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 Unaudited financials results for the quarter and half year ended September 30, 2014

(Rs. in lacs)

Particulars	Quarter ended			Half year ended		Year ended
	Sept 30, 2014	Jun 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013	Mar 31, 2014
	Unaudited			Unaudited		Audited
1) Income from operations	4,976	5,391	4,129	10,367	8,216	15,764
	4,976	**5,391**	**4,129**	**10,367**	**8,216**	**15,764**
2) **Expenses**						
Operating cost	1,027	1,215	1,063	2,243	2,207	3,956
Employee benefits expense	600	503	467	1,103	829	1,738
Depreciation and amortisation	634	599	427	1,233	809	1,696
Other expenses	380	345	306	725	609	1,147
Total expenses	**2,641**	**2,662**	**2,263**	**5,303**	**4,454**	**8,537**
3) Profit from operations before other income, finance cost and exceptional items (1-2)	2,335	2,729	1,866	5,064	3,762	7,226
4) Other income	34	15	21	49	133	134
5) Profit from ordinary activities before finance cost and	2,369	2,744	1,887	5,112	3,895	7,360
6) Finance cost	436	320	147	756	311	759
7) Profit from ordinary activities after finance cost but before exceptional items (5-6)	1,933	2,424	1,740	4,357	3,584	6,601
8) Exceptional items	-	-	-	-	-	-
9) Profit from ordinary activities before tax (7-8)	1,933	2,424	1,740	4,357	3,584	6,601
10) Tax expense	674	818	593	1,492	1,207	2,210
11) Net profit from ordinary activities after tax (9-10)	**1,259**	**1,606**	**1,147**	**2,864**	**2,377**	**4,391**
12) Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-	
13) Net profit for the period / year (11-12)	**1,259**	**1,606**	**1,147**	**2,864**	**2,377**	**4,391**
14) Paid up equity share capital (face value Rs.10 per share)	3,777	3,777	3,672	3,777	3,672	3,717
15) Reserves excluding revaluation reserves						36,042
16) Earnings per share						
Basic	3.35	4.26	3.15	7.61	6.53	12.04
Diluted	3.35	4.26	3.06	7.61	6.35	11.84
A. Particulars of share holding						
1. Public shareholding						
Number of shares	25,518,657	25,572,437	25,968,067	25,518,657	25,968,067	25,572,437
Percentage of shareholding	67.57%	67.71%	70.73%	67.57%	70.73%	68.80%
2. Promoter and promoter group shareholding						
a) Pledged / Encumbered						
- Number of shares	2,695,000	2,295,000	1,000,000	2,695,000	1,000,000	2,300,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	22.01%	18.82%	9.30%	22.01%	9.30%	19.83%
- Percentage of shares (as a % of the total share capital of the Company)	7.14%	6.08%	2.72%	7.14%	2.72%	6.19%
b) Non-encumbered						
- Number of shares	9,551,613	9,897,833	9,747,203	9,551,613	9,747,203	9,297,633
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	77.99%	81.18%	90.70%	77.99%	90.70%	80.17%
- Percentage of shares (as a % of the total share capital of the Company)	25.29%	26.21%	26.55%	25.29%	26.55%	25.01%

	Particulars	Quarter ended Sept 30, 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

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 November 14, 2014.
2. The Statutory Auditors have carried out a "Limited Review" of the above financial results for the quarter and half year ended September 30, 2014.
3. The useful life of fixed assets has been revised in accordance with Schedule III of Companies Act, 2013, effective from April 1, 2014. Due to above, depreciation for the quarter ended September 30, 2014 is higher by Rs. 125.07 lacs due to change in useful life of Fixed Assets.
4. 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.

