

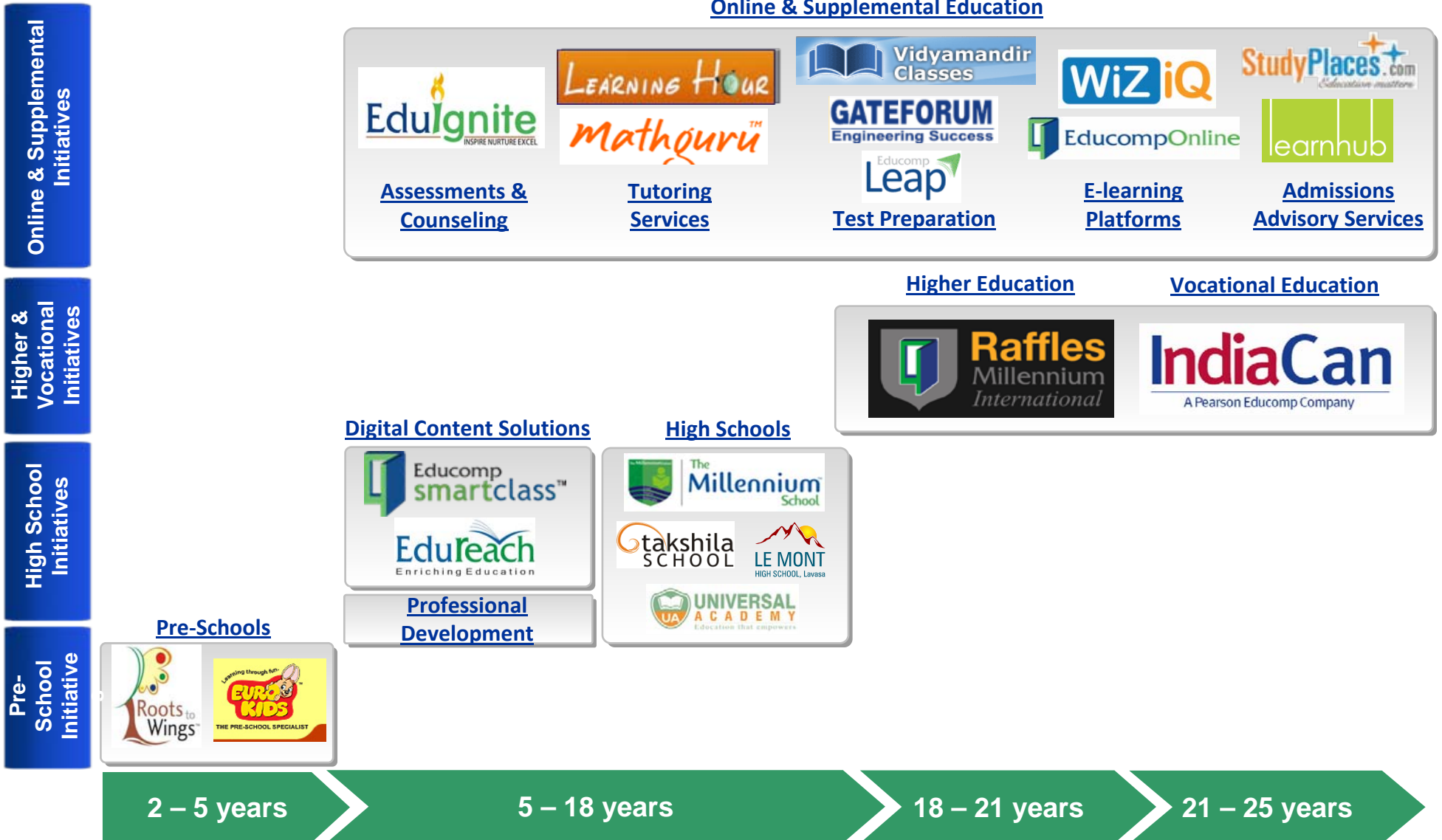
Investor Presentation



August 2011

- **Educomp is the largest Education company in India and the only company spread across the entire Education Ecosystem**
- **Educomp currently works with ~26,500 schools and serves over 17.1 million learners and educators across the world**
- **Educomp owns India's largest K12 content library with over 16,000 modules of rich 3D multimedia educational content reaching out to 4.5 million students across ~7,200 private schools and 5.8 million students across ~10,550 government schools**
- **Educomp runs ~840 pre-schools, 59 brick & mortar K12 schools, 7 colleges, 1 higher-education campus, over 365 vocational training centers, 69 Test Prep centers and has 3.5 million users of its various online businesses**
- **All businesses have a high component of intellectual property and high branding**
- **The company has been growing Revenues & Profits at a 5yr CAGR of over 80% with EBITDA margins over 40%**

Presence across entire Educational Life Cycle



Education Life-Cycle

The only Education Ecosystem Company In India

School Learning Solutions



- **Smart Class:** Teacher-led educational content solution that dramatically improves learning outcomes in Private Schools. Market leader with presence in 7202 schools



- **EduReach (formerly ICT):** Turnkey solutions for computer aided learning in government schools; Only company to have content in 10 regional languages. Market leader with presence in 10572 schools across 13 states

K12 Schools



Pre-Schools (~841 franchisee sign-ups)

- **Roots to Wings:** Educomp's own pre-school brand; currently 232 pre-schools franchisee sign-ups
- **EuroKids:** 50% stake in Eurokids, the largest pre-school chain in India with 609 pre-schools franchisee sign-ups

Vendor to Schools owned & run by independent trusts (currently 59 schools operational, visibility of 86 schools)

- **Millennium Schools:** K12 schools in Tier I and Tier II cities
- **Takshila Schools:** K12 schools in Tier III and Tier IV cities
- **Universal Academy Schools:** Budget schools brand targeted at semi-urban towns with a tuition fee of Rs.800 per month
- **Le Mont High Schools:** International Curriculum schools

Higher Learning Solutions

- **Professional Development:** Teacher Training in technology integration, pedagogy and best classroom practices. Trained 1.6million teachers till date

