On-Line Education-A Non-Virtual Experience

Dr. Mukesh Aghi
Paradigm Shift in Asia Pacific

- Demographics
- Economic Buoyancy
- Information Technology
Paradigm Shift – Changing Demographics

- Growing Young Population
- Higher Education Achievement
- Equalizer Phenomena
Paradigm Shift – The Technology Revolution

IT Corporate Capital Expenditure

From 5% in 1970
50% in 1998

Source: Merrill Lynch

Asian Internet User Growth (2000 - 2005)

CAGR: 27.1%
340 million of users

CAGR: 26.0%
250 million of users

Source: IDC, Gartner

Source: Merrill Lynch, IDC, Gartner

Strictly Confidential
But the internet is spreading in Asia..

In terms of the absolute number of Internet users, Japan currently leads Asia, with China and South Korea as the second and third places. India and China have amongst the highest growth rates.

Source: SG Cowan Securities; IDC; Jeffries & Co.; CNNIC; Credit Lyonnais Securities; eMarketer
"Uneducated 1.2 billion people are a liability for China. Educated 1.2 billion people are an asset for China."

Zhu Runji
Chairman
The Largest Economies in 2050

Source: Goldman Sachs “Dreaming with BRICs: The Path to 2050”
China Fuels Export Growth Market Asia Pacific 2003

Source: Morgan Stanley
Global Job Shifts

- **China-Global Manufacturing Hub**
- **India-Global Back Office**

- The BPO market in India, which stood at $2.1 billion in 2002, is expected to increase to about $7 billion by 2006.
Global Job Shifts Fueling Further Demand for Higher Education
Less than 1/3 of adults outside the U.S. have completed high school, let alone earned a postsecondary degree.

Asia as a Consumer of Education

- Growth of students wanting a global education - India and China are sending maximum students go US educational industries. As far back as 1996 according to UNESCO the number of Asian students studying abroad for higher education was 714,500.

- In 2003 of the top 15 countries sending students to the US 10 were Asian countries

Source: As quoted in Pittsburgh Post Gazette Institute of International Education
## Global Higher Education Landscape

<table>
<thead>
<tr>
<th>Country</th>
<th>Current %</th>
<th>% of Students</th>
<th># of Students (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>3%</td>
<td>20%</td>
<td>20.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>14%</td>
<td>40%</td>
<td>8.3</td>
</tr>
<tr>
<td>India</td>
<td>4%</td>
<td>8%</td>
<td>15.0</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>15%</td>
<td>20%</td>
<td>0.1</td>
</tr>
<tr>
<td>US</td>
<td>42%</td>
<td>45%</td>
<td>16.1</td>
</tr>
</tbody>
</table>

- In Malaysia, for example, an additional 5.4 million higher education slots are needed to get to 40%.
- Online courses will capture at least half of this growth - $200+ billion opportunity by 2020.

Source: US Census Bureau, World Bank, Government of Hong Kong.
Gap-Supply & Demand-Higher Education

Size of Current and Future Gap

Dollars in Billions

- Current Gap (1997)
- Future Additional Gap (2010)
- Total Future Gap (2010)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>$111B</td>
<td>$53B</td>
<td>$164B</td>
</tr>
<tr>
<td>Central Asia</td>
<td>$8b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East, Southeast and South Asia</td>
<td>$70b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W. Europe</td>
<td></td>
<td></td>
<td>$12b</td>
</tr>
<tr>
<td>E. Europe</td>
<td></td>
<td></td>
<td>$100b</td>
</tr>
</tbody>
</table>

Size of Student Gap:
- Current: 32.7 MM
- Future: 1.7 MM
- Total: 34.4 MM

Source: UNESCO; DRI; U.S. IDB
Global Higher Education Landscape

United States
265,000,000 people
15 million students
2,600,000 faculty

Germany
82,000,000 people
1.7 million students
198,000 faculty

Japan
126,000,000 people
271,000 faculty

China
1,215,000,000 people
2.2 million students
397,000 faculty

India
945,000,000 people
4.5 million students
303,000 faculty

Former USSR
287,000,000 people
5.3 million students
404,000 faculty

(a) Source: ThinkEquity Partners.
B-School or Business?
Our customers value us as an university
We need to be a profitable business
U21G vs Traditional Universities

Universitas21 Global – How are we different?

