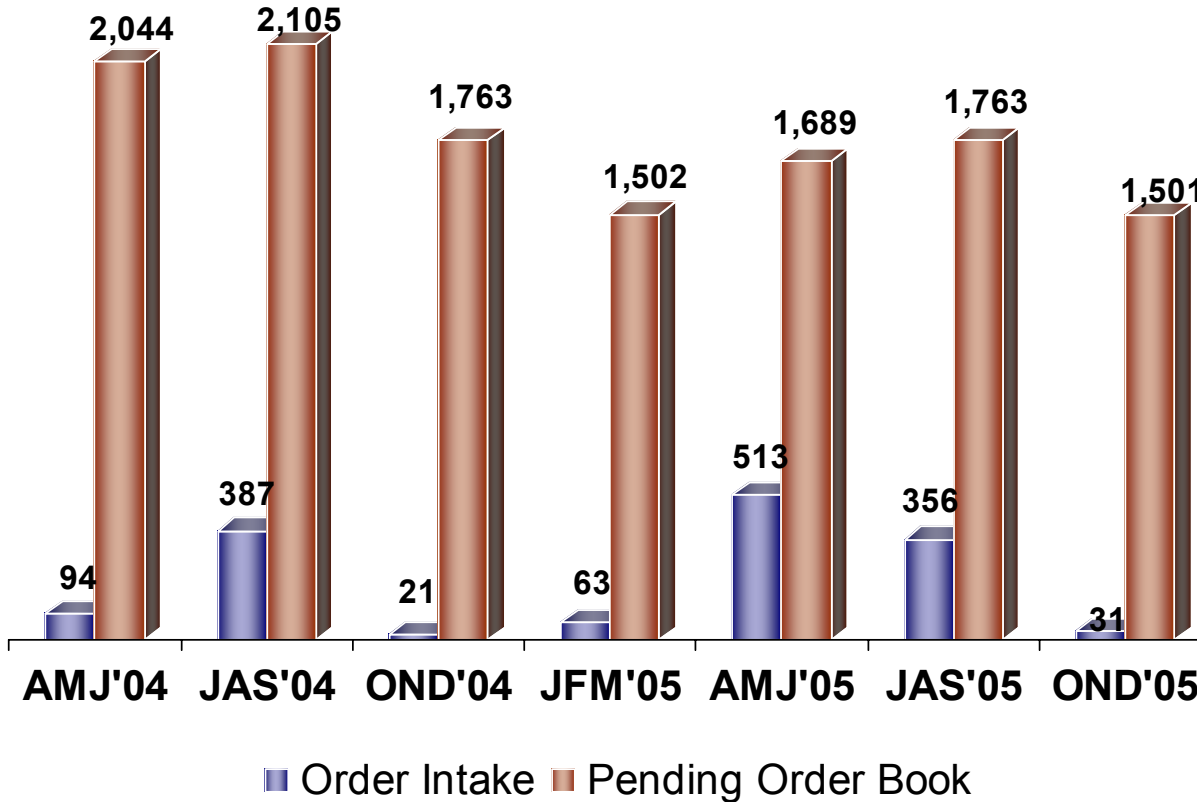


■ Revenues
■ Operating profit

- Impact of new contracts
- Annual Milestones billed
- New product launches
- Intel-SBI partnership

