

Results presentation August/September 2010



ADTECH
GROUP



Interim results for the six months ended 30 June 2010

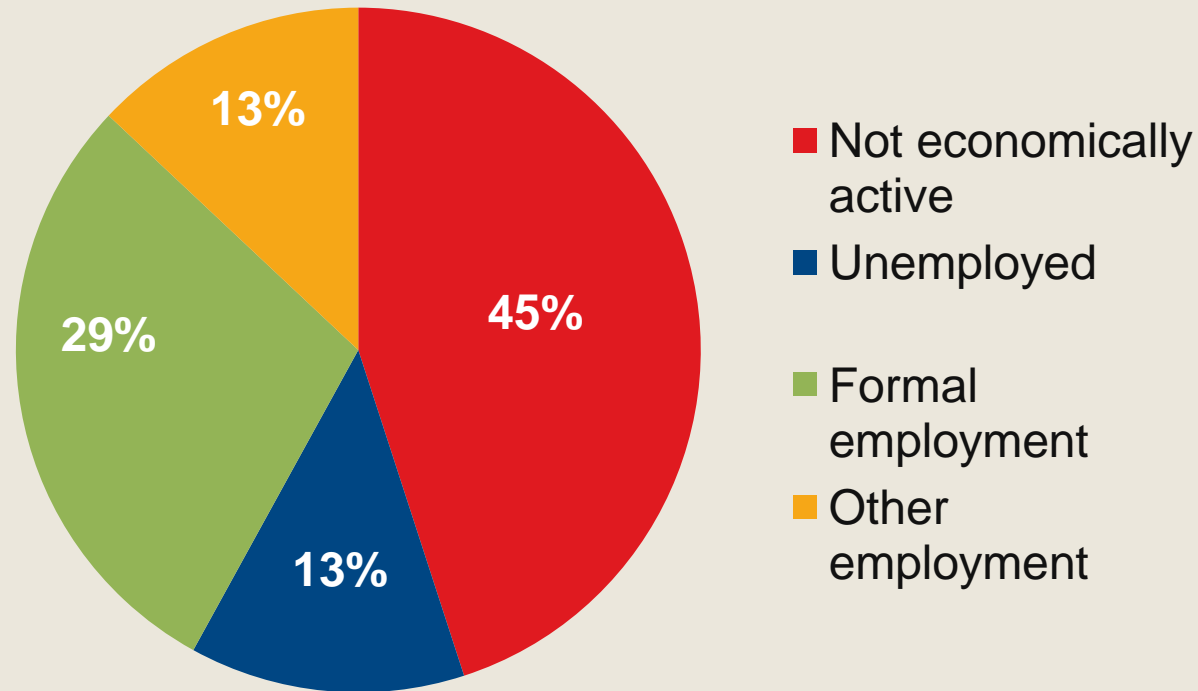


Operating environment



Unemployment

December 2009



Source: Stats SA Community Survey

Unemployment update

Q1 2010

Official unemployment now over 25%, to 4.3 million

The comparable figure at Dec 2009 is 23.6%

Including discouraged job-seekers, now over 35%

Job losses over the last 4 quarters 833 000

Economic growth to increase to 3% in 2010

Unlikely to spur job creation



Source: Stats SA

Discretionary spending


For 2010 ...

... nearly half of respondents plan to reduce discretionary spend this year.

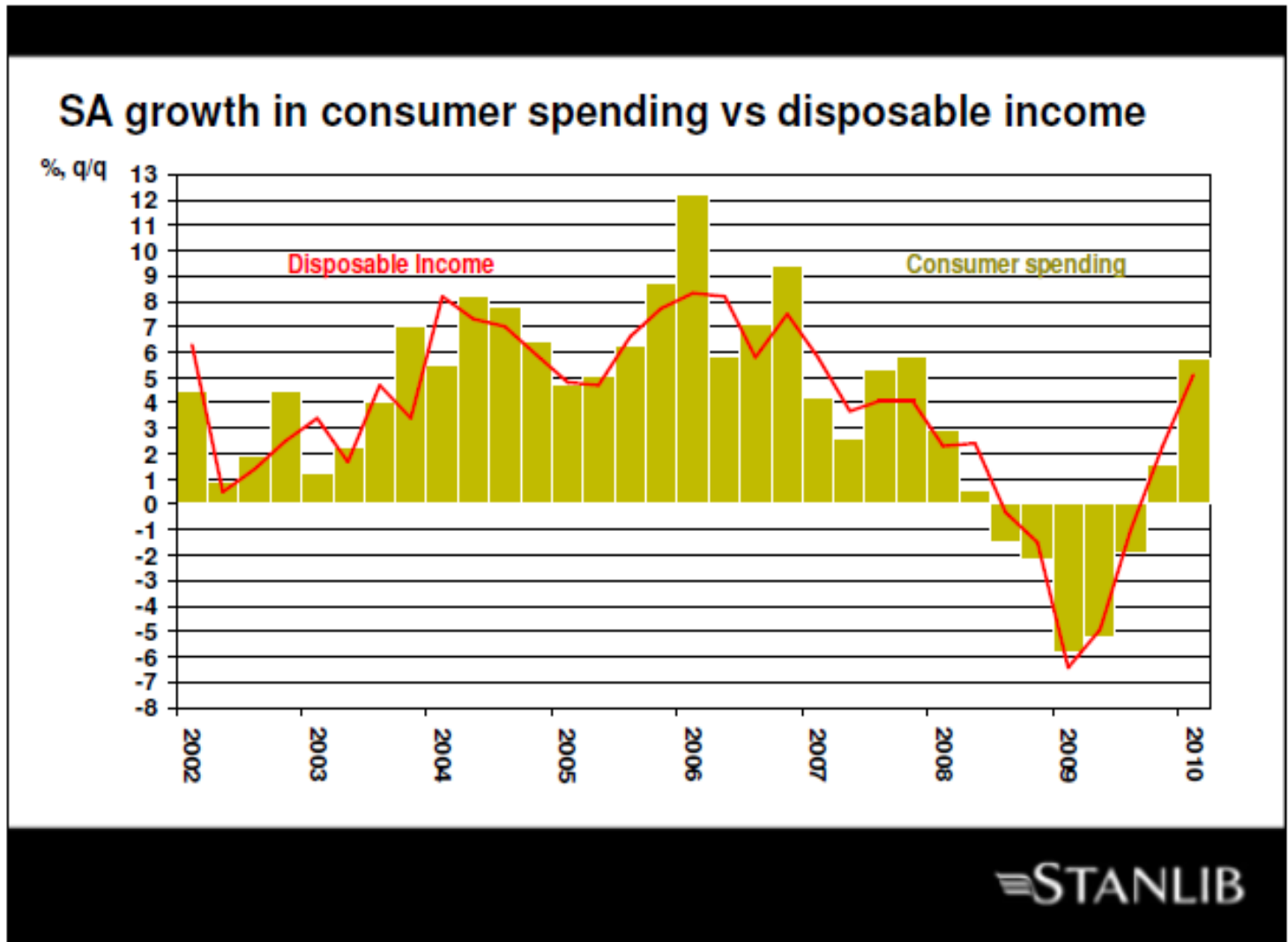
This ratio has increased since September 2009.

