

Invest in education – make a difference!





Management Guru, Dr. C.K. Prahalad spends a day with students of Indus World School, Hyderabad. He spoke to the students on the need for freedom of spirit and self.

Dr. Prahalad is the Professor of corporate strategy at the University of Michigan Business School. He recently earned the 3^d spot on Suntop Media 2005 "Thinker's 50" just behind Michael Porter and Bill Gates.



*... we have been doing
the 'right things',
the 'right way'
at the 'right time'.*

Dear Prospective Shareholder,

It gives me great pleasure to present to you the biggest ever initiative from the Career Launcher Group.

I am sure you are aware of our humble beginning out of my home, way back in 1995. Chances are high that during those initial years, you, too, played a critical role in Career Launcher's success.

The last decade has been marked by tremendous toil by each CL-ite. Each one here has put in his or her best, and the results are here to be seen. I strongly believe that we have been consistently **doing the 'right things', the 'right way' at the 'right time'**. Our new initiative just takes this ongoing tradition forward.

One particular aspect of CL that we are extremely proud of is the talent pool in our young organization. Not only do we attract them to be a part of the CL fraternity, but also have succeeded in keeping the team excited about the future with decisive strategic initiatives. We have, slowly, but surely, succeeded in building a world-class team.

We are on our way towards becoming a role model organization in the education space. This statement stems from a firm belief and is not merely a display of brash arrogance. It originates from the competence of our team and our earnestness & dedication towards our customers.

At CL, we are poised to take the education world by storm. We are getting ready to launch our chain of schools in India and abroad under the brand names 'Indus World School' and 'Ananda'. Please treat this as our invitation to join us in this exciting new venture. The extent of your participation is entirely your own preference. At the very least, you could become a part owner today by subscribing to an allotment of Equity Shares, and cheer us all the way to our goal!

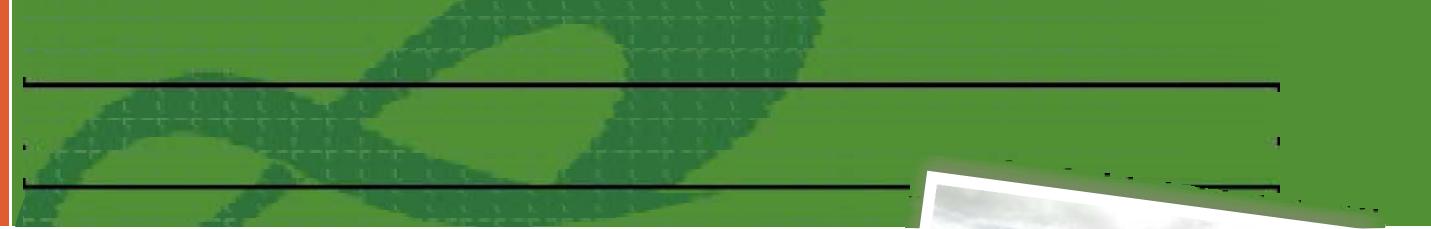
We are aiming to raise Rs.90 million through relatives, friends and associates via this Issue, details of which are given in the attached documents.

I, along with all other CL-ites, look forward to your participation in more ways than one.

Best regards,

Satya Narayanan R.
Chairman
Career Launcher Group

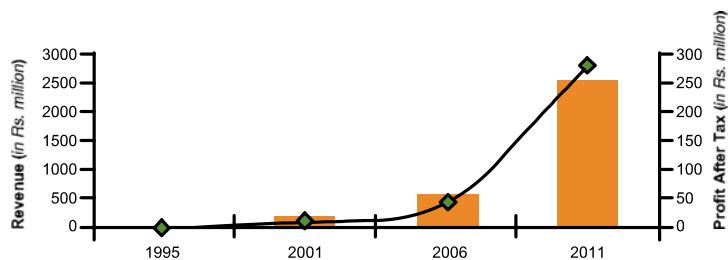




Background

Career Launcher started off as a one-man organization 12 years ago, with an initial investment of Rs. 17,000. A group of like-minded professionals joined in at different stages of this journey. Now, we are a large team of 500 people, comprising individuals from IIMs, IITs and several other top B-schools.

