ADvTECH Limited ("ADvTECH" or "the Group") (Incorporated in the Republic of South Africa)
Registration number: 1990/001119/06 JSE code: ADH ISIN number: ZAE 0000 31035
Income taxation number: 9550/190/71/5

www.advtech.co.za

Interim results

for the 6 months ended **30 June 2015**

Record results endorse ADvTECH's sustained growth and expansion strategy.

REVENUE	OPERATING PROFIT	PROFIT AFTER TAXATION	FREE OPERATING CASH FLOW PER SHARE	INTERIM DIVIDEND PER SHARE
↑ 33%	↑ 73%	↑ 29%	↑ 33%	12.5 cents

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2015

R'm	Notes	Percentage increase	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
Revenue		33%	**1 277.7**	959.2	1 931.8
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		60%	**254.4**	158.7	340.8
Operating profit before interest		73%	**203.0**	117.4	256.4
Net (finance costs paid)/interest received			**(50.6)**	0.3	(9.1)
Interest received			**5.3**	2.8	2.8
Finance costs			**(55.9)**	(2.5)	(11.9)
Profit before taxation		29%	**152.4**	117.7	247.3
Taxation			**(47.8)**	(36.6)	(80.2)
Total comprehensive income for the period		29%	**104.6**	81.1	167.1
Earnings per share (cents)					
Basic		26%	**25.3**	20.1	41.3
Diluted		26%	**25.2**	20.0	41.2
Headline earnings	2		**104.4**	81.2	167.5
Headline earnings per share (cents)					
Basic		26%	**25.3**	20.1	41.4
Diluted		26%	**25.2**	20.0	41.3
Normalised earnings	3		**109.2**	82.5	175.9
Normalised earnings per share (cents)					
Basic		29%	**26.4**	20.4	43.5
Diluted		30%	**26.4**	20.3	43.4
Number of shares in issue (million)			**455.0**	421.3	421.3
Number of shares in issue net of treasury shares (million)			**442.2**	404.1	406.4
Weighted average number of shares for purposes of basic earnings per share (million)			**413.1**	404.1	404.7
Weighted average number of shares for purposes of diluted earnings per share (million)			**414.3**	406.2	405.1
Net asset value per share including treasury shares (cents)		40%	**289.8**	207.5	220.5
Net asset value per share net of treasury shares (cents)		38%	**298.2**	216.3	228.5
Free operating cash flow before capex per share (cents)		33%	**88.0**	66.0	48.5
Gross dividends per share (cents)		14%	**12.5**	11.0	26.0

Condensed consolidated statement of financial position

as at 30 June 2015

R'm	**Unaudited 30 June 2015**	Unaudited 30 June 2014	Audited 31 December 2014
Assets			
Non-current assets	**3 727.2**	1 480.8	1 646.0
Property, plant and equipment	**2 386.0**	1 241.6	1 439.0
Proprietary technology systems	**52.4**	51.3	53.1
Goodwill	**1 084.5**	99.9	103.8
Intangible assets	**192.3**	25.8	25.3
Deferred taxation assets	**–**	50.2	12.8
Investment	**12.0**	12.0	12.0
Current assets	**354.2**	307.9	314.2
Trade and other receivables	**233.6**	184.9	153.6
Other current assets	**60.0**	36.0	46.8
Bank balances and cash	**60.6**	87.0	113.8
Total assets	**4 081.4**	1 788.7	1 960.2
Equity and liabilities			
Equity	**1 318.8**	874.2	928.8
Non-current liabilities	**118.3**	–	–
Borrowings	**64.6**	–	–
Deferred taxation liabilities	**53.7**	–	–
Current liabilities	**2 644.3**	914.5	1 031.4
Bank loans	**1 670.0**	120.0	550.0
Trade and other payables	**328.9**	245.0	271.2
Current portion of long-term borrowings	**10.2**	–	–
Provision	**–**	0.4	–
Taxation	**56.4**	34.3	0.1
Fees received in advance and deposits	**578.8**	459.4	210.1
Bank overdraft	**–**	55.4	–
Total liabilities	**2 762.6**	914.5	1 031.4
Total equity and liabilities	**4 081.4**	1 788.7	1 960.2

