



Investor Update

Educomp Solutions Ltd.

FY'08 (April, 2007 to March, 2008)

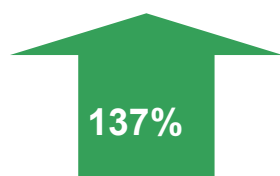


April 23, 2008

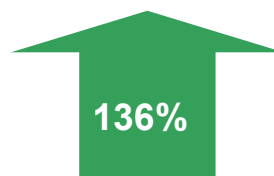


1. **Financial Review**
2. **Operational Highlights**
3. **Segmental Performance**
4. **Financial Statements**
5. **Shareholding Pattern**

Performance Review Q4 FY'08 Vs. Q4 FY'07



Revenue



EBITDA



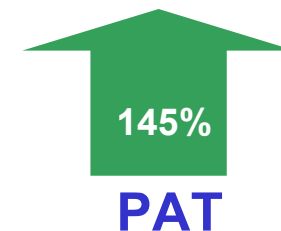
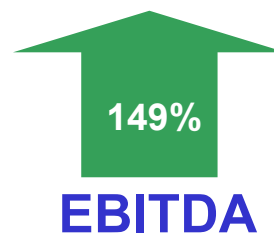
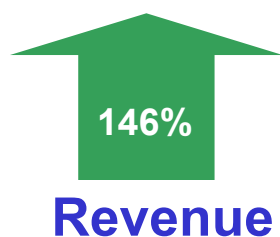
PAT

- **Revenues up 137%** from Rs 498.6mn to Rs 1,181.3mn driven by strong growth across key business segments
 - Smart_Class up 101.7% to Rs 502.8mn
 - ICT up 340.3% to Rs 545.7mn
 - Professional Development up 57.9% to Rs 65.8mn
- **EBITDA up 136%** from Rs 233.4mn to Rs 551.1mn and EBITDA margin maintained at approximately 47%
- **PAT up 140%** from Rs 131.3mn to Rs 314.7mn

Developments of New Initiatives

- **School Initiative under EduInfra & EduManage:** To start the new academic session with seven schools and approximately 6,000 students
- **ThreeBrix e-Services:** To set up 8 learning centres in FY'08 for leveraging the tutoring market opportunity