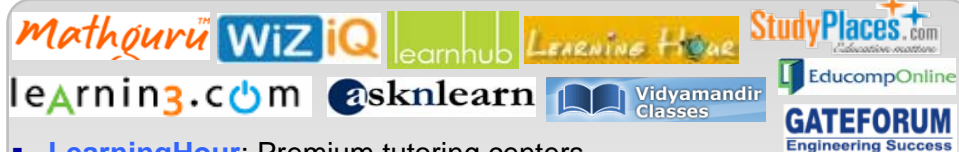


- **JV with Raffles Education:** 7 Design colleges operational; 1 higher education Engineering & PGDM campus



- **JV with Pearson:** Vocational Training programs in English Language training, Accounting, IT, Media, Retail etc. across 365 centers

Online, Supplemental & Global Initiatives



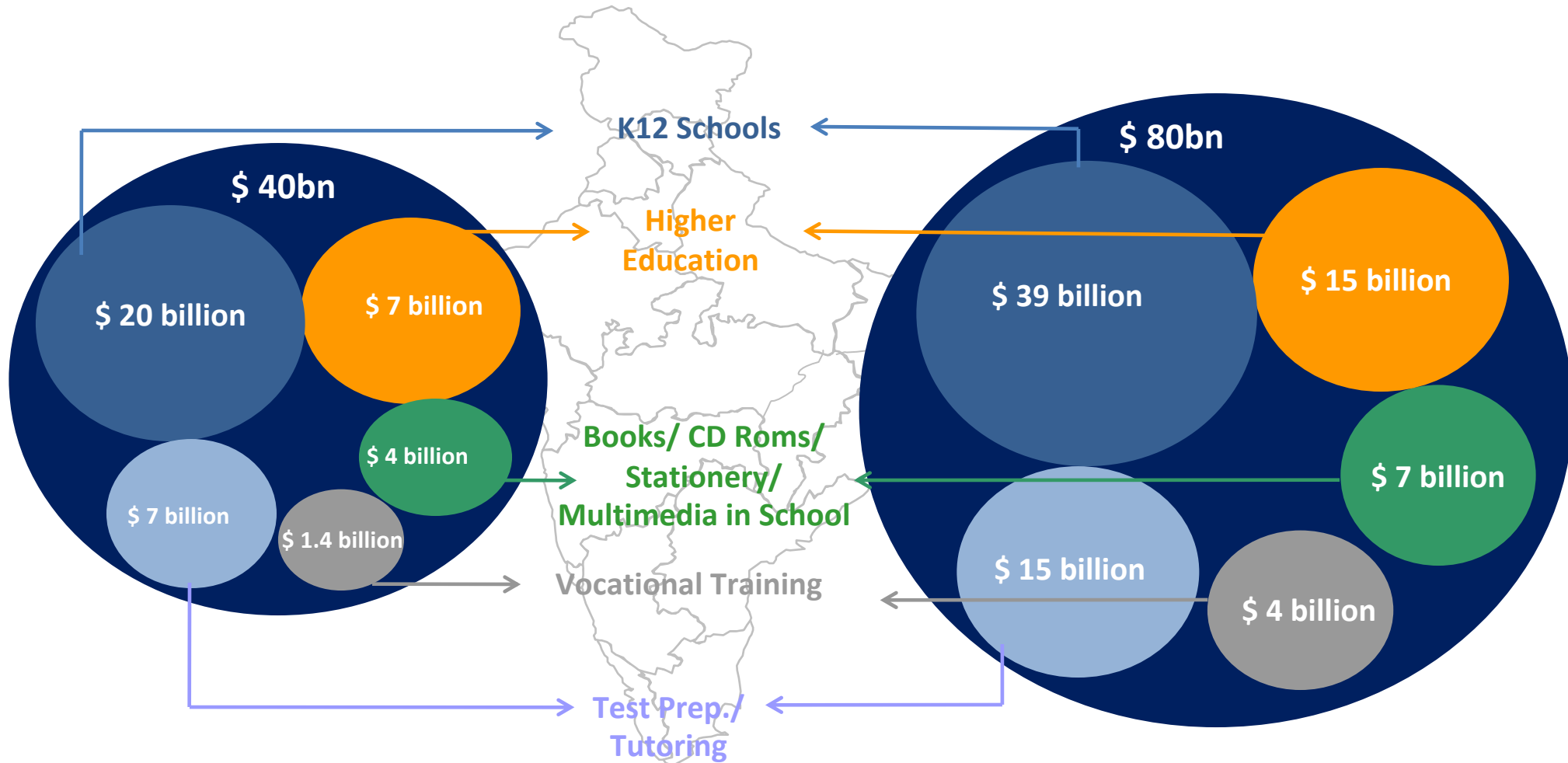
- **LearningHour:** Premium tutoring centers
- **Mathguru:** India's first & largest online math tutor & content portal
- **WizIQ:** Internet Learning Platform to connect students and teachers
- **Learnhub:** Social Learning Network
- **Studyplaces:** Education portal for admission advisory services
- **EducompOnline:** Online Learning & Testing platform
- **Vidya Mandir Classes:** India's premier IITJEE Test Prep organization
- **Gateforum:** India's premier GATE Test Prep organization
- **Learning.com:** Leading web based K12 Company in US
- **Ask-N-Learn:** Singapore's largest K12 company

The Education opportunity in India is estimated at \$40 billion

India Education Overall Market estimated at \$40bn growing at CAGR 16%

FY'09

FY'14



*CLSA Report March 2008;

Financial Year is April to March

- **Educomp benefits from huge cross-selling opportunities by monetizing students across the education life cycle from age 2 to age 25 years**
- **Flawless execution demonstrated across years**
- **Demonstrated innovation in products: SmartClass, Millennium Learning System, One-on-One Learning, ETEN, VSAT technology, Online learning, Technology integrated Supplemental education etc.**
- **High investment in R&D: 400 people in content development, over 100 people in non-digital learning materials**
- **Best in class partnerships & Joint Ventures: Raffles Education Corp. for Higher Education and Pearson plc for Vocational Education**
- **Highly entrepreneurial & experienced management team**
- **Best positioned to benefit from the growing middle class aspirations, growing consumption of quality Educational products as well as growing numbers (because of economic growth, urbanization as well as high birth rates)**

Investment case for Educomp (cont'd)

