



Noah Education Holdings Ltd.
(Symbol: NED)

Q2FY10 Results

February 12, 2010

Forward Looking Statement

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A number of potential risks and uncertainties are outlined in our public filings with the Securities and Exchange Commission. Noah does not undertake any obligation to update any forward-looking statement, except as required under applicable law

Agenda

- ➔ ■ Results Overview
 - Q2 Financial Overview
 - Q2 Operational Overview
 - Growth Strategy and Outlook
 - Q&A

Results Overview

Solid Q2FY10 Performance

- Net revenue up 14.5% y-o-y to RMB154.9 million, in line with guidance
 - Broadened product portfolio and new product launches drove up ELP revenue
 - Boosted by Little New Star (LNS) income contribution
- Gross profit increased 7.3% y-o-y to RMB73.5 million
- Operating income rose 8.7% y-o-y to RMB10.1 million
- Net income increased 73.7% y-o-y to RMB15.4 million
- Solid execution of strategy and performance despite seasonality and changes in management team

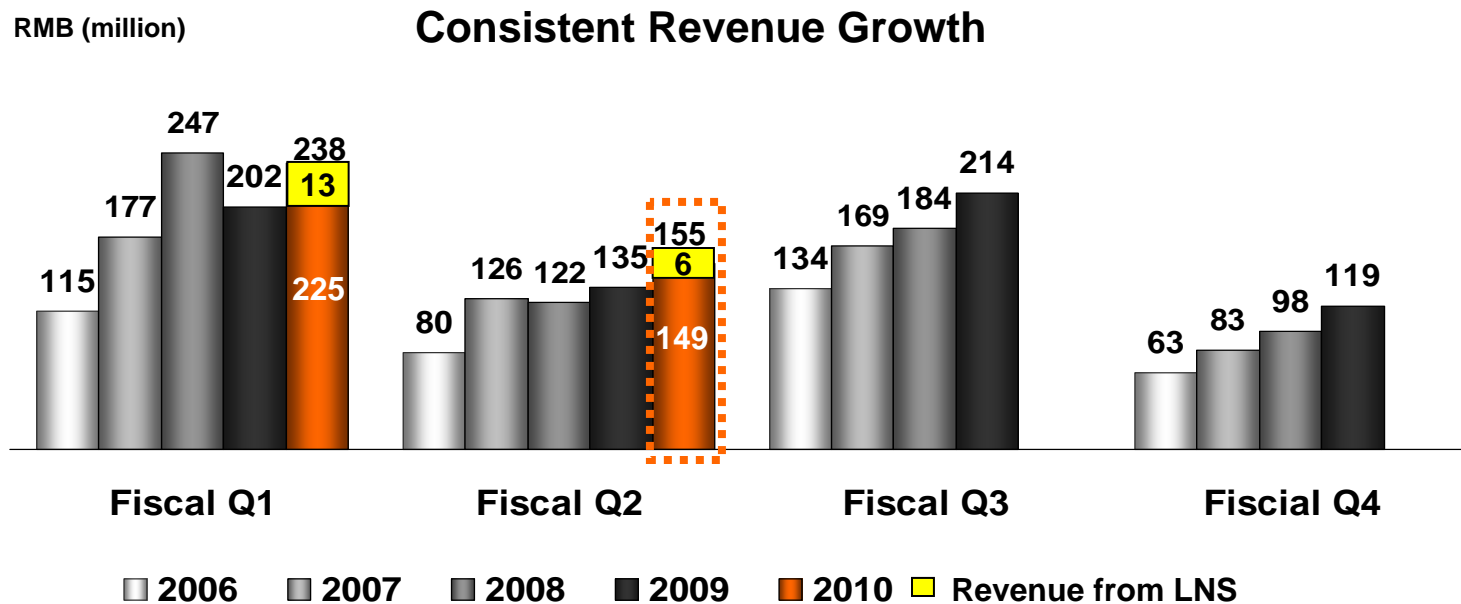
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LNS Complements ELP Revenue Growth