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

5. Statement of Assets and Liabilities

(Rs. in lacs)

Particulars	As at September 30, 2014 (Unaudited)	As at March 31, 2014 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	3,777	3,717
(b) Reserves and Surplus	40,134	36,039
(c) Money received against share warrants	-	331
Sub-total of Shareholder's fund	**43,911**	**40,088**
(3) Non-Current Liabilities		
(a) Long-term borrowings	6,748	5,068
(b) Deferred tax liabilities (Net)	486	511
(c) Other Long term liabilities	-	-
(d) Long Term provisions	59	42
Sub-total of Non-current liabilities	**7,293**	**5,621**
(4) Current Liabilities		
(a) Short-term borrowings	5,566	3,195
(b) Trade payables	387	571
(c) Other current liabilities	532	2,168
(d) Short-term provisions	1,081	1,030
Sub-total of Current liabilities	**7,566**	**6,964**
TOTAL - EQUITIES AND LIABILITIES	**58,770**	**52,673**
II.Assets		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	23,520	21,557
(ii) Intangible assets	3,030	3,127
(iii) Capital work-in-progress	2,923	2,740
(iv) Intangible assets under development	109	109
(b) Non-current investments	1,173	1,148
(c) Long term loans and advances	21,793	18,708
Sub-total Non-current assets	**52,548**	**47,388**
(2) Current assets		
(b) Inventories	321	562
(c) Trade receivables	3,218	2,900
(d) Cash and cash equivalents	1,948	1,081
(e) Short-term loans and advances	690	740
(f) Other current assets	45	1
Sub-total Current assets	**6,222**	**5,285**
TOTAL - ASSETS	**58,770**	**52,673**

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : November 14, 2014.

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

Rajesh Bhatia
Managing Director

Jogish Mehta & Co.
CHARTERED ACCOUNTANTS

✆ : 91-22-2624 5302
91-22-2628 8942
Fax : 91-22-2625 5736
E-mail : jogishm@jogishmehta.com

807, Dev Plaza, S. V. Road, Opp. Andheri Fire Brigade, Andheri (W), Mumbai - 400 058.

Limited Review Report

Review Report to
The Board of Directors
Tree House Education & Accessories Limited

1. We have reviewed the accompanying statements of Unaudited Financial Results (the "Statement") of **Tree House Education & Accessories Limited** (the "Company") for the quarter ended **30th September 2014** (Statement) except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to Inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance that an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting specified under Companies Act 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the companies (Accounts) Rules 2014) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements, including the manner in which it is to be disclosed, or that it contains any material misstatements.

For **Jogish Mehta & Co.**
Chartered Accountants
Firm Registration No.104326W

JOGISH MEHTA & CO. M.No.F/38974 FR.No 104326W C.A.

Per **Jogish N. Mehta**
Proprietor
Membership No. F/38974

Place: Mumbai
Date: 14th November 2014

Tree House Education & Accessories Ltd.

Corporate Office:
301, Embassy Chambers, 3rd Road, Khar (W),
Mumbai - 400052. Tel.: 022-40169587 / 64572725
CIN : L80101MH2006PLC163028

Registered Office:
702, Morya House, 'C' Wing, Off Link Road,
Andheri (W), Mumbai - 400 053.
Tel.: 022-64512384, Fax 022-26051259

Results press release dated November 14, 2014.

Tree House Education & Accessories Limited announces 37.77% increase in operational EBITDA for 1st Half of F.Y. 2015

Financial Highlights for H1 F.Y. 2015

- **Revenue from Operations at INR 103.67 cr, up y-o-y by 26.18%**
- **Operational EBITDA at INR 62.96 cr, up y-o-y by 37.77%**
- **Profit after tax at INR 28.63 cr, up y-o-y by 20.46%**

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the 2nd quarter of F.Y. 2015 and half year ended September 30, 2014.

Key highlights of the performance were as follows:

Financial Highlights for the Q2 F.Y. 2015

	Q2 F.Y. 2015	Q2 F.Y. 2014	Growth
Revenue from Operations (INR cr)	**49.76**	41.29	20.52%
Operational EBITDA (INR cr)	**29.69**	22.93	29.48%
Profit after Tax (INR cr)	**12.59**	11.47	9.76%
EBITDA Margin	**59.66%**	55.53%	413bps
PAT Margin	**25.14%**	27.64%	-250bps

New Pre Schools opened in Q2 F.Y. 2015

- There was a net addition of 33 preschools in the 2nd quarter of F.Y. 2015.
- Total number of centers as on September 30, 2014 is 538
- The number of self-operated preschools is 435
- Ratio of self operated preschools to total preschools is 80.85%.

