



Educomp Solutions picks up majority stake in leading GATE prep company to support aggressive growth plans in Supplemental Education Market.

Educomp investment in Gateforum Educational Services Pvt Ltd aimed at expanding presence and reach in the test preparation segment

New Delhi, February 25, 2011: Educomp Solutions Ltd, India's largest integrated education company, today announced that it has picked up a majority stake in leading test preparation company Gateforum Educational Services Pvt Ltd. Gateforum is a leader in India for providing preparatory tools for Graduate Aptitude Test in Engineering (GATE), the sole entrance test for admission to post graduate courses in technical institutes such as IITs and NITs.

Gateforum is the only organization providing comprehensive preparatory tools across India. The company offers Classroom Programs, Computer based tutorials, Distance Learning Programs, an All India Test Series and Online Test Series. For GATE 2011, Gateforum trained more than 15,500 students.

Gateforum is already present in more than 40 cities in the country through a mix of own and franchisee centers and has been a pioneer in offering several products including eTutor (online coaching) and classroom based all India test series for students preparing for GATE. The company has built a stellar track record with students from Gateforum getting outstanding results in GATE over the last few years. In GATE 2010, 13 Gateforum students got top 10 ranks and 115 students achieved top 100 ranks.

This is the second acquisition in the engineering test prep segment by Educomp within the current financial year – in August 2010, the company picked up a strategic stake in leading engineering test prep player Vidya Mandir Classes Pvt Ltd (VMC). “*The alliance with Gateforum is another leap forward in Educomp's vision to create a strong presence across the education value chain,*” said Shantanu Prakash, CEO & MD Educomp Solutions Ltd.

According to Aditya Reddy, one of the four promoters of Gateforum, “*Gateforum is pleased to associate with Educomp and we see this as an important step forward to increase reach, range and depth of services for the student community in India.*”

Educomp is already tapping the \$1.7 billion test preparation segment at multiple points with an in-school VSAT based model, after school tuition based model and online presence. Post this alliance, there are immediate synergies with Educomp's engineering test prep VMC and Leap program currently operational in 30 centres, 279 centres for vocational and test prep business and 50 high schools. Educomp today reaches out to a total of around 15.5 million learners with flagship Smart Class already present in 5,534 schools in India serving over 3.9 million students and another 2.5 million users of its various online businesses – a ready market for high quality Test Prep services.

The supplemental education market is estimated at \$8.2 billion, growing rapidly at 18% CAGR and expected to reach \$19 billion by 2014. Educomp has already created a strong base

with an investment of +Rs 92 crores in last four years, creating scale through proven technology IP and platform created by Vidya Mandir Classes, WiZiQ, ETEN using Web 2.0, VSAT.

Four-S Services Pvt Ltd acted as the sole advisor for the deal.

About Gateforum:

Gateforum is an education services company that provides preparatory tools for Graduate Aptitude Test in Engineering (GATE). The company is a leader in GATE preparation in India with presence more than 40 cities in the country through a mix of own and franchisee centers and the pioneer in offering several products including eTutor (online coaching) and classroom based all India test series for students preparing for GATE. Students from Gateforum have been getting outstanding results in GATE over the last few years. In GATE 2010, 13 Gateforum students got top 10 ranks and 115 students achieved top 100 ranks.

About Educomp Solutions Ltd:

Founded in 1994, Educomp Solutions is a globally diversified education solutions provider and the largest education company in India. Over the years, Educomp has been at the forefront of pioneering initiatives in the education space. With an employee base of more than 10000 professionals, Educomp serves 26,000 schools and 15 million learners and educators in India as well as the US, Canada, Singapore and Sri Lanka. It operates through its various subsidiaries including authorGEN, Threebrix eServices, Learning.com, USA, AsknLearn Pte Ltd, Singapore, and via its associates such as Savvica Inc in Canada. The company works closely with schools to implement innovative models to create and deliver content to enhance student learning. Educomp's long undiluted focus on the K-12, curriculum design and teacher education space, in developing applications and products, has revolutionized leverage of information technology and Internet for education. Educomp has also embarked upon innovative IP-driven projects to set up pre-schools, high schools and professional and vocational education institutions. For more information, visit www.educomp.com.