Educomp
What Learning Can Be

Q4 FY10 Investor Update

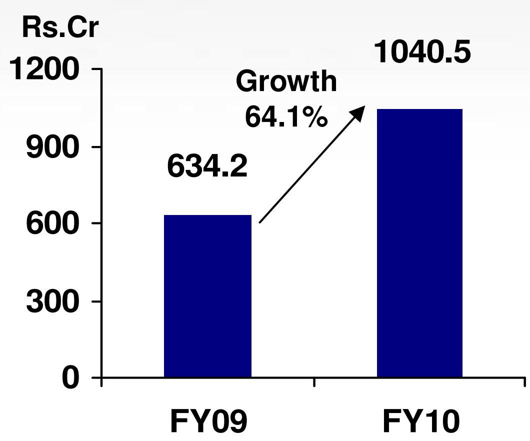
(Quarter & Year ending March 2010)

13th May 2010

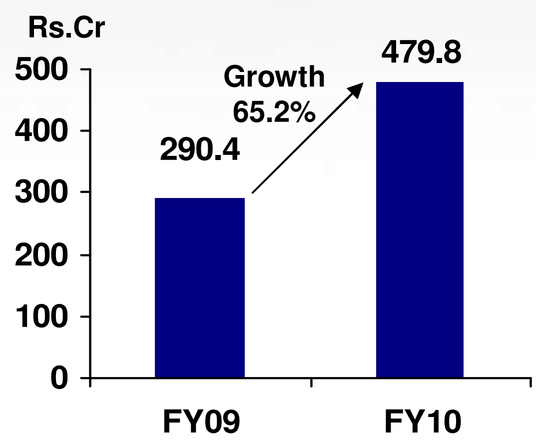
Strong Annual Growth continues

Consolidated

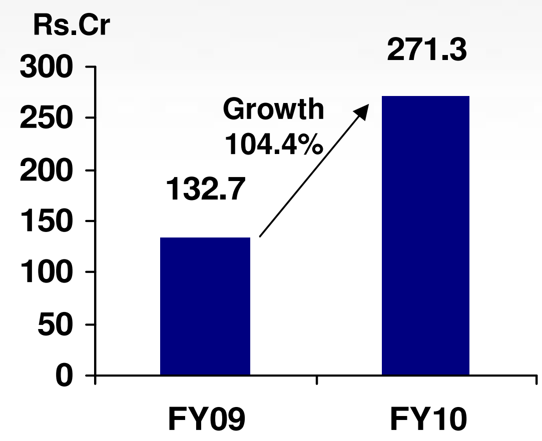
Net Income from Operations



EBITDA

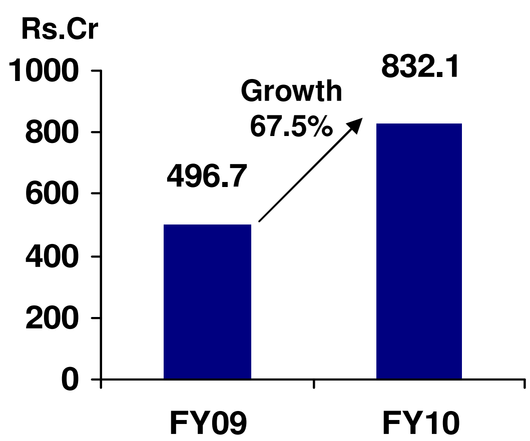


PAT

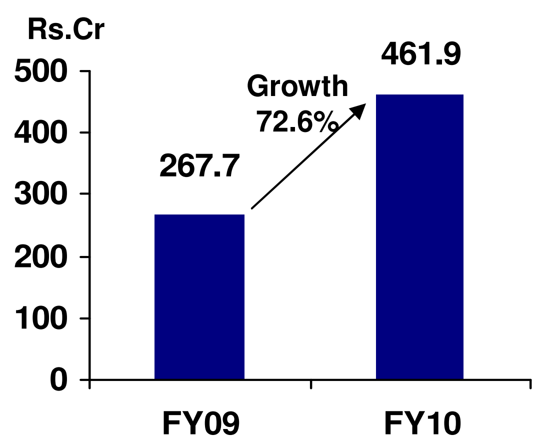


Standalone

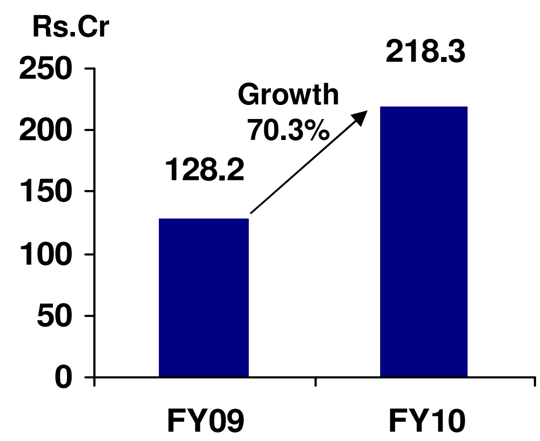
Net Income from Operations



EBITDA



PAT

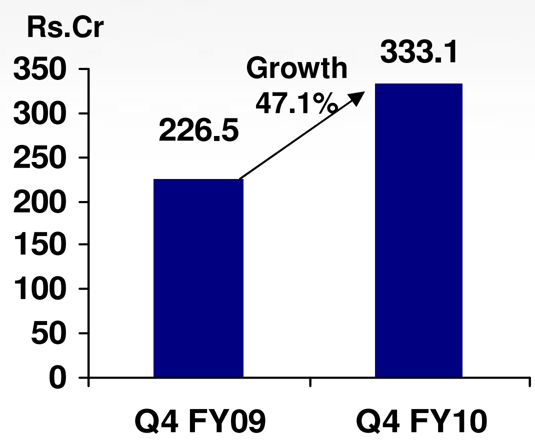


Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

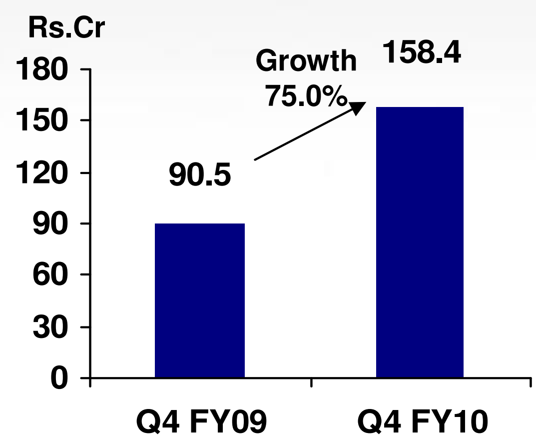
Strong Quarterly Growth continues

Consolidated

Net Income from Operations



EBITDA



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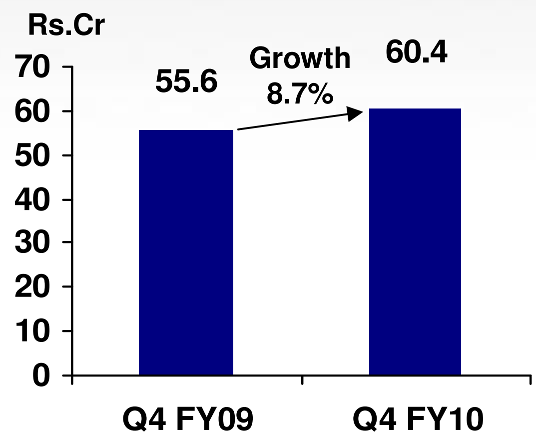

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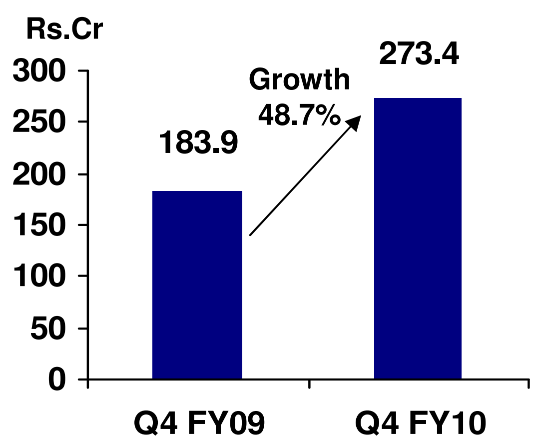
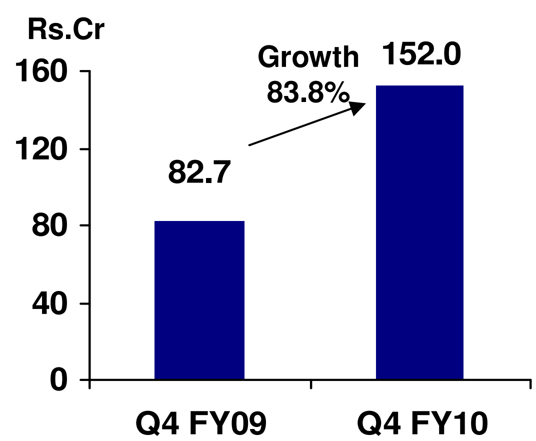
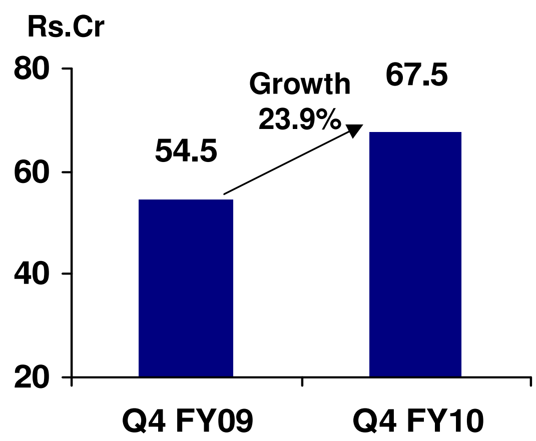
Net Income from Operations



EBITDA



PAT



Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

FY10 Revenue & PAT Reconciliation (Annual basis for like-to-like comparison)

FY10 Profit & Revenue Reconciliation on Consolidated basis

Eliminating impact of transfer of existing schools and Edusmart model

- **Q4 Revenue down by 3% on a y-o-y basis**
- **Q4 PAT up by 90% on a y-o-y basis**
- **Full year FY10 Revenue up by 41% on a y-o-y basis**
- **Full year FY10 PAT up by 71% on a y-o-y basis**

Projected revenue & PAT for FY11 on like to like basis with FY10

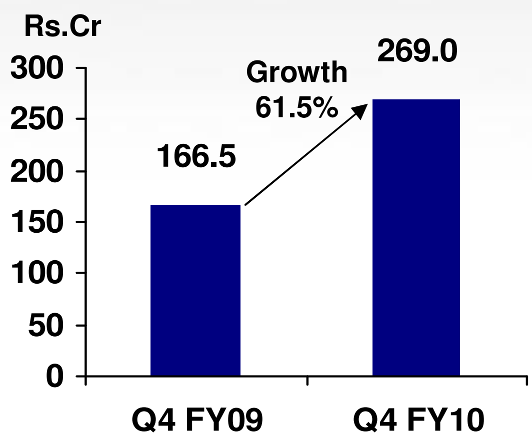
- **Full year FY11 Revenue projected to be up by 61.85%**
- **Full year FY11 PAT projected to be up by 66.52%**