Condensed consolidated segmental report

for the six months ended 30 June 2015

R'm	Percentage increase	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
Revenue	33%	**1 277.7**	959.2	1 931.8
Schools	51%	**682.9**	452.2	915.0
Tertiary	20%	**492.4**	411.9	826.9
Resourcing	7%	**103.9**	97.2	194.0
Intra Group revenue		**(1.5)**	(2.1)	(4.1)
Operating profit before interest	73%	**203.0**	117.4	256.4
Schools	88%	**131.8**	70.2	161.6
Tertiary	51%	**63.8**	42.3	84.0
Resourcing	97%	**12.2**	6.2	18.2
Acquisition related costs		**(4.5)**	–	(4.0)
Litigation		**(0.3)**	(1.3)	(3.4)
Property, plant and equipment and proprietary technology systems	89%	**2 438.4**	1 292.9	1 492.1
Schools	96%	**1 939.2**	988.6	1 134.3
Tertiary	65%	**494.4**	300.4	354.1
Resourcing	23%	**4.8**	3.9	3.7

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2015

R'm	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
Balance at beginning of the period	**928.8**	853.0	853.0
Total comprehensive income for the period	**104.6**	81.1	167.1
Dividends declared to shareholders	**(61.6)**	(61.0)	(105.7)
Share-based payment expense	**1.7**	1.1	3.2
Shares issued	**333.4**	–	–
Share options exercised	**11.9**	–	11.2
Balance at end of the period	**1 318.8**	874.2	928.8

Condensed consolidated statement of cash flows

for the six months ended 30 June 2015

R'm	Note	Percentage increase	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
Cash generated from operations	4	59%	**255.2**	160.4	345.1
Movement in working capital			**205.6**	144.1	(59.4)
Cash generated by operating activities		51%	**460.8**	304.5	285.7
Net (finance costs paid)/interest received			**(50.6)**	0.3	(9.1)
Taxation paid			**(47.3)**	(37.8)	(78.2)
Capital distributions paid			**–**	–	(0.1)
Dividends paid			**(61.5)**	(60.9)	(105.6)
Net cash inflow from operating activities			**301.4**	206.1	92.7
Net cash outflow from investing activities			**(1 526.6)**	(92.1)	(337.7)
Net cash inflow/(outflow) from financing activities			**1 172.0**	(180.0)	261.2
Net (decrease)/increase in cash and cash equivalents			**(53.2)**	(66.0)	16.2
Cash and cash equivalents at beginning of the period			**113.8**	97.6	97.6
Cash and cash equivalents at end of the period			**60.6**	31.6	113.8

Directors: CH Boulle* (Chairman), JDR Oesch (Financial), BM Gourley*, JD Jansen*, SC Masie*, KDM Warburton*, SA Zinn* *Non-executive
Group company secretary: SK Saunders.
Registered Office: ADvTECH House, Inanda Greens, 54 Wierda Road West, Wierda Valley, Sandton 2196.

Transfer Secretaries: Link Market Services South Africa (Pty) Ltd, Rennie House, 19 Ameshoff Street, Braamfontein 2017.
Sponsor and Corporate Advisors: Bridge Capital Advisors (Pty) Ltd, 27 Fricker Road, Illovo 2196.

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Interim results
for the 6 months ended **30 June 2015**
(continued)

Free operating cash flow before capex per share
for the six months ended 30 June 2015

R'm	Percentage increase	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
Total comprehensive income for the period		**104.6**	81.1	167.1
Adjusted for non-cash IFRS and lease adjustments (after taxation)		**2.0**	0.3	3.6
Net operating profit after taxation – adjusted for non-cash IFRS and lease adjustments		**106.6**	81.4	170.7
Depreciation and amortisation		**51.4**	41.3	84.4
Other non-cash flow items (after taxation)		**(0.2)**	0.1	0.4
Operating cash flow after taxation	29%	**157.8**	122.8	255.5
Movement in working capital		**205.6**	144.1	(59.4)
Free operating cash flow before capex	36%	**363.4**	266.9	196.1
Weighted average number of shares for purposes of basic earnings per share (million)		**413.1**	404.1	404.7
Free operating cash flow before capex per share (cents)	33%	**88.0**	66.0	48.5

