

Tree House Education & Accessories Ltd.

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Press release dated November 9, 2012

Financial Highlights

Q2 FY 2013

- Total revenue at INR 314.4 million, up y-o-y by 73%
- EBITDA at INR 186.8 million, up y-o-y by 65%
- Net Profit after tax at INR 9.93 million, up y-o-y by 88%

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the quarter ended September 30, 2012.

Key highlights of the performance were as follows:

Financial Highlights for the quarter

- Total Revenue for the 2nd quarter of FY2013 is INR 314.4 million compared to INR 181.4 million for the 2nd quarter of FY2012, representing 73% y-o-y growth.
- EBITDA for the 2nd quarter of FY2013 is INR 186.8 million compared to INR 112.9 million for the 2nd quarter of FY2012, representing 65% y-o-y growth.
- Net Profit after tax for the 2nd quarter of FY2013 is INR 9.93 million compared to INR 52.7 million for the 2nd quarter of FY2012, representing 88% y-o-y growth.
- EBITDA margin for Q2 FY2013 was 59%
- Net profit margin for Q2 FY2013 was 31.5%

New Pre Schools opened in Q2 2012

- Net addition of 5 pre schools in the 2nd quarter of FY2013.
- Total number of centers as on September 30, 2012 was 309.
- Out of this, the number of self operated preschools were 243.
- Ratio of self operated preschools to total preschools now stands at 79%, unchanged as compared to the preceding quarter.



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verage
currently present in 37 cities.



Same self-operated preschool centers: a comparative study

- Year-on-year (Q2FY2013 vs. Q2FY2012) revenue growth in same self-operated preschool centers has been 35%.
- Admissions have started for the academic year 2013-2014 and we are seeing good traction in enrollments.
- 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.

K-12 school management services

- The Company provides school management services to 21 K-12 schools in 3 states.

Staff strength

- Total staff strength as on September 30, 2012 was 1450, showing a net addition of 130 in the quarter.
- Total teacher strength as on September 30, 2012 was 1379, representing a net addition of 133 teachers during this quarter.
- The teaching staff has increased by 10.67% in the quarter. This is due to higher student intake across our centers.

New Initiatives

- Due Diligence for the transfer of MT Educare Limited's 'Pre - School division' comprising of six self-operated centers located at Mumbai and Pune has been completed. The transaction will be completed in the coming quarter.

360 ° overview of organization for all senior employees

Treehouse believes in the practice that senior employees in the Company must get a chance to change their profiles by rotation, so as to get the chance to work in every functional department of the Company. This is a global practice implemented in a few companies which ensures greater governance and benefits to the Company in the long run.

- Mr.Utsav Shrivastava , currently Director (HR and Operations) goes back to his previous role as Chief Financial Officer of the Company. After completion of one year of the listing process there has been a substantial increase in the number of new investor visits and hence the need for enhanced investor relationship management. His past experience as CFO along with his recent stint in the Human Resources and Operation department makes him an ideal candidate to shift back to the CFO's position. His understanding of the business dynamics and vastly improved and enables him to throw light on the growth prospects of the Company. Mr.Utsav Shrivastava has more than 16 years of work



experience across the Financial Services and Education sector and has been with the Company since April 2008.

- Mr.Hiren Shah, currently the Chief Financial Officer of the Company will move to a new role of Strategy Head for the K12 division. This is being done to give thrust and monitor the growth momentum of this division with a view to derive enhanced returns from it.
- Mr.Vishal Shah, Executive Director with the Company currently manages marketing, setting up of new centers and identifying properties for expansions. He will now additionally head the Human Resource and legal department of the Company.
- Mr.V.Sridhar, COO-K12 division currently manages the administration for the 21 K-12 schools for which the Company provides school management services. He will now take on the additional responsibility of procurement and vendor management for the Company. With the number of children and centers set to increase exponentially year-on-year, the timely and cost-effective procurement of kits and equipment is essential for smooth functioning at the center level. Mr.Sridhar has more than 20 years experience at the operation level across industry spectrum and will bring the right level of expertise to his role.

Commenting on the performance for Q2 FY2013, Mr. Rajesh Bhatia, Promoter and Managing Director, Treehouse said, "Treehouse's second quarter performance is in line with the guidance indicated by us at the beginning of the year. The Treehouse brand is getting more entrenched in the cities we operate in. Admissions have begun for the next academic year 2013-14 and the lead market indicators point to continued traction and momentum across all our preschool centers. 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.

My team and I are committed to building a world-class, sustainable and profitable education Company which caters to the basic need of society. While we have grown substantially in the past, our journey has just begun. We are building a truly unique Company which will create value for our shareholders for years to come."

Tree House Education & Accessories Limited

Treehouse Education and 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 [om/treehouse.playgroup](https://www.facebook.com/treehouse.playgroup)



For updates and information on the Company, please log on to playgroup.net