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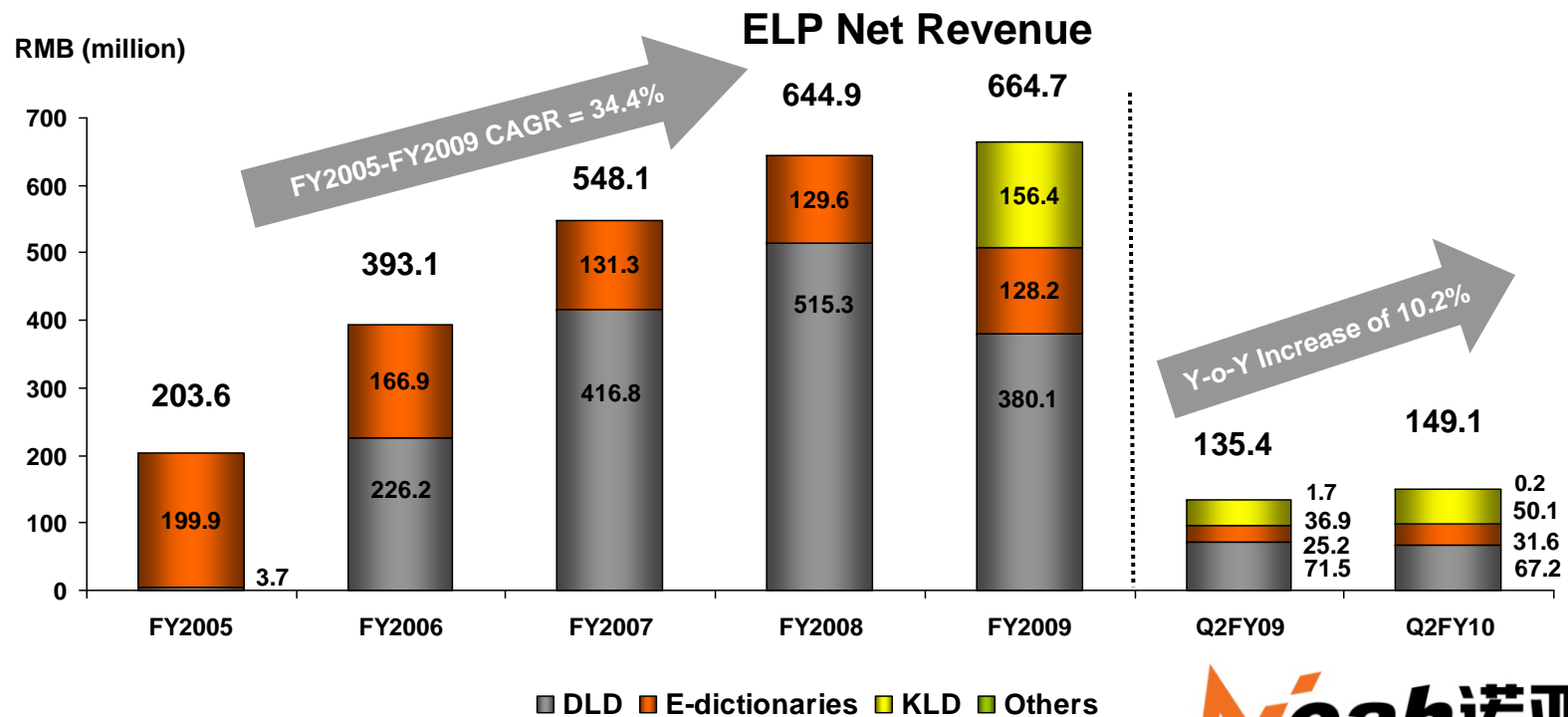
- Revenue rise achieved during traditional sales cycle downturn
- ELP business contributed RMB149.1 million, up 10.2% y-o-y
- LNS business contributed RMB5.8 million



