



Q4 FY12 Investor Update

(Quarter and Year ended March 2012)

30th May 2012



Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Copyright Educomp Solutions Limited 2012. CONFIDENTIAL



Agenda

Financial Highlights

Strategic Priorities

Appendix

FY12 Consolidated Results

Rs mn	FY12	FY11	YoY (%)
Operational Revenue	14,913	10,569	41%
BTA Revenue**	0	2,940	
Other Income	312	416	
Total Revenue	15,224	13,925	9%
EBITDA with BTA	4,574	5,386	
EBITDA Margin thereof (%)	31%	40%	
EBITDA without BTA	4,574	2,887	58%
EBITDA Margin thereof (%)	31%	27%	
PAT with BTA*	1,355	3,367	
PAT Margin thereof (%)	9%	24%	
PAT without BTA	1,355	868	56%
PAT Margin thereof (%)	9%	8%	

** BTA refers to Business Transfer Agreement signed in FY10 when SmartClass model was changed to Securitization model leading to a one-time renewal of Rs 2940 mn in FY11

*Includes exceptional forex loss of Rs 453 mn in FY12 compared to a forex gain of Rs 46 mn in FY11. FY12 PAT excluding the exceptional forex loss at Rs 1674 mn



Q4 FY12 Consolidated Results

Rs mn	Q4 FY12	Q4 FY11	YoY (%)	Q3 FY12	QoQ (%)
Operational Revenue	5,136	3,347	53%	3655	41%
BTA Revenue	0	1,540		0	
Other Income	102	164		65	
Total Revenue	5,239	5,051	4%	3719	41%
EBITDA with BTA	1,549	2,047		945	
EBITDA Margin thereof (%)	30%	42%		26%	
EBITDA without BTA	1,549	738	110%	945	64%
EBITDA Margin thereof (%)	30%	22%		26%	
PAT*	615	1,457	-58%	246	150%
PAT Margin (%)	12%	29%		7%	

*Includes exceptional forex loss of Rs 95 mn in Q4 FY12 compared to forex gain of Rs 35 mn in Q4FY11

Note – Sequential growth of 41% in revenue had resulted in 150% sequential growth in PAT



FY12 Standalone Results

Rs mn	FY12	FY11	YoY (%)
Operational Revenue	10,765	7,267	48%
BTA Revenue	0	2,940	
Other Income	154	363	
Total Revenue	10,919	10,570	3%
EBITDA with BTA	4,119	4,859	
EBITDA Margin thereof (%)	38%	48%	
EBITDA without BTA	4,119	2,360	75%
EBITDA Margin thereof (%)	38%	32%	
PAT with BTA*	1,889	3,889	
PAT Margin thereof (%)	17%	37%	
PAT without BTA	1,889	1,390	36%
PAT Margin thereof (%)	17%	18%	

*Includes exceptional forex loss of Rs 453 mn in FY12 compared to a forex gain of Rs 48 mn in FY11 . FY12 PAT excluding the exceptional forex loss at Rs 2238 mn

Q4 FY12 Standalone Results

Rs mn	Q4 FY12	Q4 FY11	YoY (%)	Q3 FY12	QoQ (%)
Operational Revenue	4,082	2,253	81%	2,634	55%
BTA Revenue	0	1,540		0	
Other Income	29	113		26	
Total Revenue	4,111	3,906	5%	2,660	55%
EBITDA with BTA	1,490	1,860		835	
EBITDA Margin thereof (%)	36%	49%		32%	
EBITDA without BTA	1,490	551	170%	835	78%
EBITDA Margin thereof (%)	36%	24%		32%	
PAT*	783	1,574	-50%	410	91%
PAT Margin (%)	19%	40%		15%	

*Includes exceptional forex loss of Rs 88 mn in Q4 FY12 compared to a forex gain of Rs 77 mn in Q4 FY11

Note – Sequential growth of 55% in revenue had resulted in 91% sequential growth in PAT

Segmental Results – FY12 Consolidated

Rs mn	FY12	FY11	YoY (%)
School Learning Solutions (SLS)*			
Revenue	10,570	10,095	5%
EBIT	4,299	5,232	
EBIT Margin (%)	41%	52%	
K-12 Schools			
Revenue	1,756	1,357	29%
EBIT	538	477	
EBIT Margin (%)	31%	35%	
Higher Learning Solutions (HLS)			
Revenue	627	577	9%
EBIT	-375	-306	
EBIT Margin (%)	NM	NM	
Online, Supplement & Global (OSG)			
Revenue	1,961	1,480	32%
EBIT	-247	-94	
EBIT Margin (%)	NM	NM	

Note – FY11 SLS results includes impact of BTA revenue, which amounted to Rs 2940 mn. Excluding the impact of BTA, FY12 revenue growth at 48% (YoY)



Segmental Results – Q4 FY12 Consolidated

Rs mn	4Q FY12	4Q FY11	YoY (%)	Q3 FY12	QoQ (%)
School Learning Solutions (SLS)*					
Revenue	4,079	3,786	8%	2,498	63%
EBIT	1,529	1,975		901	
EBIT Margin (%)	37%	52%		36%	
K-12 Schools					
Revenue	447	427	4%	427	4%
EBIT	90	124		150	
EBIT Margin (%)	20%	29%		35%	
Higher Learning Solutions (HLS)					
Revenue	151	264	-43%	151	0%
EBIT	-94	-118		-125	
EBIT Margin (%)	NM	NM		NM	
Online, Supplement & Global (OSG)					
Revenue	460	410	12%	579	-21%
EBIT	-126	-37		-46	
EBIT Margin (%)	NM	NM		NM	