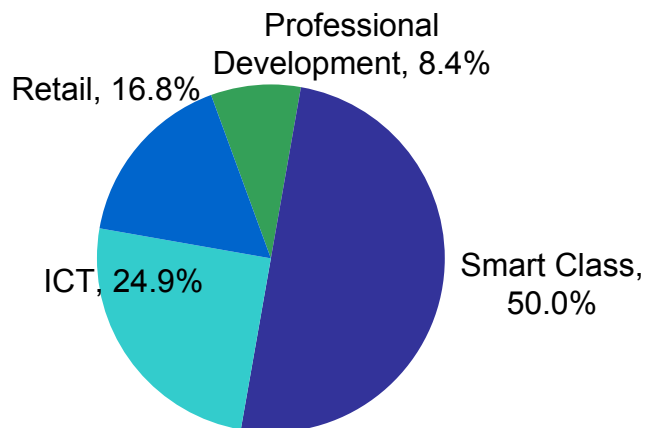
Performance Review FY'08 Vs. FY'07



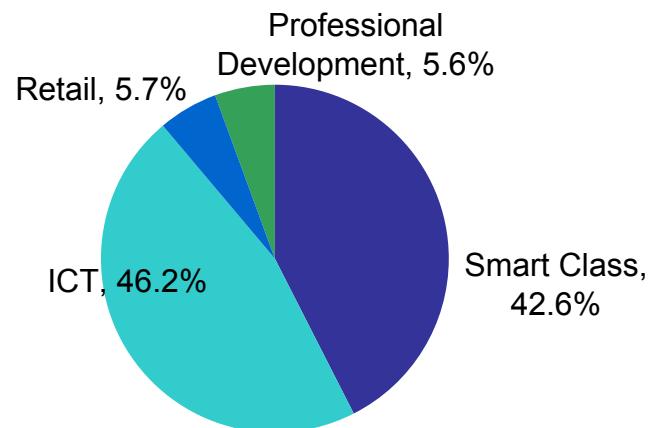
- **Revenues up 146%** from Rs 1,065.7mn to Rs 2,621.0mn driven by strong growth across key business segments
 - Smart_Class up 174.3% to Rs 1,277.8mn
 - ICT up 209.3% to Rs 933.2mn
 - Professional Development up 46.1% to Rs 256.3mn
 - Retail & Consulting up 25.1% to Rs 153.6mn
- **EBITDA up 149% from Rs 500.3mn to Rs 1,247.7mn** and EBITDA margin increased from 46.9% to 47.6% due to increased contribution of Smart Class and ICT segments
- **PAT up 145% from Rs 285.8mn to Rs 700.7mn**
- **Exceeded the consolidated revenue guidance** of Rs 2,300-2,400mn by achieving revenues of Rs 2,871.7mn in FY'08
 - **Achieved upper end of the PAT guidance** of Rs 650-700mn for FY'08
- **Debtors days have consistently come down** from 169 days as on March 31, 2007 to 160 days as on March 31, 2008