Supplementary information
for the six months ended 30 June 2015

R'm	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
Capital expenditure – current period	**202.7**	91.0	316.4
Capital commitments	**1 329.9**	1 171.0	1 082.0
Authorised by directors and contracted for	**227.2**	100.7	343.1
Authorised by directors and not yet contracted for	**1 102.7**	1 070.3	738.9
Anticipated timing of spend	**1 329.9**	1 171.0	1 082.0
0 – 2 years	**635.6**	452.0	473.4
3 – 5 years	**218.6**	278.4	348.1
more than 5 years	**475.7**	440.6	260.5
Operating lease commitments in cash – future years	**354.8**	330.6	380.8

Notes to the condensed consolidated financial statements
for the six months ended 30 June 2015

1. Statement of compliance

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

The preparation of the condensed consolidated interim financial results for the six months ended 30 June 2015 was supervised by Didier Oesch CA(SA), the Group's financial director.

These interim results have not been audited or reviewed.

No material subsequent events have taken place to date.

R'm	**Unaudited 6 months to 30 June 2015**	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
2. Determination of headline earnings			
Total comprehensive income for the period	**104.6**	81.1	167.1
Items excluded from headline earnings per share	**(0.2)**	0.1	0.4
(Profit)/loss on sale of property, plant and equipment	**(0.3)**	0.1	0.5
Taxation effects of adjustments	**0.1**	–	(0.1)
Headline earnings	**104.4**	81.2	167.5
3. Determination of normalised earnings			
Headline earnings	**104.4**	81.2	167.5
Items excluded from normalised earnings per share	**4.8**	1.3	8.4
Litigation costs	**0.3**	1.3	3.4
Acquisition and financing related costs	**4.5**	–	5.4
Taxation effects of adjustments	**–**	–	(0.4)
Normalised earnings	**109.2**	82.5	175.9
4. Note to the condensed statement of cash flows			
Reconciliation of profit before taxation to cash generated from operations			
Profit before taxation	**152.4**	117.7	247.3
Adjust for non-cash IFRS and lease adjustments (before taxation)	**1.1**	1.6	3.8
	153.5	119.3	251.1
Adjust:	**101.7**	41.1	94.0
Depreciation and amortisation	**51.4**	41.3	84.4
Net finance costs paid/(interest received)	**50.6**	(0.3)	9.1
Other non-cash flow items	**(0.3)**	0.1	0.5
Cash generated from operations	**255.2**	160.4	345.1

R'm	**Unaudited 6 months to 30 June 2015**

5. Business combinations

5.1 Centurus Colleges

A 100% interest in Centurus Colleges was acquired on 1 January 2015 for a consideration of R698.9 million.

Fair value assets and liabilities acquired	
Intangible assets	**78.9**
Goodwill	**513.2**
Property, plant and equipment	**505.4**
Other non-current assets	**2.6**
Current assets	**2.1**
Non-current liabilities	**(350.9)**
Current liabilities	**(52.4)**
	698.9

Revenue of R116.6 million and profit after taxation of R17.0 million has been included in the condensed consolidated statement of comprehensive income.

This acquisition was made as an addition to our Schools division and provides expansion opportunities.

5.2 Gaborone International School

A 100% interest in Gaborone International School was acquired on 1 January 2015 for a consideration of R89.9 million.

Fair value assets and liabilities acquired	
Intangible assets	**8.0**
Goodwill	**20.6**
Property, plant and equipment	**81.0**
Current assets	**3.1**
Non-current liabilities	**(14.8)**
Current liabilities	**(8.0)**
	89.9

Revenue of R20.4 million and profit after taxation of R5.4 million has been included in the condensed consolidated statement of comprehensive income.

This acquisition was made as an addition to our Schools division in line with our expansion strategy and will provide access to an African market.

There is contingent consideration of R2.7 million based on revenue for the year ending 31 December 2015.

5.3 Boleng

The assets of Boleng Pre-primary and Primary School were acquired on 1 January 2015 for a consideration of R19.0 million.

Fair value assets and liabilities acquired	
Goodwill	**3.8**
Property, plant and equipment	**15.6**
Non-current liabilities	**(0.4)**
	19.0

Revenue of R1.2 million and loss after taxation of R0.1 million has been included in the condensed consolidated statement of comprehensive income.

This acquisition was made as an addition to our Trinityhouse brand and provides expansion opportunities.

5.4 Kathstan Academy

The assets of Kathstan Academy were acquired on 1 January 2015 for a consideration of R28.0 million.