Refer to attached management note for details

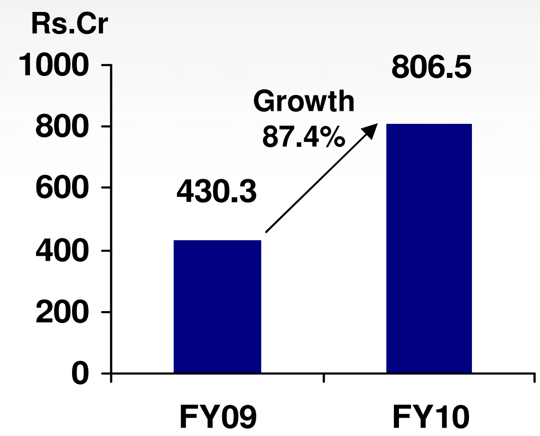
School Learning Solutions

School Learning Solutions (Consolidated basis)

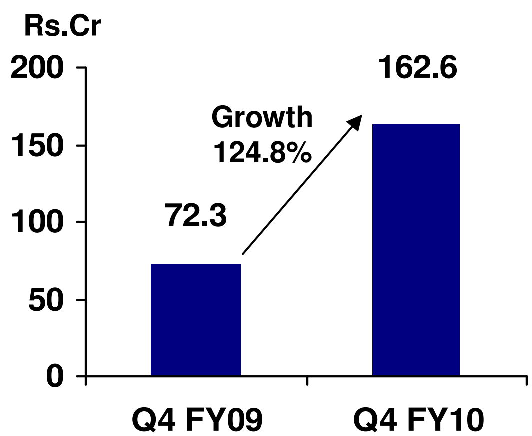
Quarterly Revenue Growth



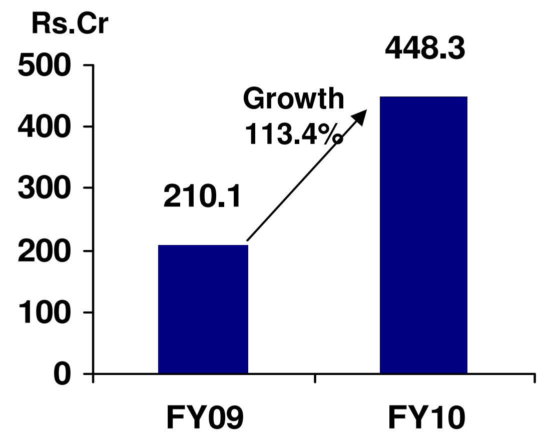
Annual Revenue Growth



Quarterly EBIT Growth



Annual EBIT Growth



Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

Educomp

SmartClass – Reaches 3.1 million students and 3077 schools

Key developments during Q4 FY10

- As on 31st March 2010, the company transferred all the existing school contracts signed under BOOT business to Edusmart Services pvt ltd.
- We added 720 schools with over 6000 classrooms and implemented SmartClass in 503 schools
- Going forward guidance to be based on 'number of classrooms' and 'price per classroom'
- Securitization funding of Rs 415cr sanctioned till Q4 FY10. For FY11 Rs 500cr of securitization funding has been tied up
- Guidance of over 20,000 schools in the next 6-7 years translating to over 300,000 classrooms
- Guidance for FY11 is to add another 25,000 – 30,000 classrooms. SmartClass FY11 Revenue guidance Rs 850-900cr
- Dun & Bradstreet study on effectiveness of SmartClass validates significant advantage in classes with SmartClass use

Key Operational Metrics	**Q4 FY10**
No of Classrooms Signed	6000
No of Classrooms Implemented	4038
Avg. Price per Classroom	Rs 205,800
Total Q4 Revenue	Rs 240.87cr
-Edusmart model	-Rs 83.1cr
-Transfer of Schools Revenue	-Rs 154.68cr
-BOOT Revenue*	-Rs 0cr
-Export Revenue	-Rs 3.09cr
Total FY10 Revenue	Rs 644.52 cr

*as all existing schools have been transferred

SmartClass – Revenue & PBT Reconciliation (for like-for-like BOOT Model analysis)

SmartClass Profit & Revenue Reconciliation (like to like basis)

Eliminating impact of transfer of existing SmartClass contracts

- **Q4 Revenue up by 87% on a y-o-y basis**
- **Q4 PBT up by 104% on a y-o-y basis**
- **Full year FY10 Revenue up by 90% on a y-o-y basis**
- **Full Year FY10 PBT up by 106% on a y-o-y basis**

Eliminating impact of transfer of existing SmartClass contracts and Edusmart model

- **Q4 Revenue up by 18% on a y-o-y basis**
- **Q4 PBT up by 20% on a y-o-y basis**
- **Full year FY10 Revenue up by 53% on a y-o-y basis**
- **Full Year FY10 PBT up by 52% on a y-o-y basis**

Projected Revenue & PBT for FY11 eliminating the impact of existing transfer of existing SmartClass contracts

- **Full year FY11 Revenue projected to increase by 81%**
- **Full Year FY11 PBT projected to increase by 91%**

Refer to attached management note for details

ICT – Reaches 8.2 million students and 15,426 schools

Key developments during Q4 FY10

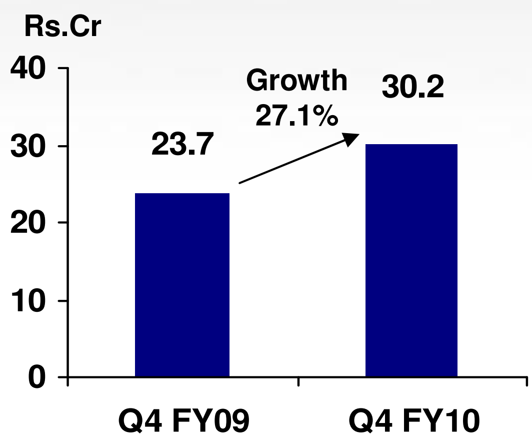
- **Limited capital allocation in ICT going forward with a focus to cherry-pick contracts with good margins**

Key Operational Metrics	**FY10**
Additional Number of schools signed in FY10: *- BOOT/BOO* *- Outright Buy/ Services Only*	3414 - 1033 - 2381
Additional Number of schools signed in Q4	600
Contract Value	Rs 51.15cr
State	Bihar
Cumulative number of schools covered:	15,426
Cumulative number of students covered:	Approx. 8.2mn
Revenues – Q4 FY'10 *- BOOT* *- Outright Buy*	Rs 27.08cr *- Rs 23.01cr* *- Rs 4.07cr*
Revenues – FY'10 *- BOOT* *- Outright Buy*	Rs 158.32cr *- Rs 77.77cr* *- Rs 80.55cr*

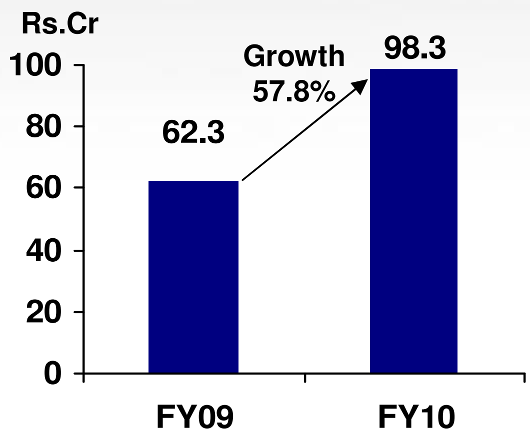
K12 Schools

K12 Schools (Consolidated basis)

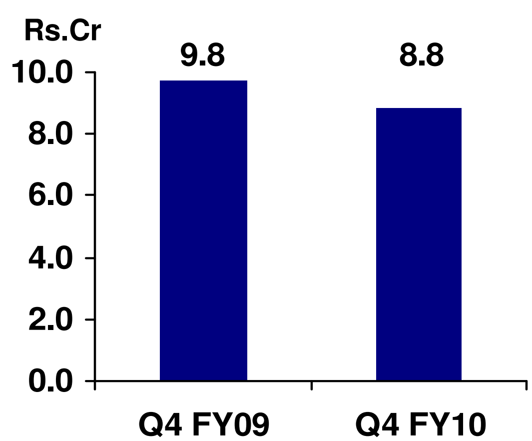
Quarterly Revenue Growth



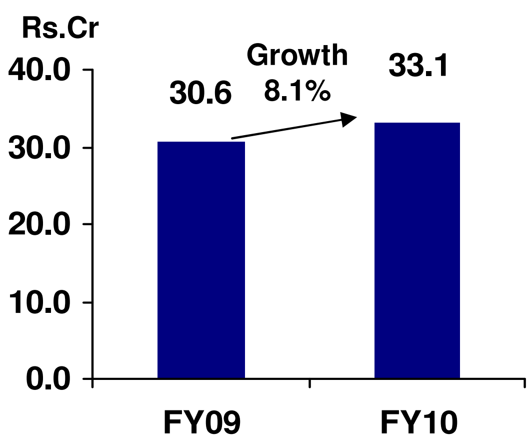
Annual Revenue Growth



Quarterly EBIT Growth



Annual EBIT Growth



Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

Pre Schools

India's largest Pre-School company – 775 pre-school sign-ups

Roots to Wings

- Over 220 franchisees signed up catering to over 5000 students in ages 2-4yrs

Eurokids

- EuroKids runs over 380 franchised and 30 owned preschools across India and caters to ~30,000 kids from age 2-4
- Over 175 pre-school franchisee sign-ups executed for the next academic session, thus taking the total to 555 schools
- Participated in 20 B2B exhibitions across 15 cities in India and 1 in Singapore during FY'10
- Eurokids won the Business Leadership Award by the Indian Franchise Association and FIHL
- Launched pre-schools operations in Sri Lanka through a Master Franchisee arrangement
- Launched "EuroKids Saplings" and executed over 40 franchisee agreements during FY'10
- Total of 14 operational Euroschools on franchisee basis (K12 schools)

Company Level Financials (Figures in Rs Cr)	Q4	FY10
Revenue	12.52	34.07
EBITDA	3.22	4.17
EBITDA Margin	*25.75%*	*12.25%*
PAT	2.08	3.59
PAT Margin	*16.61%*	*10.52%*
% Holding of Educomp	50%	50%