Only 11% plan to increase it.

15% of respondents were planning to spend on "tuition".

 **Source: Mastercard consumer survey March 2010**

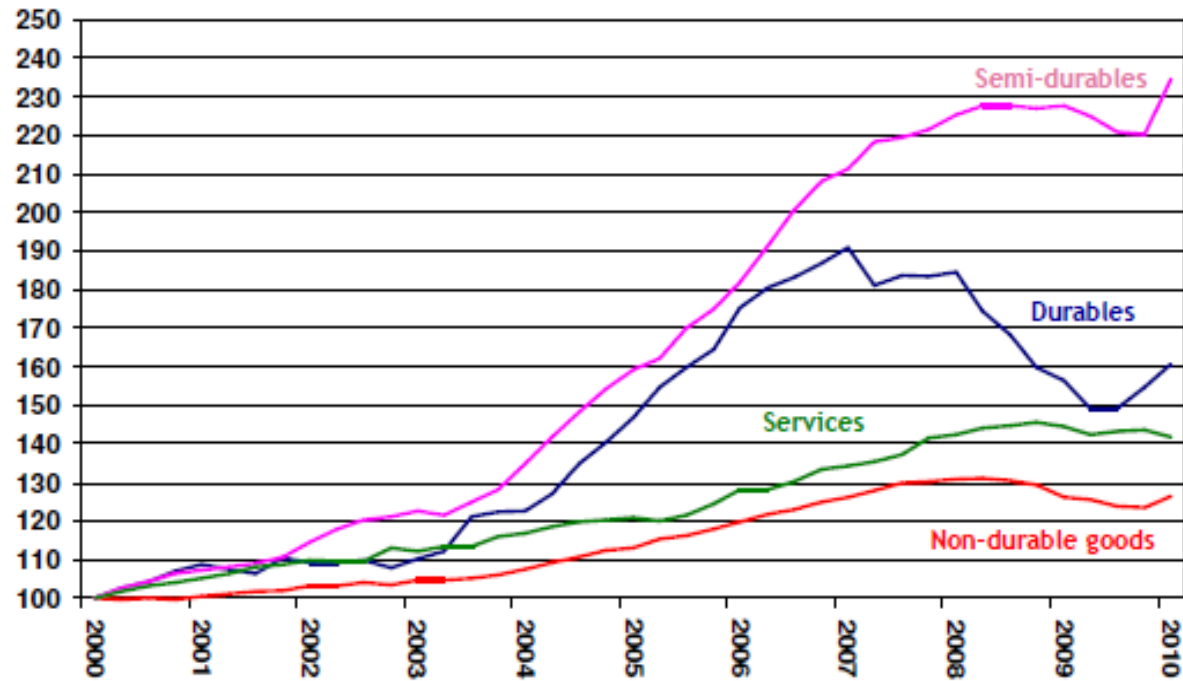
Consumer spending



Consumer spending by category

Growth in consumer spending by category

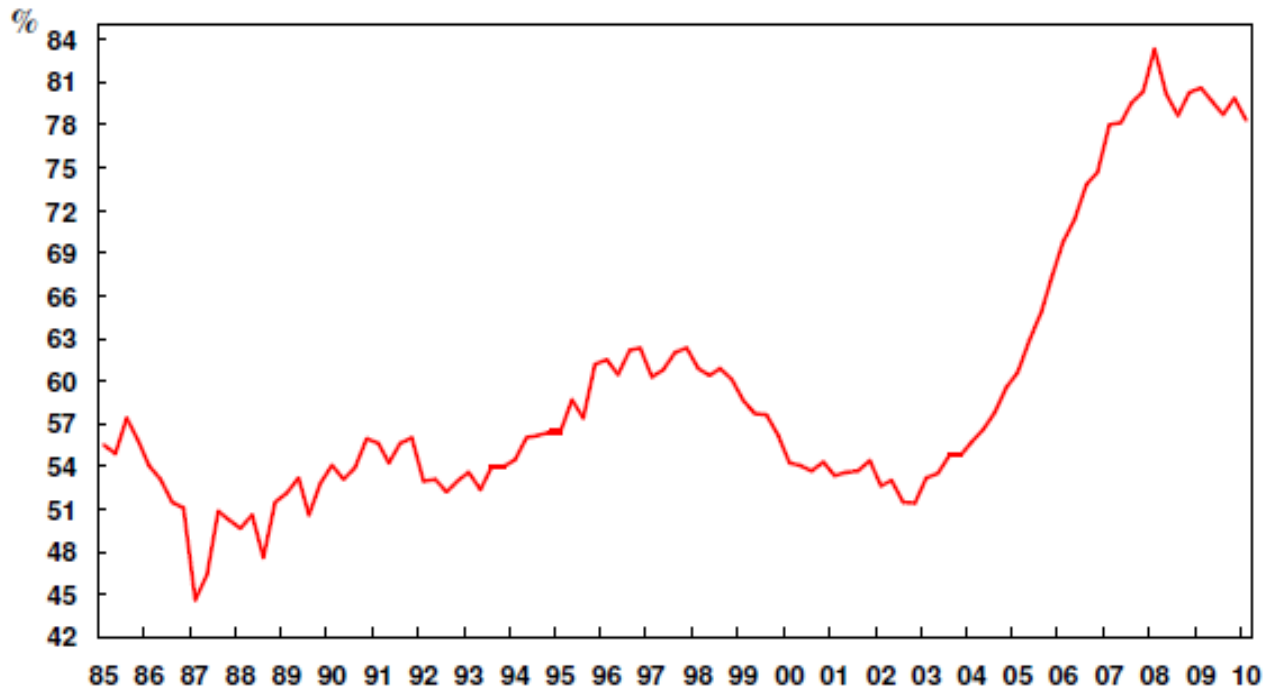
Index, Q1 2000 = 100, real



STANLIB

Effect of household debt

SA household debt as % of disposable income



STANLIB

On the importance of education



“The most important investment in the future of any nation is in education. No legacy can be higher than that.”

Source:

**President Zuma: 1Goal Education for All Summit
11 July 2010**





Financial results



Financial highlights

	1H2009	1H2010	% change
Revenue	R693m	R740m	+7%
Operating profit	R103m	R101m	-3%
Profit for period	R79m	R73m	-7%
HEPS and diluted HEPS	19.6c	18.2c	-7%
Free operating cash flow per share	56.2c	58.7c	+4%
Distribution per share	7.5c	8.0c	+7%



