

ASX Announcement
16th January 2017



Acquisition of Hotcourses Limited

IDP Education Limited (ASX: IEL) today announced that it has entered into an agreement to acquire 100% of the shares in Hotcourses Limited (“Hotcourses”), a digital marketing and online student recruitment company.

Hotcourses owns and operates a portfolio of education search websites that help future students make the right study choices and connect with universities and colleges around the world. The company provides students with unique online tools to search for appropriate courses and plan their studies.

The company's websites receive more than 66 million annual visits, and two million registered users access its database of 500,000 courses from 5,000-plus institutions in 48 countries – one of the largest global databases of educational courses in the world.

Chief Executive Officer of IDP Education, Andrew Barkla, said the acquisition will accelerate IDP Education's vision of building the world's leading platform and connected community, to guide students along their journey to achieve learning and career aspirations.

Mr Barkla said the acquisition provides an immediate digital pathway and scale to broaden IDP Education's global portfolio and meet future demand. “This is a unique opportunity to bring together one of the world's leading digital student engagement and marketing businesses with the world's largest student placement business via IDP's network of over 600 counsellors in 30 countries. We have been through a rigorous due diligence process to ensure business, operational and cultural fit between both entities and are thrilled with the acquisition” said Mr Barkla.

Hotcourses will continue to operate as an independent entity, but will work in collaboration with IDP Education to identify and harness natural synergies which will accelerate the successful strategies of both businesses.

A board comprising senior executives from both entities and chaired by Mr Barkla will now oversee Hotcourses, which will continue to be led by Chief Executive Officer, Simon Emmett. He will also join IDP Education's Global Leadership Team, which reports to Mr Barkla. The existing Chairman and founder of Hotcourses, Michael Elms, will remain as a Director and senior advisor to the company.

Mr Emmett said the agreement brings together two longstanding members of the international education community, to provide unparalleled support and guidance at every step of the student journey, from enquiry to enrolment.

Under the terms of the acquisition agreement, IDP Education will acquire Hotcourses for a total enterprise value of £30.1m with an additional £4.9m representing net cash in the business upon completion. The consideration will be structured in two tranches with 75% of the enterprise value paid upfront and the remaining 25% paid in 12 months subject to a number of performance conditions.

The acquisition will be funded via debt with IDP Education entering into an acquisition facility for the entire purchase price. IDP Education had approximately \$35.4m of net cash as at 30 June 2016.

Hotcourses generated £10.8m (approximately A\$18.0m at current exchange rates) of continuing revenue in FY16 through the provision of primarily lead generation and advertising subscription services to over 933 education providers in 17 countries. In 2015 the company also established a “virtual agency” model

in India which in 2016 placed over 400 international students. The company has a strong leadership position in the UK where its flagship websites are a key source of information for UK domestic and international students.

The acquisition will be completed on 31 January 2017 and IDP Education expects that it will be EPS accretive in FY18 (before amortisation of intangibles).

IDP Education will provide further information at its half year result which is expected to be released to the market on 9th February 2017.

About IDP Education

IDP Education is a global leader in international student recruitment and a co-owner of IELTS, a leading English language proficiency test. Headquartered in Melbourne, Australia, IDP Education is 50% owned by 38 Australian universities through Education Australia Limited, with the remaining 50% traded on the ASX. IDP Education employs more than 1,600 full time equivalent staff globally, has 93 student recruitment offices in 30 countries and over 400 IELTS test locations in over 50 countries. It also owns and operates 10 English language schools in Cambodia, Vietnam and Thailand. For further information on IDP Education, visit www.idp.com.

About Hotcourses

Hotcourses was founded in 1996 as an educational print directory for learning opportunities in the UK. It has now grown to become a fully digital and multinational company that employs over 300 staff in its offices in the UK, India, USA and Australia.

The company's portfolio of websites include a range of well-known and highly regarded brands including:

- Whatuni (www.whatuni.com) – the leading UK undergraduate study search site
- Hotcourses Abroad (www.hotcoursesabroad.com) – one of the world's most comprehensive international study search sites
- Hotcourses (www.hotcourses.com) – the leading UK adult learning and professional development study search site
- The Complete University Guide (www.thecompleteuniversityguide.co.uk) – the leading UK university ranking site

The company proudly supports the Hotcourses Foundation which it established in 2004 to help disadvantaged children in Kenya.

For further information on Hotcourses, visit www.hotcoursesgroup.com

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