

RedHill Education Limited

FY2017 MARKET GUIDANCE

At the RedHill Education Limited (**RedHill**) Annual General Meeting held in November 2016, RedHill reported that it expected financial results for FY2017 to improve significantly over FY2016.

RedHill's Board is pleased to announce the following information in relation to expected FY2017 results:

1. FY2017 SECOND HALF YEAR FINANCIAL RESULTS

RedHill expects the FY2017 second half year financial results to include:

- Revenue of approximately \$22.2 million, an increase of 42% against the previous corresponding half year (FY2016 second half year Revenue: \$15.6 million)
- EBITDA* of approximately \$3.0 million, an increase of 300% against the previous corresponding half year (FY2016 second half year EBITDA*: \$1.0 million)

2. FY2017 FULL YEAR FINANCIAL RESULTS

RedHill expects the FY2017 full year financial results to include:

- Revenue of approximately \$40.2 million, an increase of 42% against the previous year (FY2016 Revenue: \$28.3 million)
- EBITDA* of approximately \$3.6 million, an increase of 240% against the previous year (FY2016 EBITDA*: \$1.5 million)

The significant improvement in expected financial results in FY2017 is due to growth of RedHill's core businesses and from its brand and geographic expansion business development investments.

Full details of the FY2017 results will be provided shortly in RedHill's Preliminary Financial Report and in the audited financial statements in RedHill's Annual Report.

** **EBITDA** is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents net profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity. A reconciliation between EBITDA and net profit will be included in the FY2017 Preliminary Final Report.*

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ABOUT REDHILL

RedHill has a portfolio of quality education businesses at the premium end of the private education market to capitalise on the demand for higher education, vocational training and English language programmes. For further information refer to our website www.redhilleducation.com.