

ASX RELEASE

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Chairman's Address – Annual General Meeting 2016

I am pleased to present my final report as Chairman of the Company.

World class quality

Navitas was founded on its commitment to student outcomes and continues to demonstrate this across all its operations globally. This was evidenced in the 2016 financial year by a number of highlights including improvements in already high University Partnerships pass and progression-to-university rates. Extensive surveys of students and graduates also showed continued high satisfaction with the quality of teaching and programs.

Commitment to partners around the world - be they universities, government or industry, is also critical. The Company continued to work closely with its partners to deepen its relationships and to better understand and deliver on key priorities.

Finally we have a commitment to our staff and our wider community and I am proud of the progress Navitas made in the year to improve the health and well-being of our staff and the communities we interact with.

Sustainable growth

Although 2016 was a challenging financial year, affected by the closure of two colleges, Navitas achieved a 3% increase in revenue, a 1% increase in EBITDA and a 25% increase in net profit for the period. This demonstrates solid underlying growth across the Company's three core business divisions and highlights the growth being delivered from ongoing new business development opportunities such as our new college in the US and Australia.

Navitas continues to develop organic growth opportunities while refining its long term growth strategy. This will include a greater focus on industry partnerships and pathways to employment as well as new business models in the education and training sector. Navitas is also addressing technological change in the education sector by partnering with EduTech accelerators such as EduGrowth.

Global efficiency

Another priority for the Board has been improving global efficiency while continuing to improve quality student outcomes and meeting partner objectives. Rod will cover this in more detail shortly, but this work is creating the right platform to position Navitas for future growth, both within and outside traditional markets.

Governance

The key role of the Board is governance. Our full corporate governance statement is available online, and I would encourage shareholders to read it in full, but a few points are worth highlighting.

Succession planning is critical to the ongoing success of Navitas, and the Board has focused on Director and Senior Executive capability and renewal in the year. At a Board level this has included welcoming Lisa Paul as a new Non-Executive Director and the announcement of my retirement from the role of Chairman at this meeting.

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As previously announced, Tracey Horton will assume the role of Chairman of Navitas today. I believe Tracey will make an excellent Chairman and her extensive experience on this, and other Boards, will ensure a smooth transition. I will continue serve as a Non-Executive Director for the remainder of my term.

At an executive leadership level we appointed a new CFO and CIO during the year and made changes in a number of other senior roles across the Group. Ongoing succession planning for key roles, including the Group CEO, remains a priority for the Board.

Shareholder value

Navitas utilises the economic value added (EVA®) framework to assess shareholder value with EVA® being a measure of returns over and above the Group's weighted average cost of capital for funds employed by the business.

The objective of EVA is to align management objectives with wealth creation and long term sustainable shareholder returns. Variable pay rewards for management are linked to achieving growth in economic value added for shareholders.

EVA® for 2016 was \$60.3m which represents a \$2.6m decrease in EVA from 2015, driven primarily by the impact of closing down our operations for Macquarie University and Curtin University in Sydney. Targets for EVA® growth are set every three years and were most recently set in April 2014, before these changes occurred.

Navitas paid a full year dividend of 19.5 cents per share, fully franked, representing a dividend yield of 3.6%.

Conclusion

In closing I would like to thank the Board and all Navitas employees for their contribution to a sound performance for the year and their willingness to embrace the changes needed for a successful future.

I would also like to thank our shareholders for their support throughout the year.

I now invite the Group CEO of the Company, Mr Rod Jones, to address the meeting.

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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