



Are you a

**GAME
CHANGER?**



CURRO

CURRO HOLDINGS LTD

ANNUAL GENERAL MEETING

June 2016

To accept the presentation of the audited financial statements for the year ended 31 December 2015

ORDINARY RESOLUTIONS

Number 1

To re-elect Dr SWF Muthwa as a director

Number 2

To re-elect Mr PJ Mouton as a director

Number 3

To reappoint Mr B Petersen as a member of the audit and risk committee of the Company

Number 4

To reappoint Dr SWF Muthwa as a member of the audit and risk committee of the Company

ORDINARY RESOLUTIONS

Number 5

To reappoint Mr ZL Combi as a member of the audit and risk committee of the Company

Number 6

Reappointment of auditor

Number 7

General authority to issue shares for cash

Number 8

Amendments to the Curro Holdings Limited Share Incentive Trust

Number 1

Remuneration of non-executive directors

Number 2

Inter-company financial assistance

Number 3

Financial assistance for acquisition of shares in a related or inter-related company

Number 4

Share buy-back by the Company and subsidiaries

Number 5

Amend Memorandum of Incorporation (MOI) of the Company in relation to electronic delivery of notices, circulars etc to shareholders
(ref: article 21.3.3 and article 41)

Number 6

Amend Memorandum of Incorporation (MOI) of the Company in relation to fractions as per the JSE rules
(ref: article 7)

CURRO HOLDINGS LTD CEO PRESENTATION

June 2016



TECHNOLOGY QUARTERLY: THE FUTURE OF AGRICULTURE

The
Economist

Britain leans towards Brexit
South Korea: no place for working women
Waging war on potholes
Speech therapy for central bankers
Goodbye to the Greatest

JUNE 11TH-17TH 2016

How to make a good teacher



I am a good teacher because I ...

- believe in myself
- study the syllabus consistently
- visit other teachers' classes to compare best practices
- do prepare for each lesson
- consider various teaching methods and choose the most suitable one for the lesson
- formulate a learning objective for each lesson and read it to the class
- am sensitive to factors influencing the learners behaviour from time to time
- understand that knowledge is incomplete and forever changing
- know that every child is different and that each child deserves a specific approach
- understand the credit-retry principle and if many of the children did not perform according to their competency level, the problem might be me
- appreciate the power of kindness and patience
- comprehend the power of good relationships

SOCIAL AND ETHICS

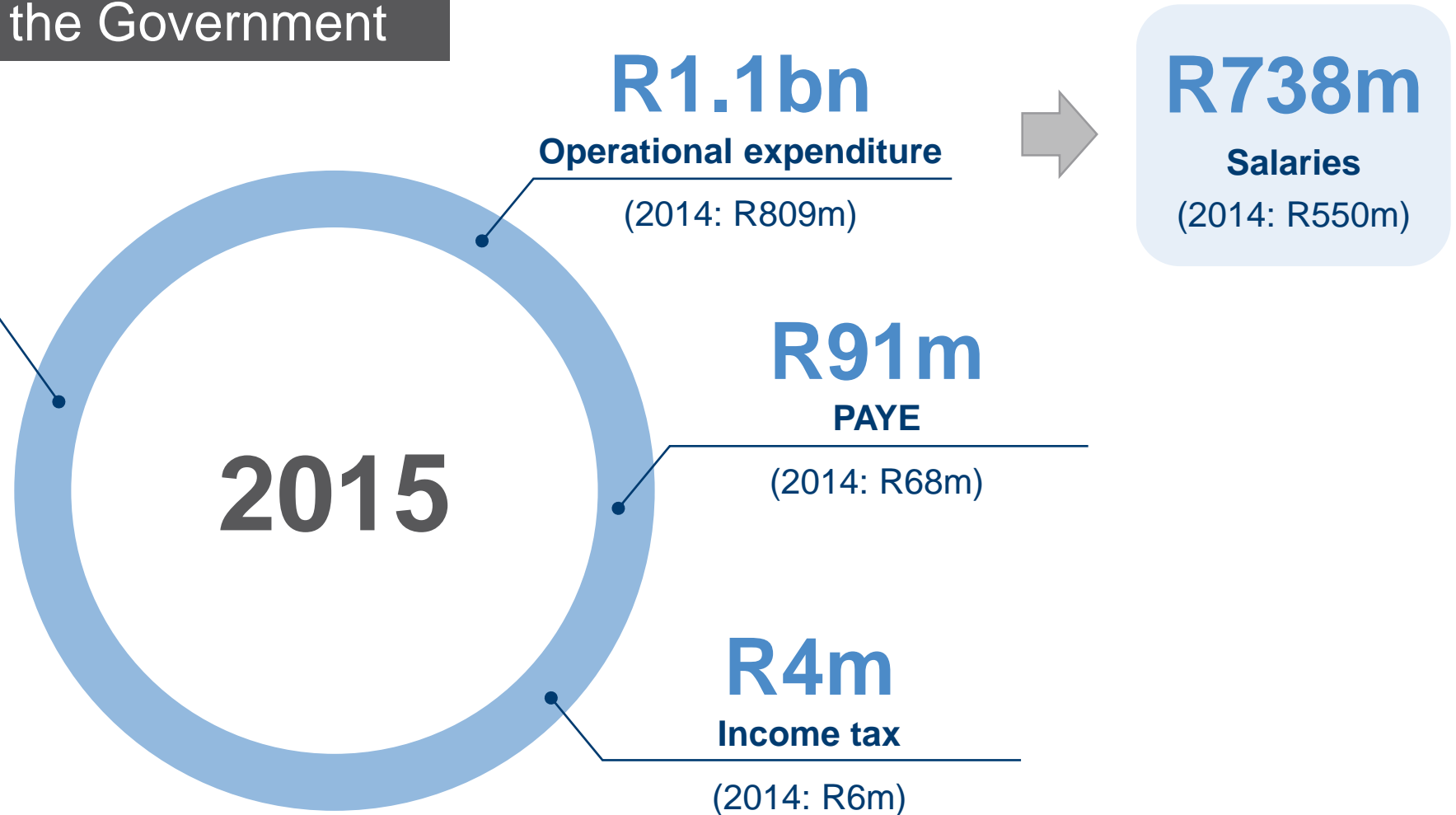
GAME CHANGER



Relieving pressure on the Government

Invested **R1bn**

to expand the capacity of existing and new campuses.
LOCAL LABOUR AND SUPPLIERS.



Creating jobs

4 350

Current staff complement

(2014: 3 678)

Developing human potential

R27m

in bursaries

(2014: R18m)

1 431

Matriculants

of which 99% passed

Responsible citizenship
morals and values instilled in

41 864 learners

2015

Transformation committee

All Curro schools actively engage in social responsibility drives.

**Beneficiary
groups
include:**

- Disabled
- Children
- Aged
- Underprivileged
- Animals
- Environment





JUDEAH HOPE PROJECT



3 Curro Schools
packed 48 000
meals



Raised R100 000



BAREFOOT DAY



Donation of shoes to the needy



MERIDIAN CARES – FUNWALK AND PICNIC



Donation of
clothes and
shoes
afterwards



SHAVATHON/ SPRAY-A-THON



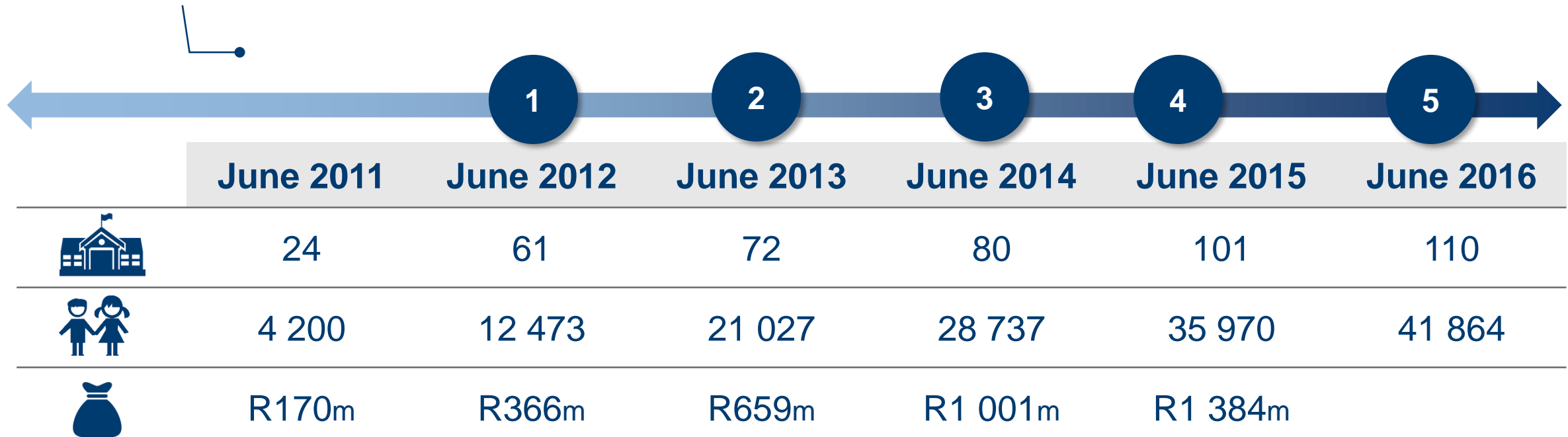
6 schools raised
R60 000 for cancer
organisations