High Schools

The Millennium School

takshila SCHOOL

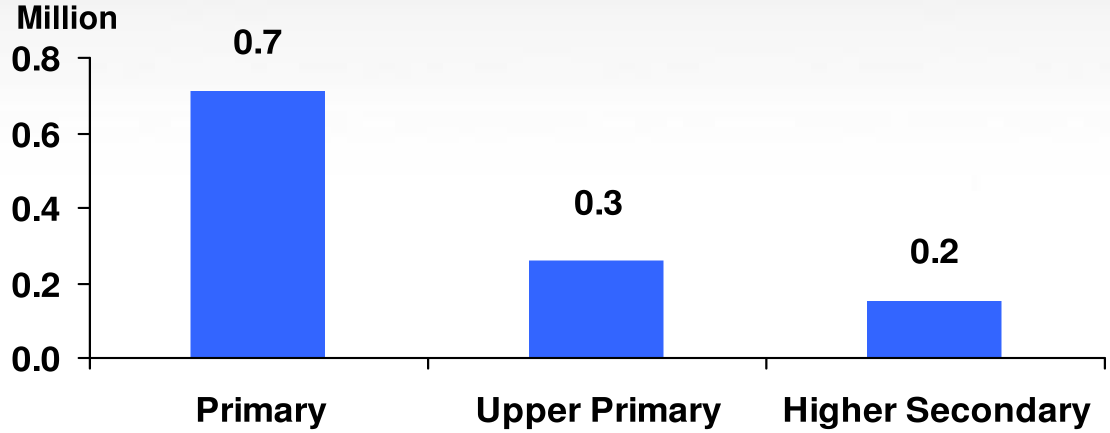
UNIVERSAL ACADEMY

Characteristics of K12 Schools business

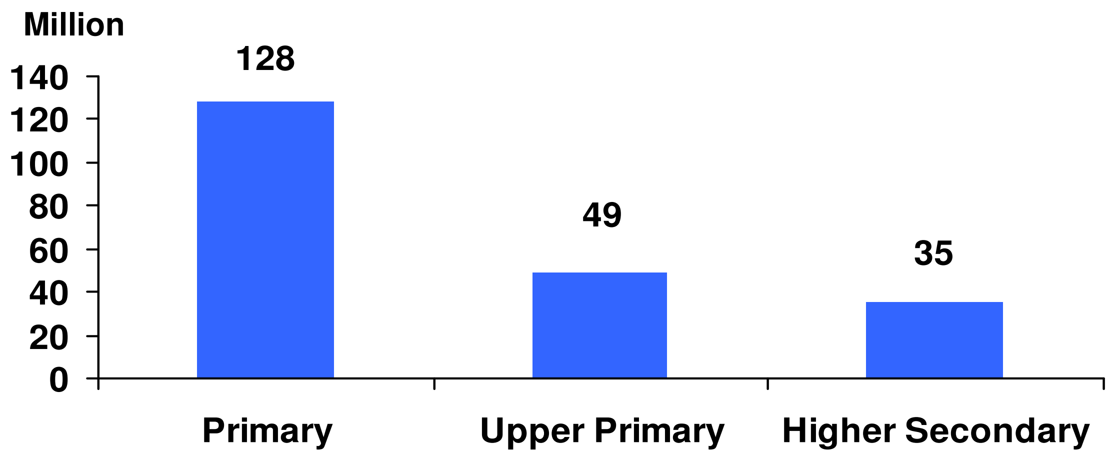
Important characteristics of K12 Schools business

- **Assured annuity type revenues till perpetuity and lock-in of customers for 14 years (2 years in Pre-School and 12 years in High School)**
- **High margins in steady state**
- **High return on capital employed in the range of 40%**
- **Recession proof business with no volatility**
- **Negative Working Capital business**
- **High demand supply gap ensures high capacity utilization in all schools**
- **High willingness in Indian middle class to pay for good education: Spending on Education is the highest non-food expense category in the consumption basket and is mostly non-negotiable spend**
- **With high growth rates in the country and rising disposable income of middle class parents, there is a high propensity to pay for quality education**

Almost 60% of India's schools (0.7 million) are only till the Primary education level..



.. educating 212 million students but almost 60% (128 million) only till Primary education level



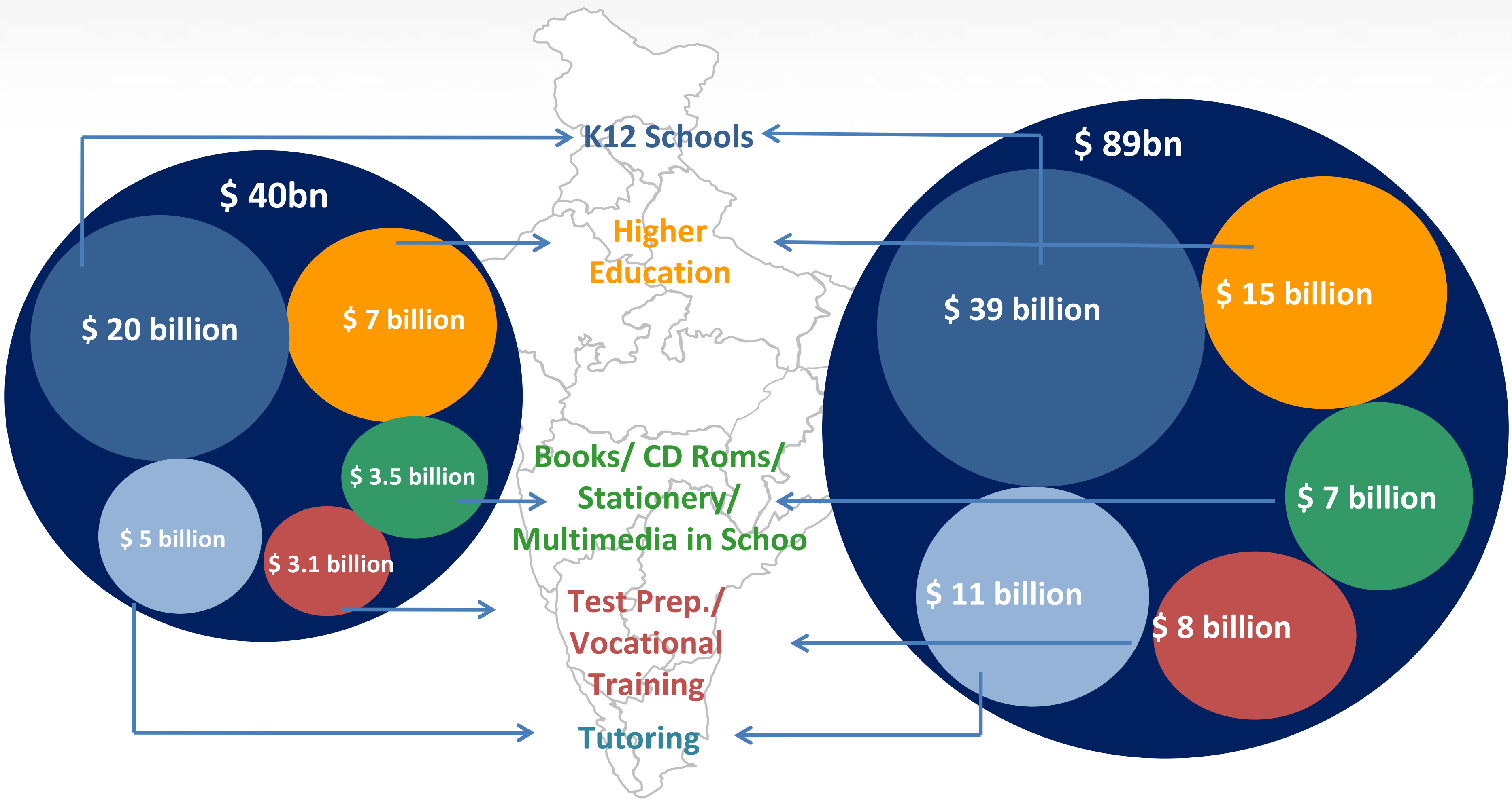
Source: Annual Financial Statistics of Education Sector 2003-04, MHRD, GoI

- **128 million students studying in 0.7 million Primary schools**
- **Another 140 million school-age children still not in schools**
- **Huge shortage of schools, particularly schools till Higher Secondary level**
- **CBSE has estimated a shortage of 200,000 schools in India**

The K12 opportunity in India is estimated at $20 billion

FY'09 — India Education Overall Market estimated at $40bn growing at CAGR 16% — FY'14

K12 Market is largest at $20bn estimated to be $39bn by FY14



*CLSA Report March 2008

.. With our presence as follows with huge growth opportunities

69 schools in portfolio (including dry mgmt. & land sites)

- **Total 43 schools operational (including Dry Management schools) out of which 29 high schools under Educomp, 14 Euro-schools under Eurokids cumulatively serving over 24,00 0 students**
- **Since Jan '10, 7 new schools have become operational which include:**
  - **Millennium schools at Bhatinda, Jalandhar, Kurukshetra and Coimbatore**
  - **Shriram Millennium school at Noida**
  - **Takshila schools at Sangli**
  - **Vidya Prabhat school at Dehradun on JV model**
- **In addition to the 43 operational schools, there are 26 land sites and under-construction sites, taking the total visibility to 69 schools**

Company Level Financials (Figures in Rs Cr)	**Q4 FY10**	**FY10**
Revenue	14.91	55.06
EBITDA	8.62	37.11
EBITDA Margin	57.82%	67.41%
PAT	2.91	17.82
PAT Margin	32.37%	19.52%
% Holding of Educomp	78.21%	78.21%*

*% holding in EISML has increased from 69.38% to 78.21% in the financial FY10, due to additional equity infused by Educomp

EISML - Overview

Market Scenario

- Shortage of 200,000 schools in the country
- Over 100million school-age children not attending school
- High birth rates in the region, leading to increase in enrollment numbers
- India's middle class has a high willingness to pay for good education

EISML's Current Schools Network

- Currently 43 schools under operation with over 24,000 students
- Total visibility of 69 schools

Portfolio of Brands

- K12 schools in Tier I & Tier II cities
- Co-branded Schools with Shriram group of schools
- Co-branded Schools with PSBB group of schools
- Co-branded Schools with Don Bosco group of schools
- K12 schools in Tier III and Tier IV
- Budget schools targeted at semi-urban towns

Millennium Learning System

- Over 200 textbooks and workbooks
- Over 11,000 Lesson Plans
- Over 40,000 Assessments
- Project files, Activity Files & Unique Dictionaries

Millennium Learning System™
THE SCIENCE OF EDUCATION

MLS™: India's first fully integrated Learning Delivery System for schools

- A well structured curriculum with in-depth plans to meet individual needs, enabling the learner to apply what he has learnt in daily life
- **Innovative Textbooks – Over 200 textbooks and workbooks, which are fun, interactive and facilitate learning through activities and games**
- **Lesson Plans –** Over 11,000 lesson plans given to teachers to use best teaching and assessment strategies for every topic and chapter
- **Project files - Students are encouraged to develop their research skills through projects which complement the curriculum, where they record their experiences in a project file**
- **Unique dictionary** where every word learnt from text is recorded and explained visually
- **Outcome of student learning is documented through Minimum learning levels**
- **Assessments** – Over 40,000 assessments to assist teachers in testing learning levels
- Use **formative assessment** through skill based worksheets for every level to tracks the progress of the child right from the time he joins the school till he leaves
- **Instructional approach** - Teachers utilize a **variety of teaching strategies**, resources and organizational skills to facilitate meaningful learning. Our structured plans guide teachers in making learning **interactive** and **application oriented**