Sustained Organic Growth in ELP Business

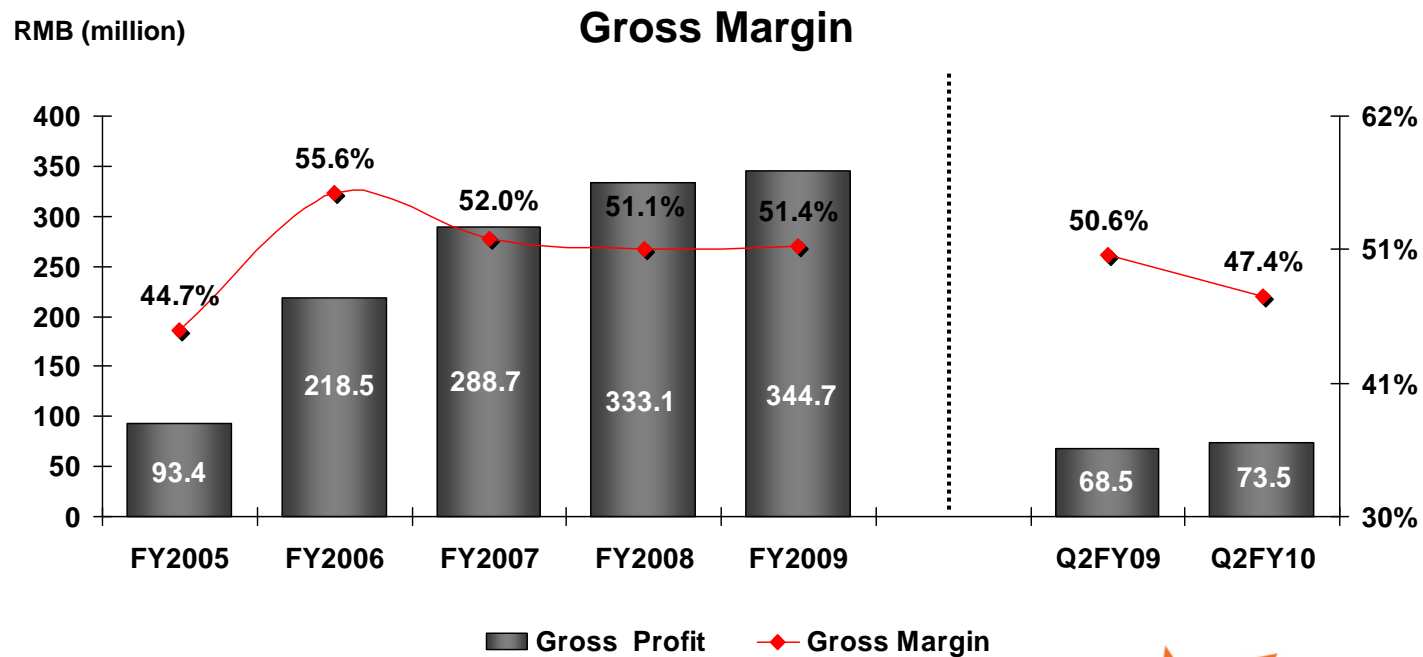
Total ELP revenue up 10.2% y-o-y to RMB149.1 million

- KLD revenue up 35.7% y-o-y to RMB50.1 million, boosted by new product launch
- DLD revenue stable at RMB67.2 million, with three new models launched H1FY10 contributing 47% of DLD revenue
- E-dictionaries revenue rose 25.2% y-o-y to RMB31.6 million on increased revenue from ODM business



Gross Margins Remain Healthy

- Gross profit up 7.3% y-o-y to RMB73.5 million
- Gross margin 47.4% vs 50.6% in Q2FY09, as product mix more heavily weighted towards KLD
 - KLD accounted for 33.6% of ELP business this quarter, vs 27.3% in Q2FY09