FIVE YEAR HISTORY AS A LISTED ENTITY

**GAME
CHANGER**

**CURRO listed on
the JSE
2 June 2011**

THANK YOU PSG!
Early pioneers, current shareholders, etc.



80 campuses

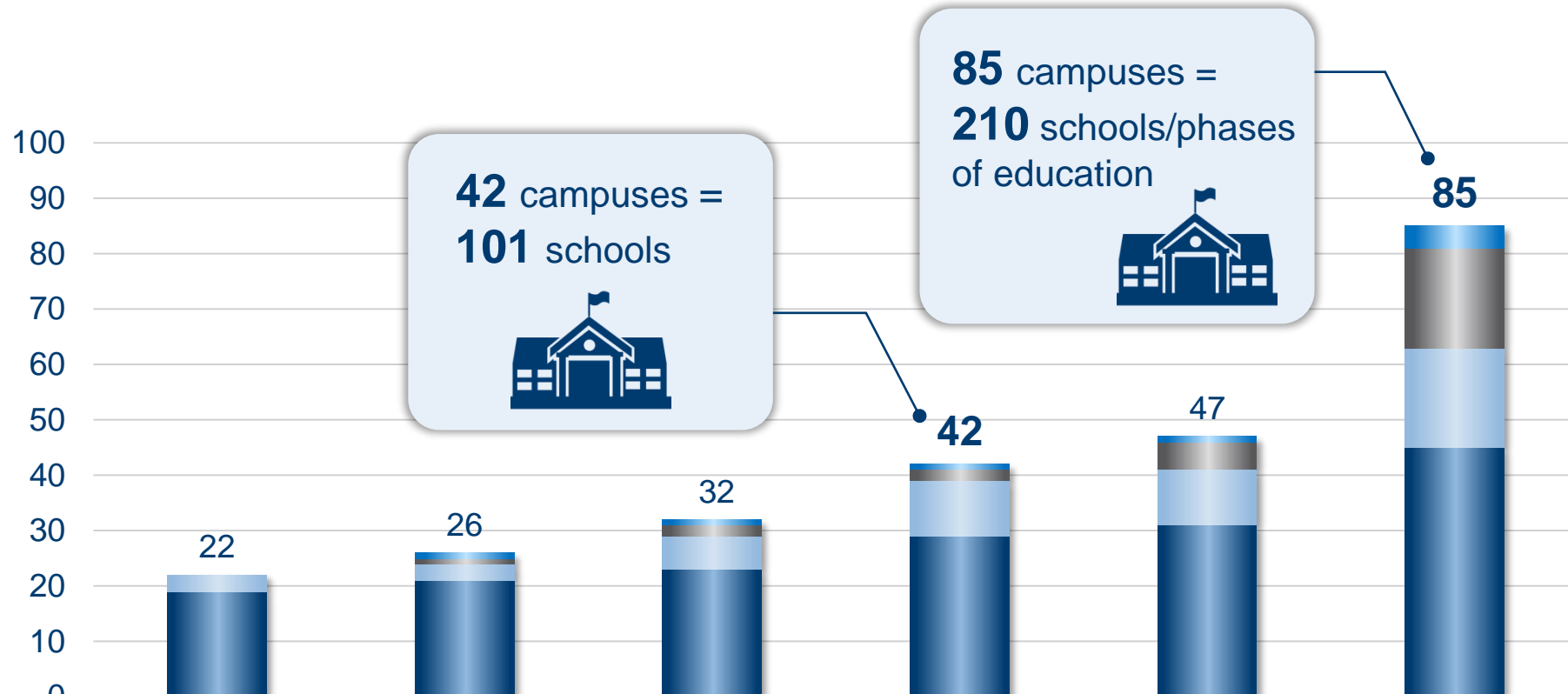
(200 schools)

2020



NUMBER OF SCHOOLS

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	2012	2013	2014	2015	2016	2020
Number of campuses	22	26	32	42	47	85
■ Training Institutes	0	1	1	1	1	4
■ Curro Castle	0	1	2	2	5	18
■ Meridian + Curro Academy	3	3	6	10	10	18
■ Curro and Select	19	21	23	29	31	45

PIPELINE (confirmed)

GAME
CHANGER

Campuses



47 +6

51 +11

62 +5

67

67

2016

2017

2018

2019

2020

110 +13

121 +22

143 +16

159

159



Schools

2016 NEW DEVELOPMENTS

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Waterfall Primary
Primary School

Rivonia
Castle and Primary School

Century City
High School

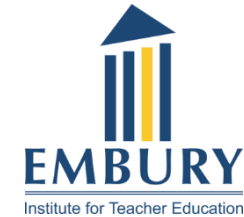
Krugersdorp
High School



Clayville
Primary and High School

Bergtuin
Primary and High School

Wilgespruit
Primary and High School



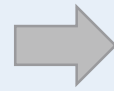
Durban
2 600 capacity

Waterfall
1 400 capacity

Montana
800 capacity

R450m

of total investment
into existing campuses



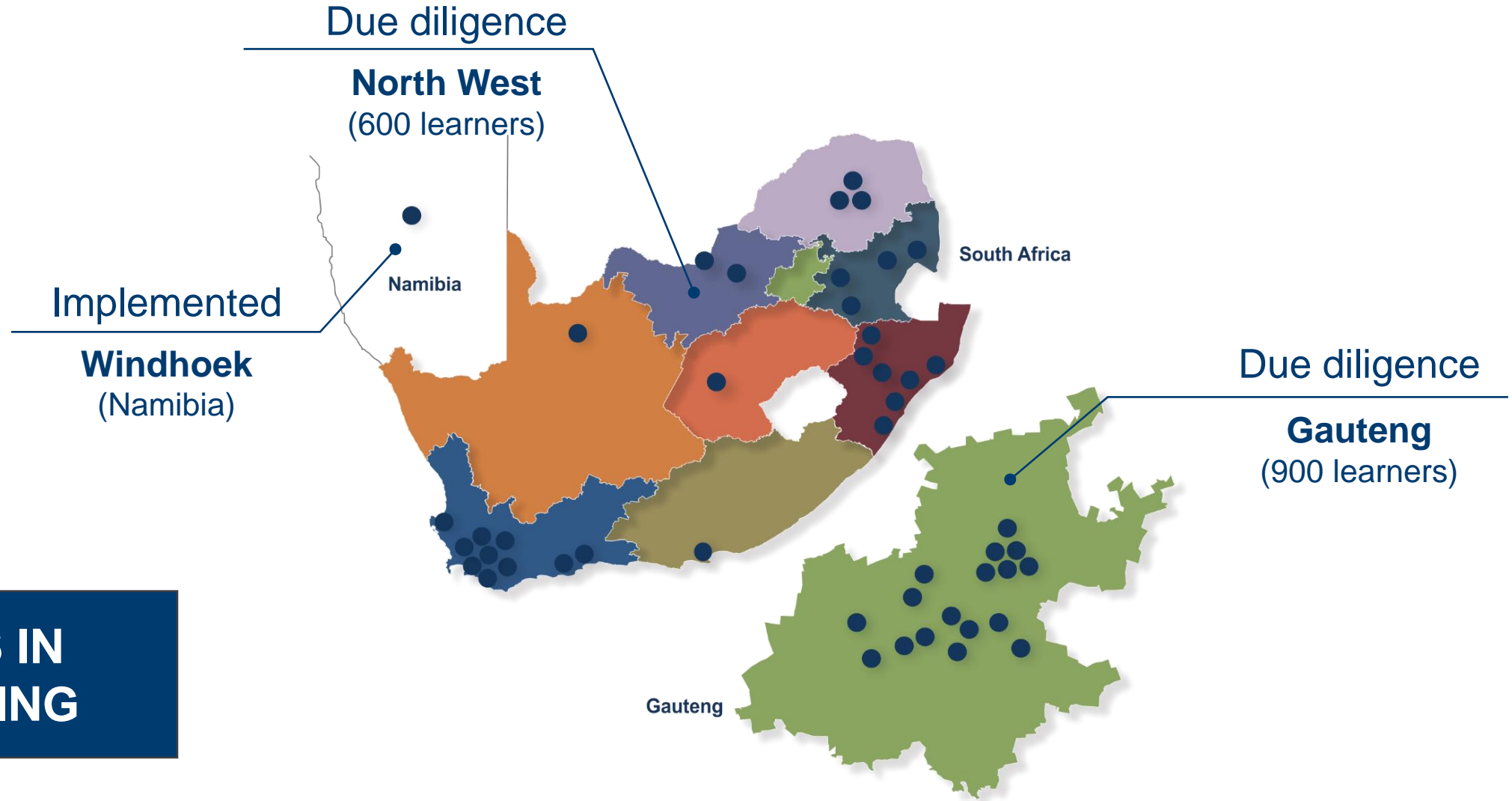
- Classrooms
- Additional land
- Sports facilities
- Swimming pools and astro turfs
- Cultural facilities
 - Halls and auditoriums