Fair value assets and liabilities acquired	
Intangible assets	**1.6**
Goodwill	**5.9**
Property, plant and equipment	**21.0**
Non-current liabilities	**(0.5)**
	28.0

Revenue of R9.0 million and profit after taxation of R0.6 million has been included in the condensed consolidated statement of comprehensive income.

This acquisition was made as an addition to our Schools division and provides expansion opportunities.

5.5 The Maravest Group

A 100% interest in The Maravest Group was acquired on 1 May 2015 for a consideration of R524.4 million, which was partially settled by issuing 33 678 494 shares to the vendors of Maravest.

Fair value assets and liabilities acquired	
Intangible assets	**82.1**
Goodwill	**433.2**
Property, plant and equipment and proprietary technology systems	**170.7**
Other non-current assets	**0.6**
Current assets	**45.1**
Non-current liabilities	**(119.3)**
Current liabilities	**(88.0)**
	524.4

Revenue of R33.5 million and profit after taxation of R4.1 million has been included in the condensed consolidated statement of comprehensive income.

Revenue of R95.3 million and profit after taxation of R14.2 million would have been included in the condensed consolidated statement of comprehensive income if the acquisition was done at the beginning of the annual reporting period.

This acquisition was made as an addition to our Schools division and provides expansion opportunities.

Kyocraft Proprietary Limited is entitled to a further payment of R18.0 million to be settled in ADvTECH shares dependent upon the performance of Maramedia Proprietary Limited in the year ended 31 December 2015.

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Interim results
for the 6 months ended **30 June 2015**
(continued)

Commentary

Overview – record results endorse ADvTECH's sustained growth and expansion strategy

The directors are pleased to release record interim results which highlight the acceleration and momentum behind the Group's financial performance. This is the outcome of years of focus on sustained growth, made possible by strong and deep strategic management and significant financial capacity as reflected in the Group's strong balance sheet and cash flow.

Strong revenue growth and margin improvement was achieved in all three Divisions and has led to a substantial improvement in operating profit. While this is tempered at earnings level by interest charges arising from the funding of large acquisitions in recent months, the strength of the Group's increasing cash flow will offset these charges in the medium term.

Revenue increased by 33%, led by an improvement of 51% in Schools and 20% in Tertiary, as strong enrolment growth highlighted in the table below translated into revenues. The bulk of enrolment growth in the last two years has been delivered by planned and organic expansion with recent acquisitions now also making a considerable contribution.

Student enrolment

	2013	2014	**2015**
Students (Schools and Tertiary) ('000)	30	34	**48**
Acquisitive growth (y-o-y)			**23%**
Planned and organic growth (y-o-y)		13%	**18%**

Operating profit increased by R86 million or 73% as economies of scale and margin improvements were achieved throughout the Group with overall operating margin increasing from 12% to 16%. Increased interest costs of R51 million and a consistent taxation rate brought profit after taxation to R105 million, an increase of 29%. Notably, all of the earnings increase in this period was delivered in effect by organic growth as the interest cost arising from acquisitions offset the operating profit contribution they made. No additional central overheads were needed and the acquisitions are expected to contribute to organic earnings growth from next year as strong enrolment growth flows through to utilise existing schools capacity.

Schools division consolidates premium sector leadership and expands into mid and lower fee market

The Schools division leads the premium independent schools sector and has started to expand into the mid and lower fee segments, as well as extend our scope further into other African markets. The Division now consists of 76 (2014: 44) schools across 40 campuses under the brands: Abbotts College, ADvTECH Academies, Centurus Colleges, CrawfordSchools™, Junior Colleges, Maravest Group and Trinityhouse.

ADvTECH Academies, the recently launched umbrella brand for community orientated schools at a range of fee levels, already numbers six schools with enrolments exceeding 2 200. The Academies brand is expected to grow rapidly, with four additional sites already secured.

The Schools division contributed 53% of Group revenue and grew by 51% to R683 million. Operating profit grew by 88% to R132 million and the operating margin increased from 15% to 19%. This reflects the impact of the organic investments of the last few years as the Division starts reaping the benefits of scale and schools move up the "J-curve" of initial high investment and low student enrolment. This trend will continue as each successive annual cohort of pupils fills up the new and expanded schools capacity.

