

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER 2007

S. No.	Particulars	(Rupees in lacs)				
		Quarter ended		Half - Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2007	30.09.2006	30.09.2007	30.09.2006	31.03.2007
1	Net Sales/Income from operations	4,494.16	1971.28	7,244.41	2908.01	10657.40
2	Other Income	367.42	38.20	753.70	126.12	559.81
	Total Revenue	4,861.58	2009.48	7,998.11	3034.13	11217.21
3	Total Expenditure:					
	(Increase)/ Decrease in stock	-451.60	(8.11)	-482.89	(17.37)	(151.59)
	Purchases	1,611.31	232.29	1,890.50	391.34	3193.64
	Personnel expenses	521.89	341.64	1,315.60	555.68	1051.30
	Administration & Other expenses	523.96	478.93	894.93	701.76	1561.32
	Total Expenditure	2,205.56	1044.75	3,618.14	1631.41	5654.67
4	Interest	75.36	10.70	132.31	17.95	132.86
5	Depreciation	694.37	186.60	1,221.05	324.07	939.30
6	Profit Before Tax (1+2-3-4-5)	1,886.29	767.43	3,026.61	1060.70	4490.38
7	Provision for taxation:					
	. - Current tax	135.96	29.27	551.11	147.60	1169.33
	. - Deferred tax	377.71	224.55	499.66	205.07	431.52
	. - Fringe benefit tax	11.01	7.29	17.26	14.06	31.14
8	Net Profit (6-7)	1,361.61	506.32	1,958.58	693.97	2858.39
9	Paid up Equity share capital (Face Value Rs.10/- each)	1,722.59	1595.98	1,722.59	1595.98	1598.51
10	Reserve excluding revaluation reserves (As per Balance Sheet) of previous financial year	-	-	-	-	9871.27
11	Earning per share (not to be annualized) in Rupees					
	Basic	7.95	3.17	11.78	4.35	17.90
	Diluted	6.48	3.17	7.46	4.35	15.87
12	Aggregate of non-Promoters Share Holding:					
	. - Numbers of Shares (Nos.)	7,537,625	5,602,411	7,537,625	5,602,411	5,956,875
	. - Percentage of shareholding	43.76%	35.10%	43.76%	35.10%	37.27%

Additional Information as per recently amended Clause 41 of Listing Agreement:

(Rupees in lacs)

S No	Particulars	Quarter ended 30th September 2007	Half-year ended 30th September 2007
1	Consolidated Turnover	5689.33	8857.77
2	Consolidated Profit After tax	1309.84	1900.97
3	Consolidated Earning per share (not to be annualized) in Rupees		
	Basic:	7.65	11.43
	Diluted:	6.20	7.14

Segment wise Revenue, Results and Capital Employed

S. No.	Particulars	(Rupees in lacs)				
		Quarter ended		Half - Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2007	30.09.2006	30.09.2007	30.09.2006	31.03.2007
1	Segment Revenue					
	Professional Development	640.30	673.00	1247.81	1026.80	1,754.00
	Smart Class	2,595.46	477.00	4279.84	714.94	4,658.28
	Instructional & Computing Technology (ICT)	1120.45	709.00	1488.06	971.90	3,017.15
	Retail & Consulting	137.95	112.28	228.70	194.37	1227.97
	Total Net Sales/ Income from Operations	4494.16	1971.28	7244.41	2908.01	10657.40
2	Segment Results (Profit before Interest & tax from each segments)					
	Professional Development	360.18	425.97	718.70	603.01	1050.80
	Smart Class	1428.77	261.69	2385.84	364.15	2705.95
	Instructional & Computing Technology (ICT)	303.24	203.07	421.72	294.60	981.23
	Retail & Consulting	56.52	43.97	109.11	62.22	580.12
		2148.71	934.70	3635.37	1323.98	5318.10
	Less: Interest (Net)	75.36	10.70	132.31	17.95	132.86
	: Other un-allocable expenses (net of un- allocable income)	187.06	156.57	476.45	245.33	694.86
	Total Profit before Tax	1886.29	767.43	3026.61	1060.70	4490.38
3	Capital Employed					
	(Segment Assets- Segment Liabilities)					
	Professional Development	1299.61	836.68	1299.61	836.68	21.65
	Smart Class	9042.3	2521.49	9042.30	2,521.49	6323.38
	Instructional & Computing Technology (ICT)	3468.49	3046.09	3468.49	3046.09	2643.79
	Retail & Consulting	353.11	216.77	353.11	216.77	578.86
	Total	14163.51	6621.03	14163.51	6621.03	9567.68

Notes:

1. The Unaudited Financial Results for the quarter ended on 30th September 2007 have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 26th October 2007.
2. **Dividend:** The Shareholders of the Company had approved a final dividend @20% on the equity Share Capital of the Company i.e Rs. 2.00 per Equity Share for the financial year 2006-07 in its 13th Annual General Meeting held on 13th September 2007. Dividend of Rs. 3,44,51,708 has been paid on 24th September 2007.
3. **Conversion of USD 25 million FCCB:** The Company has issued Foreign Currency Convertible Bonds amounting to USD 25 million on 13th October 2006. The entire USD 25 million FCCB has been converted into Equity Shares as on 26th October 2007. The paid-up Equity Share Capital of the Company is Rs. 17,22,58,540/- as on 26th October 2007 after the conversion of above said FCCB's. During this quarter 4,55,786 Equity shares have been allotted upon conversion of 900 FCCB's amounting to USD 9 million. The entire proceeds of FCCB issue has been utilized for (i) capital expenditure for expansion of Company's Operation in India and overseas (ii) overseas acquisitions and other purposes in compliance with ECB guidelines issued by RBI.
4. **Treatment of ESOP amortization under ESOP 2006 Scheme :** On 13th September 2007 Shareholders have approved variation in terms and conditions of ESOP 2006 in respect of vesting period and vesting percentage and accordingly vesting period has been increased from 5 years to 7 years. In addition to this Company has amortized ESOP cost on straight line basis over 7 years as permitted by the amendment to the Guidance note for Employee share based payments issued by The Institute of Chartered Accountants of India (ICAI)

Accordingly the ESOP cost impact has been considered under personnel expenses.
5. **Approval of ESOP 2007 Scheme:** Shareholders in 13th Annual General Meeting held on 13th September 2007 approved Educomp Employee Stock Option Scheme 2007 for allotting 2,00,000 Stock Options to the employees of the Company and its subsidiaries.
6. **Acquisition of Savvica Inc :** Company has acquired equity stake in Savvica Inc. Toronto, Canada for a total consideration of USD 2 million to be spread over 2 years. Company has invested 0.5 million USD till date as per terms and

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conditions of the agreement. Savicca is a leading e-Learning Company focused on web based learning management and education communities. Savicca own a next generation platform for rapid creation and deployment of scalable education communities. The Company's investment in Savicca is to leverage its Internet based competencies in the areas of community building, online tutoring, web based learning, and digital content.

7. **Acquisition of Authorgen Technologies Pvt Ltd. :** Company has acquired a 51% strategic stake in AuthorGen Technologies Pvt Ltd. Authorgen Technologies is a pioneer and leader in the area of web 2.0 platforms for online learning. Their leading portal Wiziq.com connects students and teachers from around the world. The platform is equipped with a state-of-the art virtual classroom with audio-video communication capabilities and runs in any web browser and on any operating system. This investment will enable the Company to leverage & consolidate its position on online tutoring by having access to key technology competence and student teacher marketplace models.
8. **Agreement with Raffles Institution, Singapore:** Company has signed an Memorandum of Understanding (MOU) with Raffles Institution, Singapore. The Scope of Services would include consultancy advice & services of Raffles Institution for schools set up by the Company through its related entities. The essence of this MOU is to bring the best of global education in India. Raffles institution is the leading school in Singapore and renowned for its innovative practices and its curriculum.
9. **Agreement with Microsoft:** Company has entered into a partnership with Microsoft to make available Educomp's graphical curriculum content on the XBOX360 platform. This unique agreement a first of its kind in India will progressively make available Educomp's large and unique content libraries to the home segment to help improve the academic proficiency of students in a Smart format like the XBOX360.

10. Status of Investor complaints received by the Company is as follows:

Particulars	Pending as on July 1, 2007	Received during the Quarter	Disposed during the Quarter	Pending as on September 30,2007
No of Complaints	0	0	0	0

11. Given the seasonal nature the industry, the results of any quarter may not be a true indicative of annual performance.



12. The Segment Report is prepared in accordance with the Accounting Standard-17 "Segment Reporting" Issued by the Institute of Chartered Accountants of India.
13. The Basic and Diluted Earning per Share has been calculated in accordance with the AS-20 "Earning per Share" issued by the ICAI.
14. Consolidation of Accounts has been done in accordance with the AS-21 "Consolidation of Financial Statements" issued by the ICAI.
15. Thirteen Subsidiaries have been taken into account while consolidation.
16. Previous year/period figures have been regrouped and rearranged, wherever considered necessary for comparison purposes.

By order of the Board of Directors

For Educomp Solutions Ltd

Sd/-

Place: Delhi
Date: October 26, 2007

Shantanu Prakash
Managing Director