Financial overview

Group revenue

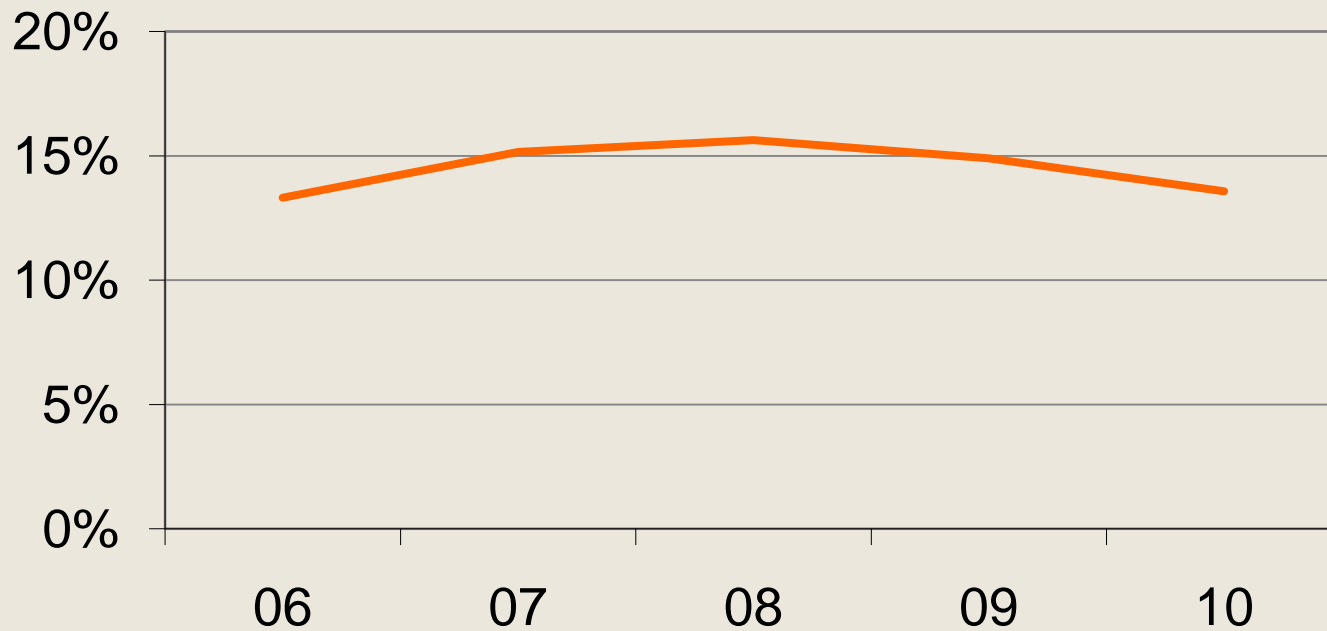


CAGR = 17%

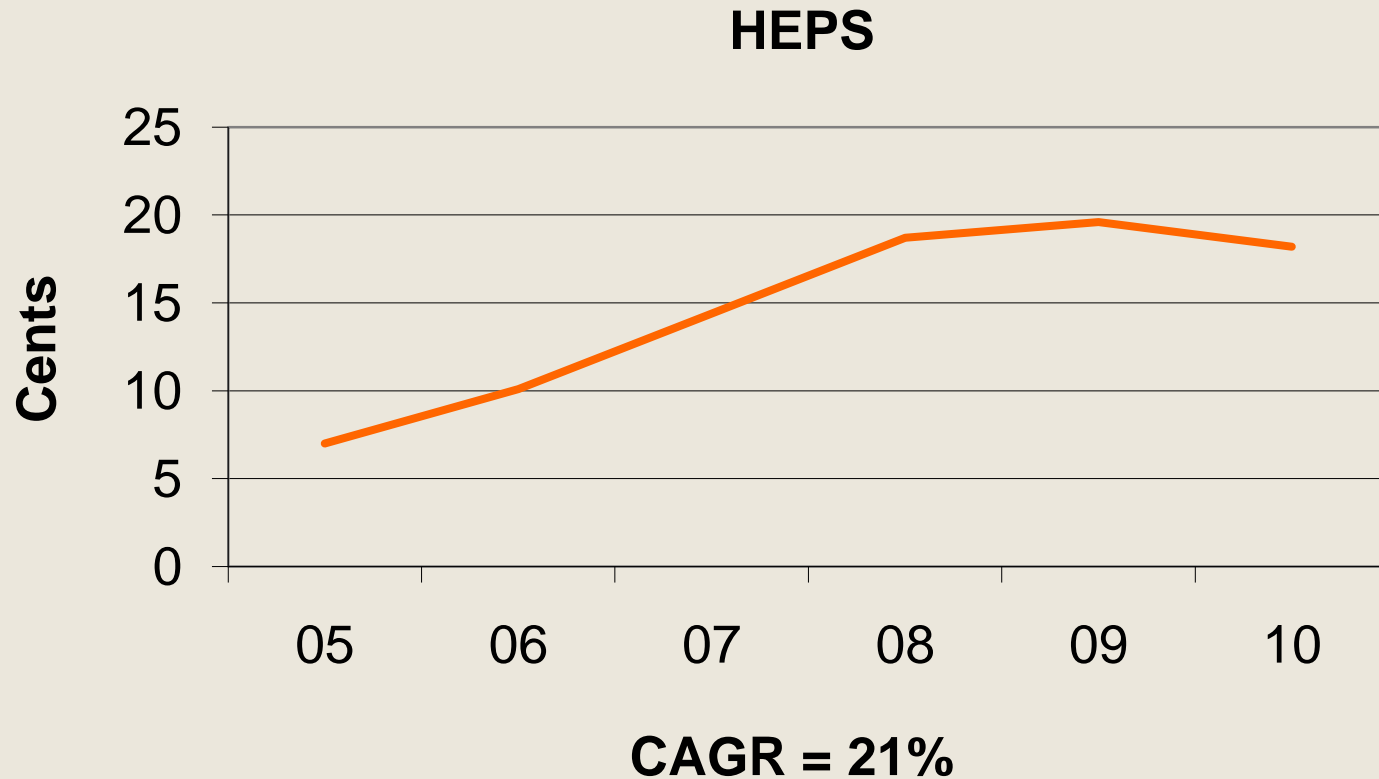


Financial overview

Group operating margin



Financial overview



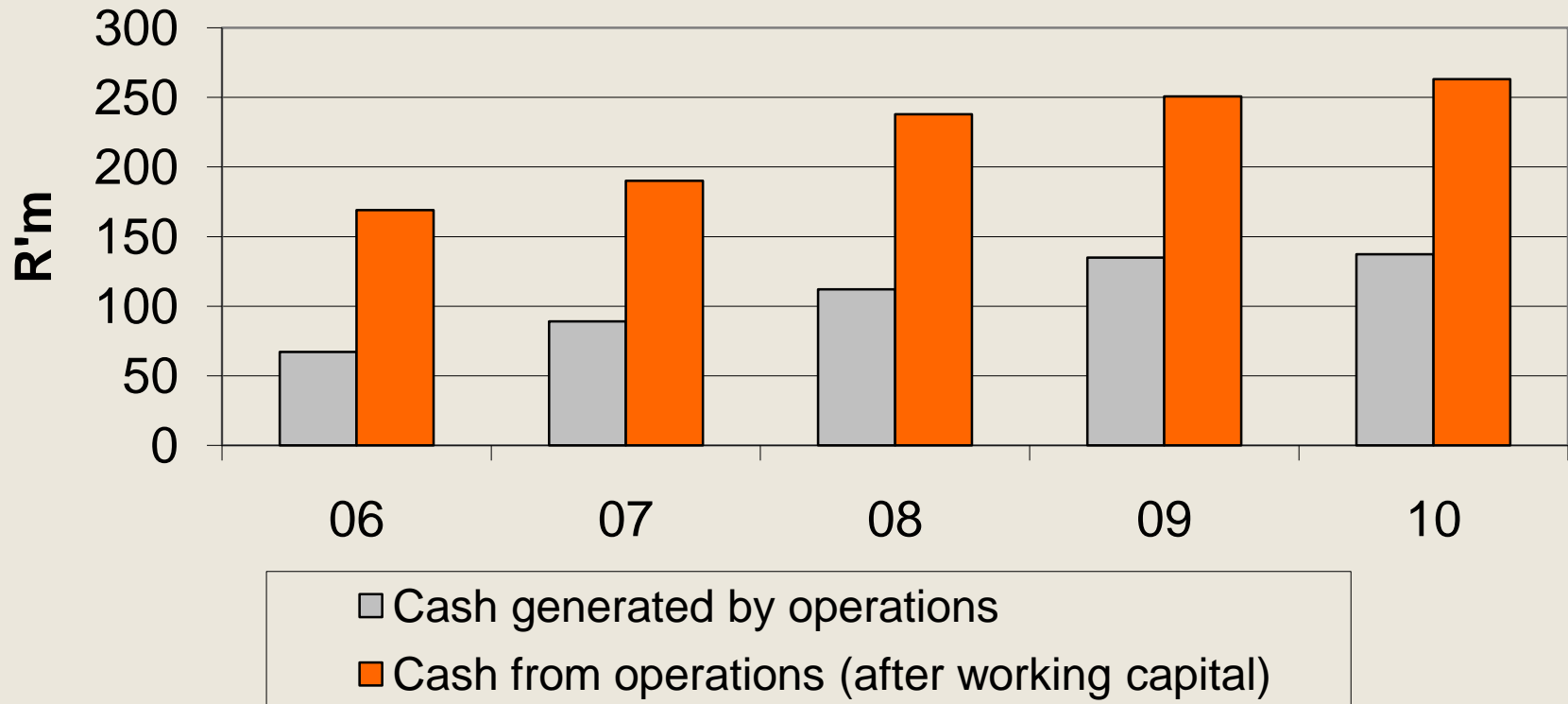
Analysis of operating results