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

Geographical coverage

- Now present in 75 cities in India.
- 8 New cities launched in the quarter: Dewas, Bhillai, Ujjain, Allahabad, Gwalior, Hazaribagh, Kota and Beawar.

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 September 30, 2014 is 2100
- Total teacher strength as on September 30, 2014 is 2009

Non-financial highlights

- Awarded MOST TRUSTED PRESCHOOL BRAND across India TRA Research Private Limited.
- Signed MOU for sale of 1 school land and building at Atladara, Baroda

Mr. Rajesh Bhatia, Promoter and Managing Director, Treehouse said, "I am pleased to report another quarter of steady growth in Q2 F.Y. 15. Our pre-school network saw a healthy growth trajectory as we added 33 centers in new and existing geographies. This quarter, we entered 8 new cities and are now present in 75 cities across India with a network of 538 pre-schools.

As announced earlier, we have successfully launched daycare services across the country. We aim to leverage our daycare centers on our extensive network of preschool centers. We believe that this will be a significant contributor to our revenue in the future. Our belief is based on the goodwill of the Treehouse brand, the size of the opportunity and the response to our product offering from individual as well as corporate customers.

During this quarter, we began our journey to our stated objective of creating an asset-light company by signing an MOU for the sale of our school land and building located at Vadodara, Gujarat. This is the first monetization of our K-12 assets. Over time we expect to unlock all such physical asset investments while continuing to provide school management services to these institutions.

Passionately pursuing the substantial opportunities that lie before us, our team has delivered steady growth in weak economic conditions of the last few years. We remained committed to invest in the preschool business, generate value and above all stay true to our efforts to provide high quality education.

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

As the economy improves, we are poised to further accelerate our momentum of expansion. We aim to be one of the top 3 preschool and daycare brands in the world. As we complete this journey, we are creating an ecosystem which will deliver superior returns to all its stakeholders for years 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 daycare, 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

For further information please contact:

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E-mail: utsav@treehousepaygroup.net
sanjay@treehouseplaygroup.net

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CDR India
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Email: shiv@cdr-india.com
urvashi@cdr-india.com

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI



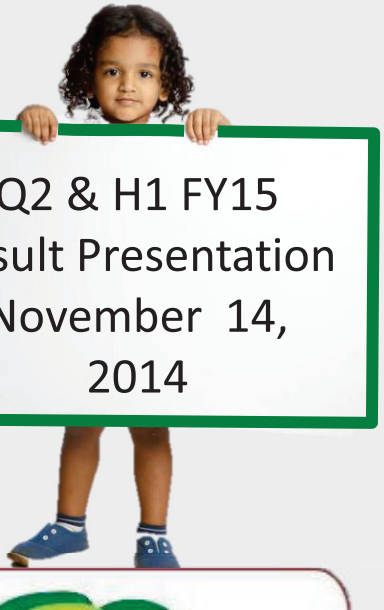








Q2 & H1 FY15
Result Presentation
November 14, 2014







The TreeHouse
Playgroup & Nursery
'From roots to wings'
Nanhe Kadam, Badi Udaan.™

Tree House Education and Accessories Ltd

Overview of Tree House



Overview of Treehouse

Tree House is India's leading educational service provider operating the largest number of branded self-operated pre-schools

India's largest self operated pre-school chain

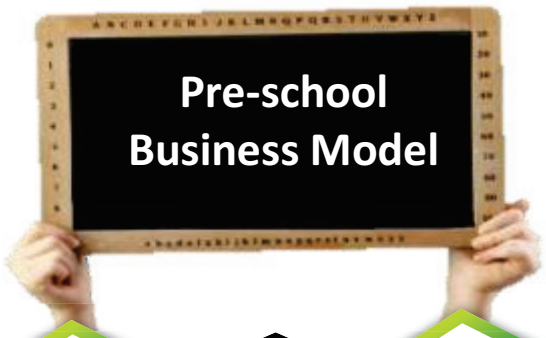
Self operated pre-school chain targeting a large untapped segment: the urban aspirational

Pre-Schools

School management services (annuity income) to K-12 schools in strong pre-school clusters