Creating core K12 Schools capacity


PSBB Millennium School, Chennai


The Millennium School, Mohali


PSBB Learning Leadership Academy, Bangalore


Chiranjeev Bharti, Palam Vihar, Gurgaon


Chiranjiv Bharti, Sushant Lok, Gurgaon


The Millennium School, Noida


The Millennium School, Panipat


The Millennium School, Lucknow


The Millennium School, Amritsar


Primary School Campus, Bangalore

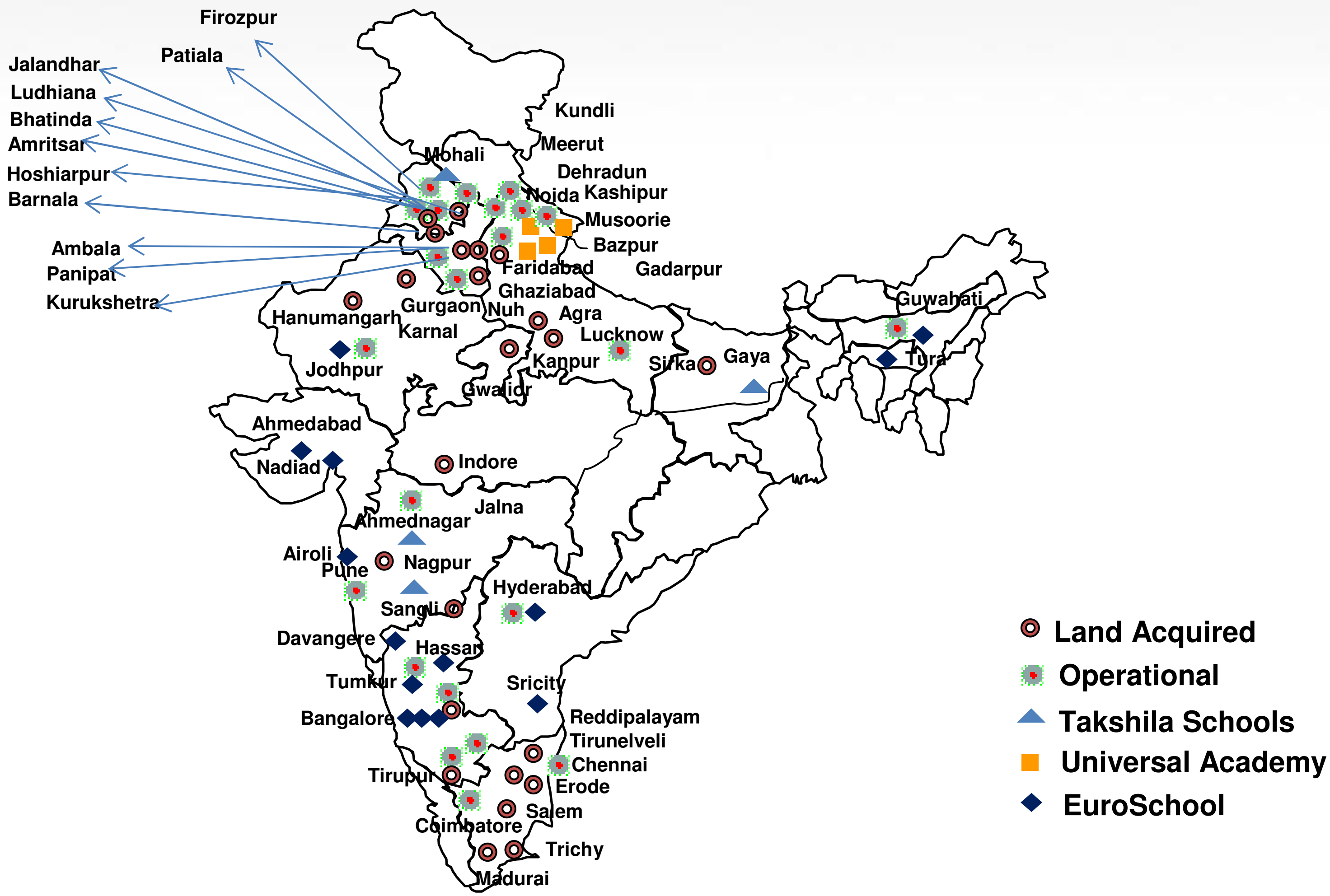

PSBB Millennium School, Chennai Porur


PSBB Millennium School, Chennai OMR

Educomp

Rapidly expanding Pan India Presence

Current Location of Schools (Visibility* of 69 Schools, 43 currently Operational)



** Visibility of Schools covers all Schools (including Dry Management, land sites and under-construction sites*

Higher Learning Solutions

Raffles Millennium International

IndiaCan

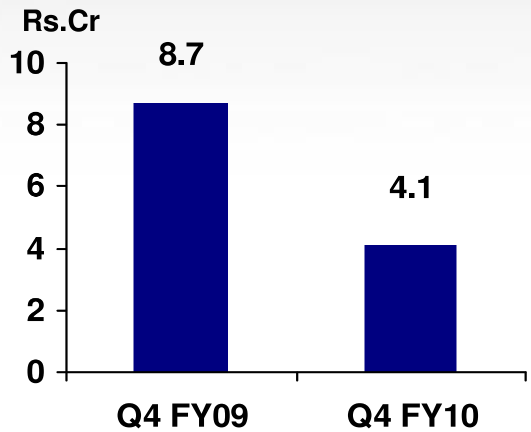
A Pearson Educomp Company

Professional Development

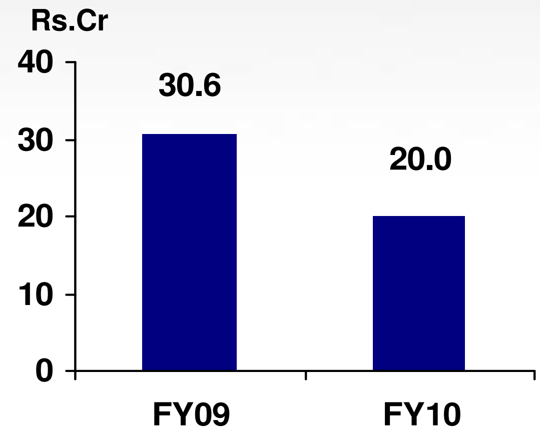
Higher Learning Solutions (Consolidated basis)

Professional Development

Quarterly Revenue Growth

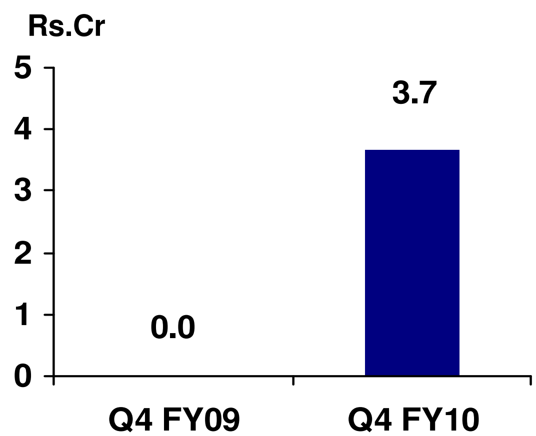


Annual Revenue Growth

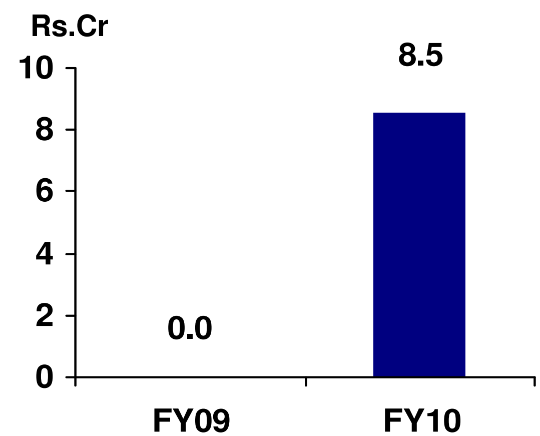


Raffles & Pearson JVs

Quarterly Revenue Growth



Annual Revenue Growth



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JV with Raffles for opportunities in Professional Education

An Educomp Raffles Joint Venture

Delhi Campus

Key developments during Q4 FY10

- 3 'Raffles Millennium International' colleges operational in Delhi, Bangalore and Chandigarh
- Lease agreements signed for 4 new colleges in Kolkata, Hyderabad, Ahmedabad and Chennai and colleges ready to begin sessions in June 2010
- RMI offers courses in Fashion Design, Interior Design, Fashion Marketing, Graphic Design, Product Design, Jewellery Design, Commerce and Interactive Multimedia Design
- International faculty from US, UK, Italy, Spain and Singapore

Chennai Campus

Ahmedabad Campus

Hyderabad Campus

JV with Pearson for opportunities in Vocational Education

IndiaCan
A Pearson Educomp Company

An Educomp Pearson Joint Venture

ETEN

- Network of 100 operational centers with ~11,000 enrollments for the May batch
- Current course offerings include IPCC/Final and CPT (CA exams)
- Future course offerings in Civil Services being planned

PurpleLeap

- Network of 80 operational centers
- Total enrolments under various programs over 3700 students
- Current course offerings include various IT programs, Summer Certification Programs, Professional Development programs
- New programs under development – MBA programs; CISCO certification programs; University branded programs (tie-up); VLSI/ Embedded/ Autocad programs
- Tie-up with Software/IMS companies for placement of trained students – active pipeline of over 50 companies

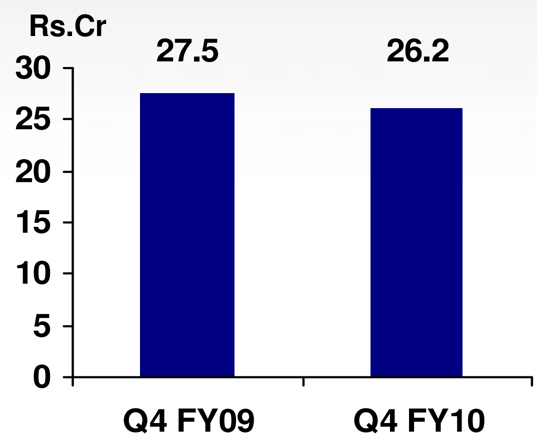
Vocational

- Network of 40 operational centers
- Target to reach over 100 centers in Q1 FY'11 including 30 owned centers
- Current course offerings include:
  - Basic IT & English Foundation and Intermediate programs launched
  - English language training programs for Indian Army
- New programs under development:
  - Media, Sales & Retail, Pilot Travel, Tourism and Ticketing

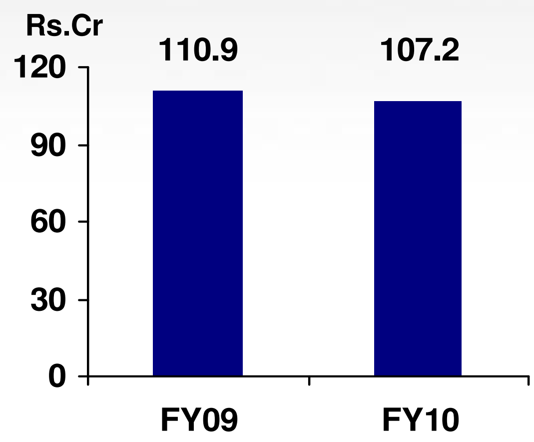
Educomp

Online, Supplemental & Global (Consolidated basis)