*Q4 FY11 SLS results includes impact of BTA revenue, which amounted to Rs 1540 mn. Excluding the impact of BTA, 4QFY12 revenue growth at 82% (YoY)

SmartClass at a glance – Reaches 6.1 mn students in 12,652 schools

- **Robust Pricing Maintained in Q4 at Rs 3.7 lacs, an increase from Rs 3.4 lacs in Q3**
- **Increase in Average No of Classrooms per school from 5.3 in Q3 to 6.8 to Q4**

Rs mn	FY12	FY11	Q4 FY12	Q4 FY11	Q3 FY12
Operating Revenues	9,392	5,931	3,748	1,944	2,191
One time BTA Revenues	0	2,940	0	1,540	0
Total Revenue	9,392	8,871	3,748	3,484	2,191
EBIT – Operating Revenue	4,127	2,608	1,463	704	868
EBIT – One Time BTA Revenue	0	2,499	0	1,309	0
Total EBIT	4,127	5,107	1,463	2,013	868
EBIT Margin (On Operating Revenue)	44%	58%	39%	58%	40%
No of schools added	6,114	3,461	2,622	1,004	1,923
No of classrooms added	40,023	27,154	17,815	8,010	10,102
Avg No of Classrooms per school	6.5	7.8	6.8	8.0	5.3
Cumulative No of Students covered (mn)	6.1	4.3	6.1	4.3	5.3
Avg Selling Price per classroom (Rs lakh)	3.6	3.9	3.7	3.8	3.4

Copyright Educomp Solutions Ltd – Confidential

Consolidated Balance Sheet

Rs mn	FY12	FY11
Liabilities		
Shareholder Funds	25,045	21,784
Non-Current Liabilities	10,201	11,630
Current Liabilities	14,813	6,816
Minority Interest	2,762	2,365
Total Liability*	52,821	42,595
Assets		
Goodwill	10,694	8,518
Net Fixed Assets (Including CWIP)	16,958	12,953
Investments	982	1,126
Other non-current assets	9,145	8,244
Cash and banks balances	2,205	3,466
Trade receivables	10,289	6,090
Other current assets **	2,548	2,198
Total Assets	52,821	42,595

* Includes short term borrowings and FCCBs

** Includes cash FDs of Rs 1165 mn; total cash and bank balance at Rs 3371 mn as on 31st March, FY12



Balance Sheet Ratios (Consolidated)

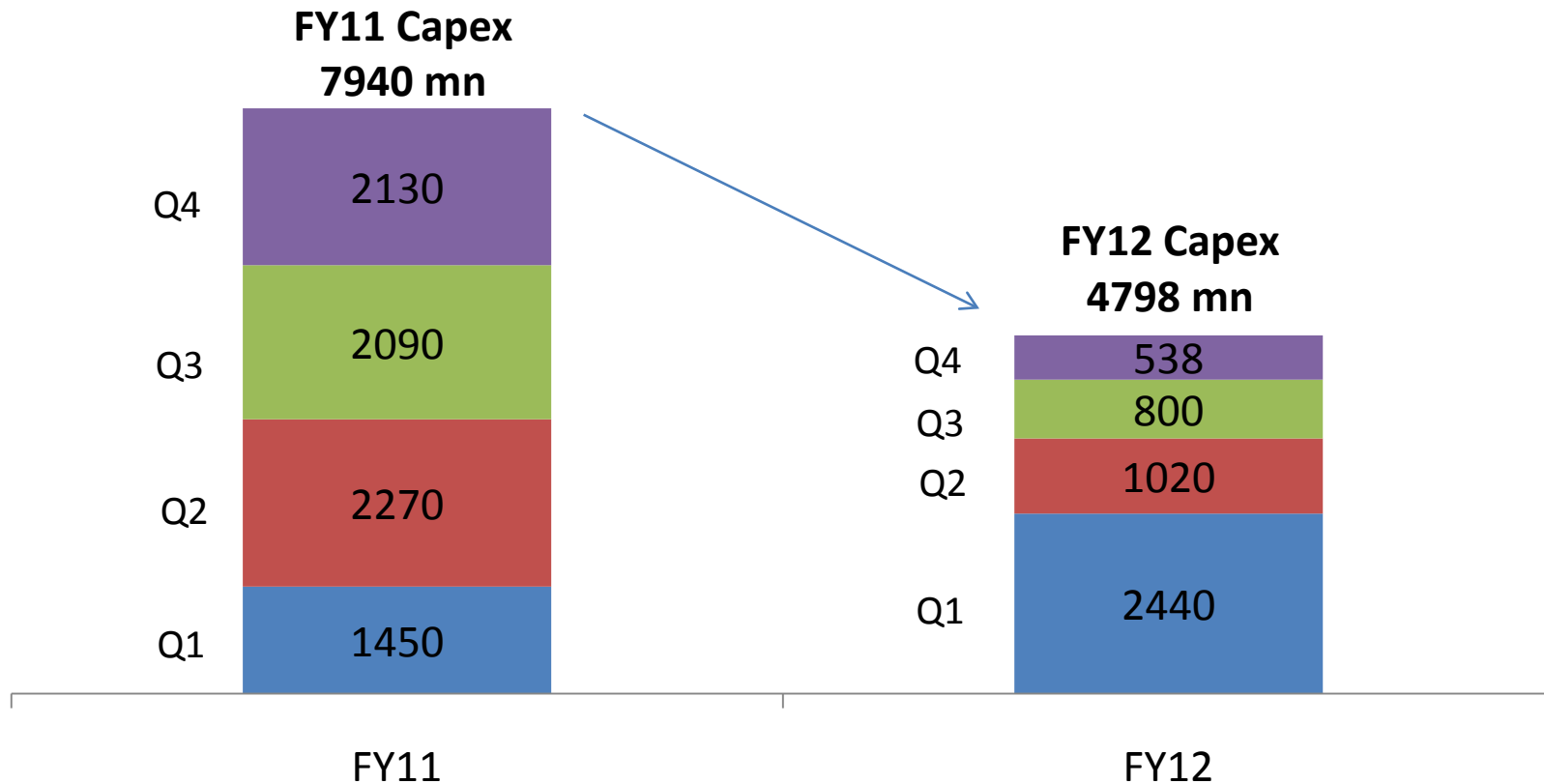
Rs mn	FY12	Dec 31, 2011	FY11
Gross Debt	19,438	20,443	14,365
Cash & Bank Balance	3,371	2,405	4,489
Net Debt	16,068	18,038	9,889
D/E with contingent liability	1.26	1.39	1.08
D/E without contingent liability	0.78	0.89	0.66

