

IDP EDUCATION LIMITED

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Tuesday 25th October, 10.00am

CEO and MANAGING DIRECTORS ADDRESS

I am delighted to be here with you today at our first Annual General Meeting as a publicly listed company.

The financial year of 2016 saw strong volume growth across our three service streams; international student placement, English language testing and English language teaching.

This volume growth, combined with increases in our average prices, delivered strong revenue growth for the year.

Our total group revenue was up 17% to \$361.6 million, marking a record year for our company.

Importantly for you, our shareholders, we were able to flow this top-line growth through to the bottom-line with net profit after tax increasing 27% to \$39.9 million.

We will now take a look at our three service streams in more detail, starting with IELTS, our English language testing, which had a very strong year.

Through our work with our partners and IELTS co-owners, British Council and Cambridge English Language Assessment, IELTS maintained its position as the world's leading high-stakes English language test for study, work *and* migration.

IDP Education administered more than 857,000 tests across 50 countries, including new markets of Japan, Spain, Italy and Greece.

Our IELTS operations in Asia experienced strong growth with India in particular benefiting from surging demand for study and migration into key English speaking countries.

The student placement business also had a strong year.

Over the financial year, we placed students into more than 31,000 courses across Australia, Canada, New Zealand, the United Kingdom and the United States.

This represented a total volume growth of 18% on FY 15.

In Australia, our volumes increased by 8% to 24,000 placements. This marked our fourth straight year of growth for our inbound Australian market.

As Peter highlighted, our multi-destination strategy delivered strong results for the year.

Volumes to the UK, USA, Canada and New Zealand increased by 72%, relative to the last financial year.

The UK was the strongest performer of our newer destinations and now represents 13% of our total student volumes.

This was followed by the US, representing 5% of total volumes, followed by Canada representing 3% and NZ, representing 2%.

And while it is our smallest revenue generator, our third stream, English language teaching, also had a strong year.

Thanks to a combination of course innovation and strong performance by our new campus in Cambodia, we delivered 14% more courses during the financial year compared to FY15.

This, along with an increase in average course fees, resulted in 25% revenue growth.

With such positive results, I would like to acknowledge that they are only possible because of our professional and dedicated teams around the world.

Our global employee engagement rating of 81% highlights our teams' satisfaction, which in turn helps foster a culture of courage, confidence and continual development.

This culture is validated by our customers, with 90% of our internationally placed students saying they would recommend us to their family and friends.

So looking ahead, with our solid financial position, trusted brand and knowledgeable staff, our focus is now on further improving our customer experience.

Our vision is to build a global platform and connected community to guide international students along their journey to achieve their lifelong learning and career aspirations.

We have just completed an extensive review to understand our current customer journeys, internal capabilities and opportunities for industry disruption.

Resulting from this is a digital roadmap.

This roadmap will guide the development of new products, and will improve how we connect with students online so that we are *even more* responsive to the needs of our students.

This is important because - as we know - our students are savvy, globally mobile and they are growing up in a world where their phone is the primary tool for research, communication and transactions.

This presents new opportunities for us, and we look forward to improving our online experience so we can help our students earlier, and can stay engaged throughout their international education and beyond.

In wrapping up, I would like to thank our Board of Directors for their leadership this year.

I would also like to acknowledge our 50% shareholder, Education Australia, and in turn the Australian university sector, for its ongoing support of IDP Education.

Finally, I would like to thank you, our shareholders.

IDP Education is an exceptional company delivering services that make a real difference to the lives of young people, their families and their wider communities - both in their home countries and study destinations.

We are proud to be a company with such strong purpose and I thank you for backing us and, in turn, our customers.