Schools capacity

	2013	2014	**2015**	To be added by 2020 under R3 Bn plan
Students enrolled ('000)	13	14	**24**	
Ultimate capacity of existing sites ('000)	17	20	**35**	16
% of school capacity available	24%	30%	**31%**	

The strength and depth of management enabled the Schools division to assimilate rapidly and effectively the recent large investments, and continues to offer consistently improved academic and management support to the operations. Consequently, the Division is well positioned to execute its major role in the Group's continuing investment plans.

Tertiary division grows footprint of national brands and delivers increased profits and margin growth

The Tertiary division comprises The Independent Institute of Education (IIE) which operates Rosebank College, Vega, The Design School Southern Africa, Varsity College (including The Business School at Varsity College) and Forbes Lever Baker (FLB). The Division has a national urban footprint of 20 campuses with an institutional structure that enhances academic leadership and governance.

The Division contributed 39% of Group revenue and grew by 20% to R492 million, as a result of organic student growth. Operating profit grew 51% to R64 million and the operating margins increased from 10% to 13%, signalling the start of improving margin performance.

2015 marks a return to significant new investment and growth opportunities for the Tertiary division with three revamped Vega campuses opening this year. With the re-positioned Rosebank College continuing to perform well, two new campuses will open in 2016 and are specifically designed to support innovative and technology enabled learning strategies.

This Division has embraced the technological revolution in education. All students are fully supported on the Group's Student Administration System (SAM), while almost half are receiving comprehensive learning materials, content, assignments and assessments through the new market leading Learning Management System (LMS). This has enabled more focus on support for students thus improving their learning experience in innovative ways. The LMS gives the Division new capacity to extend its footprint to reach new markets and new geographies using the power of technology.

Resourcing division consolidates market leadership, doubling both operating profits and margins

The Resourcing division includes permanent and temporary staffing solutions as well as recruitment advertising, e-Recruitment and advertising response handling. The portfolio of brands includes Brent Personnel, Cassel & Company, Communicate Personnel, Inkokheli HR Appointments, Insource.ICT, IT Edge, Network Recruitment, Tech-Pro Personnel and The Working Earth.

Despite the staffing sector remaining constrained with little sign of increased hiring, the Division continued to maintain its leading position in key market niches. In response to the challenging operating environment, management implemented consultant development and retention plans and focused the business selectively on the most promising market segments.

The division contributed 8% of Group revenue and grew by 7% to R104 million. Operating profit increased by 97% to R12 million and operating margins increased from 6% to 12%.

Financial

Return on funds employed (ROFE) is a key performance area for management and remains well ahead of the benchmark set by the Board, namely cost of capital (approximately 11%) plus 5%. ROFE declined marginally to 19% (2014: 23%) due to the new investments which impacted on the drivers of ROFE – principally, the average age of the assets decreased which lessened the benefit derived from inflation, and the proportion of unutilised capacity increased, which dampened margins. As operating contribution and margins increase with organic growth, ROFE is expected to improve.

Free operating cash flow grew by 36% to R363 million driven by improved business performance and tight working capital management. The debtors' book was maintained in good shape, increasing at a slower rate than revenue. Fees received in advance increased by 26% to R579 million, which indicates that the Group has already banked a large proportion of second half revenue.

Cash generated by operating activities of R461 million together with financing inflows of R1 172 million has enabled the payment of investments and capex of R1 527 million, finance costs of R51 million, taxation of R47 million and dividends of R62 million.

Capital structure and funding

Net Group gearing as at 30 June 2015 reflects a debt to equity ratio of 132%. While this is well within the Group's covenants with its bankers, ABSA (member of Barclays), it is evident that the Group's accessible funds to maintain its accelerating investment plan will become constrained. The Group holds or is securing 20 sites for expansion and development. The Board has approved further new investments as part of the previously-announced R3 billion rolling capital expansions programme, and management has identified and is developing other new projects totalling almost R1 billion.

The Board is therefore considering the optimal capital structure for the Group and is formulating a financing strategy that it believes will allow it to sustain this accelerating growth strategy in the most efficient manner. In particular, the Board believes it is important to have certainty of access to various funding sources in order to be best positioned to execute in competitive situations.