Other Ratios	Q4 FY12	Q3 FY12
Debtor Days	252	277

Securitization Update

- Securitization Sanctions of Rs.690cr received during FY12, ALL under the reduced guarantee model
- Cash Disbursement of Rs.633cr achieved until 31 March 2012, as a result the reduction in debtor days from 277 days in Q3 to 252 days in Q4, despite 76% growth in classrooms addition in Q4 over Q3
- Most recent Securitization of Rs.100cr signed at approx. 54% securitization value
- Securitization for ALL schools signed during FY12 complete
- Ongoing discussions for termsheets for FY13 contracts on track
- Average Cost of Securitization is ~13.5% in Q4

Reduction in Capital Expenditure (Consolidated)



- FY12 capex down by ~40% on back of asset-light strategy adopted in K-12

Copyright Educomp Solutions Ltd – Confidential

Agenda

Financial Highlights

Strategic Priorities

Appendix



Evolution of Strategic path

FY08-10

Expansion &
Growth

FY10-12

Expansion &
Diversification

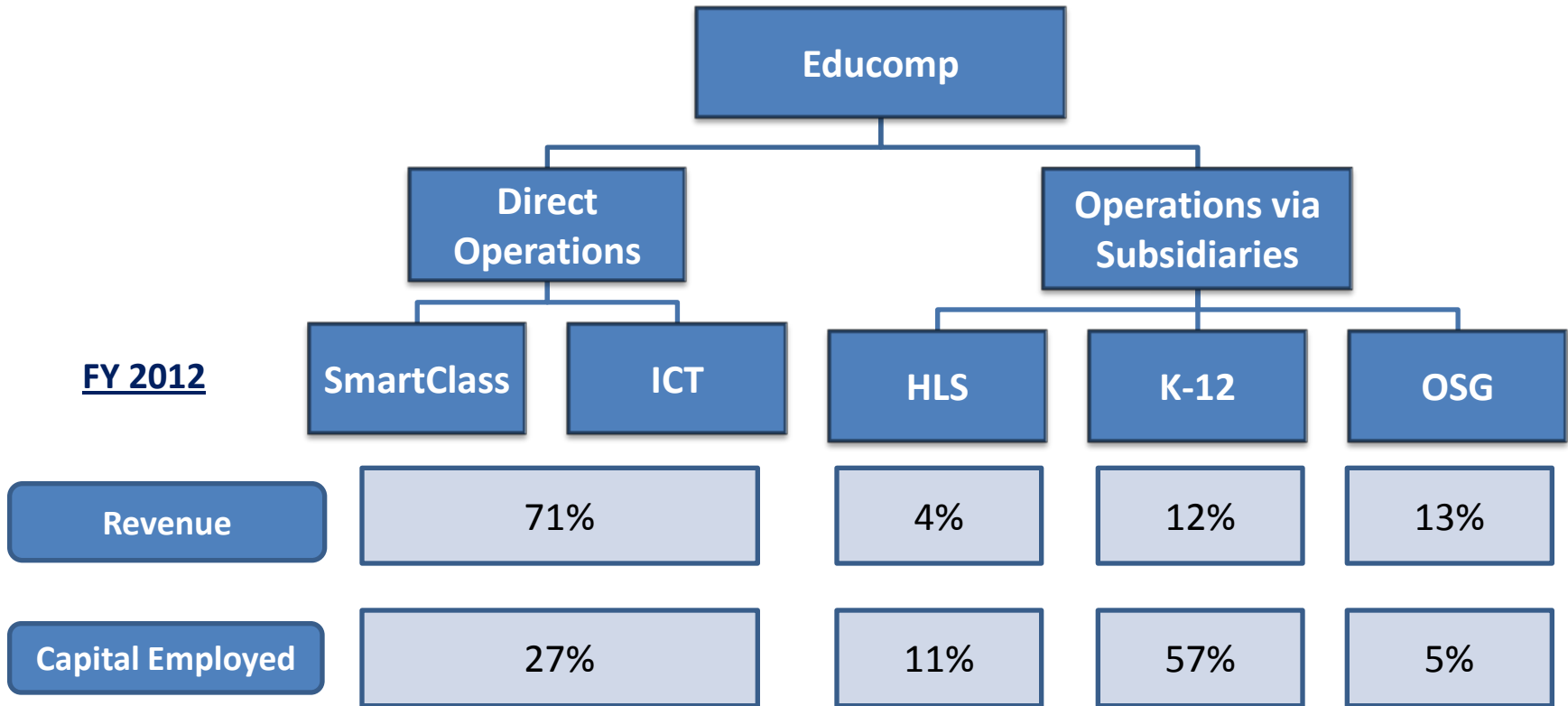
FY13

Consolidation

Copyright Educomp Solutions Ltd – Confidential



FY12 Balance Sheet, P&L Split Across Segments



- While the bulk of the Capital Employed is in the K12 Schools segment, the bulk of current Revenues come from the SLS segment

Key Management Focus Areas

Consolidation

- Exploring opportunities of monetization of assets across businesses
- Prioritization of Portfolio to maximize returns and minimize burn

Asset Light Strategy in K12

- Entire future growth to come from Asset-Light JV model
- Focus on driving enrolments and increasing capacity utilizations of exiting schools

Balance Sheet

- Continued endeavour of enhancing asset liability profiling
- Fund raising process on-track to address the FCCB redemption in July 2012
- Working capital management focus to reduce external dependency

SmartClass Strategy

Continue Growth Momentum

- Continue growth momentum on the back of an excellent quarter that witnessed
 - Increase in average pricing per classroom
 - Increase in average classrooms per school
- Retain & capture marketshare

Cost Optimization

- Leveraging technology in content upgrade operations
- Squeezing volume-based discounts on BOM for SmartClass hardware

New Product Launches/ Optimization of Existing Mix

- Leveraging existing sales and distribution network to target greater share of customer wallet
- Readying innovative products like Tablet Solution, Assessments product, and English language Labs across existing base of 12,652 schools