K-12

Pre-schools

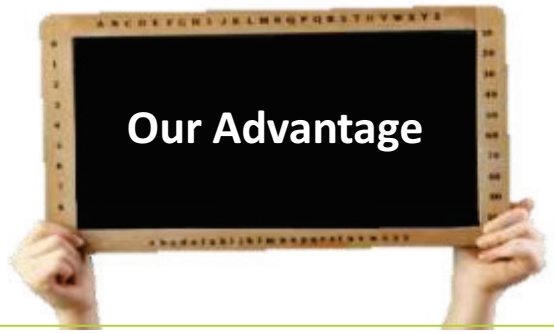


Self-operated Pre-schools

Franchise Pre-schools

OFFERINGS

- Playgroup
- Nursery
- Junior KG
- Senior KG
- Day Care Services
- Teacher Training Course
- Summer Camp
- Hobby/Activity Class



High-Quality Programs

- Tree House's unique curriculum blends the best of Playway and Montessori methods to provide a perfect balance of education and fun
- Curriculum content delivered uniformly across the country

Holistic Developmental Education

- Learning methods develop the child's social, physical, emotional & cognitive skills
- Emphasis on role play and socio-dramatic plays (promoting out of the box thinking)
- Learning outcomes measured for every child every year
- Innovative teaching methods introduce the child to formal education in the most conducive manner

Student-Focused

- Programs are designed to cater to the needs of each child in a customized way to help physical and intellectual growth

Focused Faculty

- Regular nationwide training for all teachers
- Teacher productivity and output constantly measured

Tree House's USPs

- Monthly updates to parents through newsletters
- Parent involvement in special activities

K-12



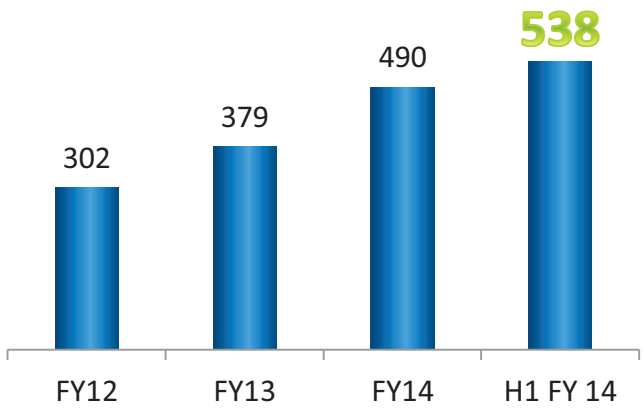


- Logical extension of our preschool business – pre-schools as feeders to K-12
- The company enters into long term contracts to provide school management services
- The company endeavors to leverage the Tree House brand
- Provide school management services (annuity income) to K-12 schools in strong pre school clusters
- Annuity model with predictable cash flows delivering significant year-on year growth
- The company owns K-12 infrastructure on which it earns lease rentals. Over the next 36 months the company will endeavor to monetize these assets