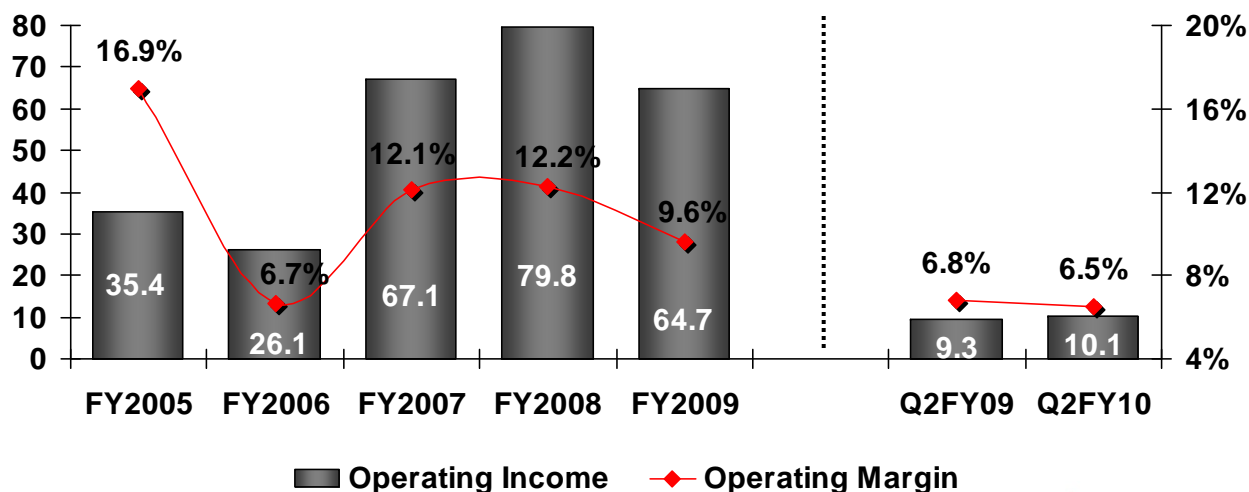


Rises in Operating Income and Operating Efficiency

- Operating expenses as percentage of total revenue fell to 46.6% from 53.6% in Q2FY09
- Operating income up 8.7% y-o-y to RMB10.1 million
 - Stable operating margin: 6.5% compared to 6.8% in Q2FY09
 - Better control of operating expenses in context of rising revenue
 - Lower sales and marketing expenses: down 13.1% to RMB40.2 million

RMB (million)

Operating Income



P&L Highlights

<i>(In millions, except per ADS data)</i>	Three months ended December 31			YoY Increase/ (Decrease)
	2009	2009	2008	
	<i>(unaudited) RMB</i>	<i>(unaudited) USD</i>	<i>(unaudited) RMB</i>	%
Net Revenue	154.9	22.7	135.4	14.5
Gross profit	73.5	10.8	68.5	7.3
Total operating expenses	72.1	10.6	72.6	(0.6)
Other operating income	8.7	1.3	13.3	(34.5)
Total operating income	10.1	1.5	9.3	8.7
Net income	15.4	2.2	8.8	73.7
Net income per ADS Basic / diluted	0.40/0.39	0.06/0.06	0.24/0.24	66.7/62.5

Solid and Healthy Balance Sheet

<i>(In millions)</i>	December 31 2009 RMB	December 31 2009 USD	September 30 2009 RMB
Cash and cash equivalents	563.5	82.6	445.1
Short-term deposits	230.9	33.8	374.0
Investments	5.9	0.9	9.1
Accounts receivable, net	222.1	32.5	203.8
Total current assets	1,219.4	178.6	1,240.3
Total current liabilities	138.1	20.2	173.9
Total shareholders' equity	1,287.1	188.6	1,266.9

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ELP – More Customer-Focused Product Development and Marketing Strategy

Kids Learning Device (KLD)

- Launched a high-end model in Q1FY10
- Premium quality and content set within higher-end model well-received by market
- Higher average selling prices pushed up revenue 35.7% y-o-y to RMB50.1 million

Digital Learning Device (DLD)

- DLD revenue stabilized
- Launched low-, mid- and high-range products
- Revenue from the three new models launched in H1FY10 generated 47% of DLD revenue in Q2FY10
- Gross margin remains high at 58.6%

E-dictionaries

- Launch of high-end model helped maintain revenue from domestic market
- Increased revenue from ODM business

LNS – Steady Income and School Network Expansion

Three steady major revenue streams

- Steady contribution from tuition fees from direct-owned schools, franchise fees and sales of teaching materials
- Added two new direct-owned schools in January to expand the network to 12
- Enrollment at direct-owned schools reached 4,000

Network expansion

- Increased to approximately 700 franchise schools from 641
- Introduced Electronic Teaching Devices in September 2009, will continue to expand program in second half

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Growth Drivers – Organic ELP Growth and Contribution from Education Services

ELP – organic growth

- Greater emphasis on content and services
- Optimize the number of models to maximize potential
- More customer-centered integrated R&D, marketing and sales approach

