

ASX RELEASE

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Group CEO's Address – Annual General Meeting 2016

Good morning and thank you for joining us.

Throughout the 2016 financial year we continued to pursue Navitas' vision to be one of the world's most trusted learning organisations with a focus on world class quality, sustainable growth and global efficiency.

World class quality

High quality student outcomes were delivered across all Divisions and regions in the year. This included pass rates of over 80%, retention rates of over 85% and progression to university rates of over 90% across the University Partnerships Division. SAE achieved strong results in independent surveys and our Professional and English Programs ELICOS colleges were voted the best in Australia by students.

Navitas continued to enhance its strategic partnerships with universities, governments and industry opening two new pathway colleges and renewing all maturing university agreements in the year.

Sustainable growth

Navitas delivered on its financial expectations, meeting FY16 earnings guidance by recording EBITDA of \$164.6m as well as exceeding \$1.0b of revenues for the first time, a notable milestone for the company.

These results were achieved despite the closure and wind-down of significant operations at Macquarie University and Curtin Sydney. Covering these closures highlights the continued strong underlying growth of the business.

Globally demand for international education continues to grow as rising wealth, improving secondary education systems and lack of tertiary infrastructure empowered more than 4.5m students to study overseas. Navitas is well placed to take advantage of this continued global growth.

Global efficiency

Navitas has a focus on capital and operational efficiency. In 2016 this was demonstrated by the start of a major initiative to create shared services centres across a number of support areas in the business together with the closure of several sub-scale colleges.

Strategy

FY16 was a period of strategic consolidation for Navitas with the commencement of significant internal restructuring to better position the Company for long term growth. This included a strong focus on improving efficiency across all Divisions and functions such as the reorganisation of the University Partnerships Division to operate under three core regions, the creation of a global Learning and Teaching function and progress towards shared service centres for core support services such as Finance, IT and HR.

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Implementation of these initiatives has continued into FY17. As well as driving efficiency in FY17 and beyond, this program creates a solid platform for future growth for the Company. This platform will allow Navitas to continue to pursue organic growth opportunities as well as invest in new ventures and ways to grow the business.

During FY16 Navitas' executive leadership team was enhanced, both in capacity and depth, by the appointment of a number of new executives, as well as the inclusion of executives from the core University Partnerships regions of North America and Europe. This refreshed and expanded team is now well positioned to support Navitas' ongoing transition as the Company continues to adapt to its evolving landscape.

Operational update

Earlier this week we announced semester three enrolments for the University Partnerships division. Total full time enrolments of our continuing colleges grew by 2% globally with North America and Australasia increasing on the prior year and the UK declining due to a restrictive government immigration policy environment. This included 740 enrolments from our Joint Venture colleges. If we were to include our closing colleges, enrolments declined by 8% globally and by 15% in Australasia.

Since the start of the 2017 financial year we have:

- Signed a joint venture agreement with our oldest university partner, Edith Cowan University, to operate as Edith Cowan College;
- Renewed our agreement with the University of Adelaide for Eynesbury College for another five years. We also extended agreements with Curtin University to allow us more time to finalise longer term renewals; and
- Continued to progress our share buyback, with about 40% now completed.

We have also progressed the implementation of the various internal restructuring initiatives I mentioned earlier and they are on track to be finalised in calendar year 2017.

Outlook

With four months of operation concluded I can confirm our guidance that we expect FY17 EBITDA to remain broadly in line with the FY16 result.

This takes into account solid underlying organic revenue growth in core markets as well as the final financial impact of exiting the Macquarie and Curtin Sydney colleges in the first half of FY17. With no further exit costs for the two colleges Navitas' FY17 results will be biased towards a much stronger second half where the underlying growth of the business will be transparent.

In closing I would like to thank all Navitas staff for their support to deliver solid underlying growth in the 2016 financial year and their continued commitment to the vision of Navitas.

I would also like to thank the Board for their ongoing support, and in particular Harvey, for over ten years of steady guidance and leadership as Chairman. I welcome Tracey as our new Chairman, commencing today, and look forward to the next exciting chapter in the Company's history. Thank you.

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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