Tree House Education & Accessories Limited
Regd. Office: 702, C Wing Morya House, Off New Link Road,
Near Infinity Mall, Andheri (W), Mumbai - 400 053
CIN No. L80101MH2006PLC163028

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in lacs)

| Particulars | Quarter Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | March 31, 2014 (Unaudited) | December 31, 2013 (Unaudited) | March 31, 2013 (Unaudited) | March 31, 2014 (Audited) | March 31, 2013 (Audited) |
| 1) **Income from operations** | 3,575 | 3,973 | 2,940 | 15,764 | 11,428 |
| | **3,575** | **3,973** | **2,940** | **15,764** | **11,428** |
| 2) **Expenses** | | | | | |
| Operating cost | 928 | 821 | 774 | 3,956 | 3,016 |
| Employee cost | 471 | 438 | 339 | 1,738 | 1,331 |
| Depreciation / amortisation | 442 | 445 | 364 | 1,696 | 1,338 |
| Other expenditure | 277 | 261 | 408 | 1,147 | 900 |
| **Total Expenses** | **2,119** | **1,965** | **1,885** | **8,537** | **6,585** |
| 3) Profit from operations before Other income, Interest and Exceptional Items (1-2) | 1,456 | 2,008 | 1,055 | 7,227 | 4,843 |
| 4) Other Income | - | 1 | 167 | 134 | 706 |
| 5) Profit before Interest and Exceptional Items (3+4) | 1,456 | 2,009 | 1,222 | 7,361 | 5,549 |
| 6) Finance cost | 252 | 196 | 118 | 759 | 662 |
| 7) Profit after Interest but before Exceptional Items (5-6) | 1,204 | 1,813 | 1,104 | 6,602 | 4,887 |
| 8) Exceptional Items | - | - | - | - | - |
| 9) Profit from Ordinary Activities before tax (7-8) | 1,204 | 1,813 | 1,104 | 6,602 | 4,887 |
| 10) Tax Expenses | 400 | 603 | 370 | 2,210 | 1,554 |
| 11) Profit from Ordinary Activities after tax (9-10) | **804** | **1,210** | **734** | **4,392** | **3,333** |
| 12) Extraordinary Items (net of tax expenses Rs. NIL) | - | - | - | - | - |
| 13) Net Profit for the period / year (11-12) | **804** | **1,210** | **734** | **4,392** | **3,333** |
| 14) Paid up Equity Share Capital (face value Rs. 10 per share) | 3,717 | 3,712 | 3,597 | 3,717 | 3,597 |
| 15) Reserves excluding revaluation reserves | | | | 36,692 | 29,739 |
| 16) Earnings per share | | | | | |
| Basic | 2.20 | 3.32 | 2.14 | 12.04 | 9.69 |
| Diluted | 2.17 | 3.26 | 2.11 | 11.84 | 9.56 |
| **A. Particulars of shareholding** | | | | | |
| 17) Public Shareholding | | | | | |
| Number of Shares | 2,55,72,437 | 2,56,60,133 | 2,59,86,537 | 2,55,72,437 | 2,59,86,537 |
| Percentage of shareholding | 68.80% | 69.13% | 72.25% | 68.80% | 72.25% |
| 18) Promoter and promoter group shareholding | | | | | |
| a) Pledged / Encumbered | | | | | |
| - Number of Shares | 23,00,000 | 23,00,000 | 10,00,000 | 23,00,000 | 10,00,000 |
| - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 19.83% | 20.07% | 10.02% | 19.83% | 10.02% |
| - Percentage of Shares (as a % of the total share capital of the Company) | 6.19% | 6.20% | 2.78% | 6.19% | 2.78% |
| b) Non-encumbered | | | | | |
| - Number of Shares | 92,97,633 | 91,59,037 | 89,78,733 | 92,97,633 | 89,78,733 |
| - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 80.17% | 79.93% | 89.98% | 80.17% | 89.98% |
| - Percentage of Shares (as a % of the total share capital of the Company) | 25.01% | 24.67% | 24.97% | 25.01% | 24.97% |

| | Particulars | Quarter ended Mar 31, 2014 |
|---|---|---|
| B. | **Investor complaints** | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | Nil |
| | Disposed of during the quarter | Nil |
| | Remaining unresolved at the end of the quarter | Nil |

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Notes:

1 The above financial results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on May 27, 2014.

2 Income from operations for the quarter January 2014 to March 2014 includes Rs.12.52 crore for curriculum fees in respect of which services have been rendered by the Company and accepted by the recipient. Of the said curriculum fees an amount of Rs.8.02 crore will be received in installments over a period of 3 years from financial year 2014-2015 to 2016-2017.

3 The Board of Directors have recommended a final dividend of Rs. 1.50 per Equity Share of Rs. 10/- each for the year 2013-2014, subject to the approval of the members in the Annual General Meeting.

4 The figures of last quarter are the balancing figures between audited figures in respect of full financial year and published year to data figures upto 3rd quarter of the financial year.

5 As the business activity of the Company falls within a single primary business segment viz. "Educational Services", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" is not applicable.