Quarterly Revenue Growth



Annual Revenue Growth



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Educomp leverages the strong synergies amongst various online offerings to create integrated online and supplemental solutions

Learning Hour

- Learning Hour is a Tutoring/Supplemental services provider focused on grade 8th to 12th curriculum
- Launched Educomp LEAP – India's first satellite enabled IIT JEE and AIEEE Test Preparation program across 13 cities including Jalandhar, Amritsar, Jammu, Patna, Surat, Guwahati, Allahabad, Varanasi, Meerut, Agra, Lucknow, Ludhiana and Gurgaon
- Started 3 programs under LEAP including Lakshya – 2 year program for Class XI students; Udaan – 1 year program for Class XII students and Shikhar – 1 year program for Class XII pass-out students

WiZiQ

- WizIQ is a Web-based platform for students and teachers to discover, transact and deliver educational services and connect in real time with audio-video and whiteboard capabilities
- 119,402 additional registered users in Q4 FY'10 and total registered users over 610,700 with over 59,000 registered teachers
- Over 14.6 million minutes of total usage; 7.2 million page-views; and 1.5 million unique visitors in Q4 FY'10

learnhub

- Learnhub platform is a large & growing online educational community focused on the Lead Generation business model
- Served 1.1mn visitors and 3.1mn page-views in Q4 FY'10; achieved 100% client renewal rate
- Signed 25 additional universities for new agency line of business (including Northern Arizona University, London School of Business & Finance, UC Irvine); signed 9 new international lead clients (including University of Rochester and Purdue University)
- Launched a major redesign of Learnhub.com tailoring it for the Indian study abroad and study in India audiences

Content Leadership in North America through Learning.com

learning.com

Sky

Aha!Math™

Aha!Science™

easytech

techliteracy assessment

21st Century Skills assessment

Key developments during Q4 FY10

- Learning.com launched its revolutionary new Digital Learning Environment product called SKY
- SKY is a unique DLE designed for teachers and school district administrators
- SKY's ingenious design enables districts to get the full benefit of their digital resources
- SKY gives teachers a learning support network that provides them with all of district materials they need to ensure student success
- SKY implements structured curriculum while still providing teachers flexible choices to individualize instruction
- In summary, SKY:
  - Enables teachers to spend more time teaching, less time on classroom prep
  - Enables teachers to collaborate across schools to make every teacher more effective
  - Expands teacher mentor opportunities without increasing staff
  - Provides an efficient way for students and parents to communicate with teachers

Company Level Financials (Figures in Rs Cr)	Q4 FY10	FY10
Revenue	18.92	72.74
EBITDA	3.58	12.11
EBITDA Margin	*18.95%*	*16.66%*
PAT	0.4	5.68
PAT Margin	*2.4%*	*7.8%*
% Holding of Educomp	54.74%	54.74%*

*% holding in Learning.com has reduced on account of issuance of ESOPs

Content Leadership in South Asia through Ask n Learn Pte Ltd.

Key developments during Q4 FY10

- **Premier Pan-Asian provider of Education solutions and services which actively helps schools, regional Ministries of Education and corporate clients create innovative content and systems to meet diverse teaching and learning needs**
- **Presence increased to 230 institutions in Singapore, China, Thailand, Indonesia, the Philippines, Japan, Brunei and Vietnam**
- **Surpassed key competitors to become the largest learning management solutions (LMS) and content provider in Singapore's school market with sales pool increasing by 29 schools to reach 134 schools in FY'10**
- **Total LMS's for business organizations (including private education providers) increased from 8 to 12 in FY'10**
- **Secured a prestigious contract to supply multimedia content and LMS to 27 government schools in Marikina city, Manila, Philippines**

Company Level Financials (Figures in Rs Cr)	Q4 FY10	FY10
Revenue	5.69	26.22
EBITDA	1.05	4.56
EBITDA Margin	*18.45%*	*17.4%*
% Holding of Educomp	100%	100%

* Operational Income only, excludes other income

Income Statement

Amount in Rs cr

Particulars	Q4 FY'09	Q4 FY'10	% Chg YoY	FY'09	FY'10	% Chg YoY
Net Income from Operations	**226.5**	**333.1**	**47.1%**	**634.2**	**1,040.5**	**64.1%**
Total Expenditure	**134.7**	**174.178**	**29.3%**	**336.4**	**554.7**	**64.9%**
Cost of Goods Sold	58.6	46.6	-20.6%	113.2	162.1	43.2%
Staff Cost	37.3	53.2	42.4%	118.8	179.3	50.9%
Selling, Distribution & Administration expenses	38.8	73.9	90.7%	104.2	211.6	103.1%
Prior Period Items & Miscellaneous Items	0.0	0.5	NA	0.2	1.8	702.9%
EBIDTA (before minority interest and share of profits of associates)	**91.7**	**158.9**	**73.2%**	**297.8**	**485.8**	**63.1%**
Share of profit in associates	-	0.01	NA	0.8	0.0	NA
Minority interest / Pre-acquisition profit	1.2	0.4	-63.3%	6.7	6.0	-9.8%
EBIDTA (after minority interest and share of profits of associates)	**90.5**	**158.4**	**75.0%**	**290.4**	**479.8**	**65.2%**
Depreciation & Amortization	28.4	20.1	-29.3%	80.4	113.8	41.6%
Finance Charges	8.0	12.8	60.3%	18.4	48.9	166.1%
OPBT	**55.3**	**125.9**	**127.7%**	**199.0**	**323.1**	**62.3%**
Other Income	38.7	10.4	-73.1%	21.9	116.7	433.9%
PBT	**94.0**	**136.4**	**45.1%**	**220.9**	**439.9**	**99.1%**
Tax (including deferred)	37.3	75.5	102.8%	80.7	162.5	101.3%
PAT before minority interest & pre-acquisition profits	**56.8**	**60.8**	**7.2%**	**140.2**	**277.3**	**97.8%**
PAT after minority interest & pre-acquisition profits	**55.6**	**60.4**	**8.7%**	**132.7**	**271.3**	**104.4%**
Basic EPS (Rs.)	**6.4**	**6.4**	**-0.6%**	**15.4**	**29.3**	**90.7%**
Diluted EPS (Rs.)	**6.3**	**5.8**	**-6.7%**	**15.0**	**27.3**	**82.0%**

Key Ratios

Key Ratios (as a % of Net Income from Operations)	Q4 FY'09	Q4 FY'10	FY'09	FY'10
EBIDTA Margin after minority interest & pre-acquisition profits	40.0%	47.6%	45.8%	46.7%
PAT Margin after minority interest & pre-acquisition profits	24.5%	18.1%	20.9%	26.1%
Total Expenditure	59.5%	52.3%	53.0%	53.3%
Consumption of Raw material	25.9%	14.0%	17.8%	15.6%
Staff Cost	16.5%	16.0%	18.7%	17.2%
Selling, Distribution & Administration expenses	17.1%	22.2%	16.4%	20.3%

** Other income includes foreign exchange gain/ loss*

Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

Income Statement

Amount in Rs cr

Particulars	Q4 FY'09	Q4 FY'10	% Chg YoY	FY'09	FY'10	% Chg YoY
Net Income from Operations	**183.9**	**273.4**	**48.7%**	**496.7**	**832.1**	**67.5%**
Total Expenditure	**101.2**	**121.4**	**19.9%**	**229.0**	**370.2**	**61.6%**
Cost of Goods Sold	53.0	45.0	-15.1%	102.6	148.1	44.3%
Staff Cost	18.8	28.8	53.4%	61.7	96.8	56.9%
Selling, Distribution & Administration expenses (including prior period items)	29.4	47.6	61.6%	64.7	125.2	93.5%
EBIDTA	**82.7**	**152.0**	**83.8%**	**267.7**	**461.9**	**72.6%**
Depreciation & Amortization	26.8	12.6	-52.8%	75.1	90.8	21.0%
Finance Charges	6.0	7.4	23.8%	11.5	32.3	180.4%
OPBT	**50.0**	**132.0**	**164.1%**	**181.1**	**338.8**	**87.1%**
Other Income	37.4	8.1	-78.5%	17.5	32.4	84.8%
PBT	**87.4**	**140.1**	**60.3%**	**198.6**	**371.2**	**86.9%**
Tax (including deferred)	32.9	72.6	120.6%	70.4	152.9	117.1%
PAT	**54.5**	**67.5**	**23.9%**	**128.2**	**218.3**	**70.3%**
Basic EPS (Rs.)	**6.3**	**7.1**	**12.7%**	**15.2**	**23.6**	**55.0%**
Diluted EPS (Rs.)	**6.2**	**6.5**	**5.8%**	**14.9**	**22.1**	**48.6%**

Key Ratios

Key Ratios (as a % of Net Income from Operations)	Q4 FY'09	Q4 FY'10	FY'09	FY'10
EBIDTA Margin	45.0%	55.6%	53.9%	55.5%
PAT Margin	29.6%	24.7%	25.8%	26.2%
Total Expenditure	55.0%	44.4%	46.1%	44.5%
Consumption of Raw material	28.8%	16.5%	20.7%	17.8%
Staff Cost	10.2%	10.5%	12.4%	11.6%
Selling, Distribution & Administration expenses	16.0%	17.4%	13.0%	15.0%

** Other income includes foreign exchange gain/ loss*

Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

Educomp
What Learning Can Be

Financial Statements – Segmental Analysis (Consolidated)

Amount in Rs cr

Revenues	**Q4 FY'09**	**Q4 FY'10**	**% Chg YoY**	**FY'09**	**FY'10**	**% Chg YoY**
School Learning Solutions	166.5	269.0	61.5%	430.3	806.5	87.4%
Higher Learning Solutions	8.7	7.8	-10.9%	30.6	28.5	-6.9%
K-12 Schools	23.7	30.2	27.1%	62.3	98.3	57.8%
Online, Supplementary & Global	27.5	26.2	-4.7%	110.9	107.2	-3.4%
Total Net Sales/ Income from Operations	**226.5**	**333.1**	**47.1%**	**634.2**	**1,040.5**	**64.1%**

PBIT	**Q4 FY'09**	**Q4 FY'10**	**% Chg YoY**	**FY'09**	**FY'10**	**% Chg YoY**
School Learning Solutions	72.3	162.6	124.8%	210.1	448.3	113.4%
Higher Learning Solutions	1.3	(3.9)	NA	9.5	(10.7)	NA
K-12 Schools	9.8	8.8	-9.5%	30.6	33.1	8.1%
Online, Supplementary & Global	0.7	(4.0)	NA	17.9	(16.7)	NA
	84.0	**163.6**	**94.6%**	**268.1**	**454.0**	69.4%
Less: Interest (Net)	8.0	12.8	60.3%	18.4	48.9	166.1%
Other un-allocable expenses (net of un- allocable income and prior period items)	(17.8)	14.3	NA	28.8	(34.7)	NA
Total Profit before Tax	**93.8**	**136.4**	**45.4%**	**220.9**	**439.9**	**99.1%**