13 campuses

More than R10m



- Aurora
- Bankenveld
- Bloemfontein
- Grantleigh
- Hillcrest
- Monaghan
- Northern Academy
- Pinehurst
- Roodeplaat
- Thatchfield
- Waterstone
- Cosmo City
- Embury




**ALWAYS IN
THE OFFING**



GROWTH STATISTICS

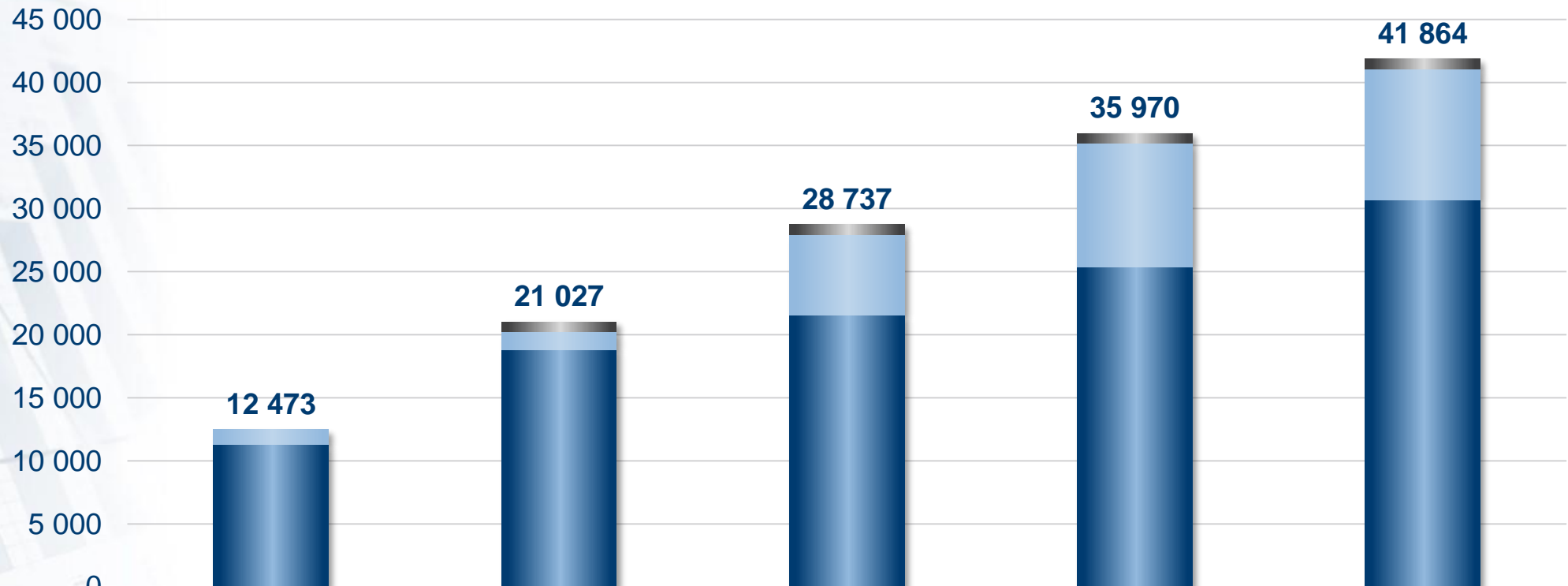
**GAME
CHANGER**



	2014	2015	% change (2014-2015)
Number of campuses	32	42	31%
Learner Numbers	28 737	35 970	25%
Revenue Full year (Rm)	1 001	1 384	38%
Schools EBITDA	262	382	46%
EBITDA – Full year	191	292	53%
Interest expense	55	91	66%
Headline Earnings – Full year	56	100	80%
HEPS – Full year	17.2	28.7	67%

LEARNER NUMBERS

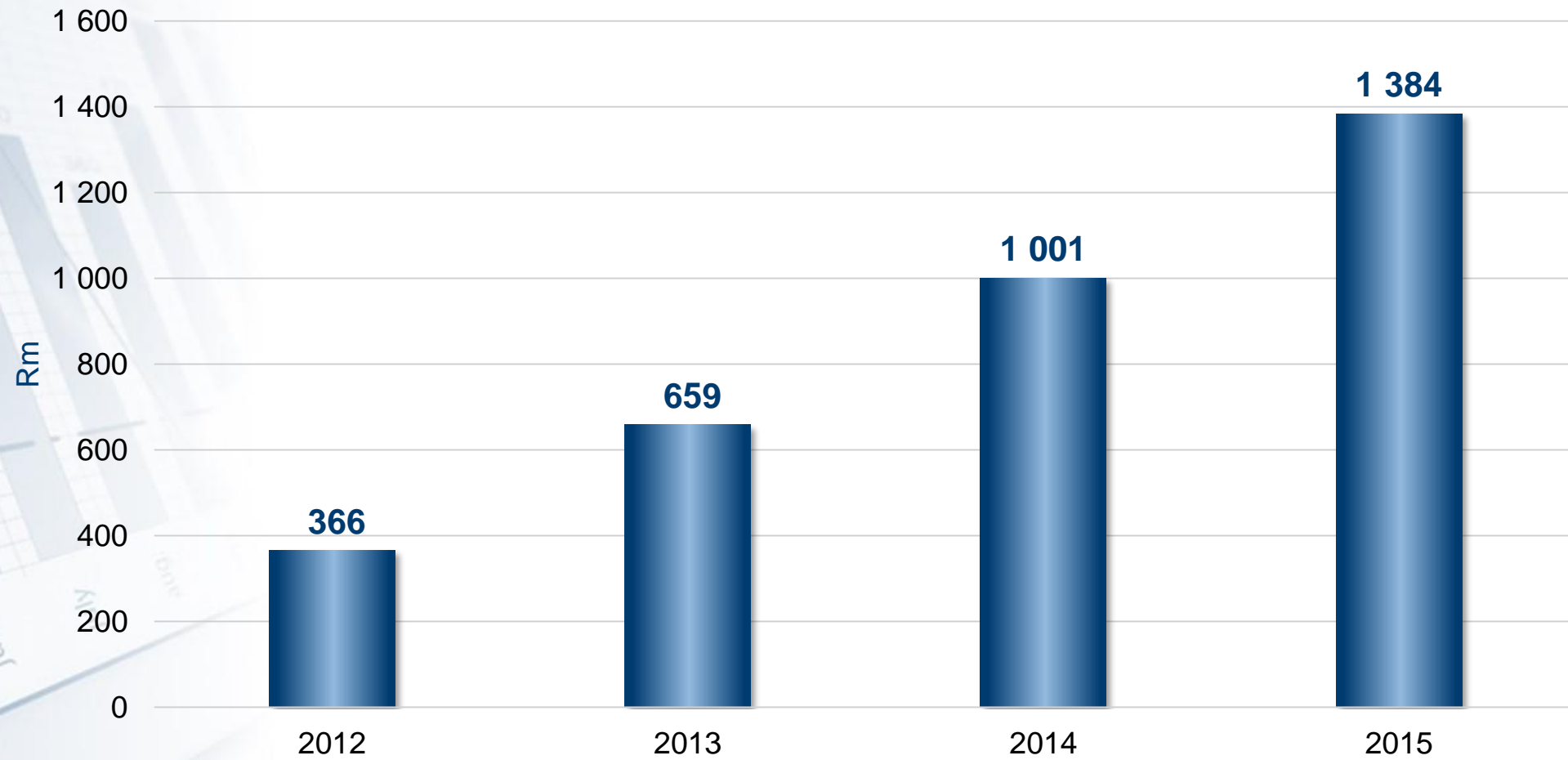
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	2012	2013	2014	2015	2016
Learner numbers	12 473	21 027	28 737	35 970	41 864
Teachers College		800	800	800	800
Meridian	1 200	1 401	6 389	9 797	10 381
Curro	11 273	18 826	21 548	25 373	30 683

