Tree House Education & Accessories Limited

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Results press release dated May 27, 2015.

Tree House Education & Accessories Limited announces 112.84% increase in Profit After Tax for Q4 for FY 2015

Financial Highlights for Q4FY 2015

- **Revenue from Operations at INR 50.68 cr, up y-o-y by 41.77%**
- **Operational EBITDA at INR 23.58 cr, up y-o-y by 24.24%**
- **Profit after tax at INR 17.12 cr, up y-o-y by 112.84%**
- **EPS (Fully diluted) for the quarter is INR 4.40**
- **Opened 50 preschool centers in the quarter, taking total to 612**

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the 4th quarter FY2015 ending March 31, 2015.

Key highlights of the performance were as follows:

Financial Highlights for the year

	FY 13-14	FY14-15	Growth
Revenue from Operations (INR cr)	157.64	**207.45**	31.60%
Operational EBITDA (INR cr)	89.21	**118.71**	33.07%
Profit after Tax (INR cr)	43.92	**60.88**	38.65%
EBITDA Margin	56.60%	**57.22%**	62bps
PAT Margin	27.62%	**28.37%**	75bps

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New Pre Schools opened in Q4FY2015

- There was a net addition of 50 preschools in the 4th quarter of FY2015.
- Total number of centers as on March 31,2015 is 612
- The number of self-operated preschools is 505
- Ratio of self operated preschools to total preschools is 82.52%.

Geographical coverage

- Now present in 88 cities in India.
- 8 New cities launched in the quarter are : Trivandrum, Kochi, Cuttack, Ghaziabad, Baripada in Odisha, Gopalgunj in Bihar, Burdhwan in West Bengal, Pen in Maharastra

K-12 school management services

- The Company is providing school management services to 24 K-12 schools in 3 states in India.

Staff strength

- Total staff strength as on March 31, 2015 is 2219.
- Total teacher strength as on March 31, 2015 is 2117.

Non-financial highlights

- The Company has launched daycare services at several of its preschools. Initial response from parents is encouraging and the Company believes that this service will contribute meaningfully in the future. The Company has entered into tie ups with large employers in the IT, ITES, banking and consulting space to provide daycare services for their employees.
- Academics in pre-school are now being delivered on Android tablets for Junior KG and Senior KG (4 year – 6 years olds) children from the current session of 2015-16.
- The Company's initiative to provide low cost quality pre-primary education under the GLOBAL CHAMPS brand is now available across 6 centers in India.

Commenting on the Q4 & FY15 results, Mr. Rajesh Bhatia, Managing Director of Tree House, said, "I am pleased to announce a robust increase in our operational and financial performance for the quarter and full year. FY 15 took us closer to our goal and passion of providing quality education to a larger population of children by focusing on excellence and creativity. As of 31st March 2015, we had a network of preschools with our presence spanning across 88 cities. Such growth is attributable to our deep understanding of the education space, the robustness of our business model along with our innovative methods that make learning a dynamic activity for our young children. We have also witnessed further traction in our day care business.

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While expansion of preschools was key to our growth, we maintained sharp focus on enhancing financial performance simultaneously; as a result we registered 31.6% growth in topline and 38.65% increase in Profit After Tax in FY15.

We also took major steps towards strengthening our balance sheet with the monetization of K-12 properties owned by Tree House. In FY15, we have received Rs 17.1 crore from divestments of K-12 land and in Q4 we signed an MOU for consideration of Rs. 52.5 crore. We will deploy these funds towards debt reduction and expansion of business operations. This will be further be aided by money raised through the recent QIP and continuing operating cash flows.

With each passing day, it is our effort to make a significant contribution to the education landscape. We believe that our trusted brand is bringing meaningful change to the lives of our customers, the young children just starting off in their lives. By remaining focused on this objective, we are positioned to deliver secular long-term growth over several years."

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Tree House Education and Accessories Limited **(NSE code: TREEHOUSE; BSE code: 533540, MCX-SX: TREEHOUSE)** runs quality preschools and also provides educational services to K-12 schools throughout the country. TreeHouse has revolutionized the concept of pre-school pedagogy in India through the use of innovative teaching methods and child-focused personal care.

For more updates and information on the Company, please log on to www.treehouseplaygroup.net