

19 November 2015

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

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ANNOUNCEMENT

ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS

In accordance with ASX Listing Rule 3.13.3, we attach a copy of the Chairman's Address to shareholders at the Annual General Meeting of Academies Australasia Group Limited to be held today at 11.30am

Chris Grundy
Company Secretary

For further information call Chris Grundy, CFO, or Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 107 years and listed on the Australian Securities Exchange for 38 years. The group comprises 18 separately licensed colleges operating in New South Wales, Victoria, South Australia, Western Australia and Queensland in Australia, and in Singapore. The group offers more than 250 qualifications in a wide range of recognised courses at different levels – Certificates, Diplomas, Advanced Diplomas and Bachelor and Master Degrees. Over the years, Academies Australasia colleges have taught tens of thousands of students from 122 countries, including 6 dependencies.

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

107th ANNUAL GENERAL MEETING

11.30am 19 November 2015
Level 6, 505 George Street, Sydney

Good morning

Welcome to the Academies Australasia's 2015 Annual General Meeting. This is our one hundred and seventh annual general meeting. Thank you for joining us.

The Report of the Chairman and the Group Managing Director, in the Annual Report, addressed the environment we operate in, the results for the year under review and the outlook for the Company. While nothing major has changed since that report, some points are worth repeating.

Performance

The year under review was challenging. The Company's performance was disappointing. Compared to the previous corresponding period, revenue grew by 38% to \$57 million, mainly from acquisitions made in calendar 2014 and 2015. However, earnings before interest, taxation, depreciation and amortisation fell from \$4.04 million to \$1.36 million. The main reasons were the adverse impact of policy decisions by certain business partners, cutbacks and delays of certain government training subsidy programmes, the mining downturn, corporate restructure and expansion costs.

Outlook

I am pleased to say that the outlook is positive. Australia continues to be very well placed to meet the growing demand for international education. Australia's export income from international education, in excess of \$18 billion, are at record levels. The formation of the Coordinating Council for International Education in June and the recent appointment of a Minister for International Education are encouraging signs that the Government acknowledges the importance of international education to the Australian economy. This sector could go some way towards addressing the hole from the decline of the mining sector.

The position in the domestic education sector is less clear. This sector has grown on the back of government funding for training. What seemed to be easy access to such funding attracted training providers with less than the desired standards, who did not always play by the rules – avoiding the onerous costs of compliance with government regulations. They should not have been allowed in and monitoring should have been much tighter. In VET Fee Help, the dogs were barking for quite a while but it took investigating journalist reports in print and on

television to highlight the problems and the extent of the failure in the administration, and the abuse. We expect changes in regulations and the uncertainty that will bring.

Operations and Organisation Structure

Our 18 separately licensed colleges now offer 259 qualifications at different levels, up to the Master Degree. We are pleased with the standards we have achieved. Two of our colleges have obtained 7-year ASQA reregistration (where the standard is 5 years), 4 colleges were granted Streamlined Visa Processing status, with 2 of the 4 achieving a 'Zero Risk' grade in their recent assessment by the Department of Immigration and Border Protection.

We continue to review our staffing and how we are organised, to ensure that we are positioned to meet the changing challenges with the most appropriate staff. As we integrate the acquisitions we made over the past few years we improve our understanding of the strengths of the staff that came with the acquisitions.

Rights Issue

The recent Rights Issue was completed successfully with 92% of entitlements taken up and 1.9 applications for every shortfall share. No shares went to the underwriters. There was no charge for underwriting. At 30 cents per share, the Issue raised \$3,989,848.50 (before expenses) from 13,299,495 entitlements. The Issue increased our capital base from 62,063,484 shares to 75,362,979 shares.

Board

I would like to record our thanks to Raphael Geminder who resigned from the Board in September, to devote more time to his other business interests. Today, you will be asked to consider the election of Bill Say Mui Foo to the Board. Bill joined the Board at the Board's invitation in July, and was subsequently appointed Chairman of the Audit and Risk Committee. Bill is an excellent candidate and has the Board's full endorsement. I am being considered for re-election to the Board.

I thank my fellow directors for their guidance and support. On behalf of the Board, I would like to thank Christopher Campbell and the senior management team for their contribution and commitment during a difficult year. May I also record the sincere appreciation we have for the loyalty and support from shareholders, students, customers and business associates, as well as the continuing support and commitment of management and staff in the year ended 30 June 2015.

Thank you.

Dr. John Lewis Schlederer
Chairman
19 November 2015