

Highlights

Standalone for Quarter ended 30th September 2009:

Income from Operations:	Rs. 20,686.80 lacs
EBDITA:	Rs 10,277.18 lacs
PBT:	Rs. 7,614.17 lacs
Net Profit:	Rs. 5,040.48 lacs

Quarter 2 FY 2010 Income from Operations increased by 110.80 % in comparison with Quarter 2 FY 2009

Quarter 2 FY 2010 Total Revenue increased by 107.33 % in comparison with Quarter 2 FY 2009

Quarter 2 FY 2010 PAT increased by 98.53 % in comparison with Quarter 2 FY 2009

Quarter 2 FY 2010 EBDITA increased by 102.66 % in comparison with Quarter 2 FY 2009

Consolidated for Quarter ended 30th September 2009:

Income from Operations:	Rs. 25,351.24 lacs
EBDITA:	Rs. 10,005.05lacs
PBT:	Rs. 14,246.98 lacs
Net Profit:	Rs. 11,550.86 lacs

Quarter 2 FY 2010 Income from Operations increased by 91.83 % in comparison with Quarter 2 FY 2009

Quarter 2 FY 2010 Total Revenue increased by 136.74 % in comparison with Quarter 2 FY 2009

Quarter 2 FY 2010 PAT increased by 301.03 % in comparison with Quarter 2 FY 2009

Quarter 2 FY 2010 EBDITA increased by 85.93 % in comparison with Quarter 2 FY 2009

Educomp Solutions Limited

Corporate office: 514, Udyog Vihar, Phase III, Gurgaon – 122001, Haryana (INDIA).

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Web site www.educomp.com

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**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER
ENDED 30TH SEPTEMBER 2009**

(Rupees in Lacs)

S.NO	Particulars	Quarter ended		Half Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2009	30.09.2008	30.09.2009	30.09.2008	31.03.2009
1	Net Sales/Income from operations	20,686.80	9,813.43	35,485.83	16,754.43	50,116.99
	Other Operating Income					-
	Total Revenue	20,686.80	9,813.43	35,485.83	16,754.43	50,116.99
2	Total Expenditure:					
	(Increase) / Decrease in stock in trade	(872.88)	(73.34)	1,462.95	(110.08)	(2,742.89)
	Purchases	5,366.83	1,158.57	6,710.75	1,611.07	13,077.00
	Personnel expenses	2,444.99	1,394.51	4,210.22	2,568.81	6,113.11
	Depreciation	2,590.61	1,566.75	5,251.33	2,913.18	7,521.69
	Foreign Exchange Fluctuation	272.81	1,208.50	586.22	1,967.86	(842.65)
	Administration & Other expenses	3,197.88	1,054.53	4,779.59	1,858.63	6,535.88
	Total Expenditure	13,000.24	6,309.52	23,001.06	10,809.47	29,662.14
3	Profit from Operations before other income, Interest & Exceptional items (1-2)	7,686.56	3,503.91	12,484.77	5,944.96	20,454.85
4	Other Income	804.12	552.01	2,039.30	820.68	793.32
5	Profit from Operations before Interest & Exceptional items (3+4)	8,490.68	4,055.92	14,524.07	6,765.64	21,248.17
6	Interest	876.51	172.81	1,412.15	314.50	1,166.68
7	Profit after Interest but before Exceptional Items (5-6)	7,614.17	3,883.11	13,111.92	6,451.14	20,081.49
8	Exceptional Items	-	-			-
9	Profit (+)/Loss(-) from Ordinary Activities Before tax (7+8)	7,614.17	3,883.11	13,111.92	6,451.14	20,081.49
10	Tax Expense					
	- Current tax	3,136.04	870.00	5,186.87	1,578.77	4,440.99

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	- Deferred tax	(562.34)	450.12	(742.45)	614.82	2,366.50
	- Fringe benefit tax	-	24.13	-	41.26	115.25
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	5,040.47	2,538.86	8,667.50	4,216.29	13,158.75
12	Extraordinary Item (net of tax expense)	-	-			-
13	Net Profit (+)/Loss(-) for the period (11-12)	5,040.47	2,538.86	8,667.50	4,216.29	13,158.75
14	Paid up Equity share capital (Face Value Rs.10/- each)	1,894.22	1,728.07	1,894.22	1,728.07	1,728.63
15	Reserve excluding revaluation reserves (As per Balance Sheet of previous accounting year)	-				39,225.56
16	Earning Per Share (EPS) (not to be annualized)					
	(a) Basic	26.92	14.69	48.10	24.40	76.15
	(b) Diluted	25.50	14.27	45.65	23.71	74.32
17	Public Shareholding:					
	. - Numbers of Shares (Nos.)	9,431,453	7,770,020	9,431,453	7,770,020	7,775,556
	. - Percentage of shareholding	49.79%	44.96%	49.79%	44.96%	44.98%
18	Promoters and Promoter Group Shareholding	-	-			
	a) Pledged / Encumbered	-	-			-
		-	-			-
	- Number of shares		-			-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)		-			
	Percentage of shares (as a % of the total share capital of the company)		-			
	b) Non – encumbered		-			
	- Number of shares	9,510,729		9,510,729		9,510,729
	-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%		100%		100%
	Percentage of shares (as a % of the total share capital of the company)	50.21%		50.21%		55.02%

