

Press Release**Educomp Solutions announce Joint Venture with Pearson to support Vocational Learning in India**

New Delhi, June 24, 2009- Educomp Solutions, India's largest education company today announced an agreement to set up a joint venture with Pearson, the International Education and Information Company offering skills training in India, one of the world's fastest growing labour markets.

Under the agreement, Pearson will acquire a 50 per cent stake for USD 17.5 million in Educomp's existing vocational training business.

Reflecting its commitment to inject the best of Pearson's global capabilities into the joint venture, the training will also be backed by industry-standard certifications provided by Edexcel, Pearson's market-leading qualifications and accreditation arm.

The new business will deliver a full span of world-class training, assessment and accreditation across a variety of skills and industries at a time of strong and growing demand for effective adult learning opportunities.

India's new government has identified not just employment but "employability" as a priority and is committed to multiplying the supply and scope of appropriate skills training for its young and growing labour force.

Government bodies such as the National Knowledge Commission argue that a failure to do this would dampen manufacturing and services competitiveness and ultimately act as a drag on realising the full value of the country's economic potential.

Pearson's increased investment in the Indian market comes a year after it identified the country as a key long-term growth opportunity and set a goal of building a significant educational content, assessment and services business.

By partnering with the BSE and NSE-listed Educomp Solutions for vocational training, Pearson gains a partner with a leading position in the growing education market through its technology-based teaching products to schools, e learning initiatives, public-private partnerships with 14 state government in India, as well as its nascent businesses in school management.

Both parties will jointly fund the new business during the start-up phase and make available to it the considerable assets and capabilities of its respective parents.

Pearson will contribute its world-leading educational content, faculty and assessor development services to maintain the quality of the training. Educomp will bring its deep experience in recruiting and training faculty as well as its pioneering foray into satellite-based distance

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education programs and its partnerships with various governments to provide employability training to youth at the bottom of the pyramid.

The JV will provide training for essential professional skills, and will include English. Employers in India regard English fluency as decisive in recruitment, while employees see it as an “enabler” to better careers. Besides English, the JV will target other vital skills areas for sectors such as financial services and retail, both at the heart of India’s services-based economy and where the recruitment outlook is buoyant.

Training courses will be instructor-led and supported by technology. The courses and content, which will use and adapt Pearson’s existing educational content wherever possible, will be delivered through Educomp’s network of owned and partner sites (dedicated franchise centres and out-of-hours classroom hire in schools and colleges).

John Makinson, Chairman, Pearson India, and the Pearson board member leading the Indian strategy, said: *“This exciting new venture is perfectly poised to meet the exploding demand for professional skills training in India’s service-based economy. The National Skills Development Council is targeting training 500 million workers by 2020 – this is one of the largest opportunities available anywhere in the world of education, and as the respective market leaders in educational services in India and internationally, Educomp and Pearson have all the skills and experience necessary to capture it.”*

Shantanu Prakash, CEO & MD, Educomp Solutions Ltd, said: *“We are delighted to team up with Pearson, the world’s leading learning company. This landmark partnership is an indicator of our long-term commitment to investing in vocational education. The partnership will address the growing chasm between education and employability in India. Pearson’s vast body of content and experience is a perfect complement to our grassroots business model for the vocational education space.”*

About Pearson in India: Pearson has a longstanding and growing presence in India. Pearson Education is the country’s leading publisher in the higher education and schools segment; Penguin Books India publishes the country’s best-known authors including Shobhaa De, Nandan Nilekani and Amitav Ghosh; and The Financial Times has a leading position among global news organisations in its coverage of Indian economic and business affairs. More recently Pearson’s professional testing business Pearson Vue established its Asia-Pacific headquarters in India, recognizing the potential of the market, and MergerMarket, a provider of high-value market intelligence for financial institutions, set up a bureau in 2005.

About Educomp Solutions Ltd: Educomp Solutions is the largest education company in India, where it has been at the forefront of pioneering initiatives in education. With an employee base of more than 4,500 professionals, Educomp serves 23,000 schools and 12 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

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