NIIT

Third Quarter Results

Oct – Dec, 2004

Agenda

- Industry Environment
- Results Highlights
- Consolidated Financials
  - Income Statement for the quarter
  - Income Statement for the Nine Months period
- Operating Metrics
  - Segmental Break Up
    - Revenues
    - Profitability
    - Lead Indicators
- Shareholding Distribution
- Future Outlook

Industry Environment

- India
  - IT and User Industry gains volume momentum
    - 44% recruitments from Campuses
    - Higher Placement demand for GNIITians
  - Engineering seats up from 60K in ’99 to 400K in ’04
    - 20% engineers could not get placed; have degree, lack skills
    - Opportunity for NIIT – launched finishing school for Engineers
  - Enhanced Career Choices
- Global
  - Overall growth in IT training projected at 4.3% by IDC, APAC 9% and China 19%
  - Learning Services is a growing market
  - Business growth will continue in content development , LBPO is new area
  - Online mentoring gaining acceptance

Results Highlights

- Improved Profits & Profitability
  - Operating Profit for nine months at Rs 361Mn, up 145% from Rs.147 Mn for corresponding period last year
  - Nine Month EPS at Rs.14.3, up 46% from Rs 9.8 for 12 months ending Mar’04
  - Operating Margin for 9 months @12%, improvement of 670 basis points
- Acceleration in Revenue
  - System wide Revenues for the quarter of Rs. 1327Mn, grows 11% YoY
  - Net Revenues at Rs 861 Mn, up 13% YoY
- Better management of Seasonality
  - Net Profit for the quarter at Rs. 48Mn vs. Net Loss of Rs. 116Mn last year same quarter.

Financials - Consolidated

(Rs in mn)	OND'03	JAS'04	OND'04	Growth QoQ (%)	Growth YoY (%)
System Wide Revenue	**1193**	**1860**	**1327**	-29	**11**
Net Revenues	**762**	**1109**	**861**	-22	**13**
Operating Expenses	764	969	769	-21	1
Operating Profit	**(2)**	**140**	**92**		
OPM	0	13	11	-195 bps	1070bps
Depreciation	128	84	84		
Other Income	15	28	7	-75	-54
Profit Before Taxes	(116)	85	14	-84	112
Provision For Tax	-	5	0		
Net Profit	**(116)**	**80**	**14**	-83	**112**
Share of Profits from Associates	-	39	34		
PAT		118	**48**		
EPS (Rs)		**6.1**	2.5		

Financials – Consolidated for 9 Months

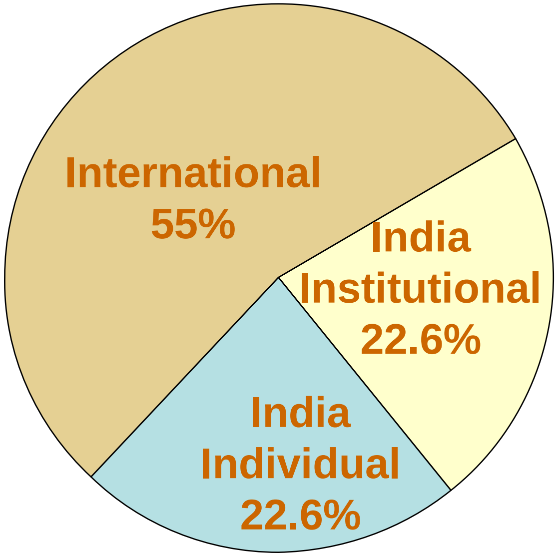
(Rs in mn)	Nine Months ending Dec'03	Nine Months ending Dec'04	Growth YoY (%)
System Wide Revenue	**4271**	**4707**	**10**
Net Revenues	**2634**	**2938**	**12**
Operating Expenses	2487	2577	7
Operating Profit	**147**	**361**	**145**
OPM	6	12	670 bps
Depreciation	386	250	
Other Income	63	66	
Profit Before Taxes	(177)	177	
Provision For Tax	0	8	
Net Profit	**(177)**	**169**	
Share of Profits from Associates		106	
PAT		**275**	
EPS (Rs)		14.3	

Operational Metrics – Segmental Analysis

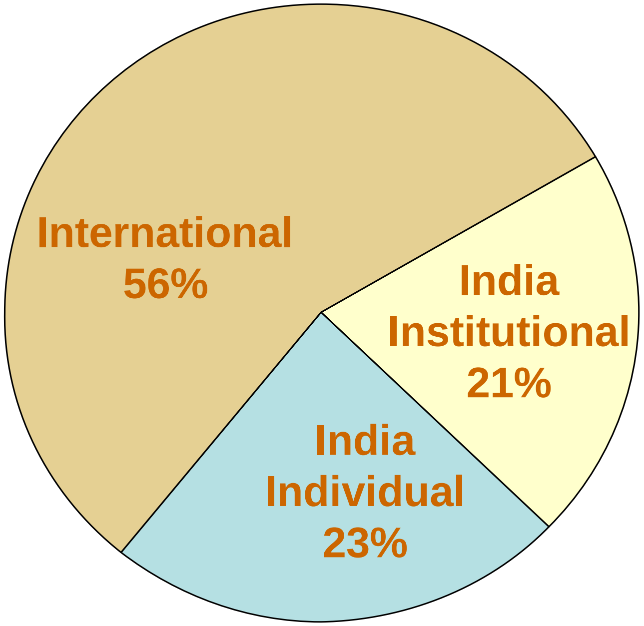
•India Individual segment grows 15% YoY
- Specific Industry oriented initiatives