Our R&D capability can be improved through:
- Scorm compliant digital assets management system
- Industry strength LMS using SCORM

Our Aspirations
- High Cust Service
- Highly flexible
- Delivery infra seamless

Our current position
- Medium flexibility
- Low customer service

Our customer service can be significantly enhanced:
- Contact centre with 24 x 7 operations covering tech support and academic support
- Customer feedback & retention
- Improved mentoring service
Universitas 21 Global
Mission Statement

e-University

World's pre-eminent online graduate Business School

Strictly Confidential
“Many seek knowledge but only the wise profit from it”

Confucius
Global Accreditation

- **U21pedagogica** is an international provider of independent, highly professional quality assurance services for higher education programs and associated activities.

- Its quality assurance processes draw heavily upon the well-established internal quality assurance processes and expertise of the member institutions within the *Universitas 21* network.
Assurance of Standards During Revision

Appointment of Senior U21 faculty as SME for subject revision and Second senior U21 faculty as consultant reviewer

- Creation of Outline of Complete Revised Subject Content by U21 faculty SME
- Review of content outline by U21 consultant/reviewer
- Creation of detailed design and required new content by U21 SME
- Review of design and new content by U21 consultant reviewer
- Review of completely rebuilt subject by Global Dean
- Review of completed rebuilt subject by U21 consultant/reviewer; final revisions as required
- Technical Quality Assurance by Netg and Global Staff
- Netg rebuild subject, revising and adding new material, under U21 SME oversight

Resubmit to Pedagogica
Three Target Segments Emerged From The Focus Group Research

Customer Portraits on these three segments are provided in the Appendix.

<table>
<thead>
<tr>
<th>No. of Focus Groups Conducted</th>
<th>Guangzhou</th>
<th>Singapore</th>
<th>Shanghai</th>
<th>All Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Adults Age 30 or Above</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Working Adults Age Below 30</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Final Year College Students</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total Groups Interviewed</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Total Respondents Interviewed</td>
<td>46</td>
<td>46</td>
<td>48</td>
<td>140</td>
</tr>
</tbody>
</table>

Emerging Segments

- Motivations and concerns of **working adults >30** are different from those of **younger working adults**.
  - Working adults >30 have established careers and family, are more pragmatic about their education, and want to study in their home city.
  - Younger adults groups are more intellectually curious, more adventurous, and have a stronger interest in studying abroad.

- **Younger Working Adults (<30) in Shanghai** also differ from their peers in Singapore and Guangzhou. Young Shanghainese want to study overseas as a path to eventual emigration, while their counterparts elsewhere intend to eventually develop their careers at home.

- **Students** in Guangzhou share similar preferences as younger working adults in Singapore and Guangzhou; while students in Singapore and Shanghai are very keen to experience living overseas.
While All Segments Appear to Be Attractive, Working Adults >30 Appear To Be The Most Feasible Segment For U21global To Win

<table>
<thead>
<tr>
<th>Attractiveness of the Segment</th>
<th>Feasibility to Attract Through U21global’s Offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Number and growth of potential students</td>
<td>• Openness to on-line learning</td>
</tr>
<tr>
<td>• Ability to pay for education</td>
<td>• Desire to study overseas</td>
</tr>
<tr>
<td>• Interest in obtaining high-quality post-graduate education</td>
<td>• Value placed on program flexibility</td>
</tr>
<tr>
<td></td>
<td>• Importance of building relationship networks</td>
</tr>
</tbody>
</table>

Prioritization of Target Segments

- **High Priority Segment**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Segment</th>
<th>City(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Working Adults &gt;30 (Guangzhou, Shanghai, Singapore)</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Working Adults &lt;30 (Guangzhou, Singapore)</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Working Adults &lt;30 (Shanghai)</td>
<td></td>
</tr>
</tbody>
</table>
The *U21*global Value Proposition Elements Address The Primary Motivations Of The Target Students

