

Highlights of Unaudited Financial Results for the Quarter ended 30th September 2008

Consolidated for Quarter ended 30th September 2008:

Total Revenue:	Rs. 14,299.25 lacs
EBDITA:	Rs. 5,381.05 lacs
PAT:	Rs. 2,880.33 lacs

Quarter 2 FY 2009 Total Revenue increased by 151.33 % in comparison with Quarter 2 FY 2008

Quarter 2 FY 2009 EBDITA increased by 130.51 % in comparison with Quarter 2 FY 2008

Quarter 2 FY 2009 PAT increased by 119.90 % in comparison with Quarter 2 FY 2008

Standalone for Quarter ended 30th September 2008:

Income from Operations:	Rs. 9,813.43 lacs
EBDITA:	Rs. 5,071.15 lacs
PBT:	Rs. 3,883.11 lacs
Net Profit:	Rs. 2,538.86 lacs

Quarter 2 FY 2009 Income from Operations increased by 118.36 % in comparison with Quarter 2 FY 2008

Quarter 2 FY 2009 PAT increased by 86.46 % in comparison with Quarter 2 FY 2008

Quarter 2 FY 2009 EBDITA increased by 118.65 % in comparison with Quarter 2 FY 2008

**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
30TH SEPTEMBER 2008**

S. No.	Particulars	(Rupees in Lacs)				
		Quarter ended		Half - Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
1	Net Sales/Income from operations	9,813.43	4,494.16	16,754.43	7,244.41	26,209.48
	Other Operating Income	-	-	-	-	-
	Total Revenue	9,813.43	4,494.16	16,754.43	7,244.41	26,209.48
2	Total Expenditure:					
	(Increase)/ Decrease in stock in trade	(73.34)	(451.60)	(110.08)	(482.89)	184.42
	Purchases	1,158.57	1,611.31	1,611.07	1,890.50	7,788.46
	Personnel expenses	1,394.51	521.89	2,568.81	1,315.60	3,385.43
	Depreciation	1,566.75	694.37	2,913.18	1,221.05	3,229.54
	Foreign Exchange Fluctuation	1,208.50	(30.24)	1,967.86	(305.59)	(232.65)
	Administration & Other expenses	1,054.53	523.96	1,858.63	894.93	2,383.80
	Total Expenditure	6,309.52	2,869.69	10,809.47	4,533.60	16,739.00
3	Profit from Operations before other income , Interest & Exceptional items (1-2)	3,503.91	1,624.47	5,944.96	2,710.81	9,470.48
4	Other Income	552.01	337.18	820.68	448.11	1,248.09
5	Profit from Operations before Interest & Exceptional items (3+4)	4,055.92	1,961.65	6,765.64	3,158.92	10,718.57
6	Interest	172.81	75.36	314.50	132.31	418.92
7	Profit after Interest but before Exceptional Items (5-6)	3,883.11	1,886.29	6,451.14	3,026.61	10,299.65
8	Exceptional Items	-	-	-	-	-
9	Profit (+)/Loss(-) from Ordinary Activities Before tax (7+8)	3,883.11	1,886.29	6,451.14	3,026.61	10,299.65
10	Tax Expense					
	- Current tax	870.00	135.96	1,578.77	551.11	1,675.62
	- Deferred tax	450.12	377.71	614.82	499.66	1,560.03
	- Fringe benefit tax	24.13	11.01	41.26	17.26	57.87
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	2,538.86	1,361.61	4,216.29	1,958.58	7,006.13

Educomp Solutions Limited

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12	Extraordinary Item (net of tax expense)	-	-	-	-	-
13	Net Profit (+)/Loss(-) for the period (11-12)	2,538.86	1,361.61	4,216.29	1958.58	7,006.13
14	Paid up Equity share capital (Face Value Rs.10/- each)	1,728.07	1,722.59	1,728.07	1,722.59	1,724.66
15	Reserve excluding revaluation reserves (As per Balance Sheet) of previous accounting year	-	-	-	-	26,130.21
16	Earning Per Share (EPS) (not to be annualized)					
	(a) Basic	14.69	7.95	24.40	11.78	41.38
	(b) Diluted	24.41	6.48	41.08	7.46	35.13
17	Public Shareholding:					
	. - Numbers of Shares (Nos.)	7,770,020	7,537,625	7,770,020	7,537,625	7,588,335
	. - Percentage of shareholding	44.96%	43.76%	44.96%	43.76%	44.00%

