

ACADEMIES AUSTRALASIA GROUP LIMITED

ACN 000 003 725

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Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

(Page 1 of 10)

ANNOUNCEMENT

PRELIMINARY FINAL RESULTS

Academies Australasia today announced their preliminary final results for the year ended 30 June 2011.

Revenue increased by 39%, while after tax profits increased by 51% over that for the previous year.

In accordance with ASX Listing Rule 4.3A, we attach Appendix 4E (Preliminary Final Report) for the year ended 30 June 2011.

Stephanie Noble
Company Secretary

For further information call Christopher Campbell @ +61 2 9224 5555

Academies Australasia has been operating for 103 years and listed on the Australian Stock Exchange for 34 years. The group now comprises 9 separately licensed colleges in Sydney, Melbourne and Singapore. Over the years, Academies Australasia colleges have taught tens of thousands of students from 105 countries.

Appendix 4E

Preliminary Final Report

Introduced 1/1/2003.

ACADEMIES AUSTRALASIA GROUP LIMITED ABN: 93 000 003 725

1.	Financial year ended ('reporting period')	30-Jun-11
	Financial year ended ('previous corresponding period')	30-Jun-10

2. **Results for announcement to the market**

		\$A'000			
Movements from previous corresponding period					
2.1	Revenues from ordinary activities (<i>item 3.1</i>)	up	39%	to	25,198
2.2	Profit from ordinary activities after tax (<i>item 3.6</i>)	up	51%	to	2,256
2.3	Net profit for the period attributable to owners of the parent entity (<i>item 3.8</i>)	up	45%	to	2,326
2.4	Net profit for the period attributable to/(from) non-controlling interest (<i>item 3.7</i>)	down	37%	to	(70)

2.5 Explanation of items 2.1 to 2.4 above:

Operating profit before tax increased by 51% to \$3,337,000. Income tax expense increased by 51% to \$1,081,000.

The contribution to profitability (before tax) by the fasteners operations was \$931,000 compared to the \$1,166,000 contributed in the previous year, a decrease of 20%.

The contribution to profitability (before tax) by the education operations was \$3,939,000 compared to the \$2,264,000 contributed in the previous year, an increase of 74%.

3. Condensed consolidated income statement

	Reporting period - \$A'000	Previous corresponding period - \$A'000
3.1 Revenues from ordinary activities (<i>see items 3.9 - 3.11</i>)	25,198	18,156
3.2 Expenses from ordinary activities (<i>see item 3.12</i>)	(21,765)	(15,886)
3.3 Finance costs	(96)	(56)
3.4 Profit from ordinary activities before tax	3,337	2,214
3.5 Income tax expense on ordinary activities	(1,081)	(716)
3.6 Profit from ordinary activities after tax	2,256	1,498
3.7 Profit attributable to/(from) non-controlling interest	(70)	(112)
3.8 Profit attributable to members of the parent entity	2,326	1,610

Notes to the condensed consolidated income statement

Revenue and expenses from ordinary activities

3.9 Revenue from sales or services		
- Sales	7,397	7,333
- Services	17,025	10,394
3.10 Interest revenue	89	47
3.11 Other relevant revenue		
- Other	687	382
3.12 Details of relevant expenses		
- Depreciation and amortisation	495	310
- Costs of sales	3,842	3,753
- Costs of services	6,848	4,640
- Employee benefits expense	5,215	3,628
- Insurance	262	189
- Lease rental expense – operating leases	2,363	1,660
- Legal expenses	167	144
- Non-executive directors fees	127	91
- Payroll Tax	200	150

4 Condensed consolidated balance sheet	Reporting period - \$A'000	Previous corresponding period - \$A'000
Current assets		
4.1 Cash	3,573	2,410
4.2 Receivables	2,223	2,433
4.3 Inventories	3,094	3,018
4.4 Other		
- Prepayments	761	377
- Other	23	1
4.5 Total current assets	9,674	8,239
Non-current assets		
4.6 Investments	155	0
4.7 Plant and equipment	3,502	2,161
4.8 Deferred tax assets	545	55
4.9 Intangibles	9,396	3,287
4.10 Total non-current assets	13,598	5,503
4.11 Total assets	23,272	13,742
Current liabilities		
4.12 Payables	3,386	2,859
4.13 Current tax payable	1,325	411
4.14 Short-term borrowings	724	188
4.15 Short-term provisions	1,409	747
4.16 Total current liabilities	6,844	4,205
Non-current liabilities		
4.17 Long-term borrowings	2,728	7
4.18 Long-term provisions	283	238
4.19 Total non-current liabilities	3,011	245
4.20 Total liabilities	9,855	4,450
4.21 Net assets	13,417	9,292
Equity		
4.22 Capital/contributed equity	17,738	14,565
4.23 Retained profits (accumulated losses)	(5,028)	(5,700)
4.24 Asset Revaluation Reserve	433	439
4.25 Foreign currency Translation Reserve	(8)	6
4.26 Non-Controlling Interest	282	(18)
4.27 Total equity	13,417	9,292