PBIT Margins	**Q4 FY'09**	**Q4 FY'10**	**FY'09**	**FY'10**
School Learning Solutions	43.4%	60.5%	48.8%	55.6%
Higher Learning Solutions	14.6%	NA	30.9%	NA
K-12 Schools	41.2%	29.3%	49.1%	33.6%
Online, Supplementary & Global	2.4%	NA	16.2%	NA

Revenue Break up	**Q4 FY'09**	**Q4 FY'10**	**FY'09**	**FY'10**
School Learning Solutions	73.5%	80.8%	67.9%	77.5%
Higher Learning Solutions	3.9%	2.3%	4.8%	2.7%
K-12 Schools	10.5%	9.1%	9.8%	9.4%
Online, Supplementary & Global	12.1%	7.9%	17.5%	10.3%

Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

Educomp
What Learning Can Be

Financial Statements – Segmental Analysis (Standalone)

Amount in Rs cr

Revenues	Q4 FY'09	Q4 FY'10	% Chg YoY	FY'09	FY'10	% Chg YoY
School Learning Solutions	166.5	268.0	60.9%	427.5	802.8	87.8%
Higher Learning Solutions	8.7	4.1	-52.5%	30.5	20.0	-34.5%
K-12 Schools	8.0	0.8	-90.1%	12.6	8.7	-30.7%
Online, Supplementary & Global	0.7	0.5	-27.3%	26.1	0.6	-97.7%
Total Net Sales/ Income from Operations	**183.9**	**273.4**	**48.7%**	**496.7**	**832.1**	**67.5%**

PBIT	Q4 FY'09	Q4 FY'10	% Chg YoY	FY'09	FY'10	% Chg YoY
School Learning Solutions	74.3	163.7	120.3%	211.9	450.5	112.6%
Higher Learning Solutions	1.8	0.9	-51.5%	10.8	5.5	-49.1%
K-12 Schools	1.8	0.29	-83.8%	0.4	0.5	36.4%
Online, Supplementary & Global	(1.1)	(0.39)	NA	20.1	(0.5)	NA
	76.9	**164.5**	**114.0%**	**243.2**	**456.0**	**87.5%**
Less: Interest (Net)	6.0	7.4	23.8%	11.5	32.3	180.4%
Other un-allocable expenses (net of un- allocable income and prior period items)	(16.5)	17.0	NA	33.1	52.5	58.6%
Total Profit before Tax	**87.4**	**140.1**	**60.3%**	**198.6**	**371.2**	**86.9%**

PBIT Margins	Q4 FY'09	Q4 FY'10	FY'09	FY'10
School Learning Solutions	44.6%	61.1%	49.6%	56.1%
Higher Learning Solutions	21.1%	21.5%	35.6%	27.6%
K-12 Schools	22.8%	37.1%	2.8%	5.5%
Online, Supplementary & Global	NA	NA	77.0%	NA

Revenue Break up	Q4 FY'09	Q4 FY'10	FY'09	FY'10
School Learning Solutions	90.6%	98.0%	86.1%	96.5%
Higher Learning Solutions	4.7%	1.5%	6.1%	2.4%
K-12 Schools	4.3%	0.3%	2.5%	1.0%
Online, Supplementary & Global	0.4%	0.2%	5.3%	0.1%

Note: FY09 figures are un-audited as disclosed to Stock Exchange in Q4 FY09

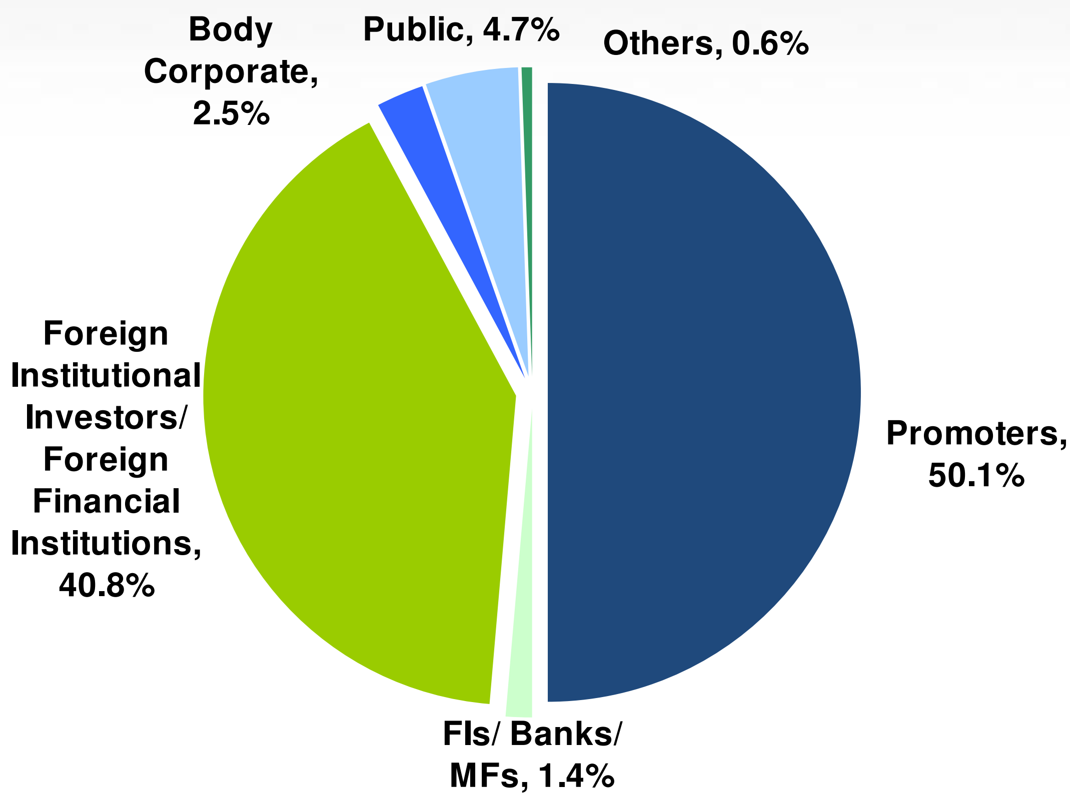
Financial Statements – Balance Sheet Items (Consolidated)

Balance Sheet (Figures in Rs cr)	As on March 31' 2010
Networth-Consolidated Basis	1,649.6
Cash-Consolidated Basis	782.5
Debt-Consolidated Basis	1,047.5
Debtor Days*	154 days

***** *After net of Fixed Assets which are converted into debtors due to transfer of existing schools; otherwise book debtor days will be 194 days***

Shareholding Pattern – As on March 31, 2010

Equity Shares Outstanding-94,962,035

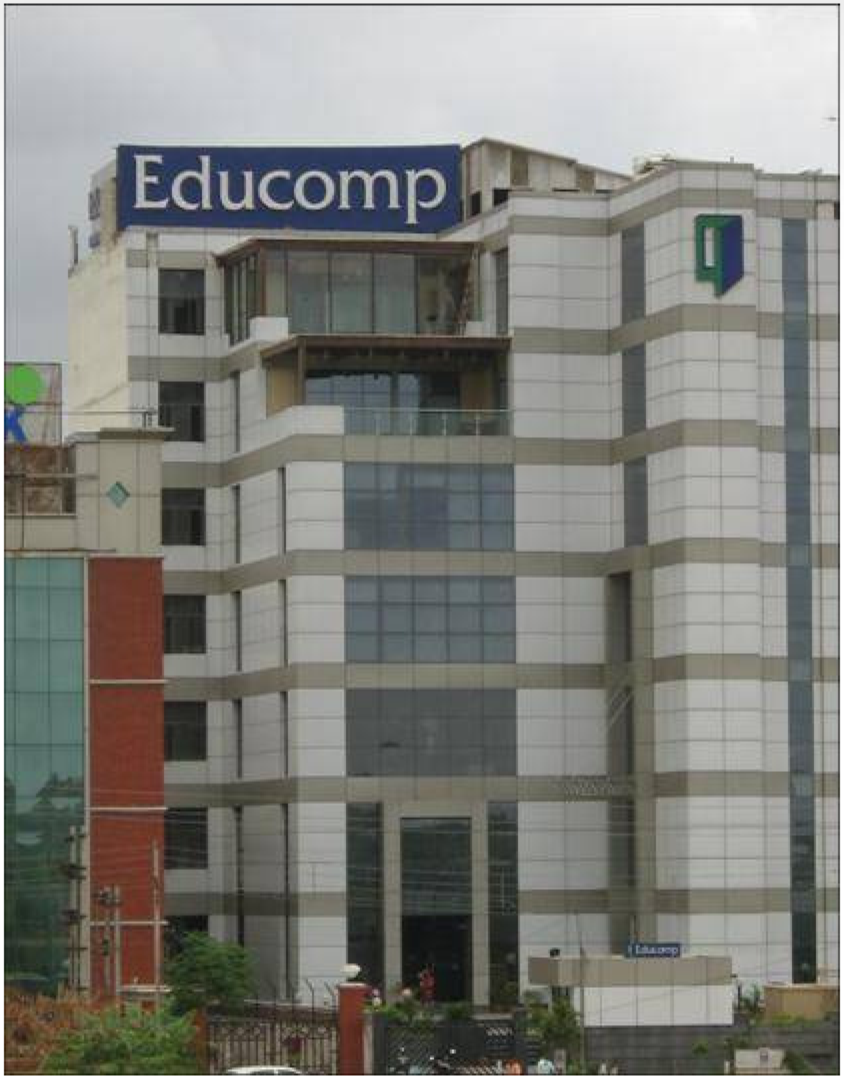


Company has sub-divided each of the existing Equity Shares of the face value of Rs.10/- each fully paid-up into five Equity Shares of the face value of Rs.2/- each fully paid-up.

Contact Us

For any Investor Relations queries please contact:

Ms. Sangeeta Gulati, CFO
Educomp Solutions Limited
Educomp Towers,
514, Udyog Vihar Phase III
Gurgaon – 122 001, Haryana
Email: investor.relations@educomp.com
Ph: 0124 - 4529000



Forward Looking Statement

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.

Educomp Q4 FY 2010 – Management Notes

SmartClass – How has the business performed in FY10? What are the growth prospects?

In Q2 FY10, Educomp changed the business model for SmartClass from BOOT model to the securitization based Edusmart model in order to rapidly penetrate the large addressable market size as well as to make SmartClass a free cashflow positive business.

Based on the merits of the new model, the company received board as well as shareholder approval to transfer all existing contracts to the new model by the end of FY10. The company transferred all the existing school contracts signed under BOOT business to Edusmart Services pvt ltd.

Based on the rapid growth of SmartClass and the increasing adoption rate, we estimate to grow the business to over 20,000 schools in the next 6 years translating to over 300,000 classrooms. There are about 75,000 private schools in India; ***this translates into an overall market of about 3 million classrooms of which Educomp's current penetration is around 1.5%.*** *Further this market is growing by about 100,000 – 125,000 classrooms each year.*

The guidance for FY11 is to add another 25,000 – 30,000 classrooms leading to an organic growth of ~50%-80% in SmartClass based on the number of classrooms added. This shows strong increasing penetration and acceptability of the product and also validates our thesis. We expect the total FY11 SmartClass revenues to be in the range of Rs 850-900cr out of which Rs 550-600cr will be through organic growth. The balance pertains to the content revenues deferment of the previous year on account of the transfer of schools.