<table>
<thead>
<tr>
<th>Key Motivational Themes</th>
<th>Value Proposition Elements</th>
<th>Belief System</th>
</tr>
</thead>
<tbody>
<tr>
<td>I want someone who really knows how to educate to help me get the most out of my education experience</td>
<td>An Expert Education Partner</td>
<td>I believe this University helps me acquire the knowledge I need to upgrade my professional performance</td>
</tr>
<tr>
<td>I need to have a globally recognized credential to stay competitive in the global job market</td>
<td>Globally Recognized Credential</td>
<td>I believe this University opens the door to a world of career opportunities for me.</td>
</tr>
<tr>
<td>I need to interact and collaborate with my professors and classmates to maximize my learning</td>
<td>Personalized, Interactive Learning Experience</td>
<td>I believe this University works with me to personalize my curriculum and enables me to collaborate with faculty and classmates to maximize my learning</td>
</tr>
<tr>
<td>I want to learn at the speed that I am most comfortable with</td>
<td>Quality Education at Any Speed</td>
<td>I believe this University allows me to learn at my own pace, so I don’t have to compromise on my education, my career, or my family</td>
</tr>
<tr>
<td>I want to learn the most updated and relevant knowledge, and apply it in a multi-cultural environment</td>
<td>Leading Edge Knowledge with a Global Perspective</td>
<td>I believe this University brings the very best and latest academic research and theories to me</td>
</tr>
<tr>
<td>The ultimate return on my learning investment is the advancement of my career. I want my University to help me get a good job</td>
<td>Connections and Guidance for Career Advancement</td>
<td>I believe this University will help me get my ideal job and advance my career</td>
</tr>
</tbody>
</table>
Go-To-Market
Go-to-Market Model

Market Segment
- Coverage / Organization
- Customer Value Proposition
- Customer Benefits
- Demand Generation
- Channel Partners
- Coverage

Corporate
- Corporate Sales
- Contextualised Education for Retool & Retain ROI
- Leadership Development
- Target Top 100 Corps
- Corporate Channel Partners

End Consumer
- Consumer Sales
- Branded Global Masters Degree
- Career Enhancement
- Brand Campaigns
- Agents / Local Distributors

Universitas 21 Global Channel Team
Market Segment

Hong Kong
- Mumbai
- New Delhi
- Bangalore
- Calcutta
- Chennai
- Hyderabad

India
- Bangalore
- Calcutta
- Chennai
- Hyderabad

Malaysia
- Kuala Lumpur
- Penang
- Malacca
- Ipoh
- Johor
- Sabah

Middle East
- Bahrain
- Kuwait
- Oman
- Saudi Arabia
- UAE

PRC
- Beijing
- Guangzhou
- Shanghai

Singapore
A graduate degree from Universitas 21 Global is, as the name implies, recognized worldwide.
In fact, it's backed by 16 of the world's best universities.

What's more, the flexible, online degree programs can be customized to your specific needs.

So whatever it is you want to do, or wherever you go, a Universitas 21 Global degree will help you get there.

To find out how you can reach your potential visit our website at www.universitas21.com

Knowledge. Unlimited.
KNOWLEDGE.
UNLIMITED.
Our Vision Is To Create Future World Class Leaders.
What’s Yours?
<table>
<thead>
<tr>
<th>Permissive Marketing</th>
<th>Panel Advertising</th>
<th>Email Target Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Google</strong></td>
<td><strong>Panel Ad &amp; Content Module (Career Section)</strong>&lt;br&gt;- SG, MY, HK, IN, ME &amp; PRC&lt;br&gt;7,500,000 impressions</td>
<td><strong>Targeted Email Broadcast</strong>&lt;br&gt;20,000 impressions of focused demographics</td>
</tr>
<tr>
<td><strong>Keyword &amp; Adword Ad</strong>&lt;br&gt;500,000 impressions&lt;br&gt;18,000 click-throughs</td>
<td><strong>Panel Ad</strong>&lt;br&gt;90,000 subscribers</td>
<td><strong>Executive Edu. Outlook Editorial Listing &amp; Panel Ad</strong>&lt;br&gt;500,000 impressions</td>
</tr>
<tr>
<td><strong>WhenU</strong>&lt;br&gt;Just-In-Time Marketing</td>
<td><strong>Pop-up Window Ad based on Keywords</strong>&lt;br&gt;30,000 click-throughs</td>
<td><strong>Economist.com</strong></td>
</tr>
<tr>
<td><strong>Keyword &amp; Adword Ad</strong>&lt;br&gt;500,000 impressions&lt;br&gt;18,000 click-throughs</td>
<td><strong>Panel Ad</strong>&lt;br&gt;90,000 subscribers</td>
<td><strong>Collaborative Publishing</strong>&lt;br&gt;500,000 impressions</td>
</tr>
</tbody>
</table>
### Online Media

**Permissive Marketing**

<table>
<thead>
<tr>
<th>Platform</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>500,000 impressions, 18,000 click-throughs</td>
</tr>
<tr>
<td>WhenU (Just-In-Time Marketing)</td>
<td>Pop-up Window Ad based on Keywords, 30,000 click-throughs</td>
</tr>
</tbody>
</table>