Revenue Break-Up

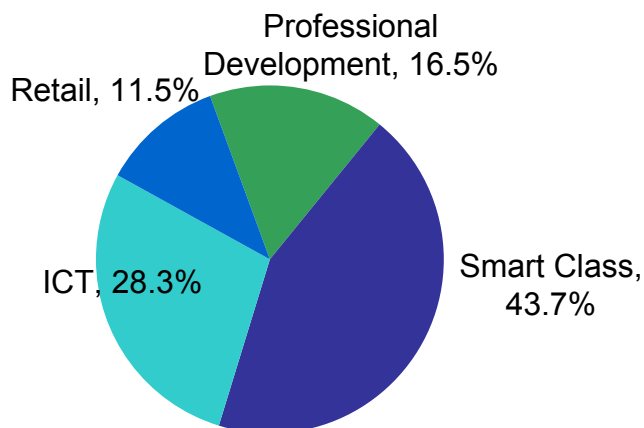
Q4 FY'07 – Rs 498.6mn



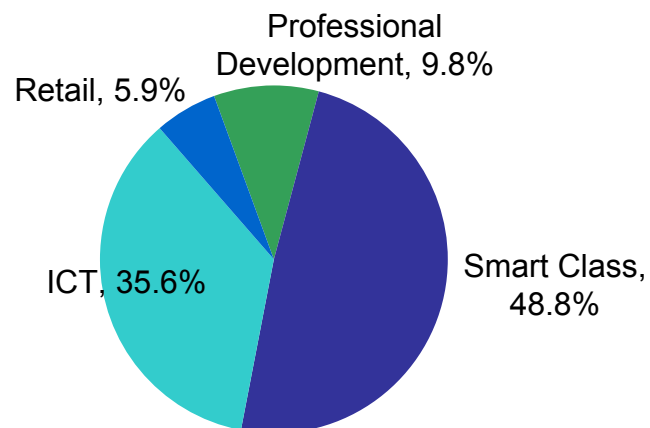
Q4 FY'08 – Rs 1,181.3mn



FY'07 – Rs 1,065.7mn

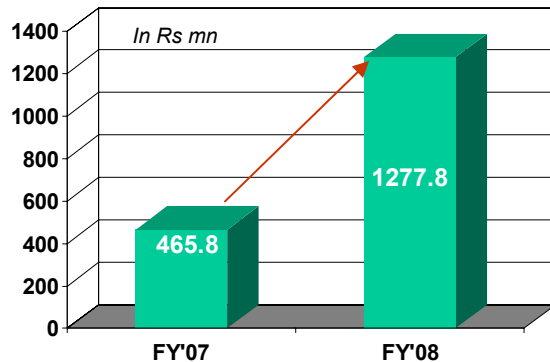


FY'08 – Rs 2,621.0mn



Smart_Class

Revenue Growth

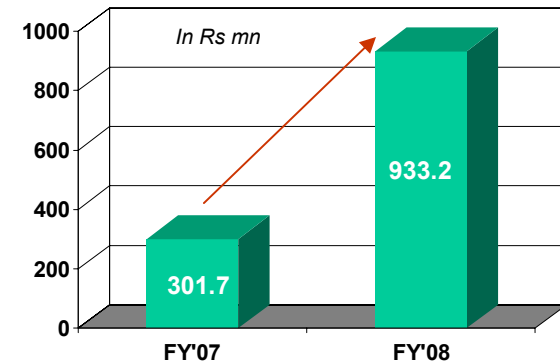


- Exceeded the guidance for cumulative number of schools (of 825) by signing with 278 new schools during Q4FY'08 to take the total number of schools to 933
- Implementation done in 892 schools including 248 during Q4FY'08
- Total number of students under Smart_Class reached 1.04mn
- Current order book of Rs 5,920mn
- Capex of Rs 1,319.2mn incurred during FY'08 for executing the Smart Class Business
- Rs 290mn spent for content and IP creation

ICT Solutions

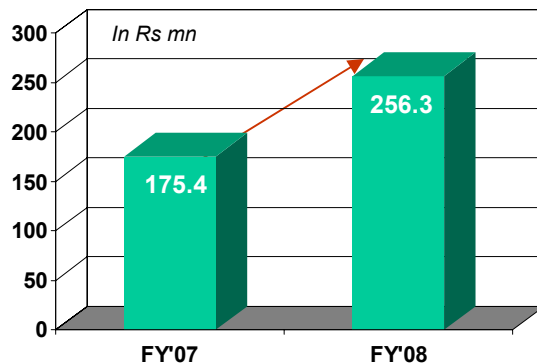
- Total number of schools stood at 6,004
- Current order book of Rs 1,770mn
- Strong visibility for winning forthcoming bids in Karnataka, UP, Rajasthan and Andhra Pradesh

Revenue Growth



Professional Development

Revenue Growth

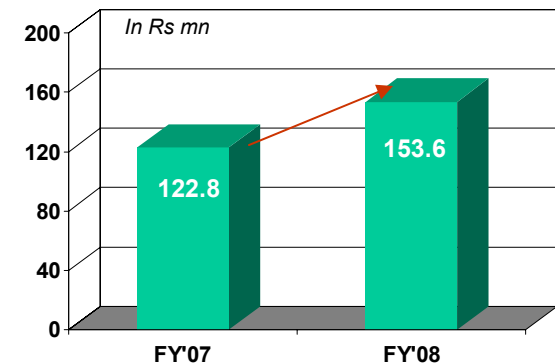


- Trained 80,791 teachers during Q4 FY'08 and 305,570 teachers during FY'08
- Cumulative number of teachers trained increased to 960,570 as on March 31, 2007

Retail & Consulting

- Users for Mathguru.com increased by 16,003 during the quarter thereby taking total no. of users to 46,342
- PBIT Margins increased from 47.2% in FY'07 to 55.9% FY'08 due to increase in number of users

