

## **ASX RELEASE**

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### **Chairman's Address – Annual General Meeting 2015**

Good morning and welcome to Navitas' 2015 Annual General Meeting. I am pleased to present my report for the year.

While the 2015 financial year held some challenges for the company, the commitment to operational excellence that underpins Navitas' business remained a core focus.

The University Programs division graduated over 8,500 students from 92 countries to partner universities and continued to achieve excellent academic outcomes and deliver world class student experiences. We grew returns to university partners by 15%.

Net Promoter Score improvements in the Professional and English Programs and SAE Divisions reflected their growing standing with their respective customer bases. We also expanded the number of courses and programs we offer to students and, via our Adult Migrant English Program, helped settle and educate over 24,000 migrants to Australia.

In regards to the challenges, we continued to work through the non-renewal of the SIBT contract and prepare for the full earnings impact which will be felt in the 2016 calendar year.

Navitas delivered financial outcomes in line with guidance and market expectations including 12% revenue growth and underlying EBITDA growth of 13%. The full year dividend remains at 19.5 cents per Share fully franked.

#### Board priorities

Demand for international higher education continues to expand, supported by growth in tertiary aged students globally and increases to middle class wealth in developing countries. This demand is expected to remain robust well into the future.

However, emerging changes in the sector require a focus on business capacity and strategy to ensure that Navitas sustains its leadership position in the industry. In this context the Board has maintained focus on the following key areas:

- University Programs and SAE expansion in the US
- Developing more options for University partners, including joint ventures
- Strengthening relationships with policy makers, legislators and regulators
- Managing changing technology
- Succession planning

#### Shareholder value

Navitas utilises the economic value added (EVA®) framework to assess shareholder value with EVA® being a measure of returns relative to the Group's weighted average cost of capital for funds employed by the business.

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The objective of EVA is to align management objectives with wealth creation and long term sustainable shareholder returns. Variable pay rewards for management are linked to achieving growth in economic value for shareholders.

EVA® for 2015 was \$62.9m which represents \$11.1m growth in EVA from 2014. Targets for EVA® growth are set every three years and were most recently set in April 2014.

#### Governance

Several director retirements and appointments have occurred in recent years as part of the Board's renewal and succession process.

While no new appointments were made during the 2015 financial year the succession planning process is ongoing with recruitment currently underway. Navitas seeks to ensure an effective mix of skills, experience and gender diversity while maintaining a blend of new ideas and corporate memory.

#### Conclusion

I would like to thank my colleagues on the Board for their continued commitment and guidance during this time of both opportunity and challenge.

On behalf of the Board, I thank the senior management team, led by Rod Jones, for their professionalism and leadership. I also thank all Navitas staff whose daily commitment to academic outcomes and student experience make Navitas the successful organisation it is today.

Finally, I would like to thank our shareholders for their support throughout the year.

I now invite the Group CEO of the Company, Mr Rod Jones, to address the meeting.

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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](http://navitas.com)