5 **Condensed consolidated cash flow statement**

	Reporting period - \$A'000	Previous corresponding period - \$A'000
Cash flows from operating activities		
5.1 Receipts from customers	27,105	18,655
5.2 Payments to suppliers and employees	(23,078)	(16,759)
5.3 Interest received	99	47
5.4 Finance costs	(96)	(47)
5.5 Income taxes paid	(828)	(53)
5.6 Net operating cash flows	3,202	1,843
Cash flows from investing activities		
5.7 Proceeds from sale of plant and equipment	2	3
5.8 Purchases of plant and equipment	(289)	(204)
5.9 Acquisition of subsidiaries	(2,620)	-
5.10 Investment in subsidiary	(100)	(314)
5.11 Investment in other financial assets	(155)	-
5.12 Net cash on acquisition of subsidiary	-	435
5.13 Net investing cash flows	(3,162)	(80)
Cash flows from financing activities		
5.14 Proceeds from borrowings	2,856	-
5.15 Dividends paid	(1,654)	(1,225)
5.16 Repayment of borrowings	(79)	(40)
5.17 Proceeds from issue of shares	-	-
5.18 Net financing cash flows	1,123	(1,265)
5.19 Net increase in cash held	1,163	498
5.20 Cash at beginning of period	2,410	1,912
5.21 Cash at end of period	3,573	2,410

5.22 **Non-cash financing and investing activities**

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows: NIL

5.21 **Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Reporting period - \$A'000	Previous corresponding period - \$A'000
5.22 Cash on hand and at bank (<i>item 5.21</i>)	3,573	2,410

6. Dividends

On 15 October 2010, the Company paid an unfranked dividend of two cents per share (\$826,811) and on 3 March 2011, the Company paid a fully franked dividend of two cents per share (\$826,811).

The Company proposes to pay a fully franked dividend of two cents per share (\$944,188).

Dividend Dates

Ex Dividend	9-Sep-11
Record	15-Sep-11
Payment	30-Sep-11

7. Dividend reinvestment plans

No dividend reinvestment plans were in operation during the reporting period or the previous corresponding period.

8. Statement of retained earnings

	Reporting period - \$A'000	Previous corresponding period - \$A'000
8.1 Retained profits (accumulated losses) at the beginning of the financial period	(5,700)	(6,085)
8.2 Net profit attributable to members (<i>item 3.8</i>)	2,326	1,610
8.3 Dividend paid	(1,654)	(1,225)
8.4 Dividend provided for	-	-
8.5 Retained profits (accumulated losses) at end of financial period	(5,028)	(5,700)

9. Net tangible Assets

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary share	8.5 cents ^a	14.5 cents ^b

a. Based on 47,209,410 shares at 30 June 2011 (see note 12)

b. Based on 41,340,562 shares at 30 June 2010

10. Gain or loss of control over entities

See note 12 below.

There was no gain or loss of control over any other entity during the reporting period.

11. Associates and joint venture entities

No member of the Group held an interest in, or participated in the results of, an associate or joint venture.

12. Other significant information

12.1 AMI Education

The Group incorporated AKG Investment Holdings Pty Limited on 28 January 2011, with 100% of the share capital owned by Academies Australasia Pty Limited.

On 24 February 2011, AKG Investment Holdings Pty Limited acquired 51% of the issued capital of AMI Education Pty Limited. That purchase was satisfied by the issue of 1,101,600 ordinary shares in Academies Australasia Group Limited and \$183,600 in cash. These shares are listed on the Australian Stock Exchange and held in escrow for 12 months to 23 February 2012.

On 28 April 2011, a further 24% of AMI Education Pty Limited was acquired. The purchase of the additional 24% was satisfied by the issue of 518,400 ordinary shares in Academies Australasia Group Limited and \$86,400 in cash. These shares are listed on the Australian Stock Exchange and held in escrow for 12 months to 27 April 2012.