We are also exploring a low cost SmartClass model for the schools which cannot afford SmartClass to start with, who will up-scale to SmartClass later on. This will allow us to penetrate the market at both ends and further increase SmartClass sales.

Continuing our tradition of innovation we are also launching SmartClass "live" – a service that will allow us to broadcast live lectures and test prep programs directly into schools via a VSAT connection, this will allow under-resourced schools to augment their teaching faculty with some of the best teachers in the country as well as provide best in class test prep to students of grade 9 to 12 via our product "Educomp LEAP".

How to model the SmartClass business going forward?

Further simplifying the SmartClass disclosures, we will be updating investors on a quarterly basis on the number of classrooms we have signed and price per classroom. Since our model has undergone changes in the last two quarters, these disclosures will help investors understand the growth, revenue and profitability of our business.

As we expand across the market, the total number of classrooms implemented, along with the selling price per classroom will give accurate picture of the business.

SmartClass is penetrating schools in tier 1, tier 2 and tier 3 cities and we continue to see rapid growth coming from all tiers. We have witnessed that schools in tier 2 and tier 3 cities, start with adoption of SmartClass anywhere in a range of 5 - 15 classrooms per school, with a phased increase over the years. We believe almost all schools will eventually convert their classrooms into 100% SmartClass classrooms in the coming years.

Since the sales model for SmartClass is on a "per classroom" basis, going forward we will be disclosing the actual 'number of classrooms' implemented every quarter. Also, we will be disclosing the average 'per classroom price' as well so that it becomes extremely straightforward to model the business by multiplying these two numbers.

<u>For example:</u>
Revenue recognized per classroom in the first year (X) is (say) Rs 205,800
Number of classrooms implemented (Y) disclosed is (say) 100
Revenue will be X*Y

Price per classroom*	No of Classrooms Implemented *	Total Revenue (Rs Cr)
205,800	100	2.1

*Quarterly disclosures going forward

In Q4 FY10 the average selling price per classroom was Rs 392,000. Since Educomp collects only 75% of the revenues billed (25% is for the 3rd party service provider), this translates to Rs 294,000. According to our current revenue recognition policy, we recognize 52.5% in year 1 (hardware component recognized full in year 1 and content component recognized 50% in year 1 and 50% in year 2) which translates to Rs 205,800 per classroom.

In Q4 FY10, we added 720 schools with over 6000 classrooms and implemented SmartClass in 503 schools.

Price per classroom*	No of Classrooms Implemented *	Total Revenue (Rs Cr)
205,800	4038	83.1

*Quarterly disclosures going forward

3rd party validation about the effectiveness of SmartClass product

Educomp recently hired Dun & Bradstreet Information Services, a leading Research and Advisory Services company to conduct a study on the effectiveness of SmartClass program in schools. We are very happy to share with you the results of their study below:

- "Directionally Smart Class has a positive impact on students with majority of the classes tested having a statistically significant advantage
- The impact of the technology is almost universal i.e. applicable across standards, with stronger impact on higher standards
- The advantages of Smart Class technology outweigh those of a traditional classroom

- Stakeholders including teachers and principals were of the opinion that while the Educomp Smart Class program definitely impacts both students and teachers in a positive way, ideally teaching should be a mix of the program and traditional methods
- It was almost universally agreed that the effectiveness of this technology was fairly visible "

The research and analysis carried out by D&B validates what we have always believed to be true and reaffirms our belief that SmartClass has the potential to be adopted by every single school in the country.

SmartClass and Overall Revenue and PAT reconciliation

A reconciliation of the SmartClass revenue and PBT is provided in the annexure below. In summary the **SmartClass revenue grew 53% and PBT grew 52% in FY10** based on like to like comparison. Full year FY10 Revenue eliminating the impact of transfer of existing SmartClass contracts is up by 90% on a y-o-y basis. Full year FY10 Revenue eliminating the impact of transfer of existing SmartClass contracts as well as Edusmart model is up by 65% on a y-o-y basis.

The transfer of existing contracts added a net revenue of Rs. 293.92cr for FY10 (resulting a BOOT foregone revenue of Rs 201.99cr) ie. Had we not transferred the old contracts (and recognized normal BOOT revenues) our Overall revenues for the year would have been less by Rs. 91.93cr ie. Rs. 948.58cr instead of Rs. 1040.51cr.

In FY11 we expect the SmartClass revenue to grow 81% on a like to like basis and the PBT on a 91%.

For further details, please refer to Revenue & PAT reconciliation in the annexure

How much of securitization funding is available?

In Q4 FY10, the company had sanctions of Rs 415cr of securitization funding. For FY11 the company has tied up for Rs 500cr of securitization funding for schools that will be added in FY11. This shows the acceptability of our business model with lenders. ***The company has also initiated talks with banks to do the securitization transactions without the corporate guarantee***.

What is the potential liability for Educomp under the securitization model?

Historically the liability has been negligible. Going forward we expect the potential liability to be below 1%.

What is the new focus for Educomp in FY11?

While SmartClass continues to see rapid growth in FY10 and in the years to come , the next big focus is now on K12 schools which is operated by the subsidiary Educomp Infrastructure and Services Management Limited (EISML).

We have a visibility of 69 schools till date including dry management, land sites and under-construction sites. There are 29 schools currently operational under Educomp and another 14 Euro-schools operational under Eurokids serving over 24,000 students.

From January 2010 till date 7 new schools have become operational which include Millennium schools at Bhatinda, Jalandhar and Kurukshetra. A PSBB Millennium school at Coimbatore, A Shriram Millennium school at Noida, and Takshila schools at Sangli and a Universal Academy school at Dehradun. In the coming months more schools are likey to get operational.

We are very excited about the future potential of our Schools business as we believe we are building a unique, one-of-a-kind business based on high quality research, instructional pedagogy, technology integration and an all-round development of children based on a unique curriculum inspired by our Millennium Learning System.

Our Schools business is EPS accretive and is fast becoming an important driver in the overall growth and sustainability of the group business because of highly profitable characteristics, recession-free model, negative working capital, 14 years customer lock-in and a rapidly growing business. We see almost unlimited potential in expanding the schools business over the next several years. It will become the second most important part of our business strategy after SmartClass. Further as our schools acquire stellar reputation we have also evolved a capex light version of our model in which Educomp does not invest in the land and building, but provides the entire suite of intellectual property (Our pioneering Millennium Learning System), branding, and other essential services for operating the school. In return we get long term (30 year) revenue streams and the bulk of the economics of running the school.

Continuing our goal to expand this business through partnerships and collaborations, we have recently signed a joint venture with LAVASA corporation to set up international schools in Lavasa opening our a new market segment for Educomp.

The Q4 Revenues and PAT for EISML are Rs 14.91cr and Rs 2.91cr respectively and the annual FY10 Revenues and PAT for EISML are Rs 55.06cr and Rs 17.82cr. On a y-o-y basis EISML revenues have grown at ~70% and we expect similar growth rates to continue going forward. On a y-o-y basis EISML PAT has grown at ~60% and we expect similar growth rates to continue going forward as well.

Supplemental Education Strategy

Our Supplemental Education strategy grew further with the launch of India’s first VSAT based Engineering Prep program under the brand LEAP. Educomp will open LEAP centers across Tier II and III cities in India to allow students access to high quality coaching through VSAT.

Last year, over 400,000 students appeared in IIT-JEE exam and over 1,200,000 students appeared for AIEEE exams. While 80% of these students take some form of coaching, a mere 20% of these have access to the top 10 coaching institutes of the country. The rest have to be content with sub-standard coaching due to a variety of reasons, ranging from geographical constraints, cost implications and non-availability of high quality faculty.

The IIT-JEE and AIEEE market size is today an estimated Rs.2500 Crores with an average coaching spend of each student being close to Rs. 30,000 to Rs. 50,000 yearly.

Through effective use of VSAT technology, the LEAP Centres will deliver standardized, high quality and cost effective test prep. Educomp launched LEAP centers across 13 cities including Jalandhar, Amritsar, Jammu, Patna, Surat, Guwahati, Allahabad, Varanasi, Meerut, Agra, Lucknow, Ludhiana and Gurgaon.

Vocational

Our Vocational business which is a JV with Pearson is a well oiled engine now with over 200 points of presence operational across the country is various different formats. We are excited about the future potential of this very unique business which spans across customer segments in urban, mid-market and bottom-of-the-pyramid segments, with programs and courses across a wide variety of vocations and skill sets.

ETEN has a network of over 100 centers now and is planning to diversify from programs in CA exam preparation to programs in Civil Services exam preparation.

PurpleLeap has a network of over 80 centers in colleges and will soon start offering University branded programs.

Our retail Vocational centers is now a network of over 40 centers with courses in English and IT, and is developing programs in Media, Sales & Retail and Tourism and Ticketing.

Guidance going forward

Revenue guidance for FY11 is Rs 1300-1350 crores while PAT guidance is Rs 330 – 335 crores with focus on growth engines like SmartClass and K12 schools.

We will go for further IP consolidation, innovation and investment in R&D and focus on our current breadth of products and services as we build a unique Education company with presence across the entire Educational life-cycle of our customers in the biggest education market in the world - India.

Annexure – Index

A) Smart class numbers	
Eliminating the impact of transfer of existing smart class contracts on Annual basis for Quarter 4	see Annexure 1 - Smart Class
Eliminating the impact of Transfer of existing contracts & EduSmart model for quarter 4	see Annexure 1 - Smart Class
Eliminating the impact of transfer of existing smart class contracts on Annual basis for Fy 10	see Annexure 1 - Smart Class
Eliminating the impact of Transfer of existing contracts & EduSmart model for Fy 10	see Annexure 1 - Smart Class
Projected Revenue & PAT numbers for Fy 11 on like to like basis	see Annexure 1 - Smart Class
B) Company as a whole	
Revenue reconciliation for quarter 4 on consolidated basis on like to like basis	see Annexure 2 - Revenue & PAT Reconciliation
PAT reconciliation for quarter 4 on consolidated basis on like to like basis	see Annexure 2 - Revenue & PAT Reconciliation
Revenue reconciliation for Fy 11 (annual basis) on consolidated basis on like to like basis	see Annexure 2 - Revenue & PAT Reconciliation
PAT reconciliation for Fy 11 (annual basis) on consolidated basis on like to like basis	see Annexure 2 - Revenue & PAT Reconciliation
C Projection for Fy 11	
Revenue & PAT reconciliation for Fy 11 on like to like basis	see Annexure 2 - Revenue & PAT Reconciliation

Annexure 1 - SmartClass Segment

Revenue and PAT Comparision (All figures in Rs Crs)

Eliminating the impact of transfer of existing smart Class contracts
Quarter 4

Revenue

		Q4 10	Q4 09	% change
Reported Revenue (a)		**240.87**	**110.72**	**118%**
Less: Revenue foregone				
Export Revenue (b)		-3.09	(7.64)	
Boot Revenue if model would have continued (c)	109.56			
less Boot booked in Q4 till transfer of existing contracts (d)	-			
Boot forgone (c-d) = e	109.56			
content Revenue booked on account of transfer of existing contracts (f)	(154.68)			
Net Impact (e-f) =g		**(45.12)**	-	
Adjusted Revenue (a+b+g)		**192.66**	**103.08**	**87%**