Rm	To June 2009	Approx effect of inflation	%	Capacity growth	%	Efficiency savings	%	To June 2010
Revenue	693	47	7					740
Remuneration	315	21	7	11	3			347
Depreciation	28	2	7	3	11			33
Occupancy	70	5	7	8	11			83
Other costs	177	12	7			13	8	176
EBIT	103							101
Totals				22		13		

Investment in capacity growth is thus approx 4% of expenditure
This is offset by savings of 2%

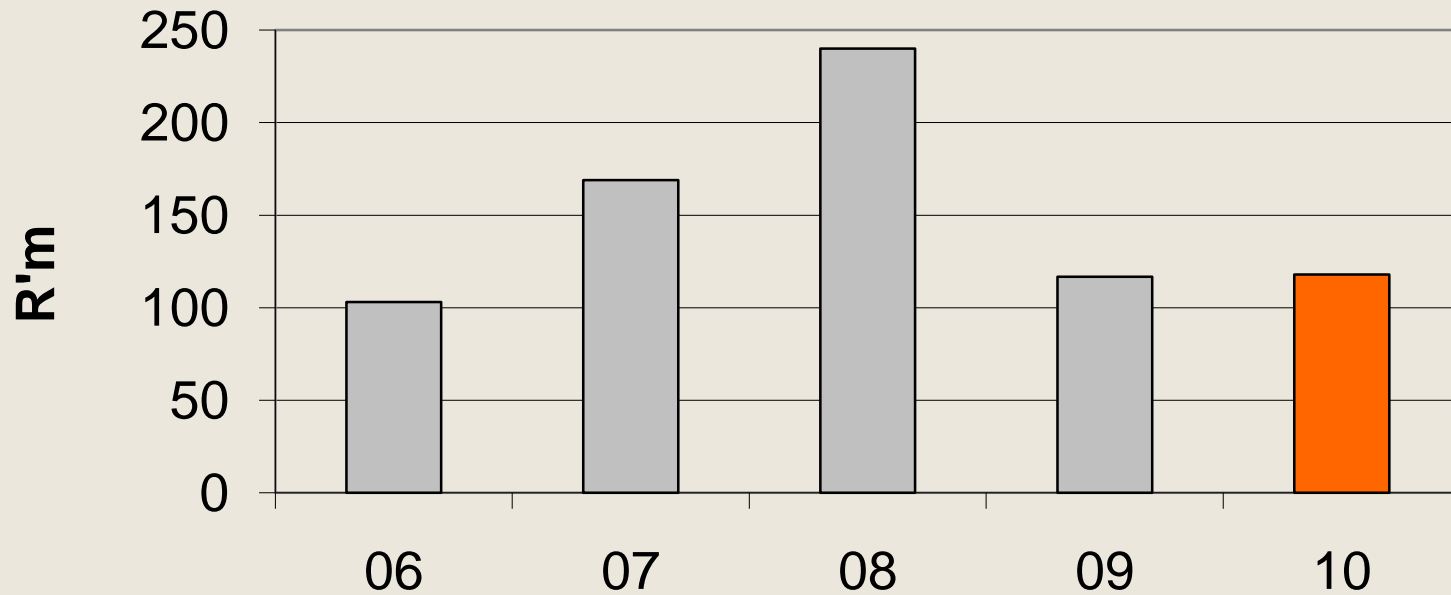
Financial overview

Cash flow generation



Financial overview

Net cash position



Cash flow comparison

Rm	1H2009	1H2010	% change
Cash generated	251	263	+5%
Interest received	8	6	-27%
Tax paid	-38	-79	+109%
Investments	-119	-65	-45%
Distributions	-49	-53	+8%