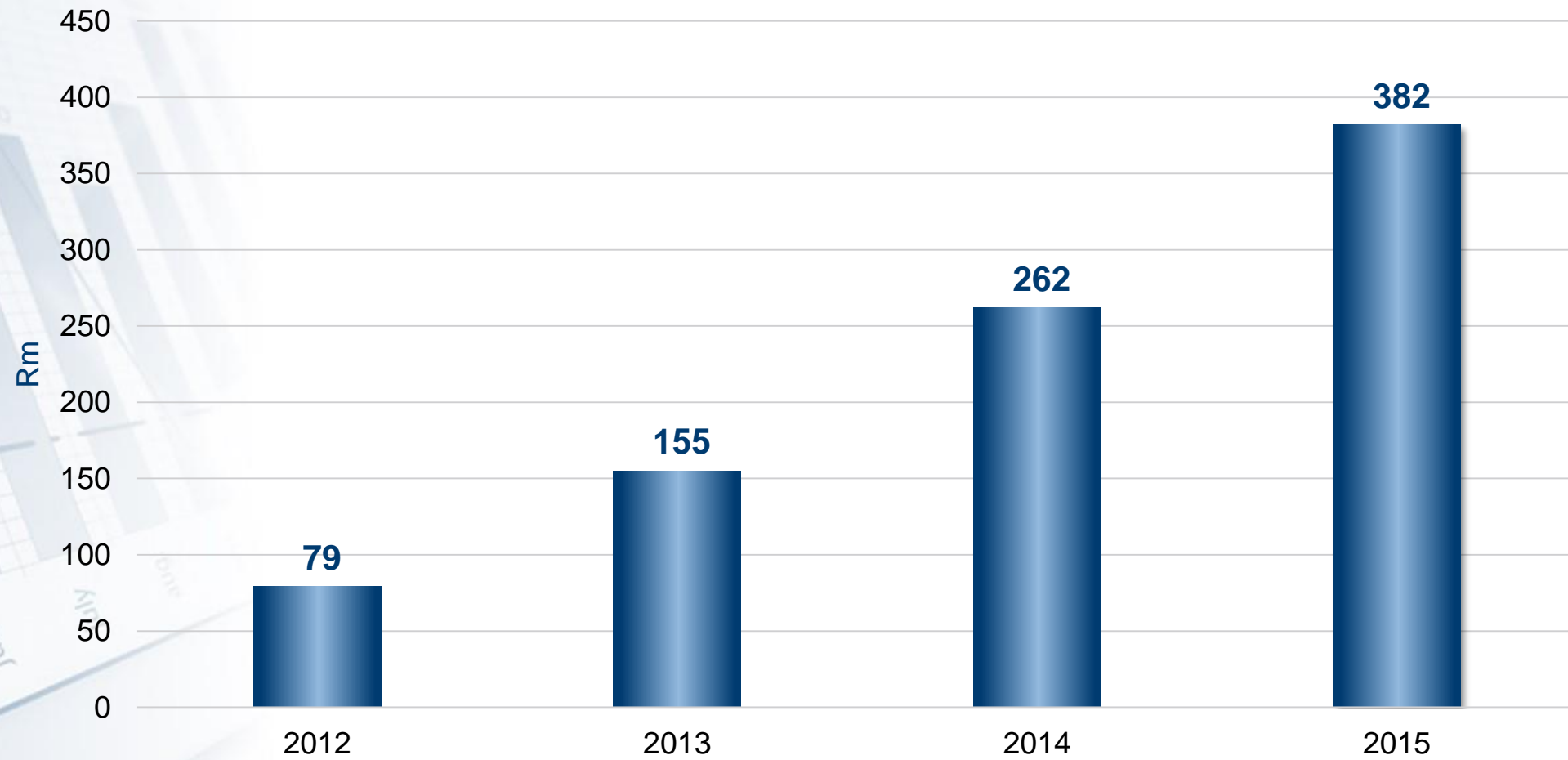
REVENUE

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EBITDA SCHOOLS

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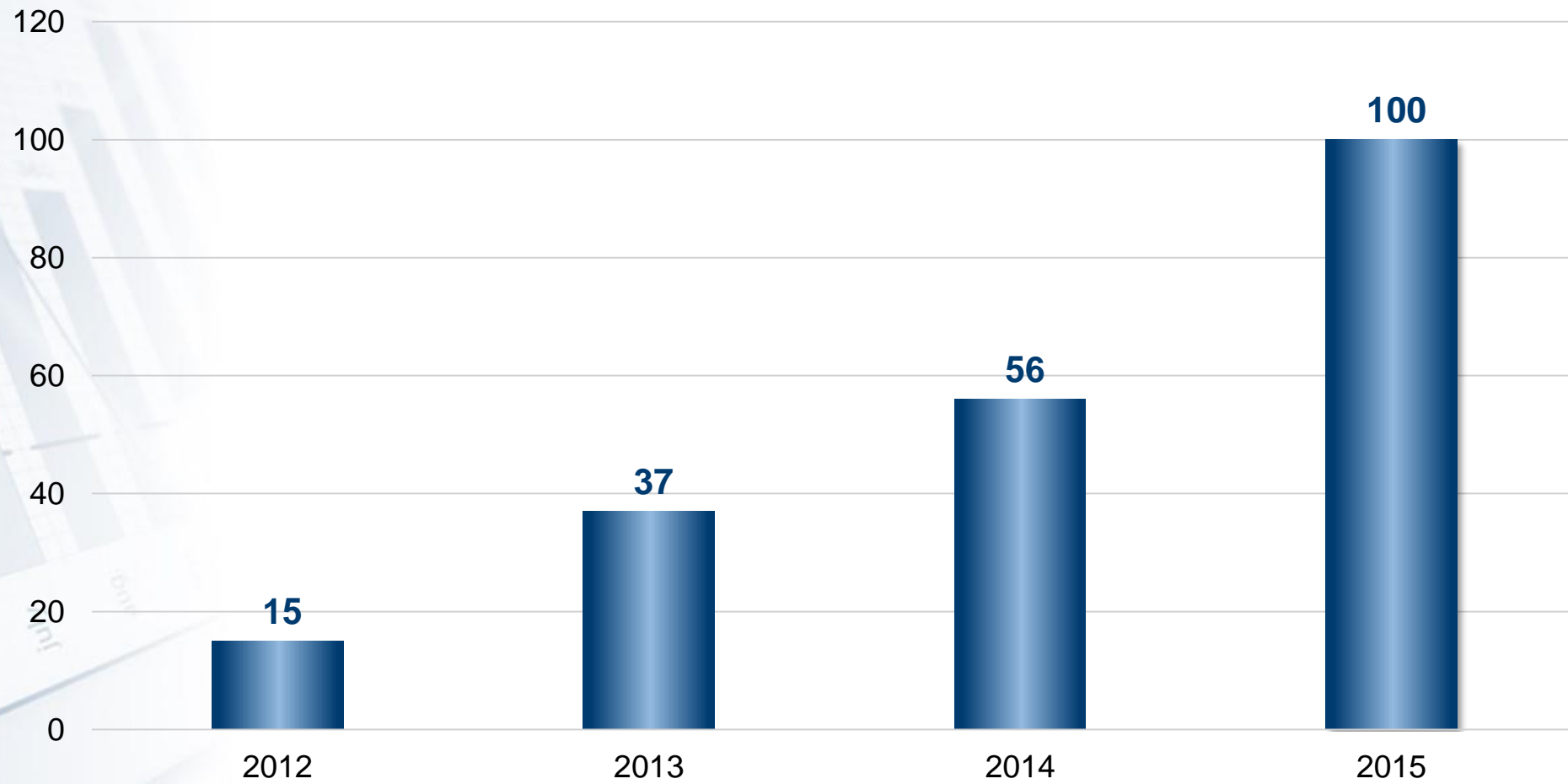
J-CURVE (SCHOOL EVOLUTION)