Institutional Business Metrics

Rs. mn

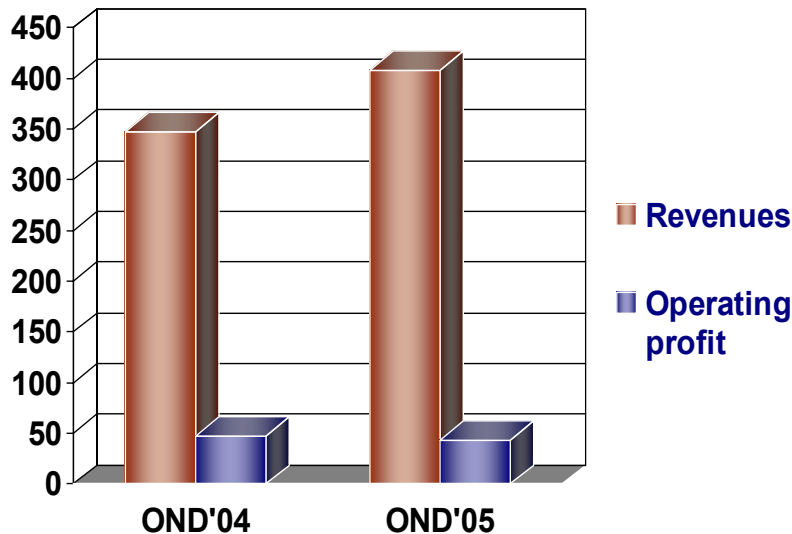


42% executable
in next 12
months

Total Schools serviced -4,295

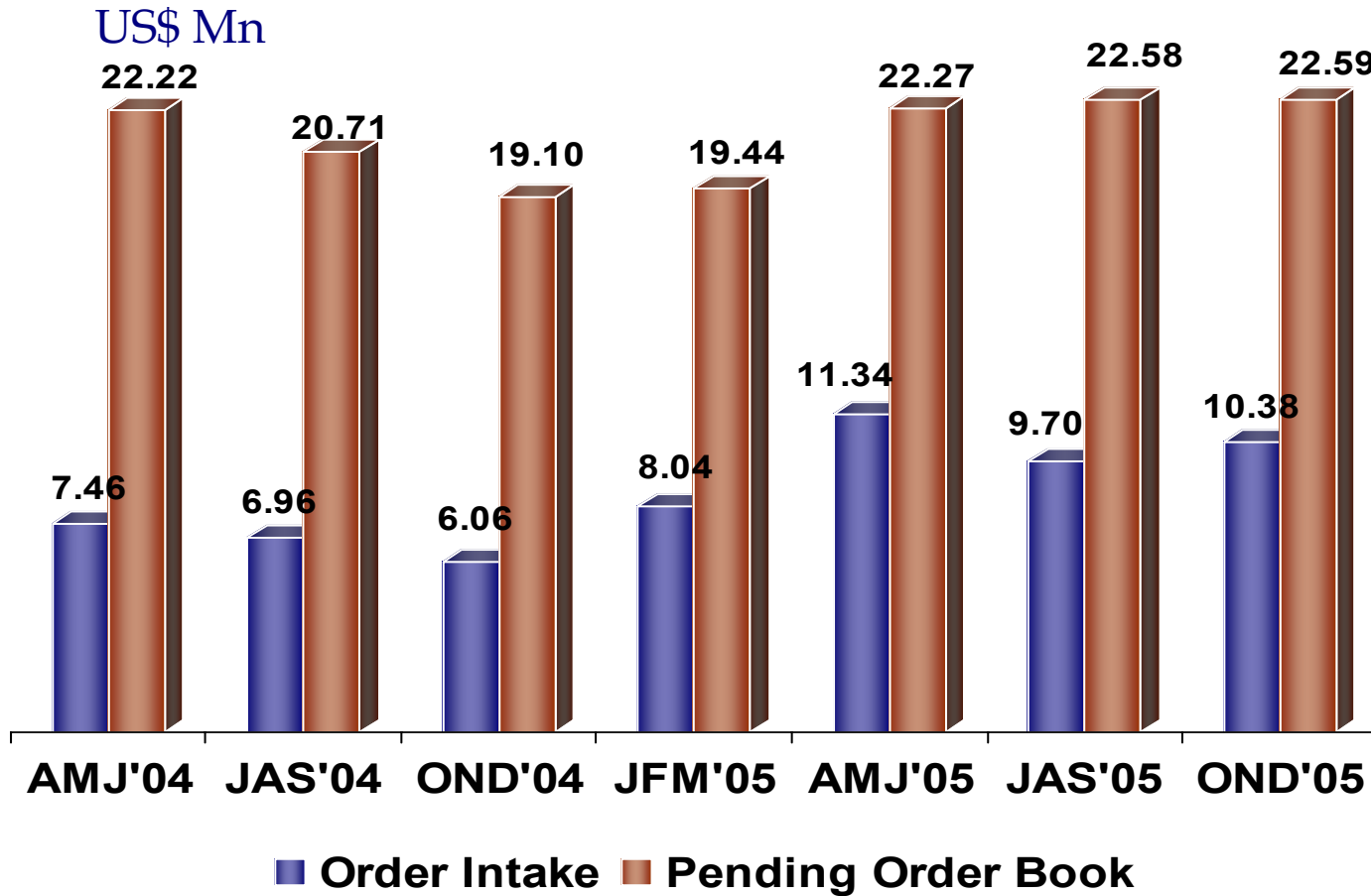
Corporate Business financials

(Rs in mn)	OND'05	OND'04	Growth YoY%
System Wide Revenue	491	500	-2%
Net Revenues	407	347	17%
Operating Expenses	364	301	21%
Operating Profit	43	47	-8%
OPM	10%	13%	(290) bps



- Technology vertical - new partnerships
- European subsidiary operational
- Margin contraction
 - Product mix changes
 - Ramp up for new technology partnerships