Balance sheet insight

Rm	1H2009	1H2010	% change
NAV	555	630	+13%
Net cash on hand	117	118	+1%
Debtors	119	120	+1%
Intangibles	187	201	+7%
Fixed assets	590	647	+10%
Fees in advance	229	273	+19%





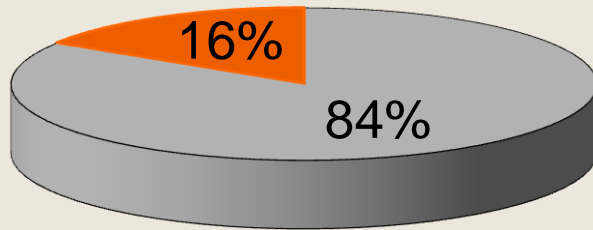
Segmental analysis



Segmental analysis

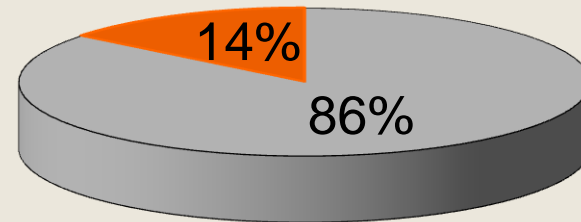
Revenue 2009

□ Education ■ Resourcing



Revenue 2010

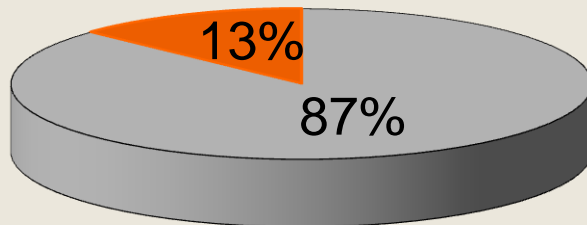
□ Education ■ Resourcing



Segmental analysis

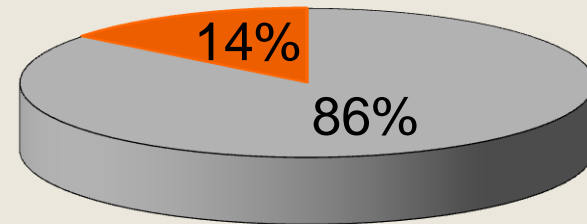
Operating profit 2009

□ Education ■ Resourcing



Operating profit 2010

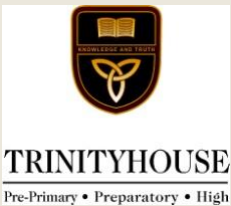