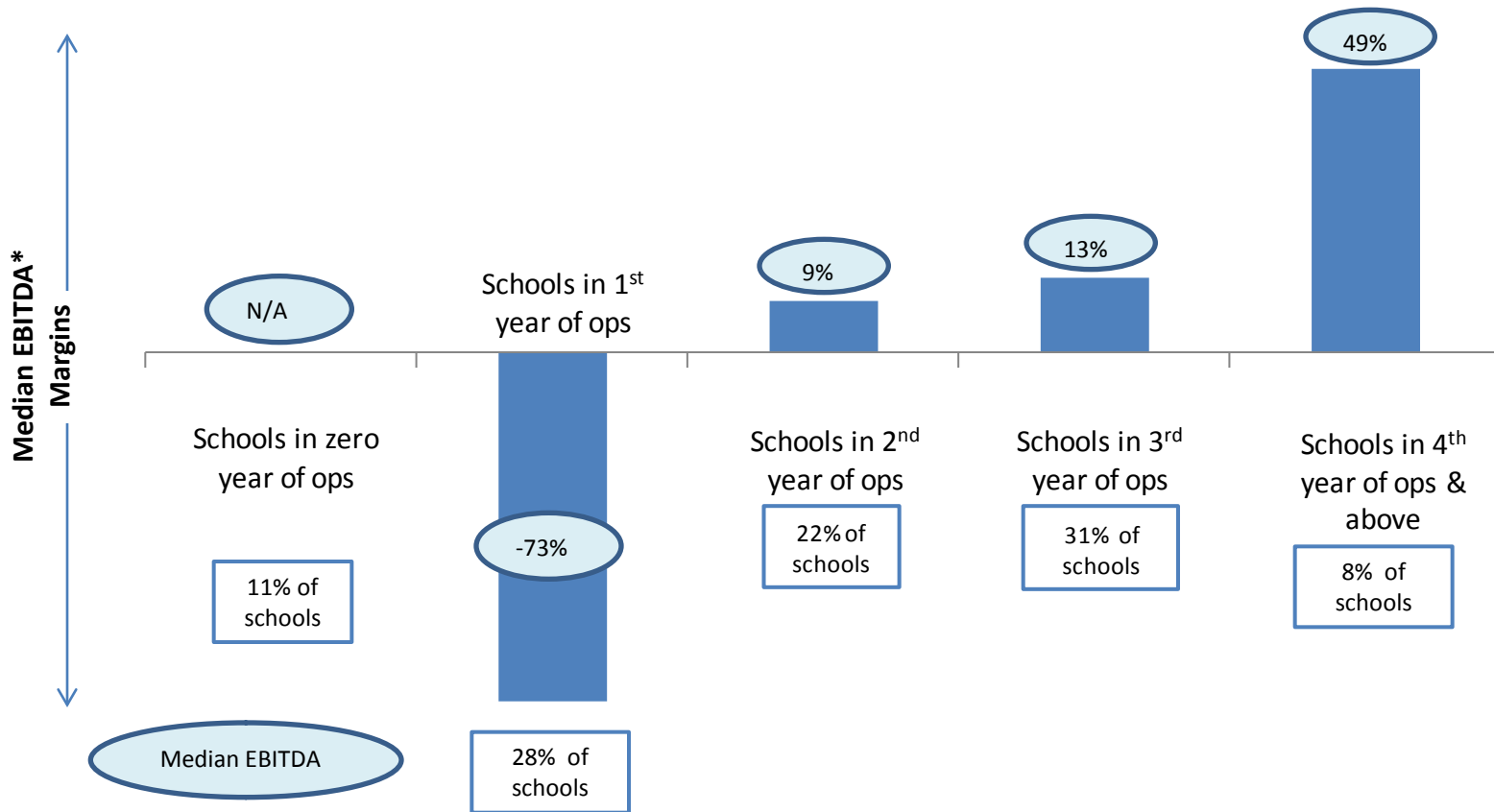
Working Capital Management

- Continued focus on better securitization terms
- Partnering with Vendors for supplier financing & better credit terms based on volumes

SmartClass
Strategy

EBITDA Margin profile for schools in 2012

- Schools approaching steady-state capacity utilizations are starting to yield high EBITDA margins



*Note: The above operating margins have been computed before expenses relating to infrastructure lease rentals, content, consultancy, training etc.



FY13 Guidance/ Outlook

- **FY13 Consolidated Revenue Growth seen at 25-30% over FY'12**
- **FY13 Consolidated EBITDA margins estimated to be maintained with an upside of 150-250 bps**

Educomp Solutions Ltd - Agenda

Financial Highlights

Strategic Priorities

Appendix

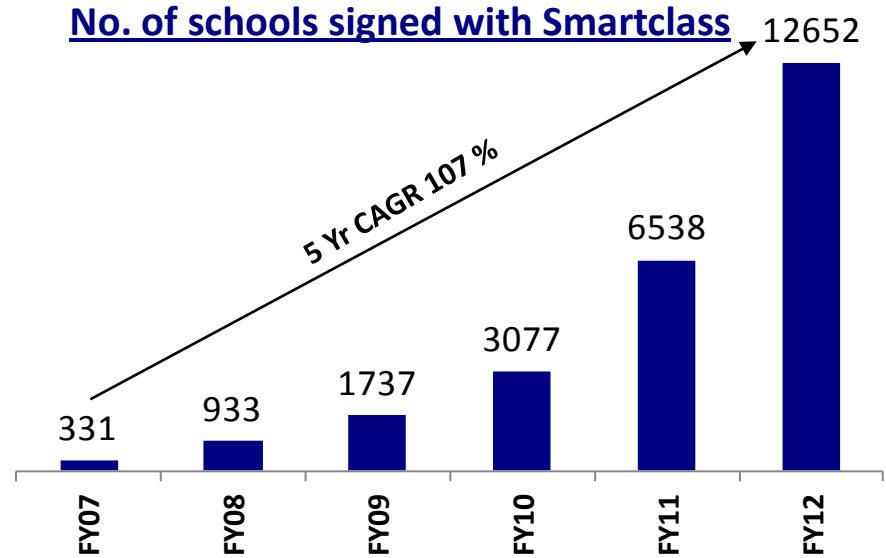