As part of this process ADvTECH is looking to put in place long-term debt facilities which will be used to refinance existing bank borrowings. This will allow the Group to raise further debt facilities as and when needed and thus enhance the scope and flexibility of ADvTECH's planning and the execution of its growth and acquisition strategy.

The Curro approach

During the period, ADvTECH received an unsolicited approach from Curro to acquire the Group. While conditional and unclear on several key issues, the proposal was in the form of a Scheme of Arrangement that required the Board to consider its merits for ADvTECH as a whole. In line with its fiduciary duties, the Board took due care in evaluating the proposal. This included consultation with independent advisers and a wide range of stakeholders, including Curro themselves and certain minority shareholders who were supportive of the proposal.

Having considered the proposal, the Board's unanimous view was that the proposal was not in the best interests of the Group and this was therefore rejected.

The Board was greatly encouraged by strong support received from the stakeholder community and the majority of shareholders for its stance on reputation and quality. ADvTECH has rededicated itself to upholding these values in its pursuit of excellence and long term sustainability. The Group continues to invest in quality student outcomes as fundamental elements of its offering and a driver of its success.

Declaration of interim dividend no 12

The Board is pleased to announce the declaration of an interim gross dividend of 12.5 cents (2014: 11.0 cents) per ordinary share in respect of the half year to 30 June 2015.

This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African Dividend Taxation (DT) rate is 15%. The net amount per share payable to shareholders who are not exempt from DT is 10.625 cents per share, while it is 12.5 cents per share to those shareholders who are exempt from DT.

There are 454 960 916 ordinary shares in issue; the total dividend amount payable is R57 million.

The salient dates and times applicable to the dividend referred to above are as follows:

	2015
Declaration date	Friday, 21 August
Announcement of declaration	Monday, 24 August
Last day to trade in order to participate in the dividend	Friday, 11 September
Trading commences ex-dividend	Monday, 14 September
Record date	Friday, 18 September
Payment date	Monday, 21 September

Share certificates may not be dematerialised between Monday, 14 September 2015 and Friday, 18 September 2015, both days inclusive.

Directorate – Chris Boulle succeeds Jeff Livingstone as Chairman

At the Annual General Meeting (AGM) on 28 July 2015 Acting chairman Jeff Livingstone's retirement from the Board was announced. Jeff served the Board for seven years in various capacities. The Board acknowledges and thanks Jeff warmly for his vital contribution over these years, and especially his leadership through turbulent times in the last year. His wise counsel and guidance will be missed. Chris Boulle, who has served on the Board since 2011, was unanimously elected to succeed Jeff as Chairman.

At the AGM, the Board also announced the appointment of Keith Warburton as an independent non-executive director and looks forward to his contribution.

As a result of increased work commitments, Mteto Nyati resigned as a director on 3 August 2015. His valuable contribution to the Board was all too brief and the directors wish him well in his new role as head of MTN SA.

Prospects

The Board is clear that the Group's values, development strategy and market position stand firmly on their own merit. Accordingly, the Board is resolved that all possible steps should be taken to ensure that the necessary resources are available and the operational environment is created to allow this strategy to be executed. These results, representing as they do the commencement of an exciting period of growth and development, lend weight to this argument.

The significant additional capacity created by ADvTECH's investment programme and the successful student enrolment strategy means that the Group offers "baked in" growth prospects for many years to come. At the same time the Group continues to drive further growth by rolling out its investment strategy as illustrated in the following tables:

R3 billion Investment Plan

Land	Sites	Cost R'm
Land owned for development	13	186
Land under negotiation included in the table below	7	165
Total cost of land for development		351

Investments (Board approved and under development)

	Premium	Mid-fee	Tertiary	Other	Total
No of projects	9	8	4	16	37
No of students	12 134	11 044	2 717	845	26 740
Approved projects (R'm)	1 058	1 065	246	338	2 707*
Projects in development (R'm)					750
Total projected investments (R'm)					3 457

** Total Board approved projects. R1.5 billion of this is already authorised for expenditure.*

The events of this year have highlighted the value of ADvTECH's strategy of long term sustainability based on quality and the pursuit of excellence. The Board is satisfied that this value system is a strong platform for continued delivery of growth and performance for shareholders and all stakeholders.

On behalf of the Board

Chris Boulle
Chairman

Frank Thompson
Interim Chief Executive Officer

24 August 2015

STUDIO 5