

IDP EDUCATION LIMITED

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Tuesday 25th October, 10.00am

CHAIRMAN'S ADDRESS

Before I hand over to our CEO Andrew Barkla to deliver the CEO's review, I would like to provide some background to explain the path IDP Education has taken to get us here today to our first Annual General Meeting as a listed company.

It is fair to say the financial year of 2016 was a milestone year for IDP Education.

We delivered our highest number of English language tests and helped place students into more than 31,000 courses around the world.

Significantly, this was also the year we became a publicly listed company on the ASX.

The foundations for the public listing were laid six years ago when we made a strategic decision to diversify our student placement business stream.

In 2010, we shifted from focusing exclusively on placing students into Australian education institutions to providing our customers access to other key English speaking study destinations: Canada, New Zealand, the United Kingdom and the United States.

On an individual level, this expanded service offer enabled us to help students find the course *and* country that best suits their education and career needs.

At a corporate level, this strategic initiative has made us a stronger and more resilient company by diversifying our exposure and therefore reducing the impact of political, economic and social changes that could affect our industry in any one country.

And on that note, over the last three years we have seen both traditional and emerging education markets announce ambitious targets to increase their international student intake.

This is largely a result of the increasing value placed on the benefits international students bring their host countries.

Here in Australia, FY16 saw our federal government release the *National Strategy for International Education 2025*, a strategy we both contributed to and welcomed.

The strategy acknowledged the \$19 billion contribution the sector adds to the Australian economy.

Importantly, in doing so, it includes recommendations to improve the experience and welfare of our students with an emphasis on employability and creating a stronger sense of community through alumni networks.

Improving how we provide services that meet the needs of our students throughout their studies is something we are very passionate about. This is a key area of focus for us as we move forward.

Abroad, we have seen the United States government expand incentives for graduates in the form of post-study work options for those studying science, technology, engineering and medicine.

New Zealand and Canada also continue to present a welcoming face to international students through strong industry, government and employer cooperation alongside student-friendly policy settings.

The United Kingdom has perhaps had the most challenges from a regulatory and political perspective.

Visa and immigration policies in the UK over the last few years have been progressively tightened and its recent decision to leave the European Union has raised further uncertainty for that country's education sector.

What I will say though is that it has been pleasing to see the higher education sector in the UK working cohesively to ensure their position as a destination of great quality, heritage and opportunity is maintained.

The UK remains an attractive destination for our customers and despite the regulatory challenges we have recorded strong growth through our multi destination strategy.

So what do these global changes mean for us, and why do they matter?

Staying abreast of these changes is a key priority as it informs how we advise our students.

Our client relations teams based in our study destinations offer us a competitive advantage by working closely with peak bodies, governments and our education clients to make sure our 650 counsellors have access to information on the latest policies and trends.

Encouragingly, this year we saw record volume growth across all five of our student placement destinations.

Looking ahead we are confident we can continue this trend as we implement our organic growth strategy, which focuses on developing our teams, enhancing our customer experience and broadening our physical network.

In line with the increasing role of English as a global language, FY16 was a successful year for our English language testing business stream, the International English Language Testing System, known as IELTS.

Together with our partners the British Council and Cambridge English Language Assessment, more than 2.7 million IELTS tests were delivered around the world.

These test results are recognised and trusted by more than 9,000 governments, industry bodies and education providers.

Our English language teaching schools also had a strong year. Students enrolled in more than 68,000 English courses across our ten campuses in Thailand, Cambodia and Vietnam.

Together these three business streams delivered record revenue of \$361.6m a 17% increase over the prior year.

For the financial year we recorded total net profit after tax of \$39.9 million. This strong profitability allowed us to pay a dividend of 5.5 cents per share for the six month period to 30 June 2016 which represented a payout ratio of 70%.

In terms of capital growth our share price has performed strongly since listing with the closing price as at 30 June of \$4.12 representing a 55% increase from the \$2.65 IPO price in November 2015.

This combined dividend and capital growth translates into a total shareholder return since the IPO of 57% - a fantastic outcome for only a part year investment and a solid start to life as a listed company.

Such growth is possible only when our business is underpinned by operational excellence.

This is a credit to the management team and highlights the strong foundations on which the company is built.

From a remuneration perspective your Board's philosophy is to set employee and executive remuneration that is fair, competitive and appropriate for the markets in which it operates and is mindful of internal relativities.

IDP is a global company and needs to recruit and retain senior executives and key employees from a talent pool that is in high demand from multiple industries and markets. Remuneration mix and balance must be appropriate to reward fairly, attract, drive excellence and retain key talent.

Importantly for shareholders a significant proportion of the key executive's remuneration is put at risk, with their long term financial incentives entirely dependent on achieving superior total returns for you, our shareholders.

When considering remuneration, the Board always takes into account changes in community expectations and best practice without compromising on maintaining highly motivated executives who are aligned with shareholder outcomes.

When we turn to the business of the meeting, you will be asked to vote on the company's Remuneration Report. Before the vote is taken, you will have an opportunity to ask questions about the report and our remuneration policies.

IDP Education's achievements are, however, more than just financial results.

At its core, the purpose of IDP Education is to help international students as they pursue their lifelong learning and career goals.

Our staff are committed to making a difference to our students' lives and our quality reputation is a reflection of the efforts of many employees around the globe.

Leading these teams is Andrew Barkla, IDP Education's new Chief Executive Officer and Managing Director, who joined the company during FY16.

Andrew joined IDP Education with experience across many markets and has a particular passion for customer-led service design and technology.

At the Board level, we welcomed three new Directors: Ariane Barker, Belinda Robinson and Chris Leptos. They are excellent additions to the Board and I look forward to working with them over the coming years.

Finally, I would like to thank you, our shareholders, for your investment in the company and your support of IDP Education.

I am excited by what lies ahead as we enter our next phase of growth as an Australian company that is a truly global success story.

I would now like to hand over to Andrew to present more insights into our FY16 operations and results.