Copyright Educomp Solutions Ltd – Confidential



School Learning Solutions Growth

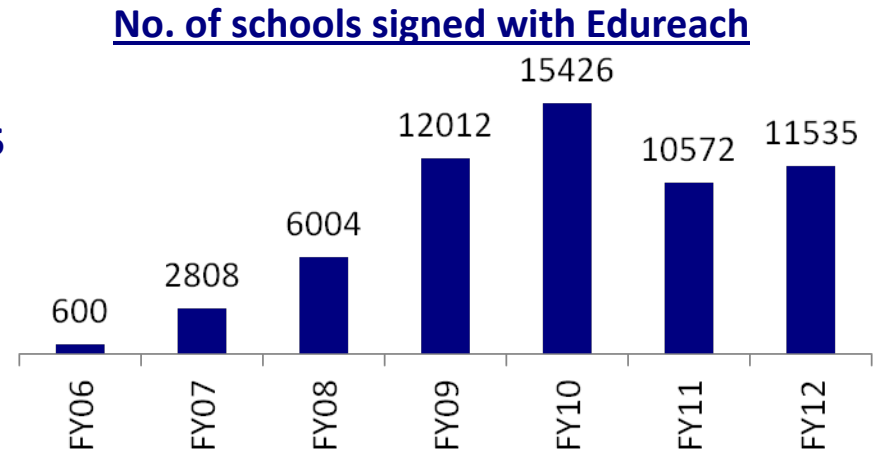
SmartClass:

- Added 17,815 classrooms in Q4, highest ever in company's history
- Robust pricing maintained at 3.7 lakh per classroom in Q4 compared to Rs 3.4 lakh per classroom in Q3
- SmartClass reaches 6.1 m students across 12,652 schools



EduReach:

- EduReach program currently reaches 11,535 schools and 6.3 million students
- Added an ICT contract of 1,054 schools with the government of Assam



Educomp Infrastructure & School Management Ltd

Consolidated Financials

Rs mn	FY12	FY11	Q4 FY12	Q4 FY11
Revenue	1,033	849	246	849
EBIT (Operational)	508	475	108	475
EBIT Margin (%)	49%	56%	44%	56%
Other Income/ Non-Operational	131	81	36	81
Profit After Tax	105	113	13	88
PAT Margin (%)	9%	12%	5%	10%