- **High growth:**
 - FY11* consolidated revenues Rs. 1351cr (~\$300 million) growing at a 5yr CAGR of 87%
 - FY11* consolidated EBITDA Rs. 539cr (~\$120 million) growing at a 5yr CAGR of 81%
 - FY11* consolidated PAT Rs. 337cr (~\$75 million) growing at a 5yr CAGR of 85%
- **High profit margins:**
 - EBITDA margins over 40% over the last 5 years
 - PAT margins over 20% over the last 5 years
- **Strong FY12 Guidance:**
 - FY12 Consolidated Revenue Guidance: Rs. 1760 cr
 - FY12 Consolidated PAT Guidance: Rs. 400 cr
- **Business models with annuity type revenue streams (3yr to 12yr annuity streams)**
- **Low levels of penetration even in our most scaled businesses**
- **Multiple engines of growth & value creation – many of them in early stage**
 - Multimedia in schools
 - K12 schools
 - Higher Education
 - Vocational Education
 - Supplemental Education
 - Internet/ Online Learning

* FY11 = Year ending March 2011

* FY12 = Year ending March 2012

Multiples engines of growth & value creation

	Current Mkt	Educomp Presence	Current Penetration	Market Position	Value Creation
Multimedia Content	\$1bn	SmartClass	<9% (by schools) <3% (by classrooms)	No. 1 player	High
ICT	\$90m	EduReach	<2%	No. 1 player	Medium
Pre Schools	\$1bn	Roots to Wings, Eurokids	<3%	No. 1 player	High
K12 Schools	\$20bn	Millennium, Takshila, Universal Academy, Le Mont High	Shortage of 200,000 schools	No. 1 corporate player	High
Professional Development	\$15m	Teacher Training	NM	No. 1 player	Low
Higher Education	\$7bn	Raffles JV	Shortage of 1500 universities	Growing presence	High
Vocational Education	\$1.4bn	Pearson JV	Requirement of skilled labor force of 500 million by 2022	Among Top 2 players	High
Online & Supplemental	\$7bn	Mathguru, WizIQ, VMC, Gateforum, Learnhub, Learning Hour, Edulgnite, EducompOnline, Studyplaces	NM	No. 1 player	High

Educomp – Business Description



Covering 7202 schools and
~4.5 million students

What is SmartClass

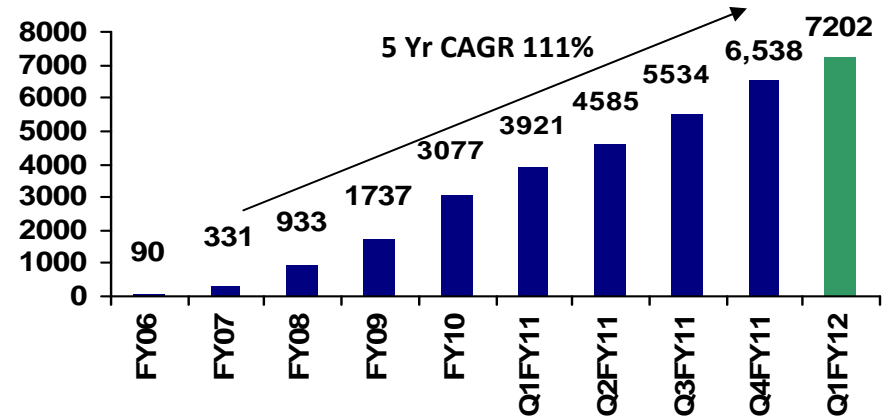
- Solution designed to assist teachers & enhance students' academic performance
- Also enables teachers to instantly assess and evaluate the learning achieved

How does it work

- India's largest Digital Content library of over 16,000 modules of curriculum-mapped, multimedia rich, 3D content
- Classrooms are equipped with Interactive digi-boards with overhead projectors



