

Australian Securities Exchange Limited Via e-lodgement
ASX Code ICT

8 July 2019

First revenues from India

On 18 April 2018, iCollege Limited (**ASX Code: ICT**)(**ICT or Company**) announced that it had signed a non-binding Heads of Agreement (**HOA**) to establish an offshore student recruitment business by way of a 50/50 incorporated joint venture to be known as iStudy Australia (India).

Pursuant to the terms of the HOA, iCollege was responsible for providing training, support and consultants where necessary, whilst our Indian partner was to be responsible for all establishment costs, including staffing and marketing, and the day to day operations of the business under iCollege's direction.

These terms have continued to operate with the intention to signing a binding Joint Venture agreement, expected to be completed soon.

The establishment of iStudy Australia (India) was in response to the Board's strategic plan to, amongst other things, increase on-shore demand through international delivery and pursuit of modes of vertical integration.

Since then, iCollege has worked to set in place the foundations needed to establish a sustainable foothold into the Indian market, including:

- Entering into agreements with Indian partners to establish vocational training facilities in Indian, including the establishment of a Hospitality School of Excellence in Mumbai;
- Obtaining approval from the Department of Home Affairs to act as a sponsor under 403, 407 and 408 visa sub-classes to enable iCollege to sponsor international students and graduates to undertake workplace training programs in Australia;
- iCollege's allocation of international student placements on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) has approval from the Department of Education to 1,800, of which iCollege has now filled over 700 places as at 30 June 2019; and

- Entering into agreements with various organisations, including the Commonwealth Bank of Australia (CBA) and Allianz Global, to offer international students travelling to Australia, access to insurance,, bank accounts and other on-boarding services.

The Board of iCollege is now pleased to announce first revenues for iStudy Australia (India). Whilst the initial revenues are small at AUD\$20,000, representing 10 students recruited between May 2019 and 30 June 2019, it evidences the company's ability to execute on its plans for expansion into India and validates the adopted business model.

The iStudy Australia (India) office is located in Mumbai, India and is now fully operational with first revenues generated through its English language training, student visa applications, student placement and recruitment, including the first placement of students at the iCollege Sero Perth campus.

With the launch of the new office, there will be a continuous focus on digital marketing, representation at expos and school visits, with view to increasing the awareness of iStudy Australia (India) in the lead up to University intake time in February 2020.

iCollege expects the student recruitment numbers, and in turn the business' revenues, to grow as the business ramps up its operations.

Australia's competitive advantage in India*

India is already Australia's second largest education market and Australia is the second most popular destination for Indian students after the United States:

- Australia's competitive advantage resides in its capacity to provide a high quality tertiary education taught in English, with attractive work and migration options for Indian students, alongside a world-class vocational system;
- if Australia maintains its growth of international students and can recapture its share of Indian students from its 2009–10 peak, direct revenue from Australian education exports to India could exceed \$12 billion by 2035.

*An India Economic Strategy to 2035

Indian vocational education market *

Independent and in-depth market research highlights the significant gap in the Indian market for vocational education, most specifically in the following areas:

- Only 2 per cent of India's workforce has received any skills training;
- India has an estimated 7 million people a year enrolled in vocational training (compared to 90 million in China and 11 million in the United States);

- Surveys of employers found that half of new hires and graduates are not adequately prepared for their job; and
- Poor assessment and certification systems make it difficult for employers to distinguish the quality of institutions and graduates.

Over the last two decades, the Indian Government has developed infrastructure and resources designed to expand capacity to cater for over 40 million students.

Indian Government estimates suggest an additional 120 million skilled workers will be required by 2022, fuelling demand for vocational training and driving the need for cooperation between Indian national companies and international partners.

*An India Economic Strategy to 2035

About iCollege

iCollege Limited consists of five businesses which deliver accredited and non-accredited vocational education and training solutions throughout Australia and internationally. Five registered training organisations (RTO's) are based in Australia, and an internationally recognised training provider based in Singapore and an international student recruitment agency.

iStudy Australia (India) Mumbai office



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