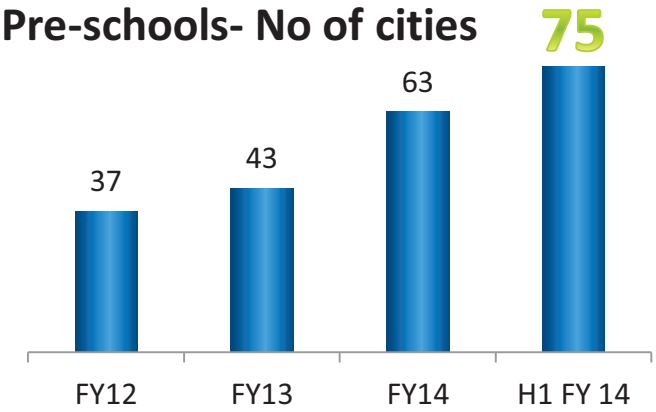
Our Network

Nationwide presence

Tree House Pre-schools- No of centers



Tree House Pre-schools- No of cities



Tree House K-12 schools

24

schools

Present in Maharashtra, Gujarat and Rajasthan

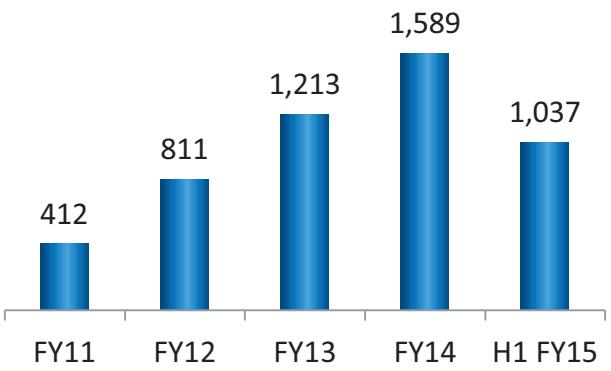
Network as of 30 September , 2014

Financial Overview

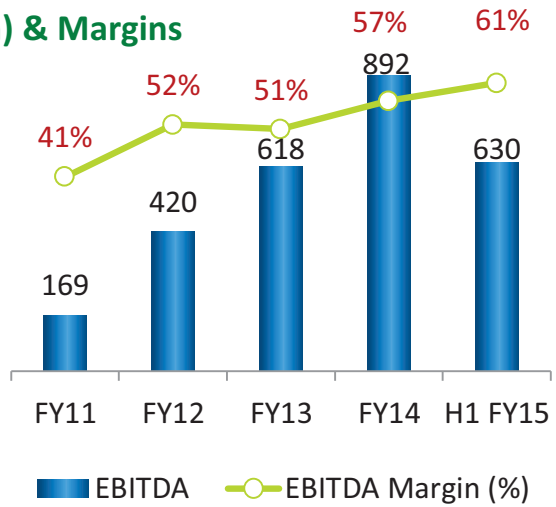


Financial Trends

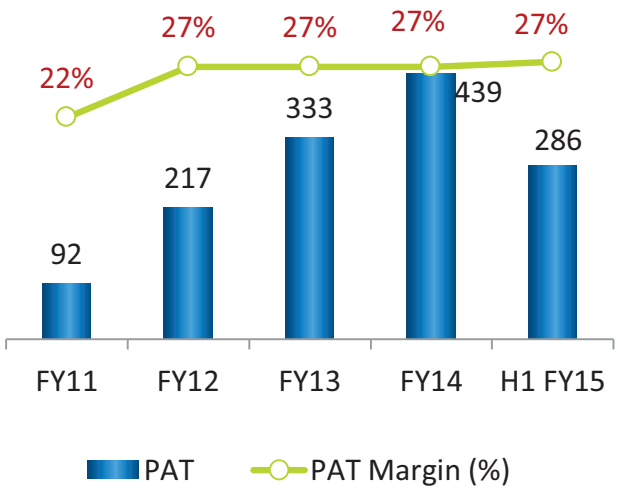
Revenues from Operations (Rs mn)



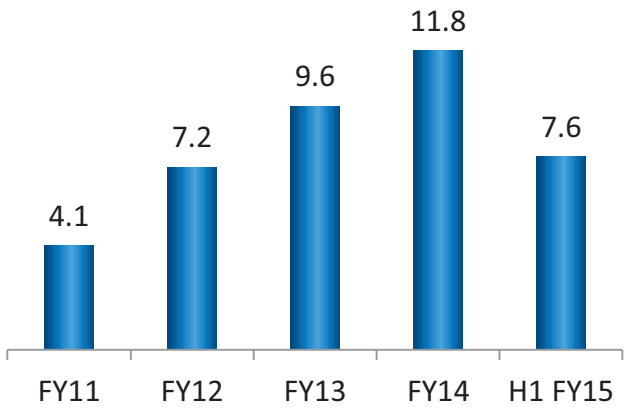
EBITDA (Rs mn) & Margins



PAT (Rs mn) & Margins



Diluted EPS (INR)



