

ASX ANNOUNCEMENT

19th February 2016

3P Learning Limited delivers strong FY16 first half revenue growth

- Revenue of \$22.9 million, up 24% on prior corresponding period (pcp)
- Underlying EBITDA of \$7.0 million, up 11% on pcp
- Underlying Group EBITDA of \$7.3 million incl. associates, up 16% on pcp
- Underlying NPAT of \$3.7 million, down 10% on pcp
- Reported NPAT of \$3.2 million, down 22% on pcp

3P Learning Limited (ASX: 3PL) announces its results for the half year ended 31 December 2015. Group revenue increased 24% over the pcp to \$22.9 million, underlying EBITDA increased 16% to \$7.3 million and underlying net profit was down 10% to \$3.7 million. Statutory net profit of \$3.2 million included non-recurring costs related to the acquisition of Learnosity. No interim dividend was declared.

Key Financial Information A\$m (unless stated)	FY16 H1	FY15 H1 Pro Forma**	Variation %
Revenue	22.9	18.4	24%
Underlying EBITDA*	7.0	6.3	11%
Group EBITDA incl. associates	7.3	6.3	16%
Underlying Net Profit*	3.7	4.1	-10%
Reported Net Profit	3.2	4.1	-22%
EBITDA margin (%)	32%	34%	-7%
Net Cash	3.1	15.8	-80%
Total Licences (million)	5.6	4.9	14%

*FY16 H1 underlying EBITDA, underlying group EBITDA and NPAT exclude \$0.5million in costs associated with the acquisition of Learnosity. Underlying group EBITDA and underlying NPAT include \$0.3m associate contribution from Learnosity

**FY15 H1 Pro forma financial information has been prepared to reflect 3P's financial performance and position as if accounting policies have been consistently applied over the historical period and with adjustments made for significant abnormal and/or non-recurring items including the impact of the IPO

3P Learning's Interim CEO Jonathan Kenny said "our first half results for the FY16 year were pleasing with revenue and licence growth across all our regions and products. We added more than 250,000 new licences in a seasonally quiet period for licence sales, with year-on-year growth of 14% to 5.6 million. Prospects for the peak selling season in the second half are encouraging with record forward orders for Australia and New Zealand up 9% and high levels of customer retention notwithstanding the ARPU increase in ANZ".

"We were delighted with the performance of our recent investment in Learnosity, the market leading assessment tool. During the first half Learnosity's revenue more than doubled to €4.1m and underlying net profit almost tripled to €0.9m. In addition the investment is the basis of a valuable strategic alliance for 3P. Learnosity software is powering leading

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assessment capabilities in all 3P products and we are excited about our integrated product development plans."

"Average Revenue per User Licence (ARPU) increased 5% to \$8.83 with the strong uplift in ANZ somewhat offset by volume discounts associated with districts sales in Americas".

"We were very pleased with the results of a major independent study in the UK conducted by the University of Oxford across 13,000 schools. The study found that pupils regularly using Mathletics outperformed non-Mathletics users in Government standardized testing. This is consistent with the Australian study conducted by Dr Tony Stokes at the Australian Catholic University".

FY16 Outlook

The forward order book in ANZ is up 9% to a record high and along with price increases will underpin the region's FY16 result. As we enter the peak selling season in FY16 H2, revenue and licence growth is anticipated to continue. However, EBITDA margin percentage is not expected to grow in FY16 H2 versus FY16 H1 due to ongoing investment in expanding sales channels and improving operating systems to support global growth. No interim dividend has been declared and future cash flows are expected to be directed towards supporting the growth of the company.

Conference call

Interim Chief Executive Officer and CFO Jonathan Kenny and Chairman Sam Weiss will host a teleconference today at 10.30am AEDT.

Teleconference details :

Australian callers: **1800 139 939**

International callers: **+61 3 8651 7406**

FY16 H1 Results Presentation

<http://www.3plearning.com/investors/results>

Jonathan Kenny

Interim CEO & Company Secretary

ENDS

Contact

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About 3P Learning

3P Learning's mission is to create a place where students, families and teachers love learning.

3P Learning has brought together a community of 5.6 million students and 17,500 schools across the world using its award winning resources to learn mathematics (Mathletics), spelling and literacy (Spellodrome), reading (Reading Eggs) and science (Into Science).

The company is comprised of 300 educators, engineers, product designers and other personnel, based in 11 countries, servicing schools in more than 100 countries.

3P Learning has a powerful partnership with UNICEF, which has enabled over 100,000 students to go to school in developing countries.

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