Profit Before Tax

Smart class Profit before Tax (h)		**152**	**63.46**	**139%**
less export Revenue profit eliminated @ 85% (i)		(2.63)	(6.49)	
less profit elimination on net impact as above in (g) @73% (j)		(32.94)	0	
Adjusted Profit before Tax (h-i-j)		**116.19**	**56.97**	**104%**

Eliminating the Impact of Transfer of existing contracts & EduSmart model
Quarter 4

		Q4 10	Q4 09	% change
Reported Revenue (a)		**240.87**	**110.72**	**118%**
Less: Revenue foregone				
export Revenue (b)		(3.09)	(7.64)	
-				
Boot Revenue if model would have continued (c)	109.56			
less Boot booked in Q4 till transfer of existing contracts (d)	0			
Boot forgone (c-d) = e	109.56			
content Revenue booked on account of transfer of existing contracts (f)	(154.68)			
Net Impact (e-f) =g		**(45.12)**		
Edu Smart model recognising 52.5%* (h)		(83.10)		
Revenue on account of billing assuming 10% schools signed on outright model(10%) (i)		12.58		
Adjusted Revenue (a+b+g+h+i)		**122.14**	**103.08**	**18%**

Smart Class Profit before tax (j)		**152**	**63.46**	**139%**
less export Revenue profit eliminated @ 85% (k)		(2.63)	(6.49)	
less profit elimination on net impact as above in (g) @73% (l)		(32.94)	-	
Edu smart model revenue elimination in (h) as above @ 60% (m)		(49.86)		
Out right model (10%) elimination @15% (n)		1.89		
Adjusted Profit before tax (j+k+l+m+n)		**68.21**	**56.97**	**20%**

Eliminating the impact of transfer of existing smart Class contracts

Annual Numbers FY10

Revenue			**Audited**	
		FY 09-10	**FY 08-09**	**% change**
Reported Revenue (a)		**644.52**	**317.19**	**103%**
Less: Revenue foregone				
export Revenue (b)		-3.09	(27.93)	
Boot Revenue if model would have continued (c)	388.99			
less Boot booked in Q4 till transfer of existing contracts (d)	-187.00			
Boot forgone (c-d) = e	201.99			
content Revenue booked on account of transfer of existing contracts (f)	(293.92)			
Net Impact (e-f) =g		**(91.93)**	-	
Adjusted Revenue (a+b+g)		**549.50**	**289.26**	**90%**
Smart class Profit before Tax (h)		**406**	**187.37**	**117%**
less export Revenue profit eliminated @ 85% (i)		(2.63)	(23.74)	
less profit elimination on net impact as above in (g) @73% (j)		(67.11)	0	
		-		
Adjusted Profit before Tax (h-i-j)		**336.31**	**163.63**	**106%**

<u>Eliminating the Impact of Transfer of existing contracts & EduSmart model</u>

<u>Annual Numbers FY10</u>

		FY 09-10	FY 08-09	% change
Reported Revenue (a)		**644.52**	**317.19**	**103%**
Less: Revenue foregone				
export Revenue (b)		(3.09)	(27.93)	
0				
Boot Revenue if model would have continued (c)	388.99			
less Boot booked in Q4 till transfer of existing contracts (d)	-187.00			
Boot forgone (c-d) = e	201.99			
content Revenue booked on account of transfer of existing contracts (f)	(293.92)			
Net Impact (e-f) =g		**(91.93)**	-	
Edu Smart model recognising 52.5%* (h)		(160.51)		
Revenue on account of billing assuming 10% schools signed on outright model(10%) (i)		**54.43**		
Adjusted Revenue (a+b+g+h+i)		**443.41**	**289.26**	**53%**
Smart Class Profit before tax (j)		**406**	**187.37**	**117%**
less export Revenue profit eliminated @ 85% (k)		(2.63)	(23.74)	
less profit elimination on net impact as above in (g) @73% (l)		(67.11)		
Edu smart model revenue elimination in (h) as above @ 60% (m)		(96.31)		
Out right model (10%) elimination @15% (n)		8.16		
Adjusted Profit before tax (j+k+l+m+n)		**248.17**	**163.63**	**52%**

Eliminating the impact of transfer of existing smart Class contracts

<u>Projected Numbers FY11</u>

	<u>Projected nos. for FY11</u>				
		FY 10-11		**FY 09-10**	**% change**
Reported Revenue (a)		**850.00**		**644.52**	**32%**
export Revenue (b)				(3.09)	
Boot Revenue if model would have continued (c)	438.65		388.99		
less Boot booked in Q4 till transfer of existing contracts (d)	-		(187.00)		
Boot forgone (c-d) = e	438.65		201.99		
content Revenue booked on account of transfer of existing contracts (f)	(293.92)		(293.92)		
Net Impact (e-f) =g		**144.73**		**(91.93)**	
Adjusted Revenue (a+b+g)		**994.73**		**549.50**	**81%**
Smart class Profit before Tax (h)		**535.50**		**406.05**	**32%**
less export Revenue profit eliminated @ 85% (i)		-		(2.63)	
less profit elimination on net impact as above in (g) @73% (j)		105.65		(67.11)	
Adjusted Profit before Tax (h-i-j)		**641.15**		**336.31**	**91%**

Annexure 2 - Revenue and PAT reconciliation for ESL

Quarter 4 Reconciliation

Revenue & PAT Reconciliation on consolidated basis for Fy 10 eliminating the Impact of Transfer of existing schools & EduSmart model (Re statement on BOOT Model)

Revenue Reconciliation (a)	Unaudited	Audited	
	Q4 10	**Q4 09**	**% Change**
Reported Revenue (a)	**333.07**	**229.32**	**45%**
Revenue adjustments :			
Add Boot foregone on account of transfer of existing contracts (pl. see smart class Reconciliation for details) (b)	109.56	-	
less Content revenue booked on account of transfer of existing contracts (pl. see smart class reconciliation for details) ©	(154.68)	-	
Net Excess billing on account of above (b+c) =d	**(45.12)**	**-**	
Edusmart model recognising 52.5% (e)	**(83.10)**	-	
Revenue on account of billing assuming 10% schools signed on outright model (f)	**12.58**	-	
export revenue (g)	**(3.09)**	**(7.64)**	
Adjusted Revenue from operations (a+d+e+f+g) = h	**214.33**	**221.68**	**-3%**

PAT reconciliation on" like to like basis ' (consolidated) (b)	Unaudited	Audited	
	Q4 10	**Q4 09**	**% Change**
Profit after Tax (a)	**60.37**	**55.55**	**9%**
Add additional Income taxes payable on defered content income amounting to 154.68 crores (Net of Content license expenses net of tax) (b)	39.59	**-**	
less impact on adoption of As -11 revisionary provisions (c)	-	(22.84)	
less Pat impact on Export income @ 85% margins (d)	(1.76)	(4.35)	
less profit on account of net impact of boot forgone & transfer of existing contracts @ 73% net of tax (pl. see smart class reconciliation sheet for details) (e)	(22.07)	**-**	
Edusmart model recognising 52.5% @ 58% margin (f)	(32.29)	-	
less profit on account of Earlier Out right model 10% on like to like basis @15% margin (g)	1.26	-	
RBI compounding elimination (h)	0.67	-	
amortisation in Learning .com on account of purchase of license (9.95m $) (i)	1.00	-	
losses on account of investment in subsidaries (j)	7.15	-	
Adjusted PAT from operations (A+b+C+d+e+f+g+h+i+j) = k	**53.92**	**28.36**	**90%**

Annual Reconciliation for Fy 10 on consolidated basis

Revenue Reconciliation on Annual basis for Fy 10	unAudited	Audited	
	FY 10	**FY 09**	**% Change**
Reported Revenue (a)	1,040.51	637.06	63%
Revenue adjustments :			
Add Boot foregone on account of transfer of existing contracts (pl. see smart class Reconciliation for details) (b)	201.99		
less Content revenue booked on account of transfer of existing contracts (pl. see smart class reconciliation for details) ©	(293.92)		
Net Excess billing on account of above (b+c) =d	**(91.93)**		
Edusmart model recognising 52.5% (e)	(160.51)		
Revenue on account of billing assuming 10% schools signed on outright model (f)	**54.43**		
export revenue (g)	**(3.09)**	(27.93)	
Adjusted Revenue from operations (a+d+e+f+g) = h	**839.40**	**609.13**	**38%**
Add Other income (i)	126.21	22.74	
less profit on account of Pearson (j)	-73	0	
Adjusted Total revenue (h+i+j)	**892.61**	**631.87**	**41%**

PAT Reconciliation for Fy 10	FY 10	FY 09	% Change
Profit after Tax (a)	**271.31**	**132.74**	**104%**
Add additional Income taxes payable on defered content income amounting to 293.92 crores (b) (Content license expenses net of tax)	67.98	-	
less impact on adoption of As -11 revisionary provisions (c)	-	-	
less Pat impact on Export income @ 85% margins (d)	(1.76)	(15.91)	
less profit on account of net impact of boot forgone & transfer of existing contracts @ 73% net of tax (pl. see smart class reconciliation sheet for details) (e)	(44.96)	**-**	
Edusmart model recognising 52.5% @ 58% margin (f)	(62.38)	-	
less profit on account of Earlier Out right model 10% on like to like basis @15% margin	5.47	-	
RBI compounding elimination (h)	4.69	-	
amortisation in Learning .com on account of purchase of license (9.95m $) (i)	2.00	-	
losses on account of investment in subsidaries (j)	30.50	-	
Adjusted PAT from operations (A+b+C+d+e+f+g+h+i+j) = k	**272.85**	**116.83**	**134%**
less profit on account of Pearson (l)	(73.00)	-	
Adjusted total Profit after tax from business (k+l)	**199.85**	**116.83**	**71%**

Projected Revenue & PAT for Fy 11

Projected Revenue & PAT for Fy 11 (figs in Rs crores)	Projected FY11	FY10	% change
Projected Revenue (a)	**1,300.00**	**892.61**	**45.64**
Revenue adjustments :			
Add Boot Forgone on account of transfer of existing contracts on full basis on like to like comparison (b)	438.65		
less content revenue booked which was deferred in Fy 10 on account of transfer of existing contracts in Fy 10 (c)	(293.92)		
Net Impact on account of above (b-c) =d	**144.73**		
	-		
Adjusted projected Revenue guidance (a+d)	**1,444.73**	892.61	61.85
Projected PAT (a)	**330**	**199.85**	**65.12**
Add additional Income taxes payable on defered content income amounting to 293.92 crores (b) (Content license expenses net of tax)			
(added in Fy 10 , now reversed in fy 11 , as tax liability pertains to Fy11) (b)	(67.98)		
less profit on account of net impact of boot forgone & transfer of existing contracts @ 73% net of tax (pl. see smart class reconciliation sheet for details) (c)	70.79		
Adjusted Profit after tax (a+b+c)	332.81		
	-		
	332.81	**199.85**	**66.52**