

17 November 2017

Company Announcements Office
Australian Securities Exchange

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

Stephanie Noble
Company Secretary

For further information call Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 109 years and listed on the Australian Securities Exchange for 40 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 123 countries, including 6 dependencies.

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

109th ANNUAL GENERAL MEETING

11.30am, 17 November 2017
Level 6, 505 George Street, Sydney

Good Morning

Welcome to the 109th Annual General Meeting of Academies Australasia Group Limited.

Overview

The Company's financial performance was detailed in the Annual Report. FY17 was a good year for us. Notwithstanding the difficulties and challenges, we reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of \$6.44 million – the second highest in our long history, reflecting a turnaround of about \$10 million from FY16. The market liked it. Our share price went up 200% from the May 2017 Rights Price of 12 cents. Shareholders would also be pleased to receive their fully franked dividend payments last week.

We continue to reduce bank borrowings. In the 4 months to October, we reduced bank borrowings by 17%, from \$5.4 million to \$4.5 million.

Business Environment

Our business environment has not changed significantly since the Chairman's and Group Managing Director's Statement in the Annual Report that was released 3 months ago. The domestic market has not improved. When it does, our 3 colleges with VSL (VET Student Loan scheme) approval (Benchmark College, RuralBiz Training and Skills Training Australia) will be well placed.

The international sector, Australia's second largest export sector, is certainly brighter. Indeed, the \$24 billion record contribution in FY17 referred to in the Statement has since been adjusted upward by the Australian Bureau of Statistics to \$28 billion. With 12 of our 17 colleges in Australia authorised to teach international students, we are in a good position in respect to international students coming to Australia. The percentage of international students studying with us continues to grow. Presently, 70% of are students are from overseas.

Our niche offerings in Agriculture, Nursing and Hospitality are attracting more students. Academies Australasia Institute, backed by expertise and resources from RuralBiz Training, will be offering courses in Agriculture at the University of New England campus in Armidale, New South Wales, from early 2018.

Outlook

Over the past 3 months, the outlook in respect to global geopolitics has not changed either. But that is out of our hands. Within Australia, the party in power has lost its one-vote majority, with members of Parliament preoccupied with who are in fact eligible to be there – all lessening the likelihood of clear, long-term policies in respect to education that the sector so badly needs for proper long term planning.

Recent presentations and announcements by Shadow Ministers show thought and planning in areas like education and trade. Generally very positive and promising, but comments that suggest that the TAFEs may be given priority in the domestic market, are disconcerting.

At the Asia Pacific Regional Conference held in Perth early this month, Navitas Group CEO Rod Jones criticised the focus on universities at the expense of the vocational education and training sector in Australia. And explained why. Rod is an accomplished leader in the education sector. We agree with him. We hope that Canberra is listening.

Election of Directors

Today, you will be asked to consider the election of Mr Sartaj Hans and my re-election. These elections have the Board's full endorsement. I am pleased to say that from proxies received, there is no doubt that they will both be elected.

On behalf of the Board, I would like to thank all stakeholders in the Company – shareholders, students, clients, partners, associates, management and staff for their contribution and support.

Thank you for attending this meeting.

Dr John Lewis Schlederer
Chairman
17 November 2017