

ASX Announcement
7 May 2017



Investment to grow student placement business in China

IDP Education has entered into an agreement to purchase a 20 per cent holding in HCP Limited (“HCP”), a Chinese company specialising in delivering English language test preparation materials via social media and its mobile app.

The agreement provides IDP Education with a significant opportunity to further develop its student placement business in China by securing access to a growing digital community of prospective international students.

With a focus on China-based social media channels, HCP’s audience connects across WeChat (approximately 440,000 followers), Weibo (approximately 740,000 followers) and via mobile app, Yasi Ge (approximately 460,000 registered users).

Through these channels, the Company delivers information about international education and preparation material for the International English Language Testing System (IELTS).

HCP’s popular English language speaking practice tool provides students with the ability to upload voice recordings and receive peer ratings and feedback. More than one million voice recordings have been uploaded since July 2016.

The Company also offers free and paid online IELTS test preparation courses. In 2016, HCP provided more than 30,000 online courses to students to help improve their speaking, reading, writing and listening.

Since early 2016, IDP has had a commercial arrangement with HCP to periodically promote IDP Education’s study abroad counselling services. These promotions have successfully established HCP as a strong generator of qualified leads for IDP Education’s student placement business in China.

This agreement formally establishes IDP Education as HCP’s exclusive partner for study abroad services in China.

The investment in HCP is in line with one of IDP Education’s strategic priorities – to strengthen its competitive position in China, the largest market in the world for international education.

IDP Education’s investment is structured as a Series A preferred equity investment. The investment will be made in two tranches with an upfront payment of \$4.1m followed by up to a further \$2.3m in twelve months based on certain key performance indicators.

For further information please contact

Investors & Analysts

Craig Mackey
IDP Education Limited
+61 3 9612 4400

Media

Rhys Ryan
Porter Novelli
+61 427 227 719

Disclaimer

The material in this announcement has been prepared by IDP Education Limited (ASX: IEL) ABN 59 117 676 463 (“IDP Education”) and is general background information about IDP Education’s activities current as at the date of this announcement.

The information is given in summary form and does not purport to be complete. In particular you are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to IDP Education's businesses, market conditions and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a material manner. Information in this announcement, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

Non-IFRS Financial Information

IDP Education uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as non-IFRS financial measures. Although IDP Education believes that these measures provide useful information about the financial performance of IDP Education, they should be considered as supplemental to the measures calculated in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way IDP Education calculates these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.