•International segment grows 14% YoY
- Led by NIIT Inside and
- Corporate Training

OND'03



OND'04



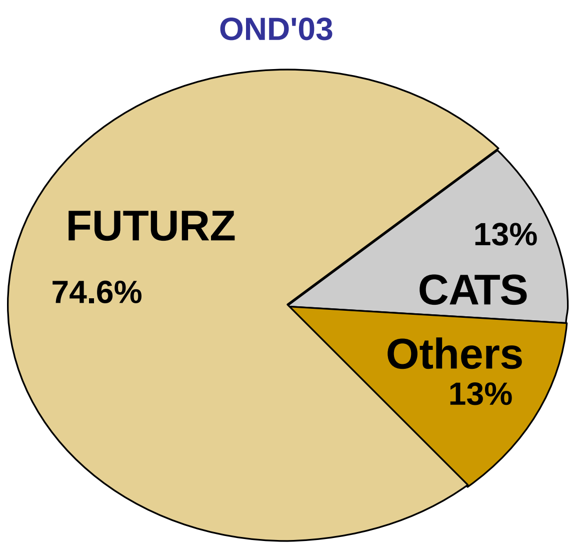
Segmental Profitability

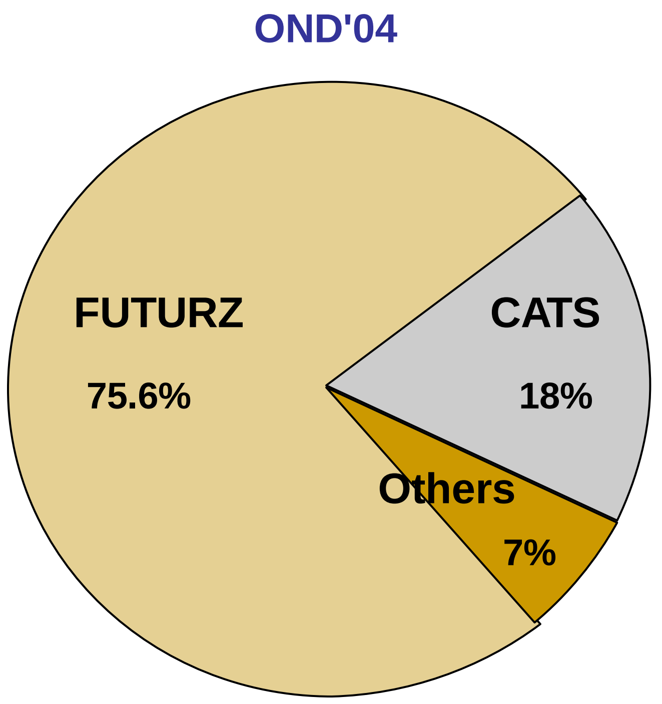
(Rs in mn)	India Individual	India Institutional	International	Total
System Wide Revenue	**311**	**274**	**742**	**1327**
YoY Growth (%)	15	01	14	11
QoQ Growth (%)	-40	-29	-22	-29
Net Revenues	**197**	**268**	**397**	**861**
QoQ Growth (%)	-40	-29	-22	-29
Operating Profit	**0**	**35**	**57**	**92**
OPM (%)	0	13	14	11

India Individual business achieves breakeven in the quarter with lowest revenues; Centre consolidation exercise to continue, overall Education centres at 3528

India Individual-Portal Revenue Mix

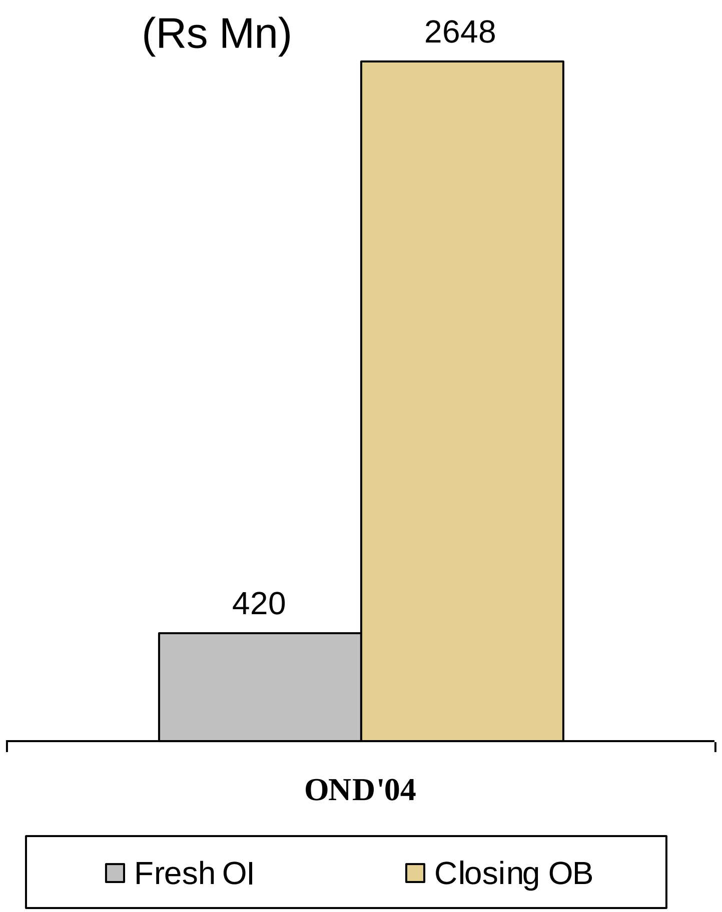
- Increased contribution from FUTURZ and CATS segment in both revenue and enrolments
- Overall Enrolments at 42,347