**Panel Advertising**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Panels</th>
<th>Impressions</th>
<th>Click-throughs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panel Ad &amp; Content Module (Career Section)</td>
<td>SG, MY, HK, PRC</td>
<td>7,500,000</td>
<td>90,000 subscribers</td>
</tr>
<tr>
<td>Panel Ad &amp; Content Module (Executive Outlook)</td>
<td></td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Targeted Email Broadcast</td>
<td></td>
<td>20,000 impressions of focused demographics</td>
<td></td>
</tr>
</tbody>
</table>
Official Brand Launch

Singapore – May 28 ‘03

Australia – Jun 18 ‘03

London – Jun 30 ‘03

Middle East – Jul 7 ‘03

India – Jun 24 & 26 ‘03

Malaysia – Jul 15 ‘03
## Enrollment Status

<table>
<thead>
<tr>
<th>Country</th>
<th>Application Pipeline</th>
<th>Total Submitted</th>
<th>Total Offered</th>
<th>Total Accepted</th>
<th>Total Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>117</td>
<td>30</td>
<td>26</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Malaysia</td>
<td>43</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>China</td>
<td>17</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>23</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>USA</td>
<td>47</td>
<td>19</td>
<td>17</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Vietnam</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australia and New Zealand</td>
<td>10</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>India</td>
<td>254</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>Pakistan</td>
<td>8</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>UAE</td>
<td>67</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Other Mid-East Countries</td>
<td>19</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nepal &amp; Sri Lanka</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Africa</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Europe</td>
<td>11</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>647</strong></td>
<td><strong>121</strong></td>
<td><strong>108</strong></td>
<td><strong>102</strong></td>
<td><strong>86</strong></td>
</tr>
<tr>
<td>Thomson Corp*</td>
<td>-</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>647</strong></td>
<td><strong>154</strong></td>
<td><strong>141</strong></td>
<td><strong>135</strong></td>
<td><strong>122</strong></td>
</tr>
</tbody>
</table>

Data updated as of November 20, 2003 (does not include spot offers)

*Thomson Corp’s commitment for November
Enrollment

- Application Submitted (by Month)
- Application accounts created (by Month)
- Culminative Applications in the pipeline as of 10/12/03
Enrollment Target: An Analysis

Student headcount acquisition and growth trend

Cumulative Student Headcount

Growth phase Scenario III

Acquisition phase Scenario II

Scenario I

Aug 03  Dec 03  Jun 04  Dec 04  Jun 05  Dec 05

30  150  500  1000  Y

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## Universitas 21 Global MBA Student: A Profile

### Reasons for Joining Universitas 21 Global

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>38%</td>
</tr>
<tr>
<td>Flexibility</td>
<td>47%</td>
</tr>
<tr>
<td>Global Networking</td>
<td>35%</td>
</tr>
</tbody>
</table>

### Work Experience

<table>
<thead>
<tr>
<th>Experience Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students with 6 - 10 years exp.</td>
<td>24%</td>
</tr>
<tr>
<td>Students with &gt;10 years exp.</td>
<td>50%</td>
</tr>
</tbody>
</table>

### Country of Residence

<table>
<thead>
<tr>
<th>Residence</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expatriate Students</td>
<td>47%</td>
</tr>
<tr>
<td>Home-based Students</td>
<td>53%</td>
</tr>
</tbody>
</table>

### Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age group between 30 - 34</td>
<td>29%</td>
</tr>
<tr>
<td>Age group between 35 - 39</td>
<td>29%</td>
</tr>
</tbody>
</table>
Student Response to our Subjects

“I find U21 classes conducted thru the Internet extremely suitable…there is a lot of interaction with the students…” Parthiban Chandrasakarn-Tanzania

“The class material…is very well written and with all the examples and animations it gives a very good introduction of the subject....” Jonny Klepsvik, Pacific Tanker

“….it was not easy to consolidate or discuss our various answers…electronically we were able to work cohesively, debating opinions and making compromises on our various differences”. Jeff Lim, World Kitchen, Asia Pacific
Universitas 21 Global Testamur

This is to certify that

A. Citizen

Was Duly Admitted To The Degree Of
Master Of Business Administration
On 28 February 2010

Accredited By U21 Pedagogica,
The Quality Assurance Agency Of Universitas 21.

University of Freiburg
University of Glasgow
University of Hong Kong
National University of Singapore
University of Auckland
University of Birmingham
University of British Columbia
University of Edinburgh

Chair

President

Strictly Confidential
The ability to learn faster than your competitors may be the only sustainable competitive advantage

- Peter Senge
The Fifth Discipline

Thank You

Strictly Confidential