

ASX RELEASE

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Group CEO's Address – Annual General Meeting 2015

Good morning and thank you for joining us.

Navitas produced 2015 financial year results in line with its market guidance.

This included 12% revenue growth to \$980.3m, 13% underlying EBITDA growth to \$163.1m and 11% underlying NPAT growth to \$91.4m. Underlying earnings per Share also increased 11% to 24.3 cents per Share.

Reported NPAT was up 39% to \$71.8m and reported earnings per Share increased by 39% to 19.1 cents per Share. The full year dividend remains at 19.5 cents per Share fully franked.

Operational matters

The University Programs Division remained focused on academic quality and student outcomes, partnering with universities to enhance academic and support services to students.

Recent outcomes highlighted pleasing results including retention rates of over 85% and progression to partner university rates of over 90%.

In terms of financial performance the University Programs division recorded 15% underlying EBITDA growth to \$140.4m and also signed agreements with four new university partners.

These included one with Florida Atlantic University for Navitas' sixth US college and one with the University of Northampton, for Navitas' 10th UK college.

To create additional options for partners the Division also developed the new joint venture model. Two new university agreements were signed under this model – one with Western Sydney University and the other with the University of Canberra.

The Professional and English Programs Division achieved a further improvement on student survey results during the year with Net Promoter Scores increasing in 2014 surveys.

Financially the Division delivered underlying 17% EBITDA growth to \$29.5m with ACAP, HSA and NCPS all generating strong returns. Scale benefits and operational efficiency also delivered margin improvement.

SAE recorded 7% growth in EBITDA to \$26.1m, representing a 21% increase in the second half compared to prior corresponding period.

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Sector developments and trends

Regulatory change continued to occur in key markets, most notably in the UK following the reduction in the visa refusal rate threshold in November 2014.

As a result Navitas implemented risk management strategies to ensure Navitas' UK colleges remain well below the threshold, but inevitably these measures reduced enrolment growth rates.

More recent UK government commentary does not indicate any immediate positive change to education policy though we believe the well-known economic and social benefits of international education to destination countries may influence policy settings over time.

Australia's regulatory environment remains more welcoming with the Australian government issuing guidelines on how it plans to further expand streamlined visa processing via a new system called the Simplified Student Visa Framework (SSVF). The SSVF system will be implemented in FY17 and should help to ensure Australia retains its reputation as a hospitable education destination.

Regulatory and policy settings for international students in both Canada and the US remained stable throughout the year.

As it has for several years Navitas continues to engage and work with governments globally to seek appropriate regulatory and policy settings for genuine students pursuing high quality education outcomes.

Demand for international education continues to grow globally, with the number of students enrolled outside their country of citizenship rising, from 2.1m worldwide in 2000 to 4.5m in 2012. This is largely due to the growing wealth of the middle class in developing countries and capacity shortfalls in these regions. Demand is projected to keep growing to over 8.0m by 2025 with Navitas well positioned with colleges in all key destination countries.

Strategic Developments

Under the key pillars of quality, efficiency and growth Navitas continued to progress its existing strategy in FY15 centered on the three key metrics of:

1. End-to-end student and client experiences;
2. Student and client outcomes; and
3. Strategic relationships.

Specific growth opportunities which were progressed in the year included:

- University Programs expansion in the US market with continued enrolment growth and the opening of a sixth US college
- Improvement in SAE internal capability and product expansion
- Strengthening senior management capability with a number of senior appointments; and

- The development of new business models to provide partners with more options with the launch of the University Programs joint venture model

Outlook

Navitas' 2015 financial performance was in line with guidance and reflected good growth across each of the divisions. This growth is expected to continue however it will be affected by the winding down of the contracts with Macquarie University. In this context Navitas affirms its earlier expectations that EBITDA performance will be broadly in line with FY2015 outcomes. Trading results for the first quarter are in line with these expectations.

Thank you for your time today. It has been a privilege to lead Navitas to achieve strong academic outcomes and financial growth for another year and I look forward to working with Harvey, the Board, senior managers and all Navitas staff to achieve even better outcomes in the coming months and years.

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About Navitas

Navitas is a leading global education provider that offers an extensive range of educational services through three major Divisions to students and professionals including university programs, creative media education, professional education, English language training and settlement services. Navitas is a S&P/ASX100 company. Further details about Navitas are available at navitas.com