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	Number at 31 Dec 2015		Learner numbers (Dec)			Growth		Schools EBITDA			Growth		EBITDA margin		
	Campuses	Schools	2013	2014	2015	13/14	14/15	2013	2014	2015	13/14	14/15	2013	2014	2015
Developed schools	29	74	10 577	14 645	20 694	38%	41%	52	111	170	113%	54%	16%	23%	23%
2009 and before	3	8	2 961	3 100	3 332	5%	7%	24	31	35	28%	14%	26%	28%	27%
2010	2	6	1 636	1 994	2 120	22%	6%	8	17	24	107%	42%	17%	25%	29%
2011	6	16	2 962	3 721	4 337	26%	17%	7	25	40	259%	62%	8%	19%	23%
2012	2	6	1 002	1 362	1 618	36%	19%	2	8	15	309%	82%	7%	17%	23%
2013	4	11	2 016	3 645	4 922	81%	35%	11	37	66	238%	79%	19%	32%	37%
2014	4	8		823	1 271		54%	-	(7)	1		(110%)		(32%)	2%
2015	8	19			3 094			-	-	(10)				-	(13%)
Acquired schools	13	27	10 450	14 092	15 276	35%	8%	103	151	212	47%	40%	35%	30%	33%
2012 and before	8	17	6 050	6 483	6 851	7%	6%	76	97	121	27%	24%	34%	36%	38%
2013	2	3	4 400	5 690	5 779	29%	2%	27	45	53	70%	16%	38%	29%	30%
2014	2	5		1 919	2 046		7%		9	35		288%		12%	28%
2015	1	2			600					4					17%
	42	101	21 027	28 737	35 970	37%	25%	155	262	382	69%	46%	25%	26%	28%

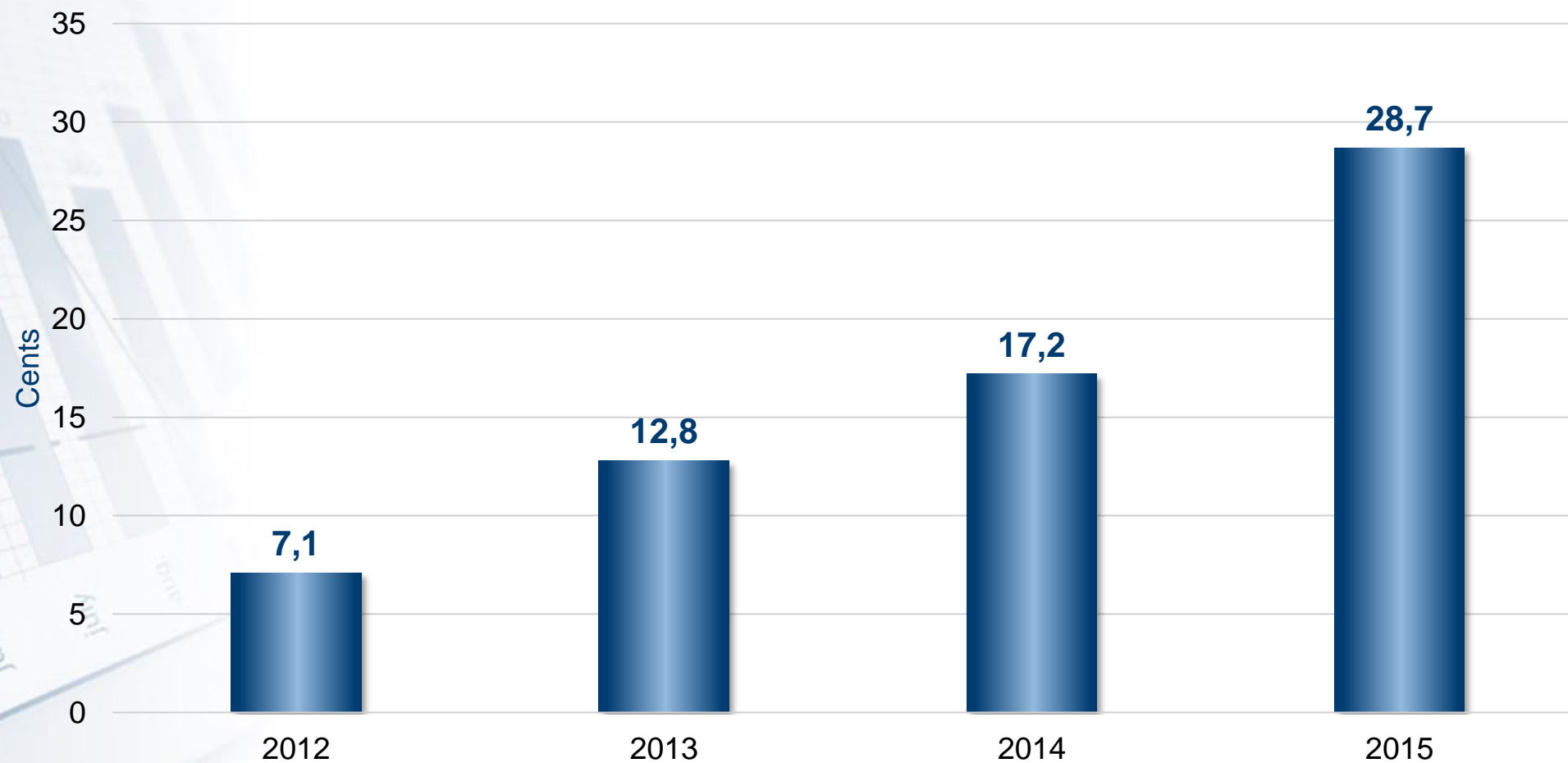
HEADLINE EARNINGS

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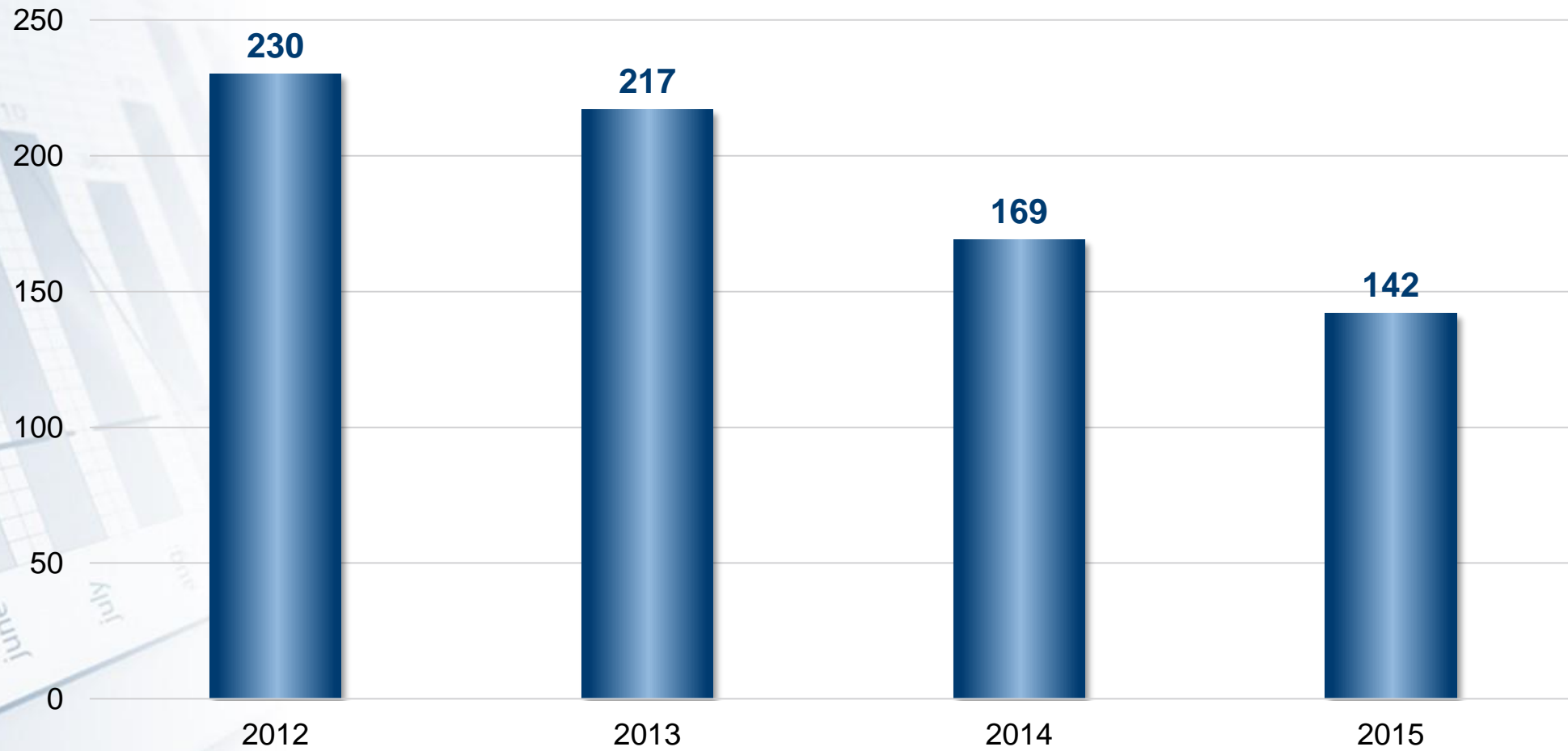