No of Schools Signed



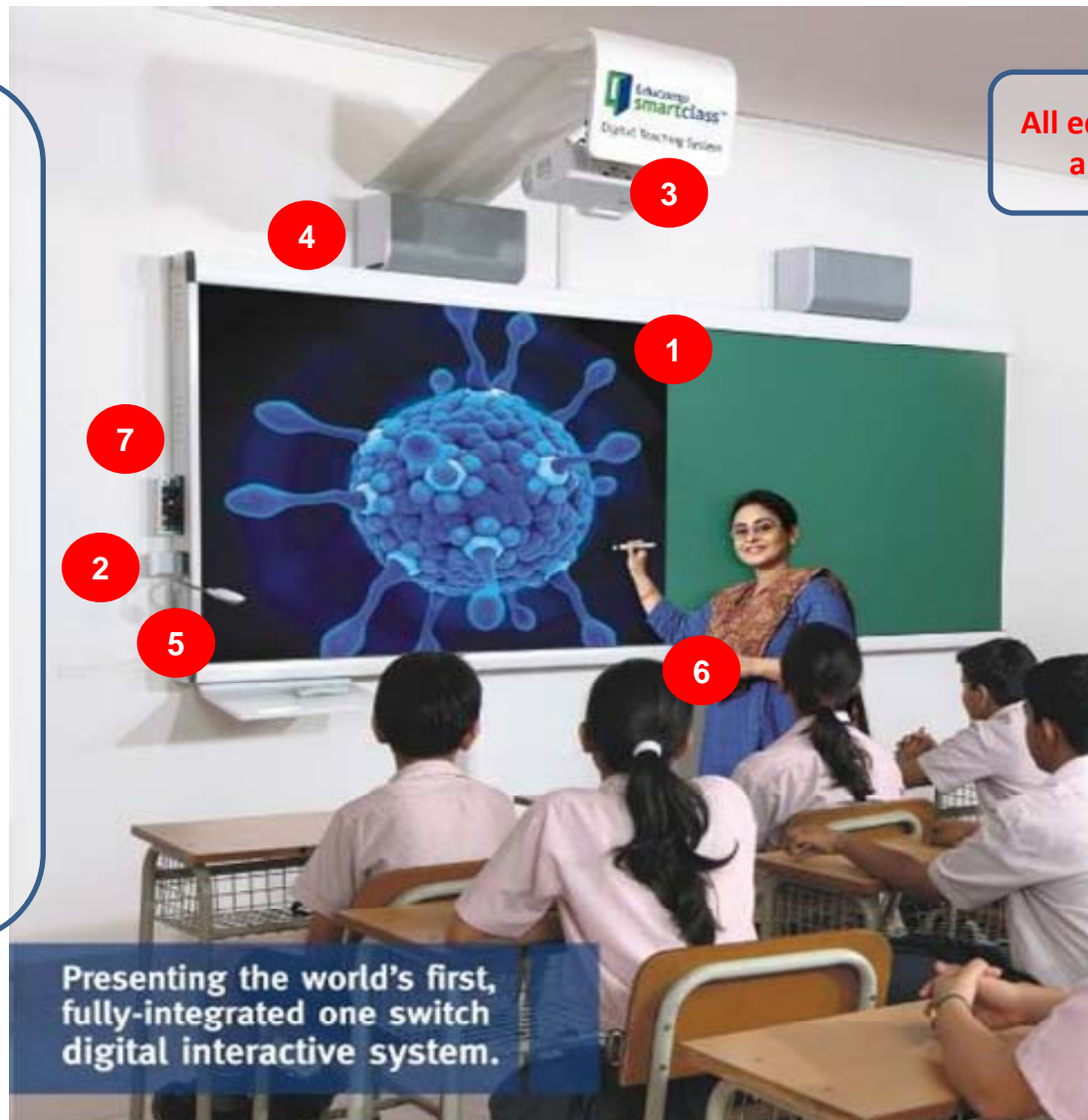
Financial Year is April to March



Breaking barriers of what digital teaching and learning can be

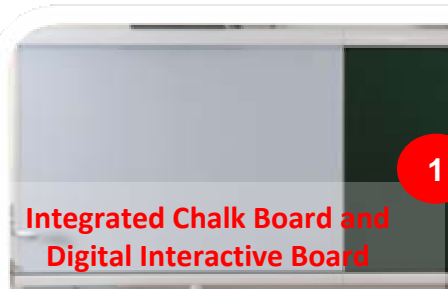
- Worksheets
- Animations
- MCQs
- Assesment for Learnings
- Topic Synopsis
- Mind Maps
- Weblinks
- Teaching Ideas
- Real life Applications
- Simulations
- Diagrams
- My Resources

Robust Design for Indian conditions: smartclass DTS is specially designed to work in high ambient temperatures and dusty conditions prevalent in most Indian classrooms, unlike most other imported interactive whiteboards that are always at a risk of breakdown in such conditions. Moreover the system can be locked with one key to ensure high security and safety of the equipment



All equipment integrated as a single modular unit

SmartClass – Digital Teaching System™



Integrated Chalk Board and Digital Interactive Board

1

A large panel green chalk board seamlessly conjoined with digital whiteboard as an integral part of the system. This allows the teacher to continue to use her favorite chalkboard for any additional instructions besides the interactive white board.



Short Throw Overhead Projector

3

Disruption free projection with the projection system mounted overhead at a short distance from the board to ensure that the teachers shadow does not fall on the board while she is teaching.



Integrated Stereo Sound System

4

A specially designed stereo system in-built in the frame, for distortion free and clear sound quality in class, irrespective of the acoustic conditions and size of the classroom

Different hardware components (projection system, interactive whiteboard, CPU, UPS, speakers etc.) –moulded into a single compact unit enhance efficiency & durability while also reducing the installation time required



Integrated Modular Unit

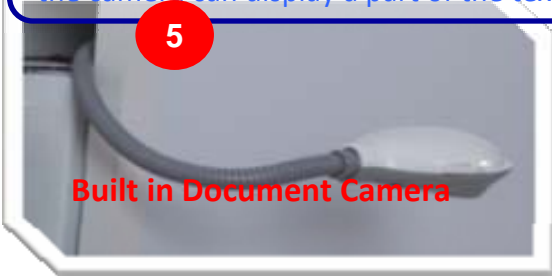
2

A unique small and easy to operate document camera to show enlarged images of objects such as seeds, leaves, flowers etc. or paper workings/ assignment sheets of students on the whiteboard for the whole class to view. A text book page under the camera can display a part of the text or an image in the book to the whole class.



One Switch Operation

7



Built in Document Camera

5

The teacher can operate and manipulate the animation materials remotely with a handy remote control even when she is away from the board interacting with the students.



Remote Control for Teacher

6

Teachers save precious teaching time while switching the system on and off before and after the class

First company in the world to launch a full suite of 3D Stereoscopic product for schools



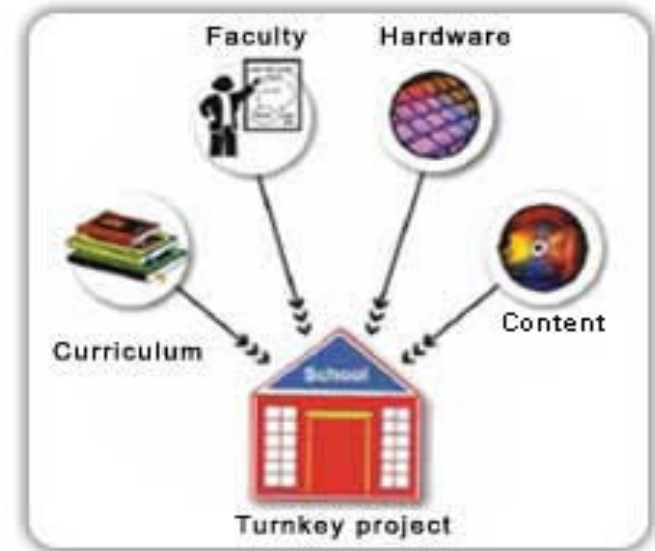
- **Educomp SmartClass 3D Lab provides a unique and highly immersive experience to view curriculum concepts in life like format in 3D**
- **3D SmartLab is fully equipped with stereoscopic 3D projection system, 3D electronic viewing glasses , specially designed 3D curriculum library created for the first time in the world**