Notes:

- 1) The operating margins are reflection of blend of various schools into their life of number of years post commencement of commercial activities
- 2) The other income is mainly composed of interest income

K-12 School Highlights



EISML

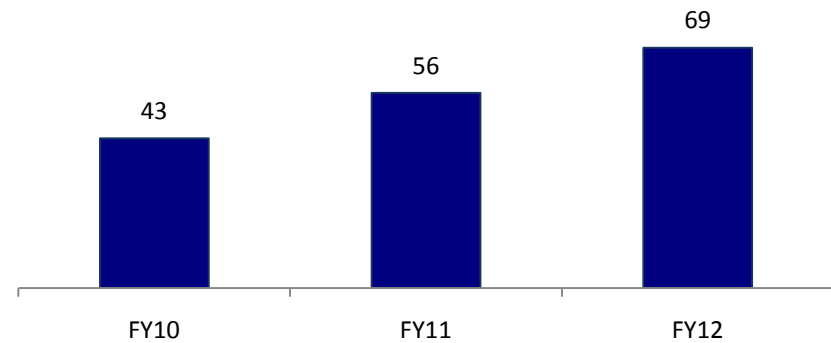
- Over 33,000 students enrolled
- Focus on asset light JV model for future growth



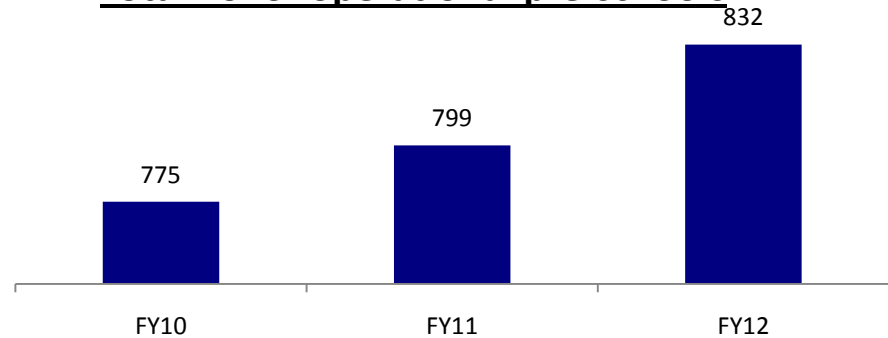
Pre-School:

- 232 pre-schools operational under Little Millennium; 600 preschools operational under Eurokids
- Over 53,000 kids enrolled