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Standalone Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

S.No	Particulars	Quarter ended		Half Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2009	30.09.2008	30.09.2009	30.09.2008	31.03.2009
1	Segment Revenue					
	Higher Learning Solutions	418.05	683.10	1,059.12	1,285.95	3,078.52
	School Learning Solutions	20,038.47	8,067.63	33,889.65	13,591.03	43,093.76
	K-12 Schools	225.67	119.97	532.45	242.71	804.80
	Online Supplemental & Global	4.61	942.73	4.61	1,634.74	3,139.92
	Total Net Sales/ Income from Operations	20,686.80	9,813.43	35,485.83	16,754.43	50,116.99
2	Segment Results (Profit before Interest & tax from each segments)					
	Higher Learning Solutions	118.85	341.20	293.19	653.11	1,053.91
	School Learning Solutions	10,432.70	4,498.52	16,679.44	7,721.88	21,241.16
	K-12 Schools	(2.11)	28.17	(61.40)	(66.58)	(540.97)
	Online Supplemental & Global	(3.88)	860.06	(3.88)	1,397.81	2,508.60
		10,545.56	5,727.95	16,907.35	9,706.22	24,262.70
	Less: Interest (Net)	876.51	172.81	1,412.15	314.50	1,166.68
	: Other un-allocable expenses	2,859.00	2,224.04	4,422.58	3,761.26	4,650.50
	: Un-allocable Income	804.12	552.01	2,039.30	820.68	1,635.97
	Total Profit before Tax	7,614.17	3,883.11	13,111.92	6,451.14	20,081.49
3	Capital Employed					
	(Segment Assets- Segment Liabilities)					
	Higher Learning Solutions	(2,421.96)	2,431.85	(2,421.96)	2,431.85	1,043.71
	School Learning Solutions	77,006.78	27,912.35	77,006.78	27,912.35	58,082.82

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K-12 Schools	205.79	247.00	205.79	247.00	227.53
Online Supplemental & Global	482.86	485.47	482.86	485.47	439.04
Total	75,273.47	31,076.67	75,273.47	31,076.67	59,793.10

Notes to Standalone Unaudited Financial Results:

1. The Unaudited Standalone Financial Results for the quarter ended on 30th September 2009 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th October 2009 and have been subjected to limited review by the Statutory auditors.
2. The Shareholders in its 15th Annual General Meeting held on 26th September 2009 have declared a final dividend of Rs. 2.50 per Equity Share (Face Value of Rs. 10/- each) for the financial year 2008-09 Total Dividend Payout inclusive of dividend tax was Rs. 55.48 million only.
3. Pursuant to Shareholder's Approval in its 15th Annual General Meeting held on 26th September 2009, Record date for sub-division of the equity shares of the company from the denomination of Rs.10/- per share to Rs.2/- per share was fixed as 28th October 2009. Consequently, 5(Five) equity shares of the face value of Rs.2/- (Rs. Two) each fully paid up were credited / issued for every equity share of Rs.10/- (Rs.Ten) each fully paid up to the shareholders who held shares (both in electronic form and physical form) as on the record date i.e. 28th October 2009.
4. During the quarter under review, Company has allotted 16,29,025 Equity shares pursuant to QIP issue and exercise of Stock options by eligible employees of the Company/ its subsidiaries under ESOP Scheme 2006 and ESOP Scheme 2007. After 30th September 2009 till date Company has allotted 34,730 Equity shares pursuant exercise of Stock options by eligible employees of the Company/ its subsidiaries under ESOP Scheme 2006 and ESOP Scheme 2007. Paid up Capital of the Company is Rs. 189,769,120/- as on 30th October 2009
5. During the quarter under review, Educomp's ICT Division Edureach has added 671 govt schools to their existing portfolio of 13792 schools under ICT implementation across India. Edureach has bagged contracts from Government of Assam, Rajasthan, Gujrat and Tripura and the combined order worth is over 77 crores. Edureach will reach an additional three and half lakh students across these 671 schools.