□ Education ■ Resourcing



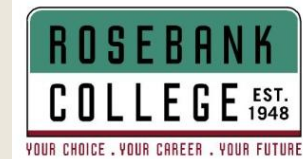
ADvTECH Education



SCHOOLS



HIGHER EDUCATION

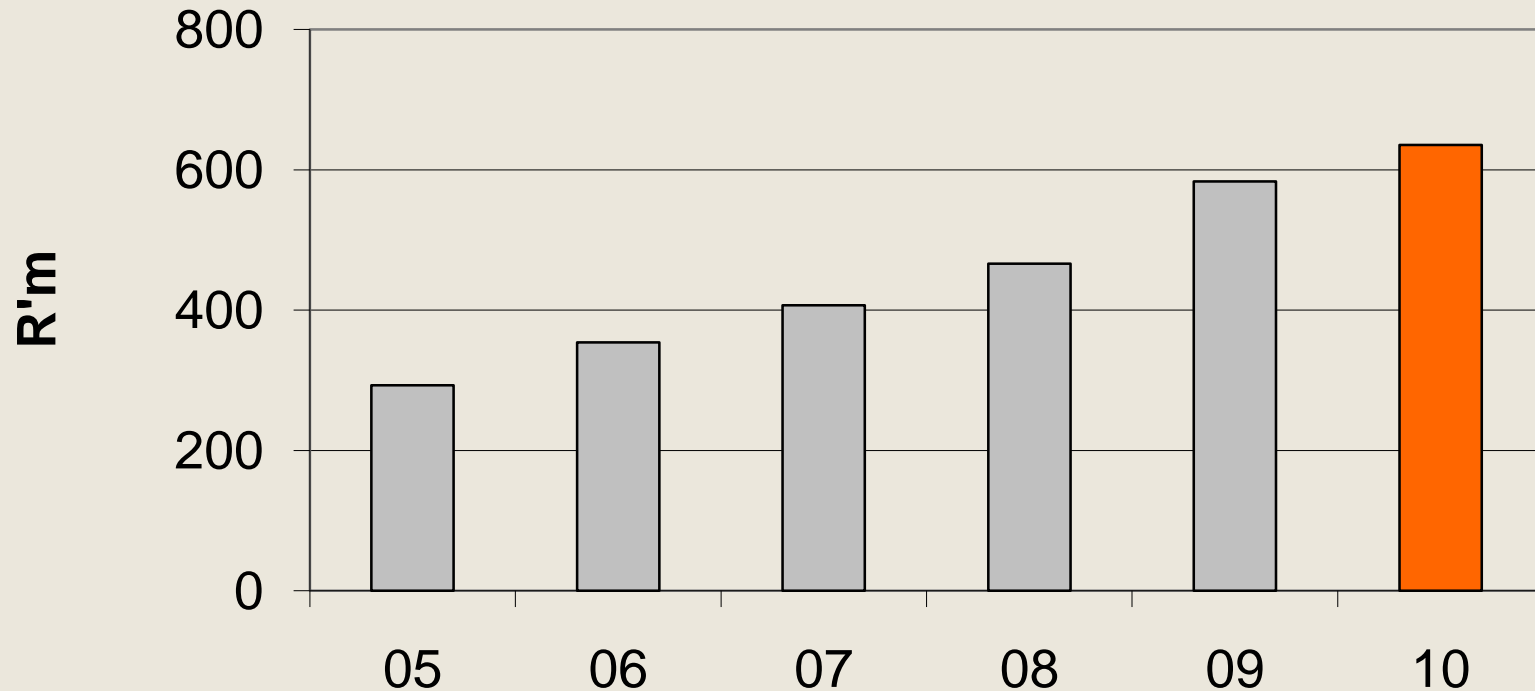


SKILLS



Education division

Revenue

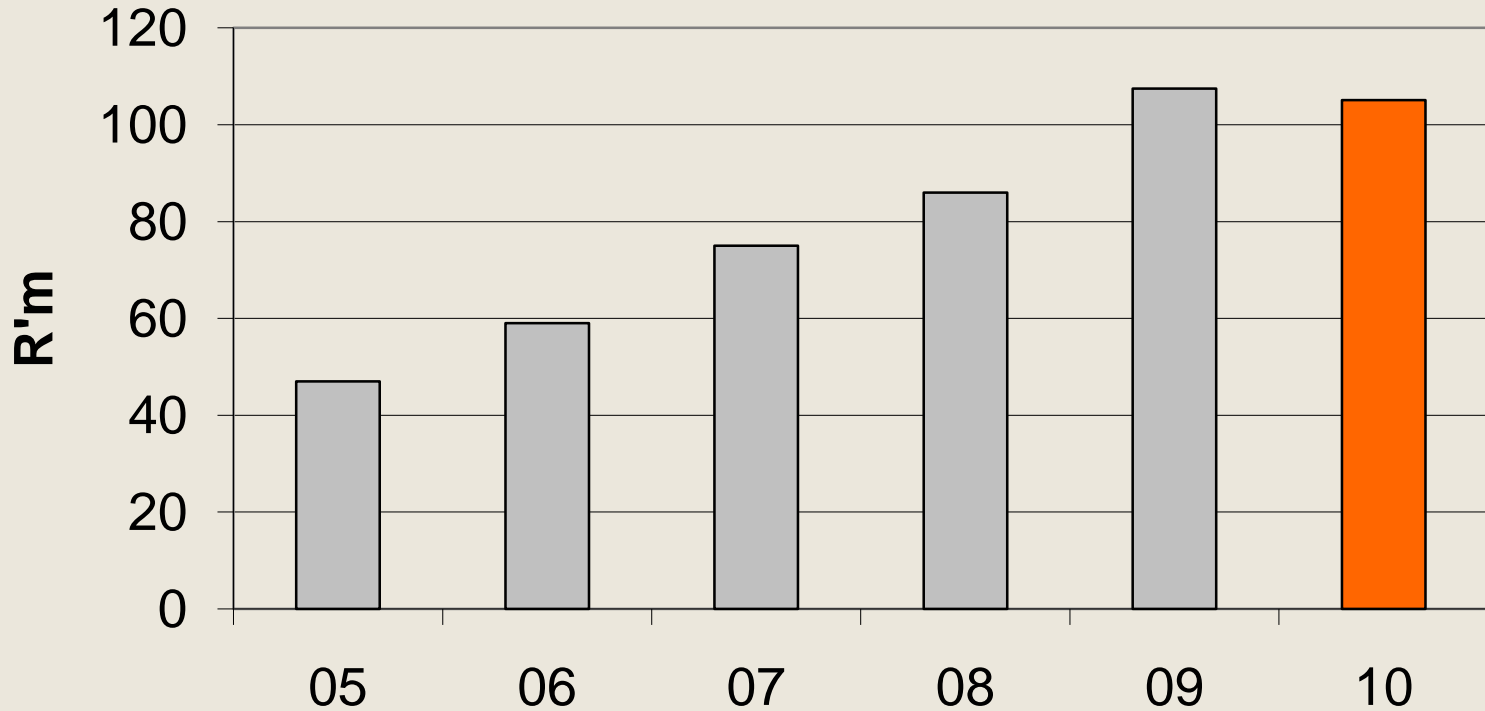


CAGR = 17%



Education division

Operating profit



CAGR = 17%

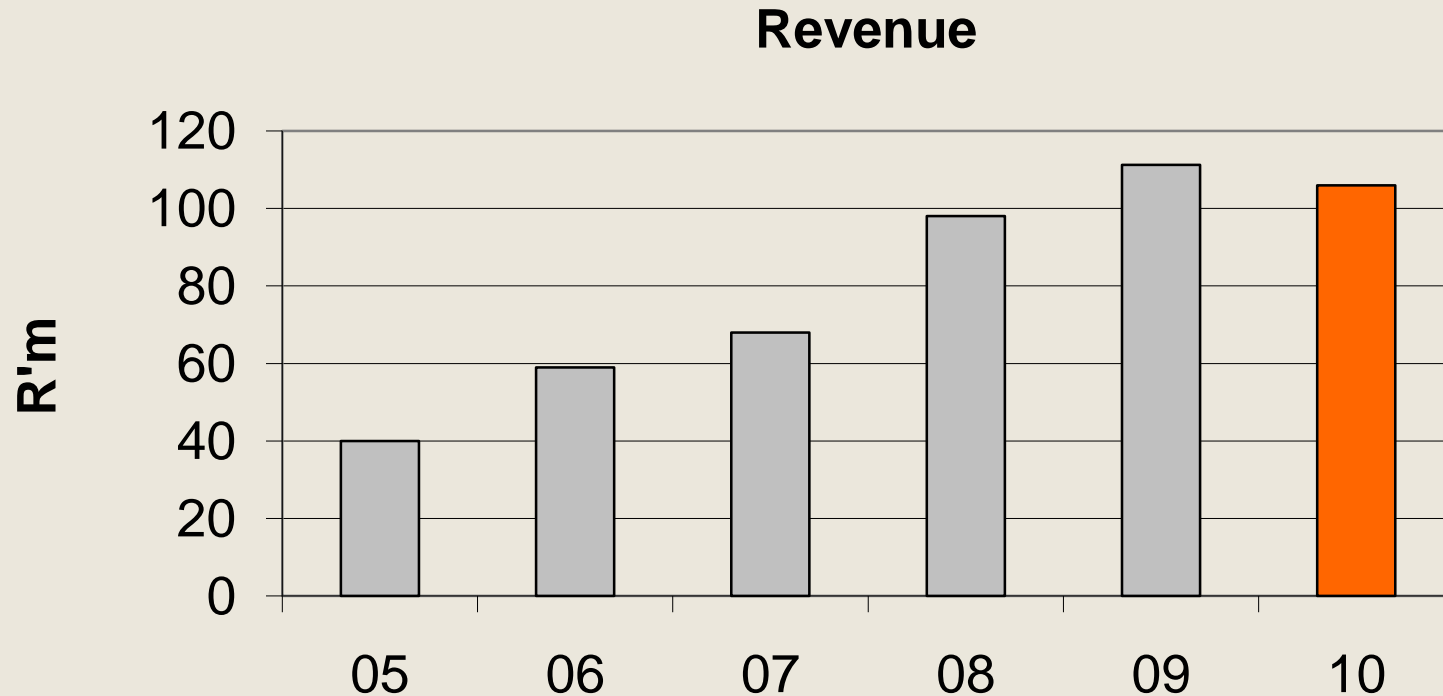


ADvTECH Resourcing

RECRUITMENT



Resourcing division

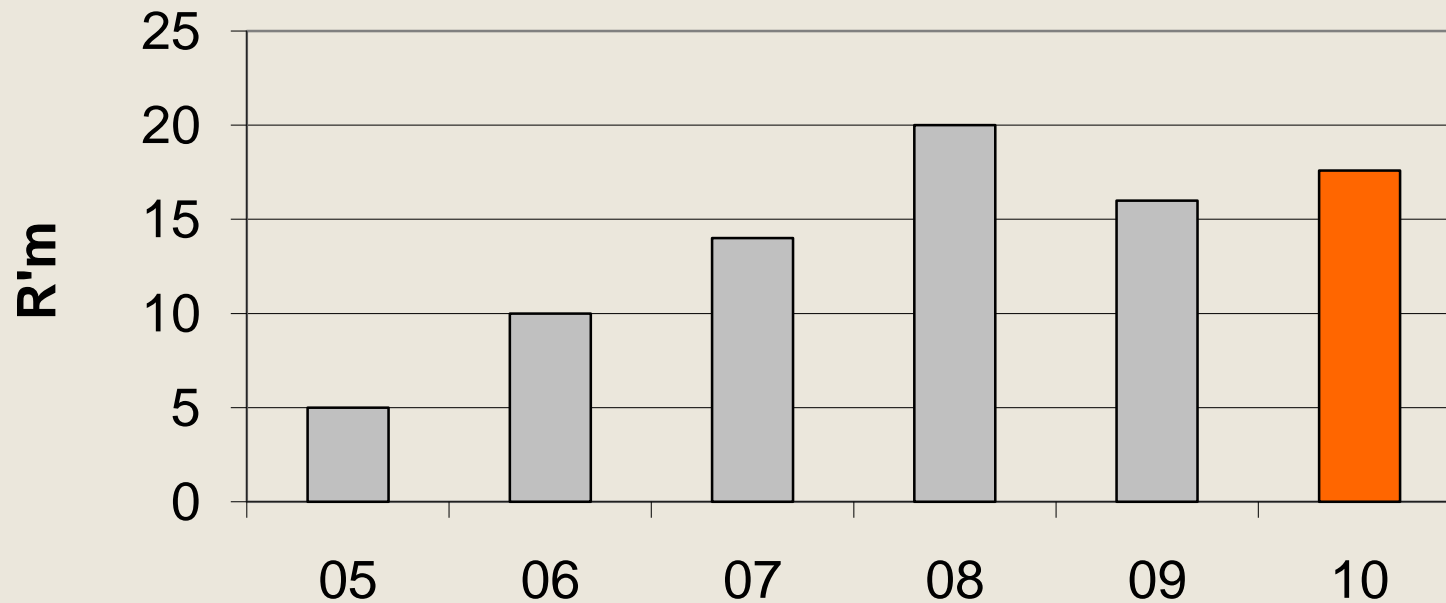


CAGR = 21%



Resourcing division

Operating profit



CAGR = 29%





Prospects



Outlook

Education

- Strategy of investing in quality education
- High academic standards
- Graduate and alumni success



Outlook

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- Graduate and alumni success

Resourcing

- Successfully met difficult market challenges
- Market niche focus
- High demand scarce skills



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Resourcing

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Sound management, balance sheet and cash flow sustain well-proven business model and long term investment planning



5 Year – Market Cap Index



Questions



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