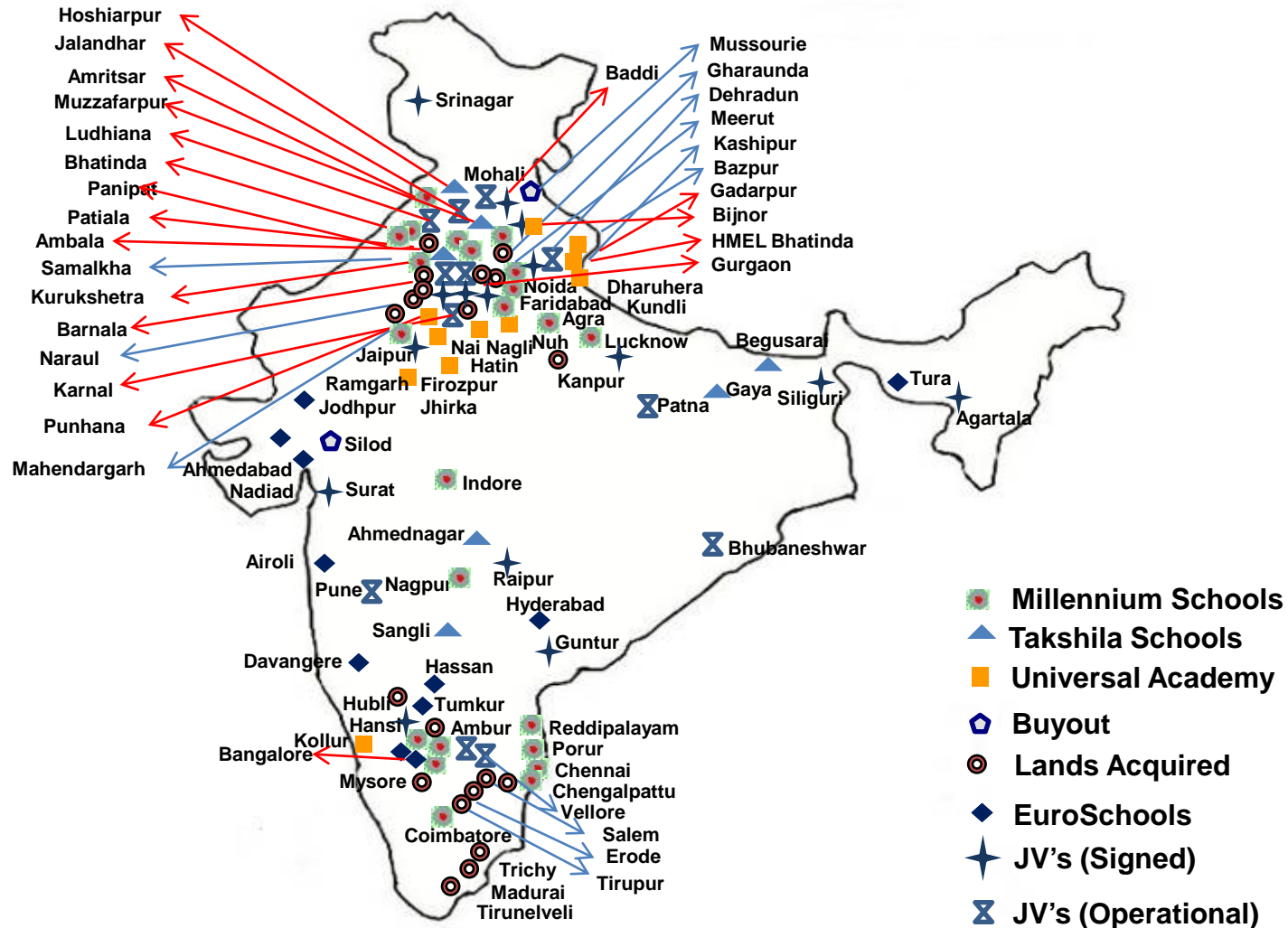
Total no. of operational schools



Total no. of operational pre-schools



K-12: 112 schools visibility: 69 operational (38 Greenfield, 31 JVs), 21 land parcels, 22 new JVs signed



Copyright Educomp Solutions Ltd – Confidential

Higher Learning Solutions Highlights

IndiaCan

A Pearson Educomp Company

Pearson JV:

- IndiaCan has a total of 328 points of presence across the country reach~ 110,500 students through its different models: ETEN/ Purple Leap/ Consumer Vocational
- ETEN:
 - 143 centers operational; with total enrolled students at 59,393 as of Q4 FY'12
 - Commenced the CPT batch; concluded the pilot batch for CS and course to be rolled out in June
- Purple Leap:
 - 90 centers operational in colleges with over 38,500 students enrolled in various programs
 - 8,500 new students signed in Q4 FY'12
- Consumer Vocational:
 - 95 vocational centers with over 12,607 students enrolled in various programs



Raffles JV:

- Over 100% admissions in Management Program (PGDM) of JRE Group of Institutions



Online, Supplement & Global Highlights



Supplemental ..moving towards self-sustainable business, estimated to breakeven by FY'14



- WizIQ crossed 2 million registered users in Feb 2012
- Partnered with Saudi Arabian e-Learning co CityNet for reselling of WizIQ Virtual Classroom in Gulf region



- Over 2.4 million registered users on Learnhub and StudyPlaces, registered 60% increase in traffic (YoY)



- Educomp Online currently being used by 2,963 schools
- Over 2.5 million user id's distributed; over 174, 876 students actively using the product



- 34 points of presence across the country reaching over 8000 students through VMC & Leap Centers
- One of the highest selection rate in the country with 44% of VMC students securing rank in IIT JEE 2012