HEADLINE EARNINGS PER SHARE

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PE RATIO





Demand for product

Value for money offering

Brand/reputation

Capital base (Strong Balance sheet)

Knowledge base

Development team

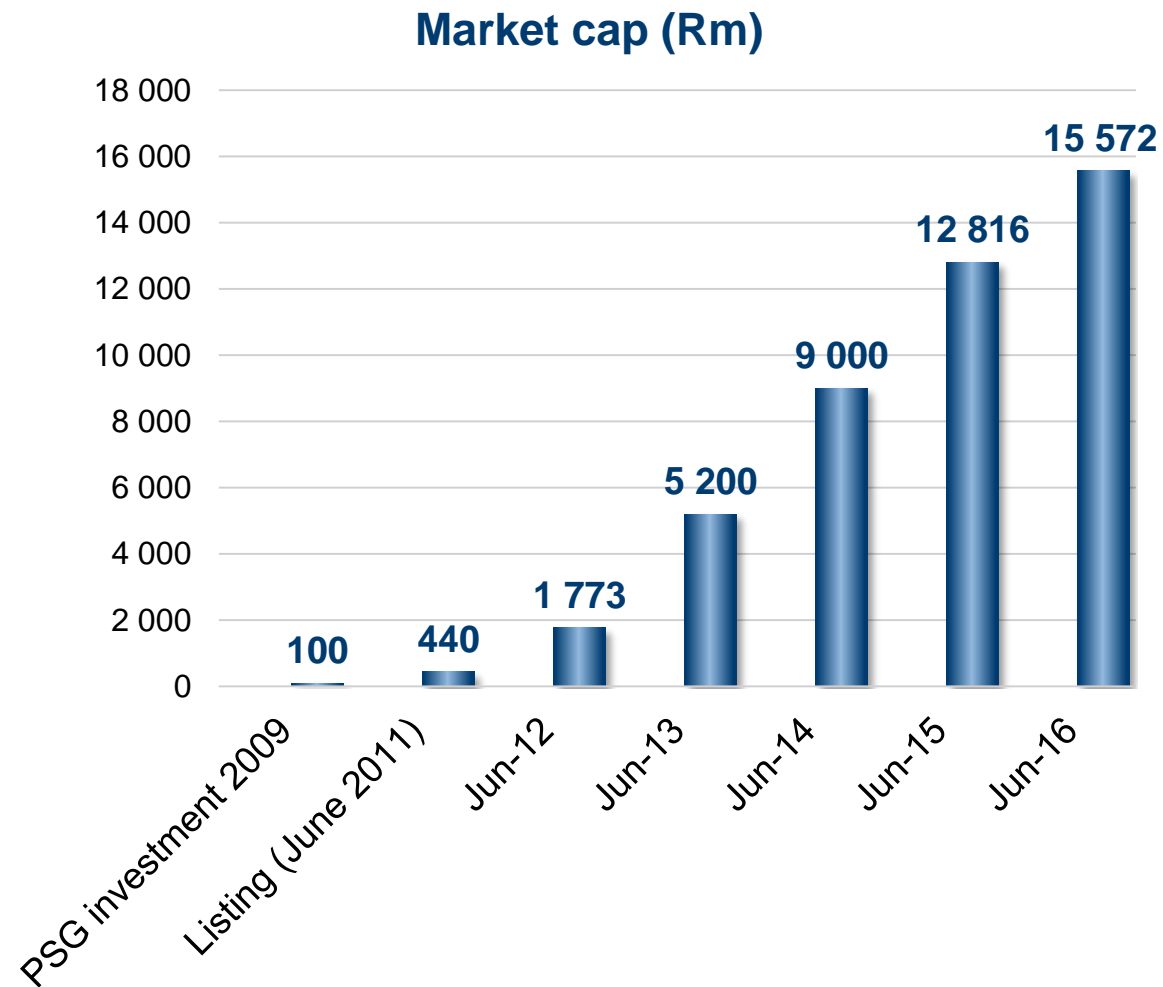
Ample opportunities

Very cash generative

Significant supportive shareholder

CAGR of 48% since listing June 2011

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AN ADDITIONAL GROWTH STORY

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TERTIARY EDUCATION

Heading towards
Curro Institute for
higher education

Expansion of
Durban campus

New campus at
Waterfall Estate
(Johannesburg)

Acquire campus at
Montana (Pretoria)

Growth in accredited
courses (Bcom,
BSc, BA)

Distance
learning
opportunity



EMBURY INSTITUTE FOR TEACHER EDUCATION








OUR PRODUCTS

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CURRO

	Ave Fees (R) (per month)	Ages (yrs)	Max class size	Curricular
	3 300	3 - 18	25	Balanced
	4 800	3 - 18	25	Balanced
	1 600	5 - 18	35	Academic
	2 700	0 - 5	25	Balanced
	3 300	18+	70	Academic



CURRICULUM








FACILITIES

Primary focus of
the parent

OUR RESULTS

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	IEB		NSC*	
	2014	2015	2014	2015
 Number of learners	637	724	488	707
 Pass rate	99%	99%	90%	98%
 University exemption	82%	82%	43%	57%
 Ave nr of A's per learner	1.1	1.1	0.7	0.6
 Average >60%	66%	69%	29%	43%

CAPACITY BUILDING



Develop and innovate the South African curriculum to reflect **world-class best practices**



Build the capacity of our educators

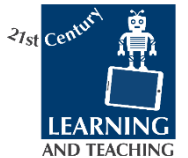
Intensive professional development

Subject heads

Induction programs



Extensive research



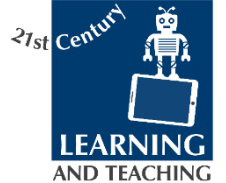
In the process to publish our first on-line journal on 21st Century teaching and learning



Tablets replaced many “modern methodologies” and brought the classroom much closer to the learners’ frames of reference:

makes inspiring teaching easier

CURRICULUM DEVELOPMENT



1 Rapidly changing world

Cannot prepare tomorrow's children with yesterday's methods

3 Curriculum approach

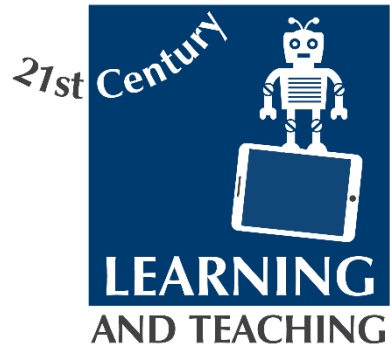
- Engaged learners (not passive)
- Meaningful content that is applicable
- Assessment strategies, other than conventional tests / exams / homework

2 Core skills required

Communication | Collaboration |
Critical thinking | Problem-solving |
Creativity/innovation | Resourcefulness |
Resilience

4 Focus

- Literacy | Coding | Maths | Science and Technology | Entrepreneurship
- Oracle / Java programming
- Future School of Engineering



We ask: How do we ensure that our curriculum of today will prepare learners for beyond 2030?