Q2 & H1 FY15 Performance







Operational Highlights

Pre Schools

33 net addition of pre – schools in Q2 FY15



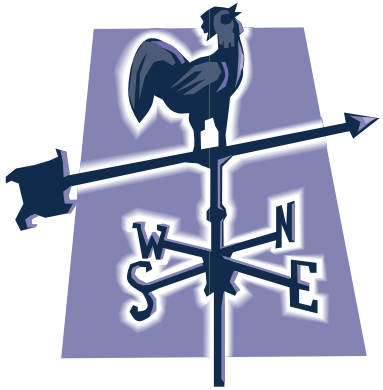


538 centers as on September 30, 2014

- The number of self-operated preschools is 435
- Ratio of self operated preschools to total preschools is 80.85%

Present in **75 cities** in India

- 8 New cities launched in the quarter : Dewas, Bhillai, Ujjain, Allahabad, Gwalior, Hazaribagh, Kota and Beawar



Operational Highlights

K-12 School management services

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





Employee Strength

- Total staff strength as on September 30, 2014 is 2100
- Total teacher strength as on September 30, 2014 is 2009

Day Care

- Services are currently offered at 104 number of centers
- The model is gaining traction and presents huge potential for growth



Corporate developments

- The Board of Directors approved and executed the Memorandum of Understanding (MOU) for sale of Tree House's land and building located at Vadodara, Gujarat
  - The particular property being considered for sale under this MOU is located at Village Atladara, Vadodara, Gujarat and represents one of five K-12 school land and building premises fully or partly owned by Tree House. The Company plans to monetize its physical assets while continuing to provide educational services to these institutions.

- Tree House listed among the country's most trusted educational institutes
  - In the first ever study conducted by TRA (formerly Trust Research Advisory), Tree House received the highest rank for any pre-school in India
  - The report was based on findings from 7 million data points from surveys conducted across 40 cities and 8,000 respondents, modelled on a research methodology developed with the Indian Statistical Institute, making it the largest and most comprehensive such exercise in India's educational sector

Financial Highlights

Particulars (in Rs mn)	Q2 FY15	Q2 FY14	Growth	H1 FY15	H2 FY14	Growth
Revenue from Operations	497.6	412.9	20.5%	1,036.7	821.6	26.2%
EBITDA operational	296.9	229.3	29.5%	629.6	457.0	37.8%
EBITDA Margin	59.7%	55.5%	413 bps	60.7%	55.6%	510 bps
PAT	125.9	114.7	9.8%	286.3	237.7	20.5%
PAT Margin	25.1%	27.6%	(250)bps	27.5%	28.5%	(98)bps

Management Views

Commenting on the Q2 & H1 FY15 results, Mr. Rajesh Bhatia, Managing Director of Tree House, said, *"I am pleased to report another quarter of steady growth in Q2 F.Y. 15. Our pre-school network saw a healthy growth trajectory as we added 33 centers in new and existing geographies. This quarter, we entered 8 new cities and are now present in 75 cities across India with a network of 538 pre-schools.*

As announced earlier, we have successfully launched daycare services across the country. We aim to leverage our daycare centers on our extensive network of preschool centers. We believe that this will be a significant contributor to our revenue in the future. Our belief is based on the goodwill of the Treehouse brand, the size of the opportunity and the response to our product offering from individual as well as corporate customers.

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As the economy improves, we are poised to further accelerate our momentum of expansion. We aim to be one of the top 3 preschool and daycare brands in the world. As we complete this journey, we are creating an ecosystem which will deliver superior returns to all its stakeholders for years to come."

Outlook



Growth Initiatives

- Expansion
  - Continue thrust on expanding pre school center network in new and existing geographies
- Focus of Training and Development
  - Create a platform to encourage talent growth
  - Sustained investments towards Tree House's in-house training system to deliver quality education
- Leverage diversified offerings- Daycare & Teacher Training Program
  - Day care facility is a natural extension of the pre school center and enables the Company to sweat assets and have optimal utility
  - Professionally conducted program enables women to become qualified teachers.
- Monetize Assets
  - Committed towards monetizing investments in physical assets of K-12 schools and moving towards an asset-light operating structure





For further information please contact:

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sanjay@treehouseplaygroup.net

Shiv Muttoo/Urvashi Butani

CDR India

Tel: +91 22 66451207 / 1219

Email: shiv@cdr-india.com

urvashi@cdr-india.com

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