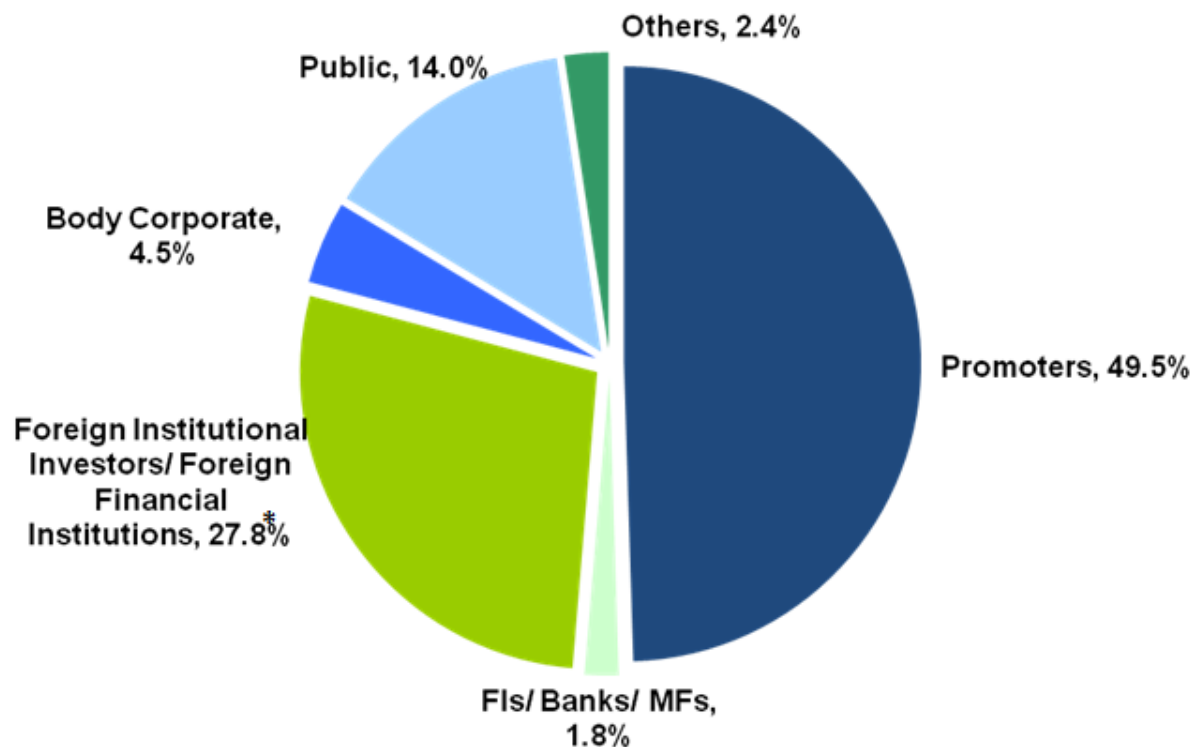


- 51 Operational centers reaching 23,730 students



Shareholding Pattern – As on March 31, 2012

Equity Shares Outstanding-96,063,930



Face value at Rs.2/ share

Contact Us

**For any Investor Relations queries
please contact:**

Raman Bajaj

Senior Vice President
Business Transformation & Corporate Affairs

Educomp Solutions Limited
Educomp Towers,
514, Udyog Vihar Phase III
Gurgaon – 122 001, Haryana
Email: raman.bajaj@educomp.com
Ph: 0124 - 4529000

Ashish Gupta

Senior Vice President, Finance & Interim CFO

Educomp Solutions Limited
Educomp Towers,
514, Udyog Vihar Phase III
Gurgaon – 122 001, Haryana
Email: a.gupta@educomp.com
Ph: 0124 - 4529000

SmartClass											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
No of Schools added	2,622	1,923	905	664	1,004	949	664	844	503	355	309
No of Classrooms added	17,815	10,102	6,818	5,288	8,010	7,085	5,309	6,750	4,038	ND	ND
Average No of Classrooms per school	6.8	5.3	7.5	8.0	8.0	7.5	8.0	8.0	8.0	ND	ND
Cumulative No of Schools covered	12,652	10,030	8,107	7,202	6,538	5,534	4,585	3,921	3,077	2,574	2,219
Cumulative No of Students covered (Million)	6.1	5.3	4.8	4.5	4.3	3.9	3.6	3.4	3.1	2.9	2.5
Avg Selling Price per classroom (100%) (Rs Lacs)	3.7	3.4	4.0	4.0	3.8	3.8	4.0	3.9	3.9	ND	ND
Edureach (ICT)											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
No of New Schools signed	1,054	185	582	NIL	540	NIL	NIL	NIL	600	363	671
Cumulative No of Schools covered	11,535	11,122	10,937	10,572	10,572	10,550	13,814	15,426	15,426	14,826	14,463
Cumulative No of Students covered (Million)	6.3	6.1	6.0	5.8	5.8	5.8	7.4	8.2	8.2	7.9	7.7
No of Schools for which the contractual period has expired	641	0	217	0	518	3,264	1,612	0	0	0	0
Pre Schools											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
No of 'Little Millennium' Pre Schools	232	242	233	232	220	220	228	224	220	240	204
No of 'Eurokids' Pre Schools	600	600	595	609	579	579	535	506	555	539	424
No of Total Pre Schools	832	842	828	841	799	799	763	730	775	779	628
K12 Schools											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
No of K12 Schools operational	69	67	63	57	54	50	46	43	43	36	36
- No of K12 Schools operational under Educomp (Greenfield)	36	35	35	31	31	29	24				
- No of K12 Schools operational under Educomp (Acquired)	2	2	2	2	2	1	1	29	29	22	22
- No of K12 Schools operational under Educomp (Dry Mgmt/JV)	17	16	12	10	10	9	7				
- No of K12 Schools operational under Euroschools	14	14	14	14	11	11	14	14	14	14	14
No of Schools under construction/ land sites/ JVs signed	43	43	36	27	27	31	33	30	26	23	12
No of K12 Schools with visibility*	112	110	99	84	81	81	79	73	69	59	48
Breakup of Greenfield schools under Educomp:											
- No of K12 Schools operational in 0th year	4	4	4	9	9	5	ND	ND	ND	ND	ND
- No of K12 Schools operational in 1st year	10	9	9	8	8	8	ND	ND	ND	ND	ND
- No of K12 Schools operational in 2nd year	8	8	8	11	11	12	ND	ND	ND	ND	ND
- No of K12 Schools operational in 3rd year	11	11	11	0	0	1	ND	ND	ND	ND	ND
- No of K12 Schools operational in 4th year and above	3	3	3	3	3	3	ND	ND	ND	ND	ND
Higher Education - Raffles JV											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
No of Colleges**	8	8	8	8	7	7	7	7	3	2	2
Vocational Education - Pearson JV											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
No of Total IndiaCan points of presence	328	343	308	365	339	279	277	251	220	122	105
No of Students covered by IndiaCan	1,10,499	93,713	60,815	39,097	63,000	52,500	34,600	ND	ND	ND	ND
Online & Supplemental Education											
	Q4FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	Q3 FY11	Q2 FY11	Q1 FY11	Q4 FY10	Q3 FY10	Q2 FY10
Online Users											
No of New registered users added (in Million)	0.5	0.4	0.3	0.6	0.4	0.3	0.3	0.4	0.2	0.2	0.2
Total No of registered users (in Million)	4.7	4.2	3.8	3.5	2.9	2.5	2.1	1.8	1.4	1.2	1.0
Vidyamandir Classes / LEAP/ Gateforum											
No of VMC + LEAP + Gateforum centers operational	85	74	73	69	66	30	17	17	5	5	5
No of students enrolled in VMC & LEAP & Gateforum programs	12,664	23,908	18,100	10,552	7,158	3,170	1,150	1,150	1,100	1,100	1,100