Revenue Growth



Amount in Rs mn

Particulars	Q4 FY'07 (Un-audited)	Q4 FY'08 (Un-audited)	% Chg YoY	FY'07 (Audited)	FY'08 (Unaudited)	% Chg YoY
Net Income from Operations	498.6	1,181.3	137%	1,065.7	2,621.0	146%
Total Expenditure	265.2	630.2	138%	565.5	1,373.3	143%
Purchase of Raw Material	194.6	85.6	-56%	319.4	780.1	144%
Increase/decrease in stock in trade	(14.6)	347.6		(15.2)	18.4	
Staff Cost	30.2	110.0	264%	105.1	336.8	220%
Selling, Distribution & Administration expenses	54.9	87.0	58%	156.1	238.0	52%
EBIDTA	233.4	551.1	136%	500.3	1,247.7	149%
Depreciation & Amortization	34.4	109.6	218%	93.9	323.0	244%
Finance Charges	7.0	16.1	130%	13.3	41.9	215%
OPBT	192.0	425.5	122%	393.1	882.8	125%
Other Income	20.1	14.0	-30%	56.0	148.2	165%
PBT	212.0	439.5	107%	449.0	1,031.0	130%
Tax (including deferred)	80.7	124.8	55%	163.2	330.3	102%
PAT	131.3	314.7	140%	285.8	700.7	145%
Basic EPS (Rs.)	8.22	18.25	122%	17.90	41.38	131%
Diluted EPS (Rs.)	8.22	18.12	120%	15.87	35.15	96%

**Given the seasonal nature the industry, the results of any quarter may not be a true indicative of annual performance. Historically company has observed the following seasonality i.e. Quarter I amounts to approximate 10 to 12% of the total revenue, Quarter II amounts to approximate 18 to 20% of the total revenue, Quarter III amounts to approximate 25 to 30% and Quarter IV amounts to approximate 38 to 47% of the total revenue*

Key Ratios (as a % of Net Income from Operations)	Q4 FY'07	Q4 FY'08	FY'07	FY'08
EBIDTA Margin	46.8%	46.7%	46.9%	47.6%
PAT Margin	26.3%	26.6%	26.8%	26.7%
Total Expenditure	53.2%	53.3%	53.1%	52.4%
Consumption of Raw material	36.1%	36.7%	28.5%	30.5%
Staff Cost	6.1%	9.3%	9.9%	12.8%
Selling, Distribution & Administration expenses	11.0%	7.4%	14.7%	9.1%

Consolidated Results

	Q4 FY'08	FY'08
Consolidated Turnover	1,247.5	2,871.7
Consolidated Profit after tax	317.0	704.3
Consolidated EPS		
Basic	18.39	41.59
Diluted	17.30	31.47

Amount in Rs mn

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Amount in Rs mn

Revenues	Q4 FY'07	Q4 FY'08	% Change YoY	FY'07	FY'08	% Change YoY
Professional Development	41.7	65.8	57.9%	175.4	256.3	46.1%
Smart Class	249.3	502.8	101.7%	465.8	1277.8	174.3%
ICT Solutions	123.9	545.7	340.3%	301.7	933.2	209.3%
Retail & Consulting	83.6	67.0	-20.0%	122.8	153.6	25.1%
Total Net Sales/ Income from Operations	498.6	1,181.3	136.9%	1065.7	2,621.0	145.9%

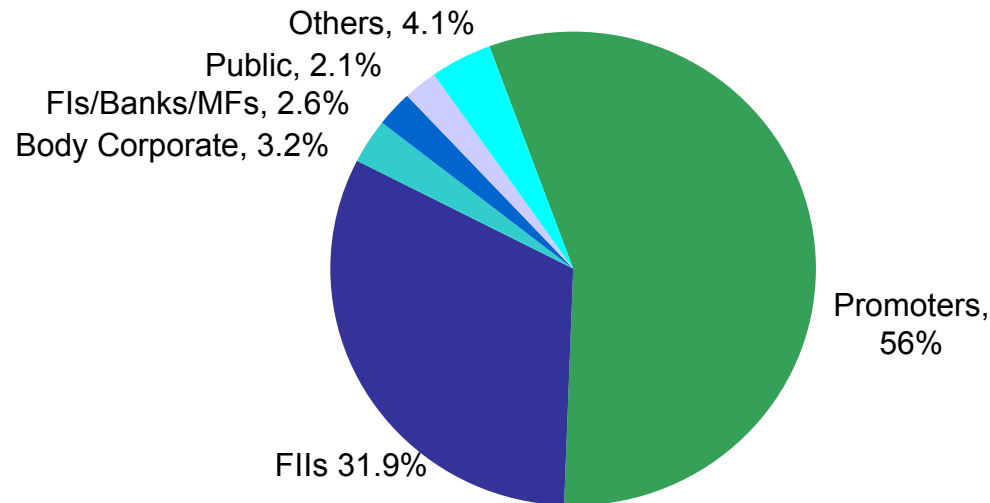
PBIT	Q4 FY'07	Q4 FY'08	% Change YoY	FY'07	FY'08	% Change YoY
Professional Development	24.7	42.4	71.7%	105.1	155.9	48.4%
Smart Class	143.4	309.3	115.6%	270.6	740.1	173.5%
ICT Solutions	38.1	162.9	327.6%	98.1	272.7	178.0%
Retail & Consulting	47.1	36.1	-23.4%	58.0	85.8	48.0%
	253.3	550.7	117.4%	531.8	1,254.6	135.9%
Less: Interest (Net)	7.0	16.1	130.0%	13.3	41.9	215.3%
Other un-allocable expenses (net of un- allocable income)	34.3	95.1	177.3%	69.5	181.7	161.4%
Total Profit before Tax	212.0	439.5	107.3%	449.0	1,031.0	129.6%