Today, we are present in more than 65 cities across India, West Asia, and the US, providing career-oriented training and test preparatory education to over 40,000 students each year. The revenues have grown steadily from Rs. 1 Lakh in 1995 to over Rs.57 Crores (USD 13 million) in 2005. This figure was contributed predominantly by our Test-prep business, which is expected to grow to about Rs.250 Crores (USD 55 million) by 2010-2011. By that time, we expect to service about 200,000 students annually across 150+ locations in India and abroad.



*Our core purpose:
Realizing potential and
making dreams come true*





*... deeply passionate about
school education and hungry
to put 'ideas' into practice.*

The Team

We have set out with 'execution plan 2010' that can be termed 'ambitious'. While there is no doubt about the huge opportunity, it's always easier speaking about an opportunity than doing something about it. We are banking on our leadership to get us to the stated goals of 2010. Indeed, we have confidence in our abilities.

The core founding group of Career Launcher is deeply passionate about school education and are hungry to put lots of their 'ideas' into practice. As you know, this team has spent over a decade in the test-prep arena and built an organization that has many 'firsts' to her credit. Career Launcher, today, is a name that commands a lot of respect for her way of conducting business and remaining true to her customers. We expect these gentlemen to do an 'encore' in school education.

Our core founding team comprising Satya, GP, Shivku, Sreeni, Sujit, Nikhil and Arindam bring in their expertise into the CLEIS (Career Launcher Education Infrastructure and Services) plan. Among them, Satya and Sreeni have moved into CLEIS execution exclusively. Sujit and Nikhil anchor their core areas of Technology and Finance. 'Technology' is central to our plan. Shortly, you will hear a lot of stories of 'never-before' innovation in the school arena. Shivku, along with Arindam and Shom, will bring in their academic depth into school education as we move deeper into the field, while Sharad and Sanjay will anchor our core business along with GP and provide us with the staying power.

Our CLEIS execution team is led by Krish (Col. Krish Mowar) who has spent almost a decade anchoring and, indeed, turning around the Army chain of institutions under the aegis of AWES. Krish is supported by a top-class team with expertise in projects, systems and processes, technology, finance, training etc. Krish's focus is to create a strong nucleus over the next 12 months that can take the load of steep scale-up effortlessly. General(retd) Puri, Puneet, Rakesh, Arjun, Iti and Anil form a part of Krish's execution arm.

'Research and Training' is the other key element to our success. Puneet, Sreeni, Shivku, Gopi and Nandini are some of the members who we are counting on in the area of 'R & T'. Curriculum research, dedicated teachers' training academy, instructional research, technology in education, industry partnerships, etc., are the mandate this team will be occupied with.

In essence, try looking out for a similar team in any place under the sun. In attitude, in competence and in commitment, our team is at par with the best in the world. Hence, it is imperative that this team delivers something that is world class. We are counting on them. Our fingers are crossed, too!!



Past Performance

The Beginning

Started in 1995 by IIM alumni

The capital: Rs. 17,000

The goal: Enable people to realize their potential and make their dreams come true

Number of employees: 2

The first year revenue: Rs. 1 Lakh

The Journey

Started the first classroom program: 1997

Crossed 1 Crore revenue: 1998-99

First acquisition: KITS: 2000

Crossed 10 Crore: 2001-02

Student Milestones

1996 – 100 enrollments – 0 centers

2001 – 7500 enrollments – 8 centers

2006 – 42000 enrollments – 90 centers

Today

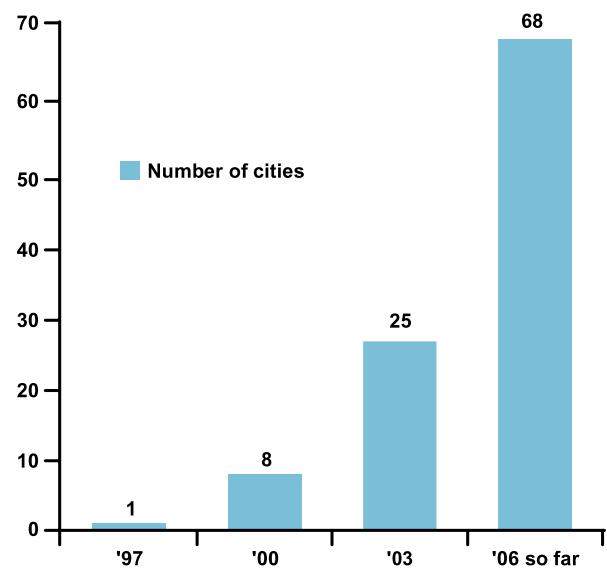
Acquisitions: 7

Revenue: Rs. 59 Crores (2005-06)

