

ASX/Media Release

31 August 2011

**REDHILL EDUCATION LIMITED
2011 FULL YEAR RESULTS**

Summary

	2011
	\$m
Revenue	14.02
Normalised Pro Forma EBITDA	1.01
EBITDA (Loss)	(1.11)
Net Profit After Tax (Loss)	(1.89)

Result overview

Education provider RedHill Education Limited (RedHill) today announced full year results for the financial year ended 30 June 2011.

RedHill generated revenue of \$14.02 million (up 78.4% from FY2010) and a normalised pro forma EBITDA of \$1.01 million, in line with the downgraded guidance provided in February this year. A net loss after tax of \$1.89 million was booked for the year.

CEO Quote

Commenting on the result, new RedHill Chief Executive Officer Andrew Leary said:

“Clearly this has been a disappointing year for RedHill. The company has weathered the combined impacts of the strengthened Australian dollar and sector wide external factors that impacted overseas student enrolments.”

“Since I was appointed Chief Executive Officer on 29 March 2011, we have implemented a number of changes to consolidate RedHill’s businesses and increase student enrolments across the group. In particular, we have implemented a strategy to diversify the student population across both domestic and international markets.”

“Pleasingly, there are early indications that the diversification strategy is on track, evidenced by an increased representation of domestic students in the July intake for the Academy of Information Technology (AIT).”

“We have also consolidated part of Greenwich College into the Ultimo campus of AIT enabling us better to capitalise on the new enhanced campus at Ultimo.”

“Progress has also been made at our International School of Colour and Design which is successfully implementing a new strategy to better target distance education enrolments. This is a key market for RedHill as the demand for non-traditional course delivery grows.”

“In addition, Go Study Australia is on track to open its office in Rome, Italy, in September 2011, which will support Go Study Australia’s other agencies in the region. Inquiry levels and conversions to enrolment at agencies in this region have increased.”

“In August 2011, Academy of Information Technology signed a pathway agreement with the University of Sydney which allows RedHill students to continue their education at a post graduate level with the University. This is an important articulation agreement for RedHill and will enable our students to achieve further tertiary education outcomes,” he said.

Operational overview

Academy of Information Technology

Tuition fees and other related revenue for the 12 months ended 30 June 2011, including the period pre acquisition from 1 July 2010 to 15 September 2010, were \$5.5 million, a decrease of 24.9% on the previous corresponding period. Normalised pro forma EBITDA before the allocation of head office costs was \$1.6 million to 30 June 2011, down on the previous corresponding period by 45.3%.

International School of Colour and Design

Tuition fees and other related revenue for the 12 months ended 30 June 2011, including the period pre acquisition from 1 July 2010 to 15 September 2010, were \$2.7 million, an increase of 14.3% on the previous corresponding period. Normalised pro forma EBITDA before the allocation of head office costs was \$0.7 million for the 12 months ended 30 June 2011, an increase of 21.2% on the previous corresponding period.

Greenwich College

Tuition fees and other related revenue for the 12 months ended 30 June 2011 was \$6.2 million (prior to any intercompany adjustments) a decrease of 6.6% on the previous corresponding period. Normalised pro forma EBITDA before the allocation of head office costs was a loss of \$0.07 million, a decrease of 109.8% on the previous corresponding period.

Go Study Australia

Commission and other related revenue for the 12 months ended 30 June 2011 was \$1.8 million, before any intercompany adjustments, an increase of 40.2% on the previous corresponding period. The student recruitment agency achieved pro forma normalised EBITDA for the year before the allocation of head office costs of \$0.3 million as compared with an EBITDA loss of \$0.1 million in 2010, an increase of 427% on the previous corresponding period.

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