6 Statement of Assets and Liabilities

( Rs. in lacs)

| Particulars | As at March 31, 2014 (Audited) | As at March 31, 2013 (Audited) |
|---|---|---|
| **I. EQUITY AND LIABILITIES** | | |
| **(1) Shareholders' Funds** | | |
| (a) Share Capital | 3,717 | 3,597 |
| (b) Reserves and Surplus | 36,692 | 29,739 |
| (c) Money received against share warrants | 331 | 1,002 |
| **(2) Non-Current Liabilities** | | |
| (a) Long-term borrowings | 5,068 | 2,903 |
| (b) Deferred tax liabilities (Net) | 511 | 436 |
| (c) Other Long term liabilities | - | 2 |
| (d) Long Term provisions | 42 | 30 |
| **(3) Current Liabilities** | | |
| (a) Short-term borrowings | 3,195 | 3,769 |
| (b) Trade payables | 571 | 375 |
| (c) Other current liabilities | 2,168 | 2,022 |
| (d) Short-term provisions | 378 | 570 |
| **Total** | **52,673** | **44,442** |
| **II. ASSETS** | | |
| **(1) Non-current assets** | | |
| (a) Fixed assets | | |
| (i) Tangible assets | 21,557 | 13,297 |
| (ii) Intangible assets | 3,127 | 2,205 |
| (iii) Capital work-in-progress | 2,740 | 3,468 |
| (iv) Intangible assets under development | 109 | 509 |
| (b) Non-current investments | 1,148 | 998 |
| (c) Long term loans and advances | 18,708 | 16,932 |
| **(2) Current assets** | | |
| (a) Inventories | 562 | 460 |
| (b) Trade receivables | 2,900 | 687 |
| (c) Cash and bank balances | 1,081 | 4,872 |
| (d) Short-term loans and advances | 740 | 728 |
| (e) Other current assets | 1 | 287 |
| **Total** | **52,673** | **44,442** |

7 Previous year / period figures have been regrouped / rearranged wherever necessary to conform with the current period / year presentation.

**For and on behalf of the Board of Directors**

Managing Director

**Place**: Mumbai
**Date** : May 27, 2014

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

# Tree House Education & Accessories Ltd.

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Mumbai - 400052. Tel.: 022-64512384 / 64572730
www.treehouseplaygroup.net

Registered Office:
702, Morya House, 'C' Wing, Near Infinity Mall,
Off. Link Road, Andheri (W), Mumbai - 400 053.


## Results press release dated May 27, 2014

### *Financial Highlights for FY 2014*

- **Revenue from Operations at INR 157.64 cr, up y-o-y by 37.94%**
- **Operational EBITDA at INR 89.23 cr, up y-o-y by 44.36%**
- **Profit after tax at INR 43.92 cr, up y-o-y by 31.77%**
- **EPS (Fully diluted) is Rs.11.84**
- **Opened 111 preschool centers in the year, taking total to 490**

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the 4th quarter and year ending March 31, 2014.

Key highlights of the performance were as follows:

**Financial Highlights for the year**

| | FY2013 | FY2014 | Growth |
|---|---|---|---|
| Revenue from Operations (INR cr) | 114.28 | 157.64 | 37.94% |
| Operational EBITDA (INR cr) | 61.81 | 89.23 | 44.36% |
| Profit after Tax (INR cr) | 33.33 | 43.92 | 31.77% |
| EBITDA Margin | 54.08% | 56.60% | 252bps |
| PAT Margin | 27.47% | 27.63% | 16bps |

**Note**

There was non-operational income of INR 7.06cr in FY2013, which is INR 1.34cr in FY2014.

**New Pre Schools opened in FY2014**

- There was a net addition of 46 preschools in the 4th quarter of FY2014.
- Total number of centers as on March 31, 2014 is 490.
- 111 new preschool centers were opened during the year.
- The number of self-operated preschools is 386 compared to 300 a year back.
- Ratio of self operated preschools to total preschools is 78.77%.

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**Geographical coverage**

- Currently present in 63 cities in India.
- New cities launched in the quarter are : Bhopal (6) , Jamshedpur (2) , Mangalore (3),Durgapur (2) , Bhubaneswar (2), Amritsar (4)

**K-12 school management services**

- The Company provides school management services to 24 K-12 schools in 3 states in India.
- Construction for the Baroda and Jhunjhunu Educational complexes has been completed during the year.

**Staff strength**

- Total staff strength as on March 31, 2014 is 1965. ( +124 for the quarter,+324 for the year)
- Total teacher strength as on March 31, 2014 is 1880 ( +122 for the quarter, +318 for the year)

**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.
- Treehouse has tied up with SNDT University to collaborate on its teacher training program.
- Treehouse now sponsors the gold medal for the topper in the Master of Science (Early Childhood Education) at SNDT University, Mumbai. The Company aims to associate with many more such centers of excellence to promote an eco-system of pre-primary education in the country.
- The education advisory board headed by Dr. Prerna Mohite has been constituted and has starting providing key academic inputs.
- The Company's initiative to provide low cost quality pre-primary education under the GLOBAL CHAMPS brand is now available at 5 centers in Mumbai.
- Treehouse students entered into the Limca Book of Records on 26th January 2014 by creating the largest human flag formation by children.



**Mr. Rajesh Bhatia, Promoter and Managing Director, TreeHouse said,** " FY2014 was another important year for the company as we build one of India's top consumer-centric services companies. We were able to grow the number of preschool centers by 29.2%, which has brought us close to the magical 500 mark.

As we move from a low-income to a middle-income country, we are seeing a critical period in the life cycle of our nation. Improvement in physical infrastructure and better consumer confidence will surely see a spurt in demand for essential and basic consumer services, of which quality education is the top priority of each family. We at Treehouse have built the network, brand name, vintage and processes to cater to the projected rise in demand.

I am optimistic that the hard work put in by the Treehouse team will continue to deliver results and we will continue to maintain our leadership status in the preschool industry.

I again take this opportunity to thank all our stakeholders who continue to contribute in our growth. We remain committed to our goal to create one of India's leading consumer services brand, which will create sustainable value for all its stakeholders for a long time to come."

**Tree House Education & Accessories Limited**

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