Number of employees: 500

Presence: Over 65 cities (India/Middle East/USA)

Customers: Worldwide





Career Launcher Education Infrastructure and Services (CLEIS)

CL has formed CLEIS, a new separate entity wholly owned by Career Launcher and its promoters with an initial capital of Rs.450 Lakhs. We aspire to build CLEIS into a dominant player in the arena of mainstream education through its key divisions given below:

- ▶ Playschools, run under the brand name Ananda
- ▶ K-12 Schools owned and run by the Nalanda Foundation, under the brand name Indus World School (IWS)
- ▶ Higher Education Institutes for Professional & Career Education

For the K-12 Schools, three distinct business models will be adopted, namely

1. Proprietary Schools including Special Competency Schools
2. Partner Schools
3. Whole Management Schools

Our Focus

In our schools, the learner is at the heart of every activity. Hence, our philosophy and curriculum are completely child-centric. The learner's participation, experience, voice and opinions matter the most to us. Our mission, as parents and mentors is that the child should be able to realize her potential as she grows up, and achieve her dreams.

At Ananda, we believe that each child has a special intelligence and a chosen method of play. Our job is to help out the child in her exploration and experimentation. We can achieve this by creating the right environment and motivating. Learning can happen only in an environment that is free from fear and stress, a surrounding where each child feels special, valued and has lots of fun. Naturally, the school then becomes a space for excitement, exploration, questioning, learning and generous joy that grows with sharing.

Sustaining an environment where questions are encouraged is extremely essential for any child to be able to comprehend her purpose in the world. At Indus World School, we have pledged not to let die the spirit of inquiry and creativity, and the eventual process of learning and discovering.

***The learner's participation,
experience, voice and opinions
matter the most to us.***



CLEIS Business Model: The Key Elements

One: Quality with Scalability

The business model is closely tuned in to the need to build top-of-the-class quality and yet scalable educational services. Scalability is a non-negotiable perspective we hold. With this goal in mind, our teachers' training academy, educational technology investments, and innovations in delivery systems form a part of our plans since inception.

Two: Hub-and-Spoke Model

Indus World School (IWS) and Ananda would grow in a model that could best be described as a hub-and-spoke model. Each IWS will have 3 to 4 Ananda schools established in its vicinity of 4-5 kms. Some of the IWS schools would have a co-located or closely located Ananda school. CLEIS owns and runs Ananda schools on her own, while the Nalanda Foundation would handle the management of IWS.

Three: Franchisee schools

While we focus on creating our owned schools in the first phase of execution, we see growth coming from a mix of owned and franchisee schools through educational partnerships. CLEIS would provide the entire range of educational support services to the franchisee, such as brand, curriculum, recruitment, training, systems & processes, IP products/services developed by CLEIS, and so on. The parent company - Career Launcher's experience in managing franchisee business across the country will be of immense value in faster scaling-up of CLEIS schools.

Four: 'Bottom of the Pyramid' perspective (BOP)

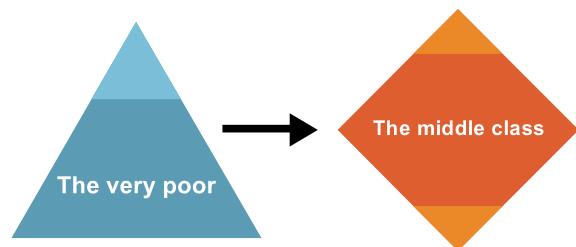
The entire CLEIS model resonates closely with Prof. C K Prahalad's thesis in his work - The Fortune at the Bottom of the Pyramid:

Stage one: Entry at 'Middle Diamond'

Our entry is at the Middle Diamond (refer Diagram) through Ananda and IWS, wherein we wish to provide value comparable to the top-of-the-pyramid, but at mid-level pricing. By doing this, we would be redefining 'value for money' for the Indian middle-income group in their educational needs. We wish to focus on this middle diamond in the first phase of execution, i.e., 2006-2008.