Education services – acquisitive growth

- Healthy LNS growth, with near-term focus on school network expansion
- On track to realize over 30% top-line growth
- More emphasis on cross-selling and roll-out of DHR programs
- Continue to explore additional expansion opportunities; strong pipeline

Franklin – close of deal expected by end of February 2010

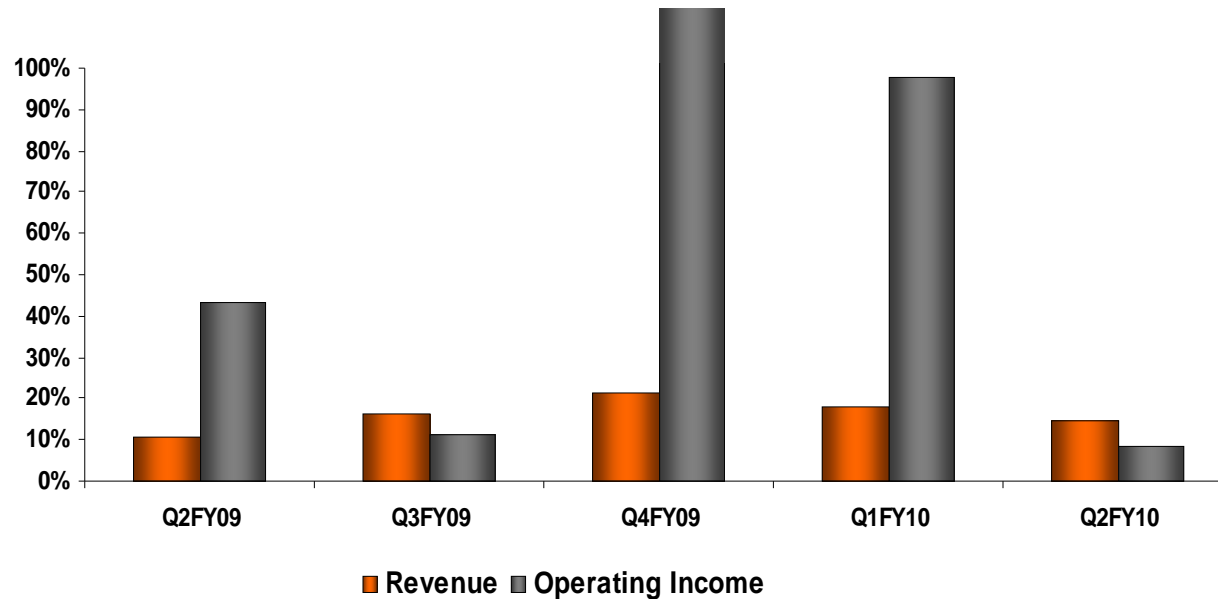
- Increased ODM business from Franklin
- R&D collaboration to develop a Chinese language learning solution for international markets

Persistent Growth of Revenue and Operating Income

Year-over-year growth rates from Q1FY09 to Q2FY10

	Q2FY09	Q3FY09	Q4FY09	Q1FY10	Q2FY10	Trailing 12 Month
Revenue	10.6%	16.5%	21.6%	17.8%	14.5%	17.3%
Operating Income	43.1%	11.0%	1350.0%	97.9%	8.7%	55.1%

Note: RMB 3 million donation to earthquake was added back to Q4FY09 operating income for y/y comparison.



Financial Outlook for Q3FY10 and FY2010

Q3FY10 forecast:

- Revenue: RMB282-293 million, representing 31.8-36.9% y-o-y growth
 - Revenue from ELP: RMB273-282 million
 - Revenue from LNS: RMB9-11 million
- Basic EPS: RMB1.16-1.30 (US\$0.17-0.19)

Reconfirm FY2010 forecast:

- Revenue: RMB824-855 million, representing 22.8-27.4% y-o-y growth
 - Revenue from ELP: RMB786-812 million
 - Revenue from LNS: RMB38-43 million
- Basic EPS: RMB3.00-3.20 (US\$0.44-0.47)

Note: based on exchange rate \$1=RMB 6.8259



Q & A

Thank you!

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