

27th July, 2012

Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1 G - Block, Bandra Kurla Complex, Mumbai-51	Corporate Service Department Bombay Stock Exchange Limited P.J Towers, Dalal Street Mumbai – 1
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Dear Sir,

Sub: Press Release

Please find herewith enclosed the Press Release dated 27th July 2012 regarding receipt of USD 155 million from International Finance Corporation, Proparco, Mount Kellett and the Promoter Group and redemption of FCCB.

Thanking You,

For Educomp Solutions Limited



Jagdish Prakash
Whole Time Director

Educomp Solutions Limited
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**Educomp Solutions Ltd. receives USD 155 million from
International Finance Corporation, Proparco, Mount Kellett and
the Promoter Group**

**Improves balance sheet, pays off FCCB and strengthens board of
Directors**

Gurgaon, July 27, 2012 – Educomp Solutions Ltd. (the Company), India's largest Education Company today announced that it has received the disbursement of USD 155 million as part of the financing package that was announced on June 19th 2012. As part of the package, the company has received:

1. An amount of USD 70 million as External Commercial Borrowing (ECB) comprising USD 30 million from IFC a member of the World Bank Group and USD 40 million from Société De Promotion Et De Participation Pour La Coopération Économique (Proparco), a French development financial institution. The ECB has a term of 8.5 years with a 3 years moratorium;
2. An amount of USD 10 million as Foreign Currency Convertible Bond (FCCB) from IFC, convertible into equity shares of the company at a premium of 40% to the floor price as per SEBI formula;
3. An amount of about USD 50 million as equity comprising about USD 15 million from IFC, USD 5 million from Proparco and USD 30 million from funds managed by Mount Kellett Capital Management LP (Mount Kellett) at the price of Rs. 149.16 per share (a premium of 10% to the floor price as per SEBI formula), and;
4. An amount of USD 25 million from the Promoter group comprising USD 15 million of equity and USD 10 million of equity warrants, at a price of Rs. 193.74 per share, representing a premium of approximately 44% to the closing price of the equity shares as on June 18, 2012.

The long-term nature of the debt improves the asset-liability profile of Educomp's balance sheet and will help Educomp realize significant value from its investments in its core businesses such as K12 among others. Using these funds Educomp has since paid off its outstanding FCCB's in full (including outstanding principal of USD 78.5 million and redemption premium of approx. USD 32.25 million) on the due date.

The Company is pleased to partner with Mount Kellett, a multi-strategy private investment firm with a significant track record of helping build growth businesses. As part of the agreement, a representative from Mount Kellett will be a member of Educomp's Board of Directors, a step we expect to further strengthen the Board of Educomp Solutions Ltd. Mr. Gopal Jain, Managing Partner, Gaja Capital Partners is stepping down from the board. He will serve on the advisory board and continue to serve on the boards of the subsidiary companies.



Shantanu Prakash, Chairman and MD, Educomp Solutions Ltd, said,

"This funding marks an important milestone in the history of the Company and will provide new thrust to the business. Not only have we tied up the requisite funding requirements for our liabilities, but we have gotten highly reputed world class investors like IFC, Proparco and Mount Kellett as long term partners. Our equity has come in at a significant premium to the market price underscoring the value that investors see in Educomp's portfolio of leadership businesses in the Education space in India while the long term, 8+ year debt, strengthens our balance sheet significantly.

Mr. Prakash added, "Educomp's Board is further strengthened by having a representative from a world-class investment firm like Mount Kellett joining the Board. We look forward to working closely with our new partners in realizing the long term value of the company. Mr. Gopal Jain, who has served on the board for the last 7 years, is stepping down. Mr. Jain has played a pivotal role in the growth and development of the company and the Company thanks Mr. Jain for his contribution"

"The investment will help Educomp contribute to the quality of basic and secondary education, in both public and private schools in India," said **Vipul Prakash, Director, Manufacturing, Agribusiness and Services, Asia, IFC.** "The company's expansion will help provide high quality educational content and tools throughout schools in India, and will include significant growth in smaller cities outside the metros and in schools with lower income populations with limited access to quality education currently", he added.

Marie-Hélène Loison, Deputy CEO of Proparco, said, "Proparco is proud to support Educomp and the projects developed by the company. This transaction will contribute to increasing production and supply of high quality education contents available to a large number of students and support the development of Educomp in the school management business. With our co-lenders and investors we are pleased to work with a company committed to providing the Indian people with value-added education services."

Jason Maynard, Head of Asia at Mount Kellett, said "We are excited to partner with Educomp, Shantanu and the rest of the Educomp team. Educomp is well positioned to extend its lead in the Indian education sector, even more so after the balance sheet strength that this transaction will provide."

About IFC:

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. It helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. In FY12, its investments reached an all-time high of more than \$20 billion, leveraging the power of the private sector to create jobs, spark innovation, and tackle the world's most pressing development challenges. For more information, visit www.ifc.org.



About Proparco:

PROPARCO is a Development Finance Institution jointly held by Agence Française de Développement (AFD) and public and private shareholders from the North and South. Its mission is to catalyze private investment in emerging and developing countries with the aim of supporting growth, sustainable development and the achievement of the Millennium Development Goals (MDGs). PROPARCO finances investments that are economically viable, socially equitable, environmentally sustainable and financially profitable. PROPARCO is one of the main bilateral development finance institutions in the world. It invests on four continents encompassing the major emerging countries and the poorest countries, particularly in Africa, and has a high level of requirements in terms of social and environmental responsibility. For more information, visit www.proparco.fr

About Mount Kellett:

Mount Kellett is a multi-strategy private investment firm focused on global value investing. The firm has over 100 employees with offices in New York, Dallas, Hong Kong, London and Mumbai. The firm has in excess of \$7 billion in assets under management.

About Educomp:

Founded in 1994, Educomp Solutions is a globally diversified education solutions provider and the largest education company in India. Over the years, Educomp has been at the forefront of pioneering initiatives in the education space. With an employee base of more than 17000 professionals, Educomp serves 32,000 schools and 20 million learners and educators worldwide. 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

