



REDHILL EDUCATION

CHAIR ADDRESS

REDHILL 2018 ANNUAL GENERAL MEETING

22 NOVEMBER 2018

Ladies and Gentlemen –

RedHill performed remarkably well in FY2018.

The financial metrics are impressive in themselves.

Revenue increased 32% to \$54.6M over FY2017, and EBITDA increased 70% to \$6.6m.

Profit after tax increased 102% to \$3.5m, and our cash balance improved by 58% to \$10m.

RedHill paid fully franked dividends of 2 cents per share in April 2018, and another fully franked 2 cents in September 2018, representing in aggregate 35% of net profit for the period.

More importantly, RedHill has become an impressive and effective organisation. We have expanded significantly into Melbourne and propose to expand into Brisbane.

We have upgraded our various campuses and considerably extended our range of courses and our numbers of students.

We are in the course of improving and enhancing various internal services and systems to improve our efficiency and business and competitive capability.

Above all, we have developed a strong and collaborative team of senior executives managing all aspects of RedHill's operations and its business units.

The share market has rewarded RedHill and its shareholders by an increasing share price and market capitalisation.

We look to the future with confidence, so we are investing even more in organic growth, premises, courses, student amenities, and staff. This formula has proven very effective for us over the last few years.

We can never be complacent, because we operate in a highly regulated and competitive environment. Nonetheless, we are confident about our financial and operating capability for FY 2019.

The independent Directors believed it was time to recognise the contribution of Glenn Elith, our Chief Executive Officer, to RedHill's current success by way of a new incentive scheme that will both continue his enthusiastic commitment to RedHill and align his financial interest with those of the shareholders.

That is why we have asked shareholders to approve a new Employee Incentive Plan and a grant of equity performance rights to Glenn under it.

I now hand over to Glenn for his detailed commentary on FY 2018 and the future for RedHill.

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