	Fair Value	24-Feb \$	28-Apr \$	Total \$
Purchase consideration				
- Equity issued		550,800	285,120	835,920
- Cash		183,600	86,400	270,000
		734,400	371,520	1,105,920
Less:				
Cash	638,676			
Receivables	179,362			
Stock	1,712			
Property, plant and equipment	1,251,190			
Payables	(1,709,052)			
	361,888			
Identifiable assets acquired and liabilities assumed				
Share of net assets acquired (51%) 24 February		(184,563)		(184,563)
Additional share of net assets acquired (24%) 28 April			(86,853)	(86,853)
Share of increase in net assets between acquisition dates (24%)	381,428		(91,543)	(91,543)
		549,837	193,124	742,961
Goodwill on acquisition				
Non-controlling interest on acquisition (25%)				(1,071)

12.2 Benchmark College

The Group incorporated AKG2 Investment Holdings Pty Limited on 6 May 2011, with 100% of the share capital owned by Academies Australasia Pty Limited.

On 10 June 2011, AKG2 Investment Holdings Pty Limited acquired 51% of the issued capital of Benchmark Resources Pty Limited T/A Benchmark College. That purchase was satisfied by the issue of 4,248,848 ordinary shares in Academies Australasia Group Limited and \$3,162,692 in cash. These shares are listed on the Australian Stock Exchange and held in escrow for 12 months to 9 June 2012.

	Fair Value	\$
Purchase consideration		
- Equity issued		2,336,866
- Cash		<u>3,162,692</u>
		<u>5,499,558</u>
Less:		
Cash	173,654	
Receivables	660,173	
Property, plant and equipment	322,608	
Payables	(710,910)	
	<u>445,525</u>	
Identifiable assets acquired and liabilities assumed		<u>(227,218)</u>
Share of net assets acquired (51%)		<u>5,272,340</u>
Goodwill on acquisition		<u>218,307</u>
Non-controlling interest on acquisition (49%)		<u>218,307</u>

13. **Foreign entities**

The Group owns 100% of ACA Investment Holdings Pte. Limited and 75% of Academies Australasia College Pte. Limited, both incorporated in Singapore.

14. **Commentary on results**

14.1 **Earnings per security (EPS)**

	Reporting period	Previous corresponding period
Basic EPS - After tax	5.4 cents	3.6 cents
Basic EPS - Pre tax	7.9 cents	5.4 cents

Options

No options were on issue during the period under review.

14.2 Returns to shareholders.
A dividend of two cents per share is proposed.

14.3 Significant features of operating performance.

Education

The contribution (before tax) from the education business has increased by 74.0% to \$3,938,809 (2010: \$2,263,775), while revenue increased by 64.6% to \$17,761,084.

Fasteners

The contribution (before tax) from the fasteners business has decreased by 20.1% to \$931,007 (2010: \$1,165,558), while revenue increased by 0.9% to \$7,399,459.

14.4 Results of segments.

Refer Appendix

14.5 Ratios.

	Reporting period	Previous corresponding period
<p>Profit before tax / revenue Consolidated profit from ordinary activities before tax (<i>item 3.4</i>) as a percentage of revenue (<i>item 3.1</i>)</p>	13.24%	12.19%
<p>Profit after tax / equity interests Consolidated net profit from ordinary activities after tax attributable to members (<i>item 3.8</i>) as a percentage of equity at the end of the period (<i>item 4.27</i>)</p>	17.34%	17.32%

15. This report is based on accounts which are in the process of being audited.

16. These accounts are not likely to be subject to dispute or qualification.

Signed:

Date:

Stephanie Noble
(Group Finance Manager)

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES**

APPENDIX - SEGMENT REPORT

	FASTENERS		EDUCATION		CONSOLIDATED	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Segments						
External sales	7,397	7,333	17,025	10,394	24,422	17,727
Other revenue	2	2	736	394	738	396
	7,399	7,335	17,761	10,788	25,160	18,123
Unallocated revenue					38	33
Total revenue					25,198	18,156
Segment result	931	1,166	3,939	2,264	4,870	3,430
Unallocated expenses net of unallocated revenue					(1,437)	(1,160)
Finance costs					(96)	(56)
Profit before income tax					3,337	2,214
Segment assets	6,813	6,956	14,221	4,855	21,034	11,811
Unallocated					2,238	1,931
Total assets					23,272	13,742
Segment liabilities	446	891	7,401	2,293	7,847	3,184
Unallocated					2,008	1,266
Total liabilities					9,855	4,450
Acquisition of non-current segment assets	63	57	2,975	316	3,038	373
Depreciation and amortisation of segment assets	124	65	253	115	377	180

Geographical Segments

The economic entity's business segments operate predominantly in Australia.