Stage Two: Moving towards 'bottom of the pyramid'

We would definitely travel towards the bottom of the pyramid in the second phase, which is 2008-2010. In this phase, we aim to provide the earlier quality but at a 'budget fee', which any family with an outflow of Rs.900 per child per month would be able to afford.



The morphing of the pyramid into a diamond.



The Execution Plan

The execution plan summary is as given below:

	2006-07	2011-12	2015-16
No. of IWSs	2	50	250
No. of Anandas	8	165	630
Total Revenue (Rs. Lakhs)	61	7,200	27,500
Profit After Taxes (Rs. Lakhs)	-1	-108	9,613
BV of Net Assets (Rs. Lakhs)	830	24,500	54,200
Accumulated Profits (Rs. Lakhs)	-1	-5,500	14,350

Phase	Year	No. of IWS	No. of Ananda	Owned: Franchisee mix	Speciality schools
Prototype	2006	2	2	2:0	NIL
Phase 1	2006-2008	7	15	4:3	NIL
Phase2	2008-2010	50	165	15:35	Sports school-1 MACFD* school-1
Phase3	2010-2015	250	630	30:220	3-4 more additions based on research findings

* - Music, Art, Craft, Film, Drama

Other Phase-wise milestones

Phase	Milestones
Prototype (2006-07)	1. Two IWS (funded through Promoters' equity) operate in Indore and Hyderabad, with 300 children. 2. Ananda and IWS curriculum design takes off with eyes towards establishing patented curriculum and National Boards. 3. First round of funding externally of about USD 2 million for 'own schools' in Phase 1.
Phase 1 (2007-08)	1. Full-fledged training facility established co-located with an IWS, with residential facilities. 2. Prototype of Franchisee executed. 3. Second round funding through private equity for scale-up. Funds needed about USD 20-25 million.
Phase 2 (2008-10)	1. Aggressive scale-up executed through Franchisee expansion. 2. First 'BOP' school established under a different name.
Phase 3 (2010-15)	1. Full-blown scale-up in Asia and Middle East. 2. Application filed for recognition of IWS Board. 3. Foray into other International geographies based on strategic justifications. 4. Funding through internal accruals and an IPO. 5. Feasibility study for entry into professional / higher education.

For more detailed financials, kindly refer to the file in the enclosed CD.



Risk factors

- ▶ CLEIS is new to the arena of management of schools and the project is prone to be accompanied by risks of longer learning curve, etc.,
- ▶ The plan hinges significantly on the model of establishing own brand name, and making her partnership model a success.
- ▶ The project is capital-intensive and hence, the entire execution plan hinges critically on CLEIS' ability to generate funds and deploy it effectively.
- ▶ 'Scalability' is central to the business plan. Execution is critical for the success of projects such as these.
- ▶ School education is prone to Govt interference. Risks associated with the CLEIS structuring will get ratified only with time as there are not many similar models in India.



'Scalability' is central to the business plan.





The Plan for the Future

Our mission is to deliver high quality school education at an affordable price to the children from not-so-affluent families in India.

Our inspiration and the business model's ratification lie in Dr. C K Prahalad's theory described in his book - *The Fortune at the Bottom of the Pyramid*. Dr. Prahalad akin to the economy to a pyramid with a wide base, which is the poorest section of a society. However, despite the low levels of income, there is a huge demand for quality services that provide 'value for money'.

We are drawing on our decade-long experience in education, and venturing into school education through a chain of schools countrywide. We are pleased to invite you to partner with us in this endeavour.

Process & Technology Innovation is a critical requirement for succeeding in the space we have chosen. By being innovative, we could make it possible to include people from the lower strata and benefit them through our schools. For example, by using existing infrastructure and facilities, having afternoon classes for children, or night classes for adults.

Education needs of the largest segment - the middle-income group - are currently being catered to by substandard schools and education facilities. The very size of this segment makes it a promising and long-term sustainable business model.