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6. Company is planning to change its business model from existing BOOT to outright to make Smart_Class capex light.
7. Status of Investor complaints received by the Company is as follows:

Particulars	Pending as on July 1, 2009	Received during the Quarter	Disposed during the Quarter	Pending as on September 30, 2009
No of Complaints	1	7	8	0

8. Given the seasonal nature the industry, the results of any quarter may not be a true indicative of annual performance.
9. The Segment Report is prepared in accordance with the Accounting Standard-17"Segment Reporting" Issued by the Institute of Chartered Accountants of India.
10. Financials have been prepared considering the impact of AS-11 “ The effects of Changes in Foreign Exchange Rates” issued by ICAI as adopted by the Company in Q4 of FY'09.
11. The Basic and Diluted Earning per Share has been calculated in accordance with the AS-20 “Earning per Share” issued by the ICAI.
12. Previous year/period figures have been regrouped and rearranged, wherever considered necessary for comparison purposes.
13. The Financial results of the Company for the quarter ended 30th September 2009 are also available on website of the Company(www.educomp.com), National Stock Exchange of India Limited(www.nseindia.com), Bombay Stock Exchange Limited(www.bseindia.com)

By order of the Board of Directors

For Educomp Solutions Ltd

Place: Gurgaon
Date: October 30, 2009

Shantanu Prakash
Chairman & Managing Director

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**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
30TH SEPTEMBER 2009**

(Rupees in lacs)

S.NO	Particulars	Quarter ended		Half Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2009	30.09.2008	30.09.2009	30.09.2008	31.03.2009
1	Net Sales/Income from operations	25,351.24	13,215.28	44,735.17	21,818.06	63,706.33
	Other Operating Income					-
	Total Revenue	25,351.24	13,215.28	44,735.17	21,818.06	63,706.33
2	Total Expenditure:					
	(Increase) / Decrease in stock in trade	(849.44)	(160.21)	1,542.39	(292.44)	(2,940.73)
	Purchases	5,711.16	1,292.30	7,526.32	1,877.26	14,043.54
	Personnel expenses	4,413.14	2,820.00	7,928.73	4,863.72	11,550.27
	Depreciation	3,063.25	1,663.31	5,993.52	3,099.14	8,144.10
	Foreign Exchange Fluctuation	326.70	814.52	696.00	1,580.81	(792.94)
	Administration & Other expenses	5,595.51	2,365.32	8,669.44	3,593.22	10,740.41
	Total Expenditure	18,260.32	8,795.24	32,356.40	14,721.71	40,744.65
3	Profit from Operations before other income, Interest & Exceptional items (1-2)	7,090.92	4,420.04	12,378.77	7,096.35	22,961.68
4	Other Income	8,501.22	1,083.98	10,022.17	1,393.59	1,480.72
5	Profit from Operations before Interest & Exceptional items (3+4)	15,592.14	5,504.02	22,400.94	8,489.94	24,442.40
6	Interest	1,195.76	320.61	2,215.00	549.35	2,679.58
7	Profit after Interest but before Exceptional Items (5-6)	14,396.38	5,183.41	20,185.94	7,940.59	21,762.82
8	Exceptional Items	-	-			-
9	Profit (+)/Loss(-) from Ordinary Activities Before tax (7+8)	14,396.38	5,183.41	20,185.94	7,940.59	21,762.82
10	Tax Expense					

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	- Current tax	3,290.43	1,253.89	5,360.77	2,057.03	4,813.63
	- MAT Credit Entitlement	(100.66)	-	(100.66)	-	-
	- Deferred tax	(493.65)	321.24	(311.36)	458.65	2,778.58
	- Fringe benefit tax	-	25.17	-	43.90	137.03
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	11,700.26	3,583.11	15,237.19	5,381.01	14,033.58
12	Extraordinary Item (net of tax expense)	-	-	-	-	-
13	Net Profit (+)/Loss(-) for the period (11-12)	11,700.26	3,583.11	15,237.19	5,381.01	14,033.58
14	Less: Minority Share in Loss/(profit)	149.40	670.69	262.50	767.35	684.92
15	Less: Pre-Acquisition Loss/(profits)	-	-	-	-	(19.02)
16	Share of Loss of Associates	-	32.10	-	78.32	78.32
17	Net Profit after Minority Interest	11,550.86	2,880.32	14,974.69	4,535.34	13,289.36
18	Paid up Equity share capital (Face Value Rs.10/- each)	1,894.22	1,728.07	1,894.22	1,728.07	1,728.63
19	Reserve excluding revaluation reserves (As per Balance Sheet of previous accounting year)	-	-	-	-	38,857.25
20	Earning Per Share (EPS) (not to be annualized)					
	(a) Basic	64.10	16.67	83.10	26.25	76.90
	(b) Diluted	58.40	16.19	77.54	25.51	75.06
21	Public Shareholding:					
	. - Numbers of Shares (Nos.)	9,431,453	7,770,020	9,431,453	7,770,020	7,775,556
	. - Percentage of shareholding	49.79%	44.96%	49.79%	44.96%	44.98%
22	Promoters and Promoter Group Shareholding	-	-	-	-	-
	a) Pledged / Encumbered	-	-	-	-	-
	- Number of shares	-	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-