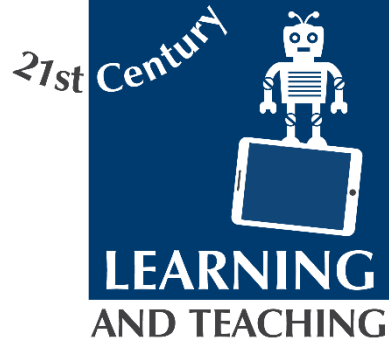
Curro is the vanguard of the conversation around 21st century teaching and learning.

As part of this initiative a

21st century learning and teaching conference

is planned for **September 2017**, attracting up to 2 000 delegates.

This conference will be hosted at Curro Serengeti, Gauteng.



What do we want to achieve?

- **Demystify** 21st Century Learning and Teaching
- **Raise awareness** of the new demands on teaching and learning by exposing Africa's teachers in the independent school sector and government sectors, academics, Deans, prominent provincial leaders, FET colleges, business leaders, and media to a new way of doing; and create an understanding of the kind of leadership required to do this.
- **Create a platform to encourage dialogue**, share our learning experiences, understand the challenges, and stimulate thinking

**ACCESS
AND
QUALITY**



More independent schools



- Frees up space in existing state schools
- State spending **less** on building new schools

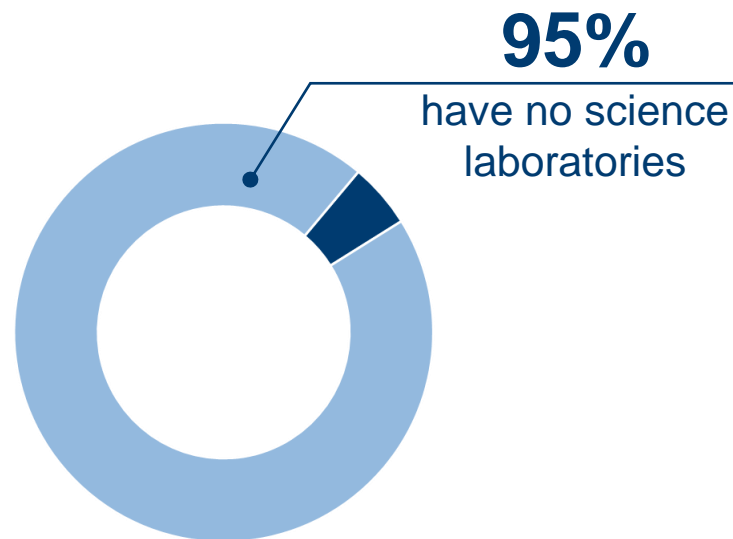


**Lower TEACHER:LEARNER ratio
enhances curriculum standards**

The NDP recognises that the quality of education in the country is in dire need of improvement.

The figures are not encouraging. There are more than twenty-four thousand public schools in South Africa.

According to a survey conducted in 2013:



We also know that:



Of the 48 that make it to matric
only 10 will pass Maths and only
4 will score > than 50% in Maths

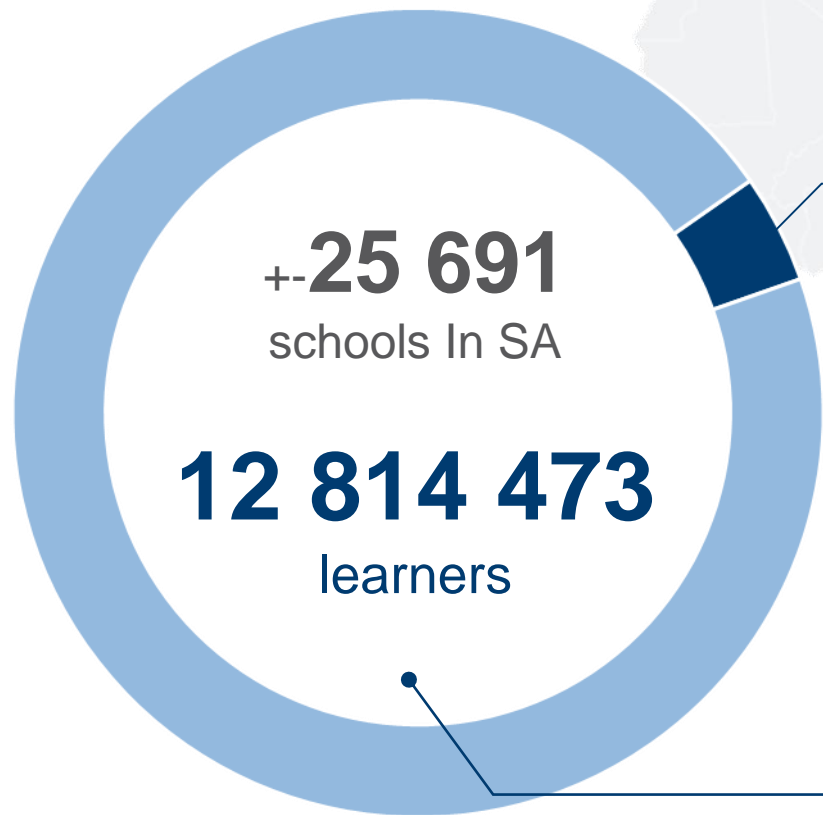
At the end of Grade 4, **more than half of learners cannot read for meaning or interpretation.**

So in a nutshell out of every
100 learners who enter the system only **4 will leave with an adequate understanding of Maths**

The NDP's vision on education

- **High quality early childhood education** with access rates that exceed 90%
- Quality school education with **literacy and numeracy at globally competitive standards**
- Higher Education and Further Education Training that **provides people with real opportunities** to reach their full potential
- An expanding higher education sector that is able to contribute towards rising incomes, **higher productivity** and the move towards a more knowledge-intensive economy
- A **wider system of innovation** that links key public institutions with areas of the economy consistent with our economic priorities.

ANALYSES OF SOUTH AFRICAN SCHOOL SECTOR



566 194 learners
in independent schools

4.4% of the total of
school-going children
are accommodated by
independent schools

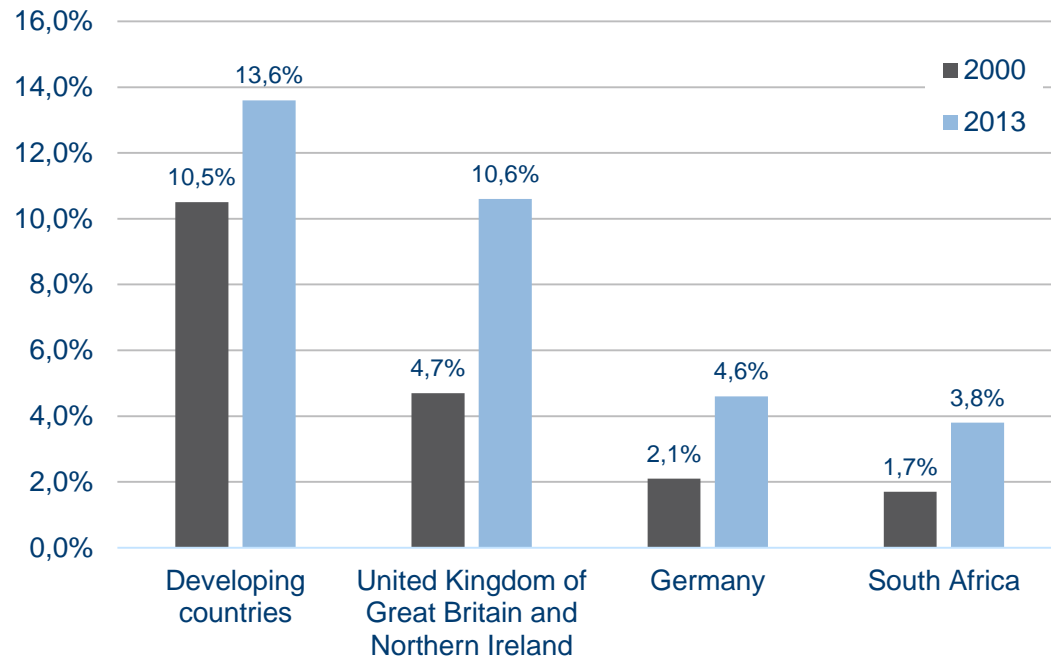
There are 3 large operators in
the independent school sector
of which CURRO is one

The **global trend** for independent school numbers indicate that independent schools are moving towards making up **20%** of the total number of schools.