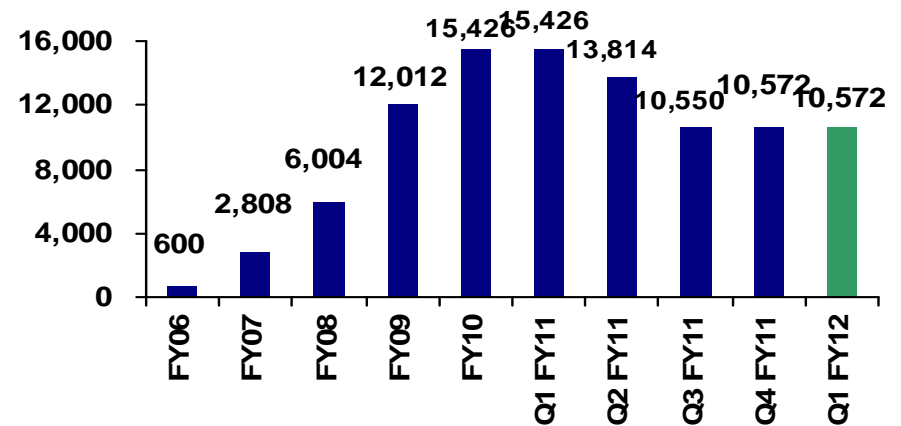
Covering 10,572 schools and ~5.8 million students

Overview of ICT Solution

- Educomp participates in government initiatives in a 'Public Private Partnership' model to IT enable ~1,000,000 government schools in India
- Educomp sets up Computer Labs in Govt. Schools and provides Multimedia Content in regional languages, Testing and certification in computer education, Full time assistants as well as teacher training and Monitoring and Supervision



No of Schools Signed



Financial Year is April to March

Pre-Schools – India's largest Pre-School company with ~840 Pre-Schools



- First structured and process driven IP in the fragmented space for early childhood education (2 to 4 years)
- **232 pre-schools** franchisee sign-ups till date catering to over 8000 kids
- Created pioneering IP of over **100,000 pages**



- **Eurokids: India's leading chain of Pre-Schools**
- **609 pre-schools** franchisee sign-ups in the country catering to over 32,700 kids enrolled from age 2-4
- **14 Euroschools** (K12 schools), operational on Franchise Basis
- Recipient of 'Best Licensing Programme in Education' at Indian Education Congress 2011 by Franchising India

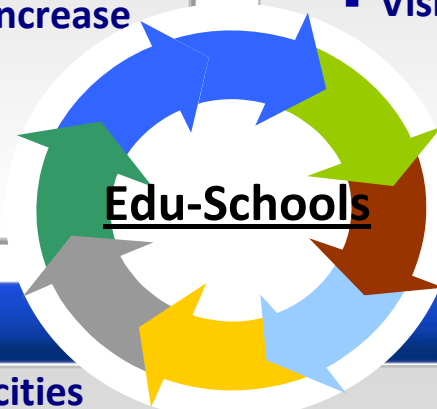
Creating core K12 Schools capacity

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

Educomp's Goal

- Educomp aspires to set up 150 schools in the country
- Currently 59 schools under operation
 - Visibility of 86 schools



Portfolio of Brands

- K12 schools in Tier I & Tier II cities
- Co-branded schools with Shriram schools
- Co-branded schools with PSBB group of Schools
- Partnership schools with Vasant Valley School
- K12 schools in Tier III and IV cities
- Budget schools with a tuition fee of Rs.800 per month
- International Curriculum schools

Strong R&D Capability



- Over 750 textbooks and workbooks
- Over 19,000 Lesson Plans
- Over 26,000 worksheets
- Over 11,000 Activities and 3,000 projects
- Over 500 Teaching manuals

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 upwards of 30% in steady state
- 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