Corporate Business Metrics

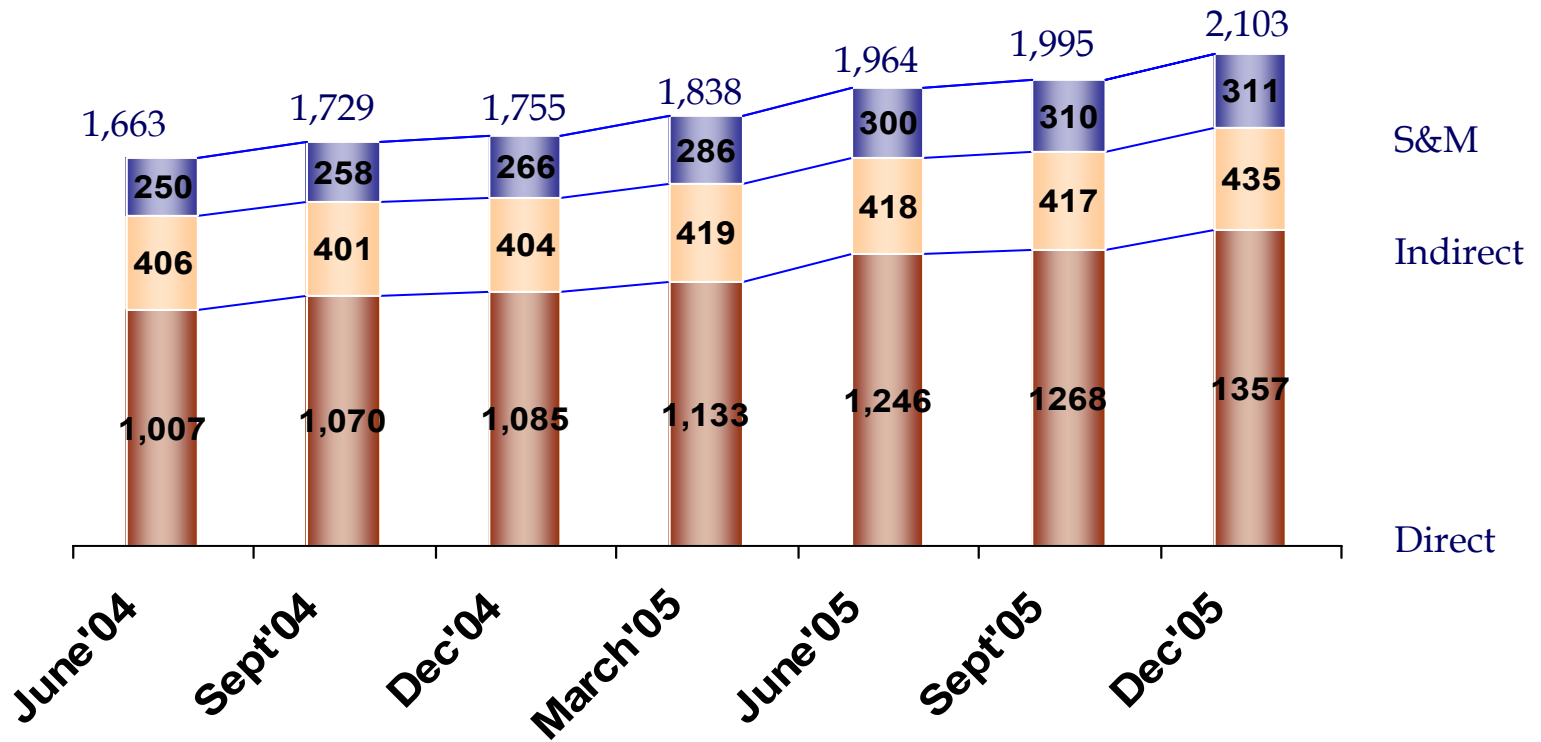


70% executable in next 12 months

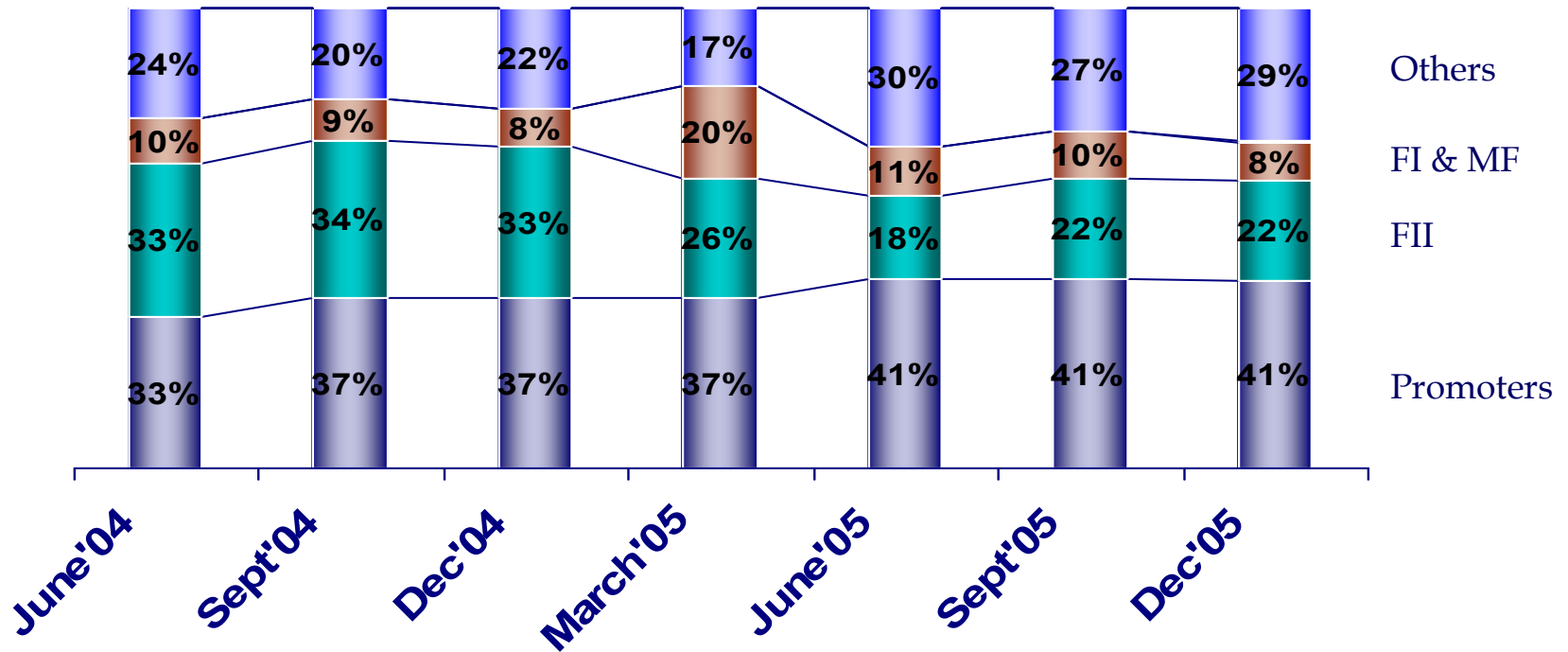
Order intake of USD 10.38 mn

Pending order book at \$ 22.59 mn

OND'05 Head Count



Shareholding Pattern



19.3 Mn Equity Shares
 550k ESOP outstanding
 \$10 Mn FCCB representing 2.188 mn equity shares