Additional Information as per Clause 41 of Listing Agreement:

Rupees. in Lacs						
S.No.	Particulars	Quarter ended		Half - Year Ended		Year ended
		Un-audited		Un-audited		Audited
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
1	Consolidated Income from Operations	13,215.28	5,268.80	21,818.06	8,025.09	28,608.42
	Consolidated Other Income	1,083.98	420.53	1,393.59	832.68	1,775.48
	Consolidated Total Revenue	14,299.25	5,689.33	23,211.65	8,857.77	30,383.90
2	Consolidated EBIDTA	5,381.05	2,334.38	9,350.79	3,623.85	12,660.88
3	Consolidated EBIT	3,717.74	1,617.49	6,251.65	2,398.06	9,347.72
	Consolidated Profit after tax	2,880.33	1,309.84	4,535.32	1,900.97	7,056.17
	Consolidated Earning Per Share (not to be annualized) in Rupees					
	Basic	16.67	7.65	26.25	11.43	41.82
	Diluted	26.22	6.20	42.77	7.14	35.53

Standalone 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
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
1	Segment Revenue					
	Smart Class	6,862.13	2,595.46	11,581.00	4,279.84	12,778.16
	Instructional & Computing Technology (ICT)	1,205.50	1,120.45	2,010.03	1,488.06	9,332.50
	Professional Development	667.51	640.30	1,270.36	1,247.81	2,562.68
	Retail & Consulting	1,078.29	137.95	1,893.04	228.70	1,536.14
	Total Net Sales/ Income from Operations	9,813.43	4,494.16	16,754.43	7,244.41	26,209.48
2	Segment Results (Profit before Interest & tax from each segments)					
	Smart Class	4,079.59	1,428.77	7,032.44	2,385.84	7,412.35
	Instructional & Computing Technology (ICT)	418.94	303.24	689.45	421.72	2,728.26
	Professional Development	442.32	360.18	846.08	718.70	1,567.19
	Retail & Consulting	763.84	56.52	1,206.83	109.11	866.81
		5,704.69	2,148.71	9,774.80	3,635.37	12,574.61
	Less: Interest (Net)	172.81	75.36	314.50	132.31	418.92
	: Other un-allocable expenses	2200.78	554.48	3,829.84	1,230.15	3,337.03
	: Un-allocable Income	(552.01)	(367.42)	(820.68)	(753.70)	(1,480.99)
	Total Profit before Tax	3883.11	1,886.29	6,451.14	3,026.61	10,299.65
3	Capital Employed					
	(Segment Assets- Segment Liabilities)					
	Smart Class	21,216.40	9,042.3	21,216.40	9,042.30	15,860.77
	Instructional & Computing Technology (ICT)	6,695.94	3,468.49	6,695.94	3,468.49	4,961.17
	Professional Development	2,431.85	1,299.61	2,431.85	1,299.61	1,671.49
	Retail & Consulting	732.46	353.11	732.46	353.11	428.08
	Total	31,076.65	14,163.51	31,076.65	14,163.51	22,921.51

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Notes:

1. The Unaudited Financial Results for the quarter ended on 30th September 2008 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 22nd October 2008 and are subject to limited review by the statutory auditors of the Company.
2. Given the seasonal nature the industry, the results of any quarter may not be a true indicative of annual performance. Historically company has observed the following seasonality i.e. Quarter I amounts to approximate 10 to 12% of the total revenue, Quarter II amounts to approximate 18 to 20% of the total revenue, Quarter III amounts to approximate 25 to 30% and Quarter IV amounts to approximate 38 to 47% of the total revenue.
3. The total number of schools under contract for the company's Smart Class segment has reached 1267 schools comprising 1.43 Million students. The total number of schools under contract for the company's ICT Solutions segment has reached 8915 schools comprising over 5 million students.
4. Since 01st July 2008 till date Company has allotted 2,570 Equity shares pursuant to exercise of Stock options by eligible employees of the Company/ its subsidiaries under ESOP Scheme 2006. Paid up Capital of the Company is Rs. 17,28,29,840/- as on 22nd October 2008
5. During the quarter, Company has granted 11,400 Stock Options under ESOP Scheme 2006 and 82,837 Stock Options under ESOP 2007 to the eligible employees of the Company/its subsidiaries.
6. Educomp has acquired a 51% stake in Takshila Management Services Private Limited , a company that specializes in setting up high quality schools in Tier II & Tier III cities across India . These schools to be called “ Takshila Schools” will have several unique features and be available at an affordable price point. . Currently Takshila Management Services Pvt limited own 6 parcels of land & it plans to set up 3 schools in Hoshiarpur (Punjab) , Ahmednagar (Maharashtra) and Gaya (Bihar)) to be ready for the coming academic year by June 2009 . The Company has plan to set up further 25 schools over the next 2 years. Educomp Millennium learning system shall be used in all the “ Takshila Schools “ as an integral part of the academic system.
7. EuroKids International Private Limited and Educomp Solutions Ltd. have entered into a 50-50 strategic partnership. Educomp has invested Rs. 39 Crores for acquiring 50% stake in EuroKids The agreement includes the purchase of existing

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company shares as well as an infusion of additional capital into EuroKids for future expansion. The agreement also has a provision for ESL to increase its stake in stages to 74% over a period of time. EuroKids International, the leading provider and specialist in pre-school education in India and Educomp Solutions Ltd, a globally diversified education solutions provider and the largest education company in India, will combine together to build a network of 1000 Pre-Schools in India over next 3 years.

8. Educomp's Millennium Learning System, including its comprehensive school management services has been licensed by DPS Patna, DPS Pune and DPS Ludhiana. Educomp's school management services will be used by these schools to upgrade the quality of services and improve learning outcomes. The Millennium Learning System is a structured school management system which includes Educomp's own range of books, professional development for teachers, Smart_Class system, a comprehensive library of lesson plans and consultancy for and active management of the school quality. With this the number of schools in Educomp's K 12 portfolio goes up to 11
9. Company is seeking approval of Shareholders by way of Postal Ballot for: (i) Further issue of Capital (ii) Approving the Educomp Employee Stock Option Scheme 2008 (iii) Approving the Educomp Employee Stock Option Scheme 2008 for subsidiaries (iv) Alteration of Articles of Association (v) Increasing borrowing powers of the Company U/s 293(1)(d) of the Companies Act, 1956 (v) Mortgaging and/or charge of movable and immovable properties of the company U/s 293(1)(d) of the Companies Act, 1956
 The Board of Directors has appointed Mr. Sanjay Grover, F.C.A, F.C.S, Practicing Company Secretary as Scrutinizer to scrutinize the Postal Ballot in a fair and transparent manner. Postal Ballot Notice shall be dispatched to shareholders by 25th October 2008. The duly completed postal ballot form should reach the scrutinizer before the close of working hours, on or before **24th November 2008**. The result of the postal ballot will be announced by the Chairman or any other person authorized by the chairman on **Tuesday, 25th November 2008** at the Registered Office of the Company.
10. Status of Investor complaints received by the Company is as follows:

Particulars	Pending as on July 1, 2008	Received during the Quarter	Disposed during the Quarter	Pending as on September 30, 2008
No of Complaints	0	10	9	1



11. The Segment Report is prepared in accordance with the Accounting Standard-17 "Segment Reporting" Issued by the Institute of Chartered Accountants of India.
12. The Basic and Diluted Earning per Share has been calculated in accordance with the AS-20 "Earning per Share" issued by the ICAI.
13. Consolidation of Accounts has been done in accordance with the AS-21 "Consolidation of Financial Statements" issued by the ICAI.
14. 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

**Place: Gurgaon
Date: October 22, 2008**

**Shantanu Prakash
Chairman & Managing Director**

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