Capital Employed	Q4 FY'07	Q4 FY'08	% Change YoY	FY'07	FY'08	% Change YoY
Professional Development	1.9	167.7	8681.7%	2.2	167.7	7647.4%
Smart Class	637.2	1,592.7	150.0%	632.3	1,592.7	151.9%
ICT Solutions	264.4	502.6	90.1%	264.4	502.6	90.1%
Retail & Consulting	57.9	40.7	-29.7%	57.9	40.7	-29.7%
Total Capital Employed	961.4	2,303.7	139.6%	956.8	2,303.7	140.8%

PBIT Margins	Q4 FY'07	Q4 FY'08	FY'07	FY'08
Professional Development	59.2%	64.4%	59.9%	60.9%
Smart Class	57.5%	61.5%	58.1%	57.9%
ICT Solutions	30.7%	29.9%	32.5%	29.2%
Retail & Consulting	56.4%	53.9%	47.2%	55.9%

As on 31st March 2008

Equity Shares Outstanding-17,246,564



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About Educomp Solutions Ltd.

Educomp Solutions Ltd is India's largest technology driven education company and a pioneer using digital content to enhance the teaching learning process and a thought leader in Education Process Outsourcing (EPO) in the country. The company provides end-to-end solutions in the education technology domain for the K12 segment (Kindergarten to Class 12) i.e. Digital Curriculum Content (Smart_Class Program, ICT Solutions, Professional Development), eLearning for individuals (Online Tutoring, Education Process Outsourcing, CDROMs) and Curriculum and Learning Systems (Consulting, Pre-Schools and Middle schools curriculum systems, Whole School Transformation). It employs over 3,000 professionals and has presence in about 7,000 schools across the country. The company has partnerships with several major players in the Education Technology space including Microsoft, World Links and Wipro etc. It also partners with various governments like Government of Orissa, Tripura, Karnataka, Uttar Pradesh, Gujarat, Haryana, Assam, Chattisgarh, Ministry of HRD, Ministry etc. Educomp has key long term relationships with DPS Group of Schools, St. Johns, Mayo College, Mothers International School, PSBB Group of Schools, Carmel Convent etc. In December 2007, the company has been ranked 140th most valuable company by Business India 's BT 500 list from around 4,916 companies listed on the BSE compared to 346th rank in November 2006. For more information please visit www.educomp.com

About Four-S Services Pvt. Ltd.

Four-S Services provides customized business and financial research to organizations across the globe. The company also provides Investor Relations consulting to corporates based on in-depth sectoral and company research. The company has an impressive client profile and a team of experienced analysts covering the key sectors including Finance & Banking, IT & Telecom, Retail, Media & Entertainment, Pharmaceuticals, Infrastructure and Manufacturing amongst others. For further information on the company please visit www.four-s.com

Forward Looking Statement

Certain statements in this document with words or phrases such as "will", "should", etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.