

Tree House Education & Accessories Ltd.

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Press release dated February 14, 2013

Financial Highlights

YTD FY 2013

- Total revenue at INR 902.7 million, up y-o-y by 56.44%
- EBITDA at INR 530.1 million, up y-o-y by 57.11%
- Net Profit after tax at INR 260.0 million, up y-o-y by 56.43%

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the quarter and nine months ended December 31, 2012.

Key highlights of the performance were as follows:

Financial Highlights for the quarter

- Total Revenue for the 3rd quarter of FY2013 is INR 303.7 million compared to INR 226.9 million for the 3rd quarter of FY2012, representing 33.85 % y-o-y growth.
- EBITDA for the 3rd quarter of FY2013 is INR 176.1 million compared to INR 124.0 million for the 3rd quarter of FY2012, representing 42.00% y-o-y growth.
- Net Profit after tax for the 3rd quarter of FY2013 is INR 80.5 million compared to INR 61.2 million for the 3rd quarter of FY2012, representing 31.54% y-o-y growth.
- EBITDA margin for Q3 FY2013 is 57.98%
- Net profit margin for Q3 FY2013 is 26.51%



New Pre Schools opened in Q3 FY2013

- Net addition of 40 pre schools in the 3rd quarter of FY2013.
- Total number of centers as on December 31, 2012 is 349.
- Out of this, the number of self operated preschools is 278.
- Ratio of self operated preschools to total preschools is 79.6%.

Geographical coverage

- Currently present in 38 cities.

Same self-operated preschool centers: a comparative study

- Year-on-year (Q3FY2013 vs. Q3FY2012) revenue growth in same self-operated preschool centers has been 31%.
- As announced in the previous quarter, Preschools started in the last 9 months are performing as per expectations. The Treehouse brand is now well accepted in the new geographies we penetrated this calendar year. We will soon be a significant player in the preschool segment in Ranchi, Patna, Nagpur and Guwahati.
- Admissions have started for the academic year 2013-2014 and good traction in enrollments witnessed in the previous quarter continues to be seen in this quarter also.

K-12 school management services

- The Company provides school management services to 23 K-12 schools in 3 states.

Staff strength

- Total staff strength as on December 31, 2012 was 1529, showing a net addition of 79 in the quarter.
- Total teacher strength as on December, 2012 was 1453, representing a net addition of 74 teachers during this quarter.
- The teaching staff increased by 5.3% in the quarter. This is due to higher student intake across our centers.



Acquisitions

- MT Educare Limited's Pre - School division "Global Champs" comprising of six self-operated centers located at Mumbai and Pune have been merged into Treehouse in a seamless manner at the operational level as well as cultural integration, human resource engagement and academic excellence. All necessary approvals for this transaction have been received and the transaction stands completed.

Global Champs preschools and Tree House Foundation

- The Company plans to launch preschools under the brand Global Champs. These preschools would be available at very affordable fees and will cater specifically to children of the urban lower income group, who aspire for quality preschool education in safe environments for their children.
- We plan to start at least 6 such preschools by June 2013.
- **Tree House Foundation:-** This will be part of the Company's CSR initiative as we look to give a part of our profits back to society.
- Under the Global Champs brand umbrella, we will also be launching teacher training courses specifically tailored towards creating teachers for the Global Champs preschools. These courses would be targeted specifically at the urban lower income group with focus on regional language proficiency as core basis of evaluation to the said program.

Mr. Rajesh Bhatia, Promoter and Managing Director, TreeHouse said, "TreeHouse has achieved 56.44% growth in net profit for the nine months ended December 31, 2012. This is in line with the guidance provided at the beginning of the year. With the general pickup in the overall economy we are seeing good uptick in admissions for the next academic year 2013-14. The K-12 division is also performing in line with our internal projections and all the schools managed by us have shown good traction in new enrollments. The TreeHouse brand is getting more entrenched in the cities we operate in and as a result we are seeing parents securing admissions earlier than before, which increases visibility in the business. We remain committed to our mission to build a truly unique Company which will create value for our shareholders for years to come."



With the goal of declaring the quarterly results within 30 days of the end of a quarter, the company also announced that it will have a sole statutory auditor going ahead.

Tree House Education & Accessories Limited

Tree House Education & Accessories Limited (NSE code: TREEHOUSE; BSE code: 533540) 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 day to day updates on what's happening at our centers, follow us on Facebook at www.facebook.com/treehouse.playgroup

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