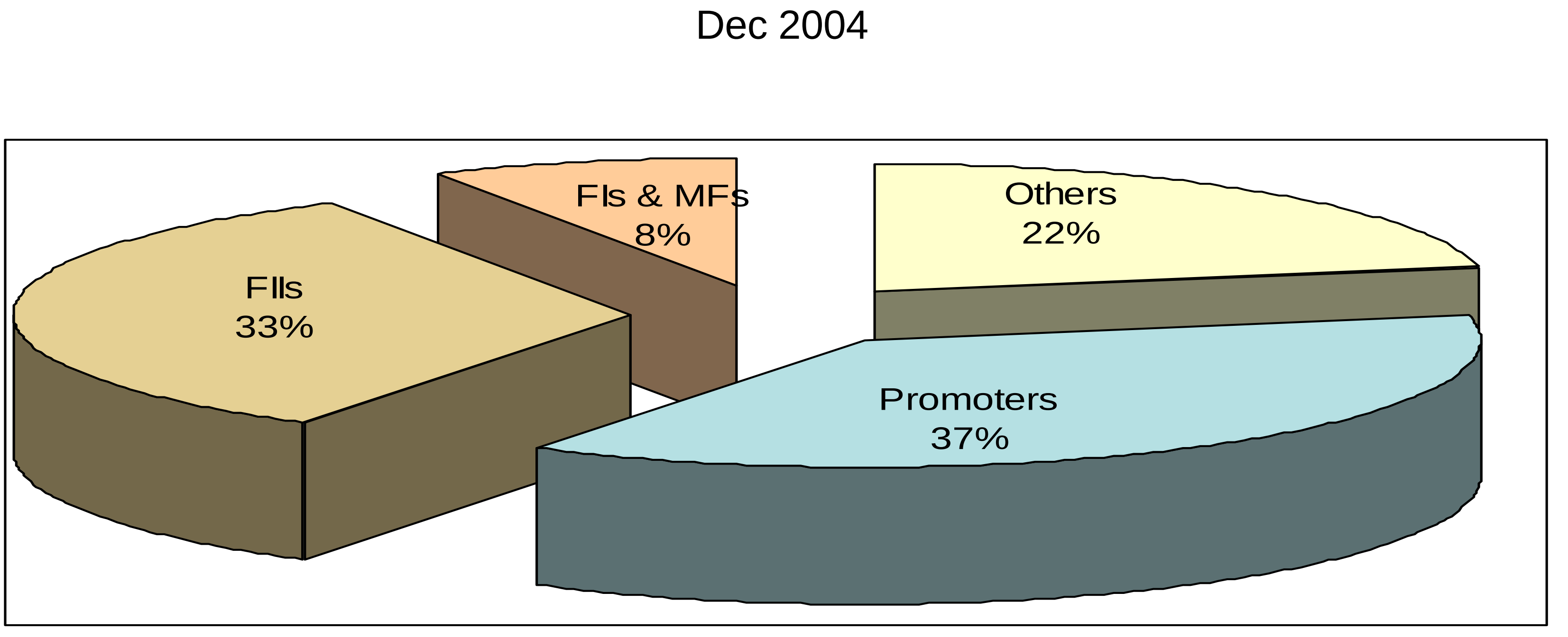


Order Book

- Total Fresh order intake Rs 1743Mn for 9 months
- India Institutional closing OB Rs 1840Mn,
- International closing OB of Rs 808Mn,



Shareholding Distribution



19.3 Million Equity Shares, no outstanding ESOPs

Future Outlook

- Environment
  - In India, 430K more IT and ITeS professionals required by 2006
  - IDC projects 4% overall growth in IT Training
    - APAC at 9%
    - China 19%
- Strategy
  - Capitalize on Brand Strength
  - Launch Industry relevant programs
  - NIIT Inside in International universities
  - Build the Computer Aided Education(CAE) Offering for Schools
  - Training outsourcing / LBPO opportunity
- Challenges
  - Consumer sentiment and choices
  - Government dealings
  - Outsourcing backlash