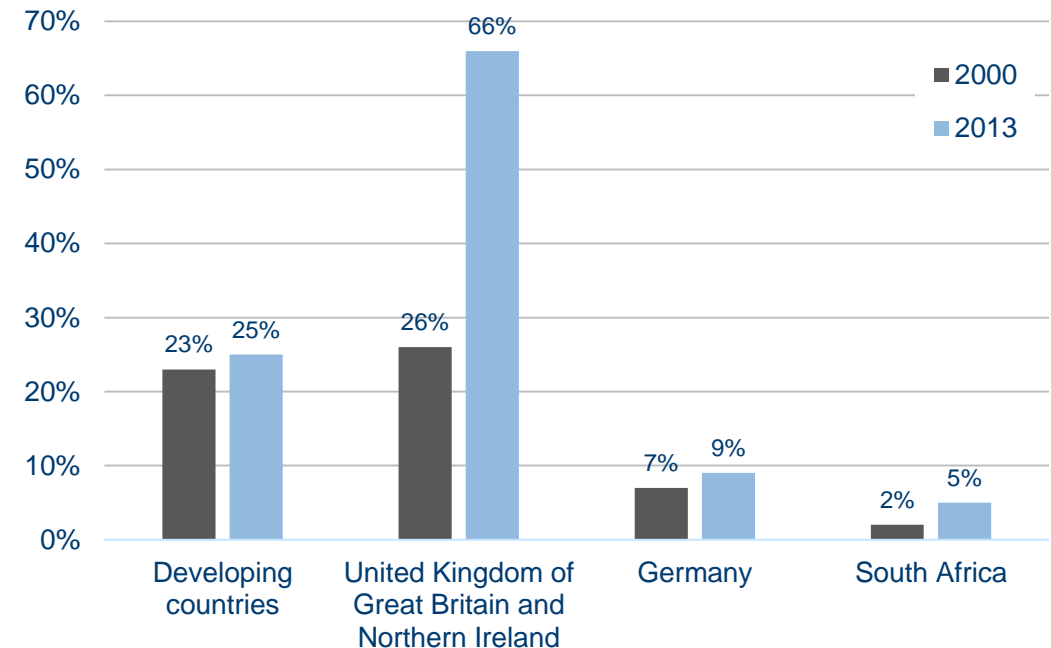
If South Africa follows this trend there is **huge potential** for many more independent schools to be developed.


Percentage of enrolment in independent institutions (%)

PRIMARY education



SECONDARY education





**Ways in which the
independent school sector
and the State can move
forward together with
positive effects**

SUGGESTION 1: CONSTITUTIONAL RIGHT

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The Constitution of The Republic of South Africa has already created the momentum by **allowing any individual, group of individuals or entity to create and operate an independent school** – provided that the school adheres to particular prerequisites and subsequently is registered by the local department of education.

**POSITIVE
EFFECT**

Since 1997 many independent schools were created = **new models developed**



These models will set the example for many more operators to follow suit.

SUGGESTION 1: CONSTITUTIONAL RIGHT

GAME
CHANGER

Curro's independent schools play an important role.



The largest (for profit) independent school group in Africa and is significant globally with 110 schools nationwide

Educate **41 864** learners (age three months to Grade 12)

85% have chosen English as the medium of instruction

We employ **4 350** staff of which **2 637** are educators

Maintain a **99%** matric pass rate

80% of learners pay fees of less than R4 000 per month

We train **1 000** educators annually and have contributed to the professional development of more than **4 000** state school teachers

66% of learners come from historically disadvantaged backgrounds

30% learners pay fees of less than R2 000 per month

SUGGESTION 1: CONSTITUTIONAL RIGHT

GAME
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Case study: CURRO HOLDINGS



110
schools



200
schools (80 campuses)



Potential to reach

500



42 000
learners

3 months – Grade 12



90 000
learners

2016

2020


2030

SUGGESTION 1: CONSTITUTIONAL RIGHT

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CHANGER

Case study: CURRO HOLDINGS

 **110**
schools

 **42 000**
learners
3 months – Grade 12

 **200**
schools (80 campuses)

 **90 000**
learners

If we reach 90 000 learners by 2020
we would occupy **only 0.72%** of
the total school population

Potential to reach

 **300**



SUGGESTION 2: VOUCHER SYSTEM



The Netherlands has been running a universal voucher system for the last 100 years with **70%** of the countries' enrolments being in government-financed independent schools.



On average these vouchers target families from a **lower social class** and have resulted in **test scores being higher than in public schools.**



Similarly, Colombia introduced a targeted voucher system in 1991 to provide the poorest third of the population access to secondary education.



The program ran until 1997 and reached 125 000 learners

Findings showed that learners utilising the voucher system showed **improved educational outcomes and higher school attendance rates.**

SUGGESTION 2: VOUCHER SYSTEM

The State can provide **vouchers** for +- **R1 500.00**
(value currently being spent on each child by the State)



Option A

Offer **voucher** to
State school



State school
education - **free**

Option B

Offer **voucher** to
independent
school of choice



Pay in the
difference

SUGGESTION 2: VOUCHER SYSTEM

Scenario

CURRO schools currently operate at an average school fee of R3 600 per month.
CURRO Academies operate at an average of R1 700 per month.



R1500



Monthly school fees – option B

CURRO Academy school fees	R 1 700.00
Less State voucher	R 1 500.00
Balance to be paid by parents	R 200.00

SUGGESTION 2: VOUCHER SYSTEM

State schools will be relieved from being over-crowded as many parents will flow over to independent schools.



This can lead to the current educator: learner ratio dropping to as low as **1:32**



POSITIVE EFFECT

Positive effect on the motivation levels of educators, learners and parents



Positive influence on curriculum standards and results

SUGGESTION 3: SALE OF STATE LAND

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The State can empower local municipalities to sell erven, zoned for educational purposes, to independent school operators.

Scenario

If **200** such erven were sold – at a reasonable price – to the independent school operators, the State would:



Receive

R3.2bn

on the sale
of the land



Save

***R160mil**

On construction
costs per campus



Save

R70bn

On running costs
of 200 campuses

Total saving **R24bn**

**Based on the estimated cost of a school campus accommodating +/- 1800 learners.*

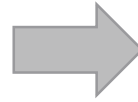
@ R25mil per annum per campus over 14 years

SUGGESTION 3: SALE OF STATE LAND

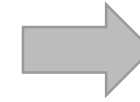
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Unspent capital
due to savings



teacher unions



CPD (Continuous
Professional Development)
of the educators

**POSITIVE
EFFECT**



**result in more
successful teaching
practices**



**more successful
schools**

SUGGESTION 4: RE-DEVELOPMENT



Deterioration in terms of **curriculum standards** and the **general quality and safety of the buildings**



Parents are moving their children to schools far away from their living environments



State could consider selling or leasing these schools to independent operators



Invest capital and run the schools

SUGGESTION 4: RE-DEVELOPMENT

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**POSITIVE
EFFECT**

- ➔ Developed into pristine schools
- ➔ Instilling pride and motivation to make use of the school
- ➔ Schools close to home
- ➔ Saves transport costs
- ➔ Enhances the quality of school education in the immediate environment
- ➔ Reduces risks re transportation of children
- ➔ More time to study vs travelling

SUGGESTION 5: SALE OF STATE BUILDINGS

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Converting available state owned buildings into schools
(especially in city and town centres)



Sold or leased to independent
school operators

**POSITIVE
EFFECT**

More schools managed and funded by the
independent school sector relieves state
schools from overcrowding

1



The Constitution inspired the development of the independent school sector

2



Consider a voucher system

3



Sale of educationally zoned state land to independent operators

4



Selling or leasing state schools that require upgrading to independent operators

5



Selling or leasing state buildings relieves the state schools from overcrowding

**PRESENTATION
OF VOTING RESULTS**

CURRO HOLDINGS LTD

**End of
ANNUAL GENERAL MEETING**

QUESTIONS?

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THANK
YOU

Be a

GAME CHANGER



Dream it. Embrace it. Live it.



CURRO