Creating high-quality core K12 Schools capacity



The Millennium School, Lucknow



The Millennium School, Mohali



**PSBB Learning Leadership Academy,
Bangalore**



The Millennium School, Patiala



The Millennium School, Noida



The Millennium School, Panipat



The Millennium School, Amritsar



The Millennium School, Kurukshetra



Takshila School, Gaya

Creating high-quality core K12 Schools capacity



Takshila School, Hoshiarpur



PSBB Millennium School, Coimbatore



Mussoorie International School



The Millennium School, Meerut



The Millennium School, Nagpur



Le Mont High, Lavasa



Chiranjiv Bharti School, Palam Vihar, Gurgaon



PSBB Millennium School, Chennai OMR



PSBB Millennium School, Chennai Porur

Creating high-quality core K12 Schools capacity



Takshila School, Ahmednagar



Chiranjiv Bharti School, Sushant Lok, Gurgaon



Millennium School, Bhatinda



The Millennium School, Indore



Universal Academy, Dehradun



PSBB Millennium School, GST Road, Chennai



Shriram Millennium School, Noida

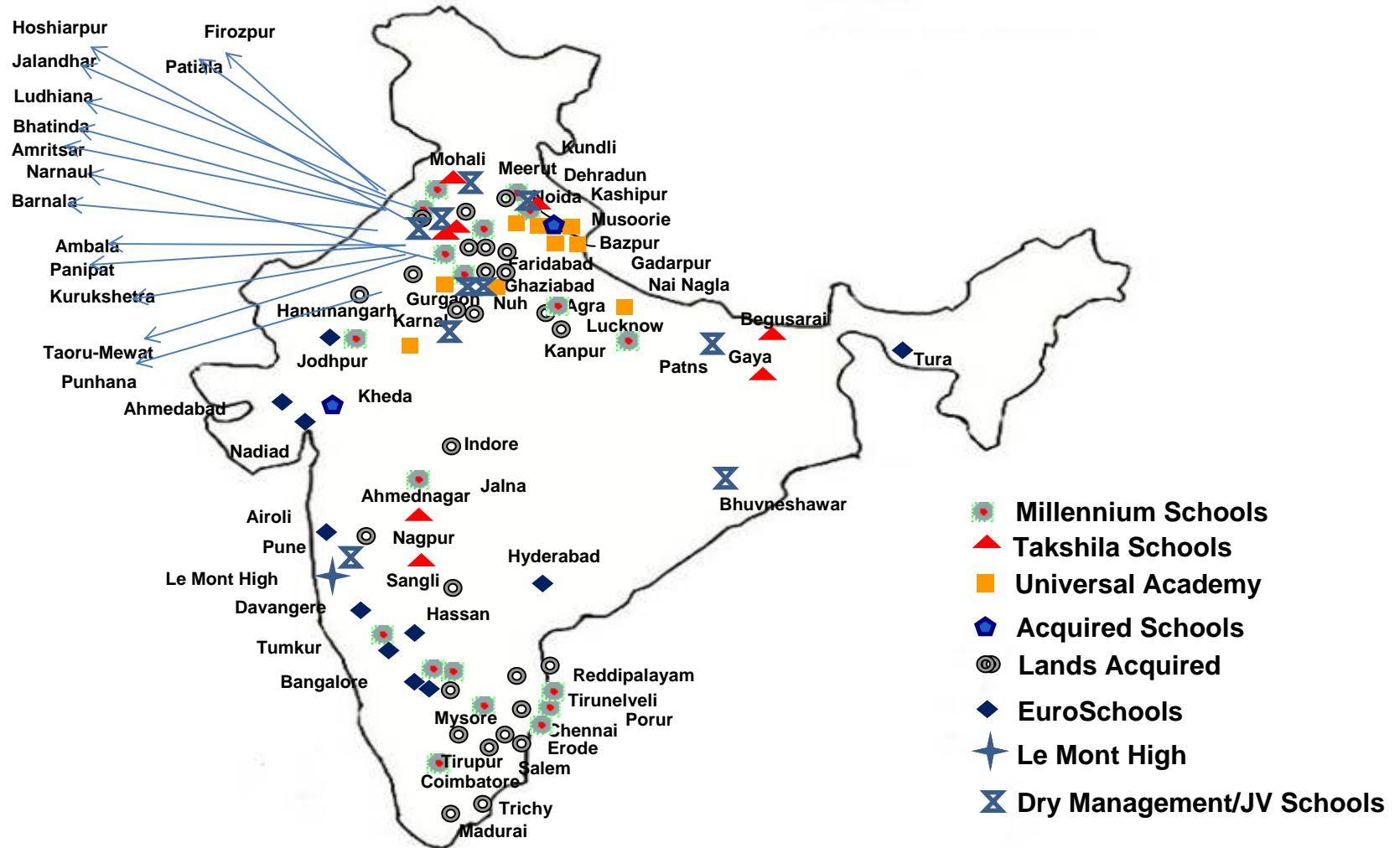


Millennium School, Jalandhar



Millennium School, Karnal

Current Location of Schools (Visibility* of 86 Schools, 59 currently Operational)



Raffles JV – Building International Quality Higher Education Capacity

Raffles JV:



- 7 Raffles Millennium International Design colleges currently operational
- Admissions started for Engineering & PGDM programs in AICTE approved JRE campus in Greater Noida
- Academic sessions to begin August 2011 onwards
- Affiliation received for Engineering College with Mahamaya Technical University in UP
- Awareness programs conducted in more than 100 colleges/schools countrywide





- **VSAT based teaching/learning model**
- **Network of 150 centers operational**
- **Over 45,000 students enrolled for CA Coaching in FY11; 21000 students enrolled in Q1FY12 alone**
- **52 All India Ranks including 4 All India No. 1 Ranks in different CA exams in FY11**



- **Proposition: Industry ready talent**
- **Distribution Model: Inside College**
- **Delivery Model: Hybrid Learning (VSAT + In person sessions)**
- **Network of 120 colleges**
- **Over 14,000 students enrolled in FY11**

Retail Vocational Channel

- **Retail network of Vocational Training centers**
- **Network of 95 centers**
- **Over 11,000 enrollments in FY11**

Educomp Supplemental - A unique Supplemental Education platform



Assessments
& Counseling



Tutoring
Services



Test Preparation



E-learning
Platforms



Admissions
Advisory Services

India Education Fund – Partnership with Great Lakes Institute of Management

- **India Education Fund made an investment in Beacon Learning Private Limited (Beacon)**
 - Beacon is a management and services provider for higher education institutions, providing a range of specialized services designed to improve academic quality, industry relevance and employability
 - Beacon’s reach currently extends to over 3,000 students and 15 programs across India
- **India Education Fund through Beacon, made a strategic investment to expand the presence of Great Lakes Institute of Management across India:**
 - Great Lakes is ranked amongst the top 10 B-Schools in India (by Business Standard) in a short span of 7 years
- **Dr Bala Balachandran (founder) was ranked 4th in the Economic Times “Top 10 Global Indian Thought Leaders” list**





- Formed Joint Venture with Zeebo Inc., a Qualcomm funded company, to launch First Wireless Educational Platform for children in India
- Zeebo India, a JV of Zeebo Inc., to expand reach of digital technology and interactive content in Indian homes and schools
 - Plans to introduce a version of Zeebo's 3G-connected education and entertainment system specifically for the Indian market in 2011
 - Connected to any TV, Zeebo will provide access to a wide array of digital content, including Educomp's rich multimedia educational content library
 - Feature rich system to provide internet connectivity, email, downloadable family-oriented games etc.



Content Leadership in North America & South East Asia

learnin3.com

- Premier provider of Web-delivered K12 curriculum and assessments
- Digital Learning Environment products
- Reach across 7,700 schools, 1550 school districts and **3.2 million students** and 125,000 teachers across the US
- Unparalleled distribution access and strong footprint in the US
- US is the largest education market in the world

Sky

Aha!Math™ easytech™

Aha!Science™ techliteracy™
assessment

asknlearn

- Leading K12 education company in Singapore
- Catering to over **230 educational institutions** across Singapore, China, Thailand, Philippines, Vietnam, Japan and Brunei
- Started groundwork to launch SmartClass in China through CDEL (China Distance Education Holdings)