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Percentage of shares (as a % of the total share capital of the company)			-		
b) Non – encumbered			-		
- Number of shares	9,510,729		9,510,729		9,510,729
-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%		100%		100%
Percentage of shares (as a % of the total share capital of the company)	50.21%		50.21%		55.02%

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Consolidated Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

S.No	Particulars	Quarter ended		Half Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2009	30.09.2008	30.09.2009	30.09.2008	31.03.2009
1	Segment Revenue					
	Higher Learning Solutions	613.71	691.11	1,292.23	1,293.96	3,097.35
	School Learning Solutions	20,038.47	8,067.63	33,889.65	13,591.03	43,220.87
	K-12 Schools	2,088.11	1,424.39	4,307.58	1,879.76	5,753.54
	Online Supplemental & Global	2,610.95	3,032.15	5,245.71	5,053.31	11,634.58
	Total Net Sales/ Income from Operations	25,351.24	13,215.28	44,735.17	21,818.06	63,706.34
2	Segment Results (Profit before Interest & tax from each segments)					
	Higher Learning Solutions	(198.40)	315.10	(267.93)	627.01	915.88
	School Learning Solutions	10,286.93	4,458.74	16,408.66	7,639.92	21,019.61
	K-12 Schools	527.81	1,098.47	1,392.23	1,185.81	2,287.61
	Online Supplemental & Global	(692.11)	747.35	(795.45)	1,356.02	2,497.27
		9,924.23	6,619.66	16,737.51	10,808.76	26,720.37
	Less: Interest (Net)	1,195.76	320.60	2,215.00	549.35	2,679.58
	: Other un-allocable expenses	2,833.31	2,199.63	4,358.76	3,712.41	4,551.63
	: Un-allocable Income	8,501.22	1,083.98	10,022.18	1,393.59	2,273.66
	Total Profit before Tax	14,396.38	5,183.41	20,185.93	7,940.59	21,762.82
3	Capital Employed					
	(Segment Assets- Segment Liabilities)					
	Higher Learning Solutions	2,909.88	6,130.59	2,909.88	6,130.59	5,614.12
	School Learning Solutions	78,045.25	21,102.12	78,045.25	21,102.12	57,771.23

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K-12 Schools	41,585.03	7,824.59	41,585.03	7,824.59	22,524.47
Online Supplemental & Global	13,309.87	1,035.91	13,309.87	1,035.91	11,446.60
Total	135,850.03	36,093.21	135,850.03	36,093.21	97,356.42

Notes to Consolidated Unaudited Financial Results:

1. The Unaudited Consolidated Financial Results for the quarter ended on 30th September 2009 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th October 2009 and have been subjected to limited review by the Statutory auditors.
2. Educomp's subsidiary, Learning.com, USA has acquired Houghton Mifflin Harcourt's (HMH's) Connected Tech Texas Technology Applications (Tech Apps), Adoption contracts and an exclusive license to provide the Connected Tech – Texas (CTT) product to Texas Tech Apps Adoption customers. The License, Assignment and Assumption Agreement was signed on September 30th, 2009 and Learning.com paid \$9.95M for the acquisition. With the acquisition of CTT contracts, Learning.com now serves nearly two million Texas K – 8 students in 585 school districts
3. The Segment Report is prepared in accordance with the Accounting Standard-17"Segment Reporting" Issued by the Institute of Chartered Accountants of India.
4. Consolidation of Accounts has been done in accordance with the AS-21 "Consolidation of Financial Statements" and AS-27 " Financial Reporting of Interests in Joint Ventures" issued by the ICAI
5. Financials have been prepared considering the impact of AS-11 " The effects of Changes in Foreign Exchange Rates" issued by ICAI as adopted by the Company in Q4 of FY'09.
6. The Basic and Diluted Earning per Share has been calculated in accordance with the AS-20 "Earning per Share" issued by the ICAI.
7. Previous year/period figures have been regrouped and rearranged, wherever considered necessary for comparison purposes.
8. The Financial results of the Company for the quarter ended 30th September 2009 are also available on website of the Company(www.educomp.com), National

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Stock Exchange of India Limited(www.nseindia.com), Bombay Stock Exchange Limited(www.bseindia.com)

By order of the Board of Directors

For Educomp Solutions Ltd

**Place: Gurgaon
Date: October 30, 2009**

**Shantanu Prakash
Chairman & Managing Director**

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