While it may be easily possible to excel in a market catering to the middle-income group alone, but to deliver high quality education and that, too, at a scale that CLEIS dreams of, is only possible through Public Private Partnerships (PPP). The Government, NGOs, the community, professionals, corporates and schools must work together to ensure that there are sufficient resources to meet the increasing demand for quality education.

We hope you will invest in this dream in the same way as countless members of the Career Launcher family have done over the last decade. We can assure you that the returns will be much bigger and beyond mere monetary gains - the satisfaction of having made a difference to our society and economy, where it really matters.

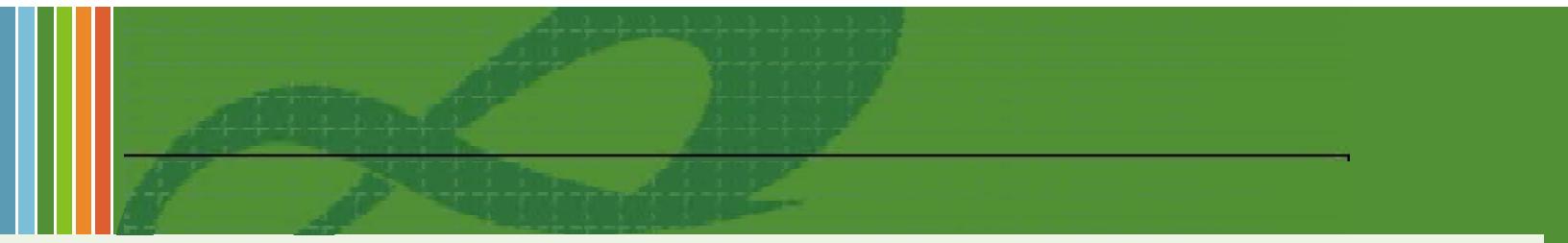
Come partner with us!

If you are interested in the venture by way of investing in CLEIS, we request you to fill the attached Application form and send it back to us.

Thank you.



***Our Mission: Being able to deliver
affordable world-class education
to the largest number of children
possible in our country.***



Application form

**Board of Directors
Career Launcher Education Infrastructure and Services
B-52, Okhla Industrial Area Phase-I
New Delhi - 110 020**

Dear Sir,
Having read the contents of your offer letter dated August 1, 2006, I/We hereby apply for allotment of the following Equity Shares. The amount payable on application is remitted herewith.

APPLICANTS' DETAILS

First Applicant

Name: _____
Address: _____
Tel: _____ Email ID: _____

Second Applicant

Name: _____
Address: _____
Tel: _____ Email ID: _____

INVESTMENT DETAILS No. of shares applied for: _____ Total amount payable: Rs. _____/-

PAYMENT DETAILS Crossed Cheque / DD No.: _____ Dated: _____

Bank & Branch: _____

APPLICANTS' SIGNATURES

First Applicant

Second Applicant

INVESTORS' BRIEF BACKGROUND AND PROFILE





Letter of offer

Private Placement of Equity Aggregating Maximum Of Rs.90 Million*

Letter of offer

Career Launcher Education Infrastructure and Services is offering up to 375,000 equity shares at a price of Rs. 250 per share at a premium of Rs.240 per share.

Minimum Investment

The minimum investment shall be of 500 shares (value of Rs. 125,000), and all subsequent investments shall be in multiples of 250 shares thereof.

The shares shall be allotted within 14 days of the closing date of this Offer For Sale, which is September 30, 2006.

Payment is to be made by Account Payee cheque / Demand Draft in favour of "Career Launcher Education Infrastructure and Services", payable at New Delhi.

Particulars of the Issue

CLEIS, over the next five years, proposes to set up 50 IWSs (Indus World Schools) and 165 Anandas. These would be a mix of own and franchised schools. The first two of these schools have already been established at Hyderabad and Indore, and the third one is slated to come up in the National Capital Region. In the next five years, we hope to cover most of the state capitals, either through our own schools or through the franchisee route. By 2015, we propose to have 250 IWSs in India and abroad, and about 630 Anandas spread across the length and breadth of the country.

*The management has retained the Greenshoe option of retaining upto 25% over and above the issue size.





Investor Acknowledgment

Investor Name: _____

Address & Tel: _____

Shares Applied For: _____

Amount Paid: _____

PAYMENT DETAILS Cheque/DD No: _____ Bank & Branch: _____