Edulearn
Learning Management Systems

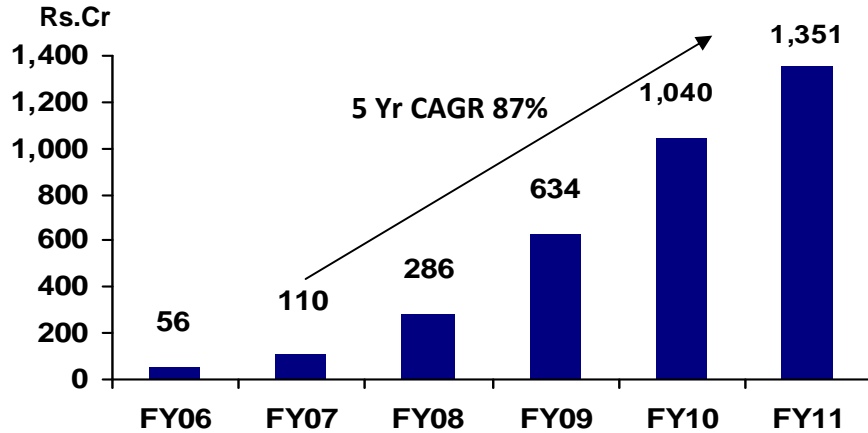
WizLearn

Singapore
LEARNING

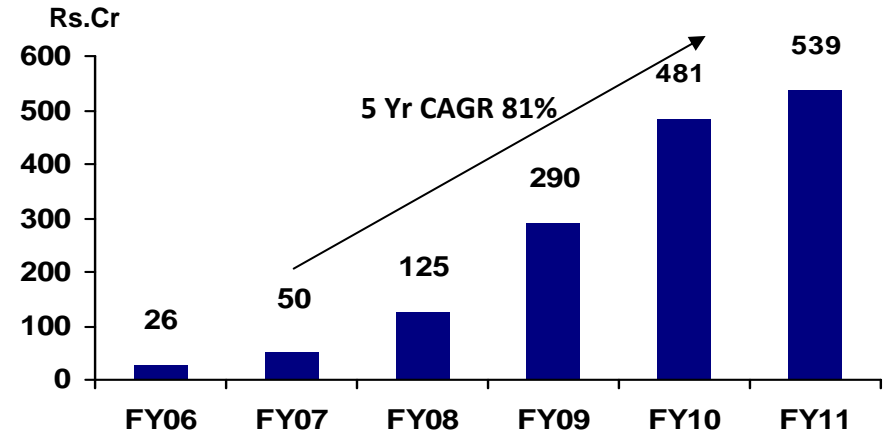
SAVE

Financials Snapshot (Consolidated basis)

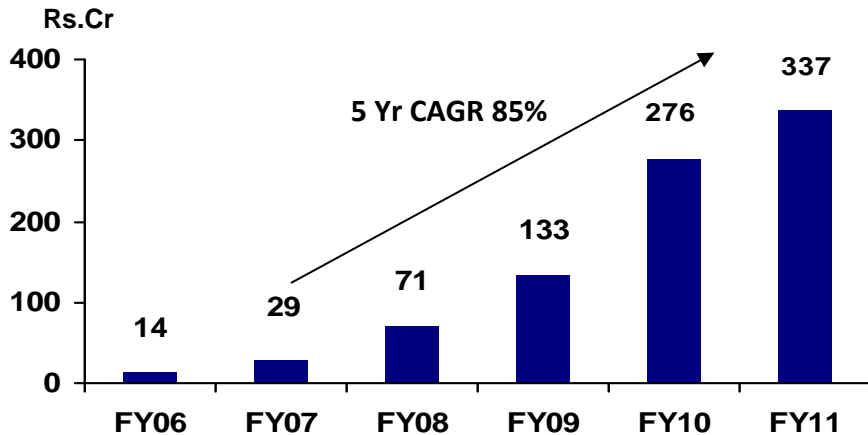
Revenue Growth



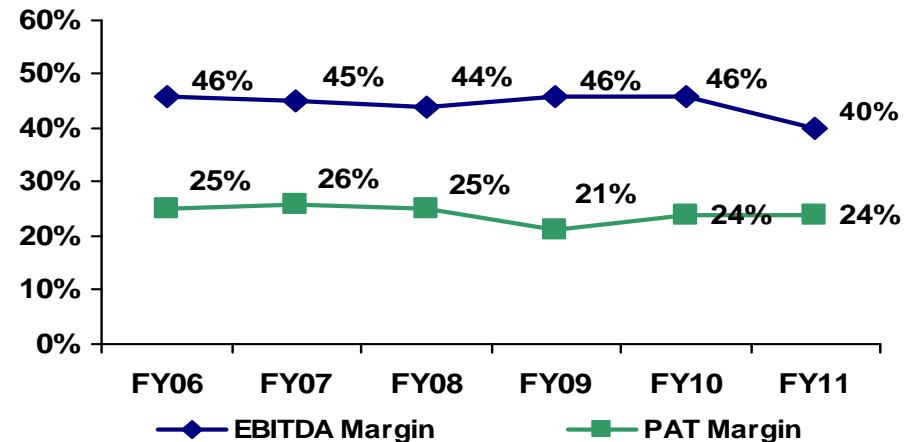
EBITDA Growth



PAT Growth



EBITDA & PAT Margins



Rs 1 Cr = Rs 10 Million

Financial Year is April to March

Q1 FY12 – Consolidated Financials

Consolidated Financials			
	Q1 FY12	Q1 FY11	YoY
	Rs Cr	Rs Cr	%
Income			
Sales & Service income	292.4	227.9	28%
Other income	6.7	10.0	
Total Income	299.2	237.9	26%
Expenditure			
Cost of goods sold	58.3	68.7	
Personnel expenses	72.9	51.5	
Administration and other expenses	55.8	41.3	
Finance charges	32.9	16.1	
Depreciation	25.2	19.8	
Total Expenditure	245.0	197.4	24%
EBITDA	102.6	69.2	48%
<i>EBITDA Margin</i>	<i>35%</i>	<i>30%</i>	
EBIT	77.4	49.4	57%
<i>EBIT Margin</i>	<i>26%</i>	<i>22%</i>	
Profit before tax	54.1	40.5	34%
<i>PBT Margin</i>	<i>18%</i>	<i>17%</i>	
Provision for tax*	14.1	3.9	
Pre-acquisition profits	0.0	(0.0)	
Share of profit in associates	0.5	0.6	
Minority interest	2.9	(0.5)	
Profit after tax, minority interest & pre-acquisition profits*	36.6	36.5	0%
<i>PAT Margin*</i>	<i>12%</i>	<i>15%</i>	
EPS (Rs)			
Basic *	3.82	3.83	0%
Diluted*	3.60	3.69	-2%

Note

* Tax expense is increased due to full tax rate in Q1 FY12 as compared to lower ETR in Q1 FY11

