



Playgroup & Nursery
'From roots to wings'

www.treehouseplaygroup.net

*Handholding
the future*





"It was really a wonderful experience. Even though my son, 'Atharv' was enrolled few months late than the beginning of the academic year, the teachers made him adjust well with, surroundings. He is so attached with his teacher 'Amita' that even when it is time for him to attend higher school for further education, he still insists for the same teacher. I congratulate the whole team of Tree House Magarpatta centre for their sincere support. Thank you."

Annu Iyer, Pune

"The festival of Janmashtmi at the centre was very nice and informative for the kids. We liked it very much and the Tree House staff was very co-operative. I, as a parents am very happy with the centre. We are really very happy and satisfied with the development of our kid."

Stephen Samuel Philip, Ahmedabad



"My daughter performed brilliantly at the recently conducted fashion show for the kids in Kolkata. I always thought that my kid was very shy and will never walk on the stage. But, to my utter amazement and astonishment she not only walked confidently but also waved and threw flying kisses at the audience. All credit goes to the patience and hard work of Deblina and all the other teachers. Thanks to them."

Dalia Datta, Kolkata

"Tree House is refreshing in its approach to education. We have been very fortunate to find such a great play school with caring teachers. My family has been extremely pleased with the care and education she is receiving. I am very happy with my daughter's progress and I give Tree House a million thanks for this."

Seema Balan, Vidyavihar, Mumbai

Forward Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

A

*A chat with the
Chairman and
the MD
Pages 4-5*

B

*Beginning of a
child's career
Pages 6-7*

C

*Company insight
Pages 8-9*

D

*Differentiating
services
Pages 10-11*

E

*Enhancing our
visibility
Pages 12-13*

F

*Financial
highlights
Pages 14-15*

G

*Great
business
model
Pages 16-17*

H

*Honourable
journey
Pages 18-19*

I

*Introduction to
our Board
Page 20*

J

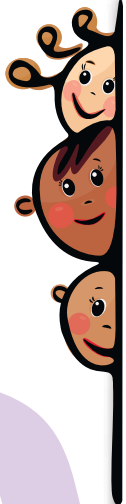
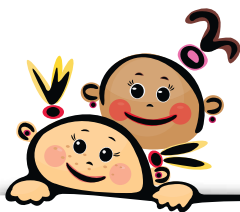
*Join us for an
insight into
Management
Discussion and
Analysis
Pages 21-27*

K

*Know about
Director's Report
Pages 28-30*

L

*Learn about the
Financial Statements
Pages 31-51*



Tree House Education & Accessories Limited (Tree House) is a home away from home. For the child, who needs all the intellectual and emotional support to grow up into adolescence and adulthood.

Our unique curriculum uses the best of Playway and the Montessori methods of teaching to develop the child's physical, intellectual and emotional acumen.

At Tree House, we run quality preschools across India and also provide educational services to K-12 schools.

Our objective is to impart quality education through standardised and innovative teaching methods and emerge as an integrated education service provider in India.

Chairman's communiqué



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Significant potential for growth exists in the Indian preschool industry. Crisil research indicates that the preschool business is expected to reach ₹ 133 billion by 2015 from ₹ 43 billion in 2010. Driving this growth are several social factors, such as expanding urbanisation, rising disposable income and increasing awareness about the role of education in a competitive market. This sets the context for an attractive business opportunity, which we expect to capitalise.

Dear Friends,

India's education sector has played a catalytic role in making the country a key player by enhancing employability, economic growth and social well-being. The Indian education sector has evolved over the last few years, with the increase in the number of schools, colleges, universities. With adoption of new teaching methods and technology, it today even touches the rural population. Modern techniques, thinking, strategy and execution of the same on a massive scale is essential to provide good and consistent education to students across the vast spectrum: from playschools to the K-12 segment.

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Playschools, popularly known as preschools, cater to children between the age of one-and-a-half and six years, the time when children are too young to start formal education. The concept of preschools is relatively new in India, but the trend is growing fast due to increasing awareness about the fact that about 40% of a person's ability to learn is shaped during the first four years of the child's life. So, it becomes all the more important that they are hand held during the formative years of their life and get well prepared for their future.

That is exactly what we at Tree House, do-handholding them for their future during their formative years.

Let me also take this opportunity to thank all our stakeholders for their support and belief in us.

Regards,

Sanjaya Kulkarni
Chairman and Independent Director

From the MD's desk



“Our core objective is to modernise teaching abilities, while providing a conducive learning environment that will enable children to integrate meaningfully in an evolving world. At Tree House, we strongly believe that a child should be given proper direction and physical, intellectual, and emotional acumen be developed right at the onset. At Tree House, we strive to create this learning experience exciting and enjoyable.

Dear Friends,

The year FY 2010-11 was a rewarding one. We received an investment of ₹ 400 million, which would help us fund our growth objectives. Our financials also registered good growth levels - Our PAT margin recorded an increment from 12% to 22% and EBITDA margin grew from 34% to 46% in the current year, signalling a clear growth momentum. This has been achieved on the back of our sound strategies, planned objectives, and the unique experience of warmth and togetherness, we try to provide every child and parent, who is part of the Tree House family.

The journey began in 2003 with 51 students, and today we have over 5,000+ students across various parts of India. We have earned the reputation of operating the largest number of self-operated preschools in India and also provide school management services to 12 K-12 schools. This growth would not have been possible without the support of parents and students.

Tree House, the only venture capital-backed branded playschool chain in India, has adopted a dual business model: 65% of its branches being Company-owned and 35% being operated through franchise. This has been our primary strategy that has catalysed growth.

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At Tree House, consistent efforts in this regard, drive us to offer quality education and emerge as an integrated education service provider in India. Our modern, comprehensive and updated curriculum is widely accepted by parents.

'Keep Smiling you are at Tree House' - is our overriding message of goodwill to every parent and child, so that we can reliably play the role of a facilitator in student's future endeavours.

I take the opportunity to thank all those who believed in us, and who have made our journey rewarding and fruitful.

Regards,

Rajesh Bhatia
Managing Director

Nurturing children at the threshold of life



At Tree House, we understand that the child needs a holistic support system before his/her initiation into the ocean of life.

Our comprehensive curriculum prepares the children intellectually and emotionally, so that they are equipped to handle the challenges of tomorrow. But this is done without losing sight of the fact that every child is different, and they need special care in the formative years, especially the first four or five years of his/her life.

Key milestones



2003: Inception of the first preschool in Mumbai

2006: Set up six more preschools

2007: Acquired proprietorship from M/s Tree House; the first franchised preschool was launched

2008: Launched a teacher training programme

Roped in Matrix Partners India Investment Holdings as investor (₹ 350 million investment)

2009: Entered the K-12 segment, started day care centres-'Muskaan'

2010: Ranked amongst the 100 small business in an annual survey conducted by franchising world

A further investment of ₹ 150 million from Matrix Partners India Investment Holdings

2011: Received an investment of ₹ 400 million [₹ 310 million from FC VI India Venture (Mauritius) and

Matrix Partners India Investment Holdings]

What we are

Tree House is the largest self-operated preschool provider in India



178

Preschools

110

Self-operated preschools

68

Franchised preschools

5,355

Students in self-operated preschools

378

Teachers

38

Teacher training centres

33

Cities in India

12

K-12 schools

(Data as on March 31, 2011)