

23 October 2014

Company Announcements Office  
Australian Stock Exchange  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Via ASX Online

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## ANNOUNCEMENT

### ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS

In accordance with ASX Listing Rule 3.13.3, we attach a copy of the Chairman's Address to shareholders at the Annual General Meeting of Academies Australasia Group Limited to be held today at 11.30am

Stephanie Noble  
Company Secretary

***For further information*** call Christopher Campbell on +61 412 087 088 or +61 2 9224 5555. ***Academies Australasia*** has been operating for 106 years and listed on the Australian Securities Exchange for 37 years. The group's education business now comprises 17 separately licensed colleges operating in New South Wales, South Australia, Queensland, Victoria and Western Australia in Australia, and in Singapore. Over the years, Academies Australasia colleges have taught tens of thousands of students from 119 countries.

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS**

**106<sup>th</sup> Annual General Meeting  
11.30 am AEST, 23 October 2014  
Level 8, 628 Bourke Street, Melbourne**

Good morning

Welcome to the 106<sup>th</sup> Annual General Meeting of Academies Australasia Group Limited.

This is the first time that we are having our meeting outside Sydney. We have convened the meeting here because now we have many shareholders who live in Melbourne. To our shareholders from outside Melbourne, welcome to Melbourne.

The year under review saw the Company's revenue increase by 21% to \$45.8 million and profit attributable to owners of the Company grew by 61% to \$5.3 million. I think that these results are particularly commendable because, notwithstanding an 11.5% growth in Australia's international education business, there is still no clear game-plan for the sector supported by all branches of government. I have elaborated on this in the Annual Report. Our management team also had to contend with competitors who did not always play by the rules – meaning that they did not bear the onerous costs of compliance with government regulations. Here again, we look to the government and ask them to be more vigilant and more effective. By the time the malpractices are picked up by the media, the damage has been done – follow-up is too little, too late, the sector gets smeared and the compliant providers suffer too.

Although circumstances were challenging, we pressed on. The highlight was the divestment of our fastening business so that Academies Australasia is exclusively engaged in education. We acquired control of 7 colleges during the year bringing the total to 17 separately licensed colleges, now offering more than 230 qualifications.

These acquisitions further diversified our operations, and risks. We now have a good balance of domestic and international students. The domestic operations are in five states in Australia where we have corporate and non-corporate clients accessing a wide range of courses. Our exposure to the international sector is also diversified. We have ten colleges offering a variety of courses in four states in four sub-sectors: Higher Education, VET, English language and Senior High School. And international students may also study our courses at our college in Singapore.

The bedding down of the acquisitions and review of operations and corporate structures to facilitate standardisation, continuing high standards and a stronger structure for the future, as well as the growing expense of compliance are all costly, but necessary. The relocation to new and larger premises, such as the high quality campus of Academies Australasia Polytechnic which we are in this morning, has also increased costs significantly.

We continue to be cautiously optimistic about the future. We have no doubt that education is an excellent area to be in. It is a laudable and sustainable business where Australia has a good reputation internationally. Where there is increasing world demand and where we are geographically close to that demand. We see the private sector as being asked to shoulder more of the responsibility for domestic education. The decline in the external value of the Australian dollar is positive for international education in Australia. But we see the need for clear government policies and a long-term plan; and for regulatory authorities to be vigilant, and strict about compliance.

Academies Australasia has been listed on the Australian Securities Exchange for 37 years – by far the longest listed company in education. The past year has brought several newcomers into this space, all generally much larger in size. Size has not guaranteed growth in market capitalisation. Since our last meeting, we increased our share capital by 18%, from 52.7 to 62.1 million shares. Although a substantial growth, earnings per share as well as the share price have increased. Shareholder spread has improved, but still not at a level that ensures liquidity.

As stated in Annual Report, the Board intends to establish a performance incentive programme to attract and hold senior staff, to replace the scheme that was closed in 2013. We await the details of the government's recently announced intention to improve employee share schemes.

Today, you will be asked to consider the election of Raphael Geminder and Gary William Cobbledick to the Board. They are excellent candidates and have the Board's full endorsement. We are delighted that they accepted the Board's invitation.

There is another significant event for us today. This afternoon, the Academies Australasia Polytechnic Bourke Street campus will be officially opened by The Hon. Nick Wakeling MP, Minister for Higher Education and Skills. We are very proud of this campus and are truly honoured that Minister Wakeling will be officiating at this event.

I would again like to thank Neville Cleary for his stewardship of the Company until his retirement in December last year. And, on behalf of the Board, I would like to convey our appreciation to all stakeholders in the Company, especially shareholders and staff, for their contribution, confidence and support during the year.

Thank you.

Dr. John Lewis Schlederer