Q1 FY12 – Standalone Financials

Standalone Financials			
	Q1 FY12	Q1 FY11	YoY
	Rs Cr	Rs Cr	%
Income			
Sales & Service income	185.7	165.8	12%
Other income	7.4	7.4	
Total Income	193.1	173.2	12%
Expenditure			
Cost of goods sold	45.7	63.6	
Personnel expenses	37.9	26.7	
Administration and other expenses	20.7	17.9	
Finance charges	20.3	7.5	
Depreciation	11.8	9.7	
Total Expenditure	136.4	125.4	9%
EBITDA	77.5	60.5	28%
<i>EBITDA Margin</i>	<i>42%</i>	<i>36%</i>	
EBIT	65.6	50.7	29%
<i>EBIT Margin</i>	<i>35%</i>	<i>31%</i>	
Profit before tax	56.7	47.8	19%
<i>PBT Margin</i>	<i>29%</i>	<i>28%</i>	
Provision for tax*	13.2	3.5	
Profit after tax*	43.5	44.2	-2%
<i>PAT Margin</i>	<i>23%</i>	<i>26%</i>	
EPS (Rs)			
Basic *	4.54	4.64	-2%
Diluted*	4.28	4.44	-4%

Note

* Tax expense is increased due to full tax rate in Q1 FY12 as compared to lower ETR in Q1 FY11

Q1FY12 - Segmental Revenue & EBIT (Consolidated)

Revenue by Segments			
	Q1 FY12	Q1 FY11	YoY
	Rs Cr	Rs Cr	%
School Learning Solutions	180.7	159.1	14%
K12 Schools	44.0	30.5	44%
Higher Learning Solutions	23.6	9.0	163%
Online, Supplemental & Global	44.2	29.3	51%
Total	292.4	227.9	28%

EBIT by Segments			
	Q1 FY12	Q1 FY11	YoY
	Rs Cr	Rs Cr	%
School Learning Solutions	84.5	66.0	28%
K12 Schools	16.2	11.7	39%
Higher Learning Solutions	-4.9	-4.4	NM
Online, Supplemental & Global	1.0	-6.3	NM
Total	96.8	67.1	44%

Debtor Days*	
	Q1 FY12
School Learning Solutions:	
Smart Class* *	114
ICT	39
K12 Schools**	27
Higher Learning Solutions	11
Online, Supplemental & Global	2
Total	193

Note

*On annual sequential consolidated turnover

**Debtor Days have increased on account of closure of schools due to summer vacations

Consolidated Balance Sheet

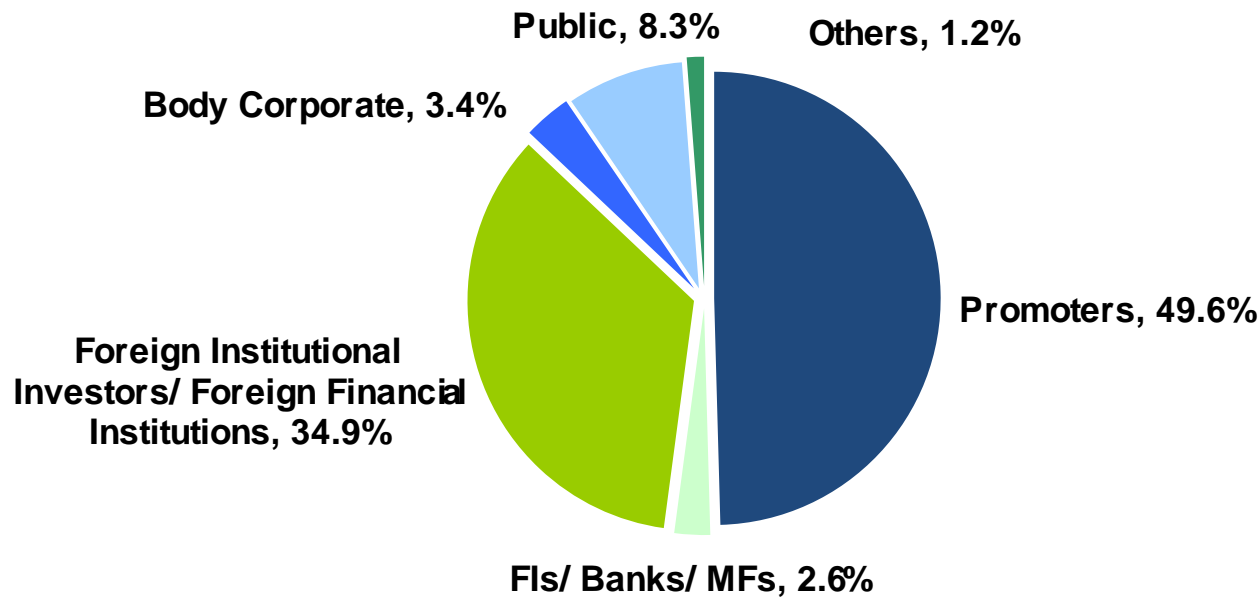
Consolidated Balance Sheet		
	As at 30th Jun 2011	As at 31st Mar 2011
	Rs Cr	Rs Cr
Sources of funds		
Shareholders' funds		
Share capital	19.2	19.1
Reserves and surplus	2,186.3	2,138.8
ESOP outstanding account	16.2	20.6
Minority interest	240.2	236.5
Loan funds	1,618.3	1,437.3
Deferred tax liability (Net)	5.2	8.1
Total Sources of Funds	4,085.5	3,860.4
Application of funds		
Goodwill	871.9	851.8
Total Fixed Assets	1,996.9	1,778.7
Investments	105.8	123.5
Current assets, loans and advances		
Inventories	73.3	47.2
Sundry debtors	747.3	625.4
Cash and bank balances	222.3	448.9
Loans and advances	418.4	371.4
Other current assets	7.5	4.9
Less : Current liabilities and provisions		
Liabilities	303.9	353.3
Provisions	53.9	38.2
Net current assets	1,111.0	1,106.4
Total Application of Funds	4,085.5	3,860.4

Rs 1 Cr = Rs 10 Million

Financial Year is April to March

Shareholding Pattern – As on June 30, 2011

Equity Shares Outstanding-95,967,980



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.

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

