

Tree House Education & Accessories Ltd.

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Press release dated May 27, 2013

Financial Highlights

<u>FY 2013</u>	
	- Total revenue at INR 121.34 cr, up y-o-y by 49.63%
	- EBITDA at INR 68.87 cr, up y-o-y by 50.00%
	- Profit after tax at INR 33.33 cr, up y-o-y by 53.88%

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the 4th quarter and year ended March 31, 2013.

Key highlights of the performance were as follows:

Financial Highlights for the quarter

- Total Revenue for the 4th quarter of FY2013 is INR 31.07 cr compared to INR 23.40 cr for the 4th quarter of FY2012, representing 32.77% y-o-y growth.
- EBITDA for the 4th quarter of FY2013 is INR 15.86 cr compared to INR 12.16 cr for the 4th quarter of FY2012, representing 30.42% y-o-y growth.
- Profit after tax for the 4th quarter of FY2013 is INR 7.34 cr compared to INR 5.06 cr for the 4th quarter of FY2012, representing 45.05% y-o-y growth.
- EBITDA margin for Q4 FY2013 is 51.04%
- Net profit margin for Q4 FY2013 is 23.62%

Financial Highlights for the year

- Total Revenue for FY2013 is INR 121.34 cr compared to INR 81.09 cr for FY2012, representing 49.63% y-o-y growth.
- EBITDA for FY2013 is INR 68.87 cr compared to INR 45.88 cr for FY2012, representing 50.00% y-o-y growth.
- Profit after tax for FY2013 is INR 33.33 cr compared to INR 21.66 cr for FY2012, representing 53.88% y-o-y growth.
- EBITDA margin for FY2013 is 56.74%
- Net profit margin for FY2013 is 27.46%



New Pre Schools opened in Q4 FY2013

- Net addition of 30 pre schools in the 4th quarter of FY2013.
- Total number of centers as on March 31, 2013 is 379.
- Out of this, the number of self operated preschools is 300.
- Ratio of self operated preschools to total preschools is 79.15%.

Geographical coverage

- Currently present in 43 cities.
- New cities launched in the quarter are : Lucknow, Gandhinagar, Palghar, Nasik and Daman

Same self-operated preschool centers: a comparative study

- Year-on-year (FY2013 vs. FY2012) revenue growth in same self-operated preschool centers has been 33.40%.
- Admissions for the academic year 2013-2014 show good traction .

K-12 school management services

- The Company provides school management services to 24 K-12 schools in 3 states.

Staff strength

- Total staff strength as on March 31, 2013 is 1641, showing a net addition of 112 employees in the quarter.
- Total teacher strength as on March 31, 2013 is 1562, representing a net addition of 109 teachers during this quarter.
- The teaching staff increased by 7.5% in the quarter. This is due to new locations opened.

Dividend Announcement

- The Board of Directors of the Company has recommended an increase in dividend from 10% last year to 12.50% in the current year, i.e. Rs. 1.25 per equity share of face value of Rs. 10 each. This is subject to shareholder's approval.

Global Champs

- The Company had announced a unique initiative of opening Global Champs preschools which aim at providing pre-primary education at very affordable price points. These preschools cater to community helpers who aspire for quality education for their children.
- 4 Global Champs centers have been launched this quarter in Mumbai for the academic year 2013-14.
- Site for the 5th center has been shortlisted in Dharavi, Mumbai.

Key events in Q4 FY13



- In addition to the Teacher Training course offered at 34 locations, Treehouse launched the Teacher Training Correspondence Course.
- Activity class introduced with new service offerings with value added products in Art and Craft, Speech and Drama, and Socio Dramatic play.
- Agreement signed with Partymanao.com for conducting birthday parties in our centers.
- We extended the back-end logistic capability by commissioning our 2nd Central Dispatch Facility (CDF) in Andheri, Mumbai
- Treehouse won the award for India's best PE/VC backed Education Company in the VCCircle Awards for 2013.
- Treehouse was chosen as the best Preschool chain in Western India by Brand Academy Awards

Mr. Rajesh Bhatia, Promoter and Managing Director, TreeHouse said, "While announcing the results for FY12, I had said that 'My team and I are committed towards delivering above industry growth in revenue and profits in the coming year'. I am pleased to announce our results for FY13 which show a 49.63% year-on-year growth in revenue and a 53.88% year-on-year growth in PAT for the company. While these results are another milestone in our journey, we believe that the journey has just begun. As we gain acceptance and garner market share in city-after-city, and as the K12 schools we serve become known for their quality, the Treehouse brand is becoming stronger day-by-day. We at TreeHouse are committed in creating a holistic Company catering to all, through both the TreeHouse brand and the Global champs initiative as we move ahead. We believe that Education for All, preschool education and Early Childhood Care is increasingly gaining importance and popularity thanks to our Company's paradigm shift in preschool offering via Company operated centers. The thrust towards this shall continue in the years forward."

Tree House Education & Accessories Limited

Tree House 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 www.facebook.com/treehouse.playgroup

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

