CURRO REVIEWED PROVISIONAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

Deviewed

Meridiar

Brands

Curro*

Origin

Acquired

Origin

Note:

Acquired

Developed

Developed

Meridian

schools per school origin

For the year ended 31 December 2013

For the year ended 31 December 2012

For the year ended 31 December 2013



| ehe | ensiv | /e i | nc | cor | ne | | | Condensed consolidated statement of fin | ancial po | osition |
|-----|-------|------|----|-----|----|--|--|---|------------|---------|
| | - | | | | | | | | . . | |

| | Percentage increase | Reviewed 31 Dec 2013 R'000 | Audited 31 Dec 2012 R'000 | |
|--|------------------------|----------------------------------|---------------------------------|-----------------------------|
| | 80% | 659 128 | 365 749 | ASSETS |
| Operating expenses | | (545 460) | (312 535) | Non-current |
| Earnings before interest, taxation, depreciation and | | | | Property, plan |
| amortisation (EBITDA) | 114% | 113 668 | 53 214 | Goodwill |
| - Schools | | 154 988 | 78 870 | Intangible ass |
| - Head office | | (41 320) | (25 656) | Investment in |
| Depreciation and amortisation | | (36 966) | (17 848) | Other loans |
| Earnings before interest and taxation (EBIT) | 117% | 76 702 | 35 366 | Current asse Inventories |
| Investment income | | 3 802 | 1 502 | Current tax re |
| Income from equity accounted investments | | 1 000 | - | Trade and oth |
| Finance costs | | (26 199) | (16 618) | Cash and cas |
| Profit before taxation | 173% | 55 305 | 20 250 | |
| Taxation | | (15 584) | (5 573) | Total assets |
| Profit for the year | 171% | 39 721 | 14 677 | |
| Other comprehensive income: | | | | EQUITY |
| Net fair value loss on cash flow hedge | | (489) | | Equity attrib |
| Total comprehensive income | 167% | 39 232 | 14 677 | Share capital Reserves |
| Profit attributable to: | | | | Retained inco |
| Owners of the parent | 145% | 37 049 | 15 104 | Non-controllin |
| Non-controlling interest | | 2 672 | (427) | Total equity |
| | | 39 721 | 14 677 | LIABILITIES |
| Total comprehensive income attributable to: | | | | Non-current |
| Owners of the parent | | 36 560 | 15 104 | Loans and oth |
| Non-controlling interest | | 2 672 | (427) | Deferred tax |
| | | 39 232 | 14 677 | Current liabi |
| Reconciliation of headline earnings | | | | Loans from re |
| Earnings attributable to owners of the parent | | 37 049 | 15 104 | Loans and oth |
| Adjusted for: | | | | Current tax pa |
| Profit on disposal of property, plant and equipment | | (360) | (125) | Trade and oth |
| Taxation effect thereon | | 101 | 35 | Prepaid schoo |
| Headline earnings | 145% | 36 790 | 15 014 | Acquisition pa |
| EBITDA margin | | 17% | 15% | Bank overdrat |
| EBITDA margin for schools | | 25% | 23% | Total liabiliti |
| Earnings per share (cents) | | | | Total equity a |
| - Basic | 86% | 13.2 | 7.1 | Net asset valu |
| - Diluted | 87% | 13.1 | 7.0 | |
| Headline earnings per share (cents) | 0.70 | | 1.0 | Canalana |
| - Basic | 87% | 13.1 | 7.0 | Condens |
| - Diluted | 85% | 13.0 | 7.0 | |
| Number of shares in issue (millions) | 0070 | 10.0 | 7.0 | |
| - Basic | | 294.8 | 240.4 | Balance at the |
| – Diluted | | 294.8 300.6 | 240.4 | Total compreh |
| | | 300.6 | 243.7 | Issue of share |
| Weighted average number of shares in issue (millions) | | 001.0 | 010.0 | Share issue co |
| - Basic | | 281.2 | 213.0 | Recognition o |
| - Diluted | | 283.6 | 215.5 | Balance at the |
| Note: * A reallocation of R9.8 million was done between revenue and o | *la | | 1 | |
| | | | | |

A reallocation of R9.8 million was done between revenue and other income to align prior year disclosure with current year disclosure

Condensed consolidated statement of cash flows

| | Percentage increase | Reviewed 31 Dec 2013 R'000 | Audited 31 Dec 2012 R'000 |
|---|------------------------|----------------------------------|---------------------------------|
| Net cash generated from operating activities | 88% | 105 574 | 56 165 |
| Net cash utilised in investing activities | | (1 086 976) | (726 907) |
| Net cash from financing activities | | 1 106 371 | 614 869 |
| Cash and cash equivalents movement for the year | | 124 969 | (55 873) |
| Cash and cash equivalents at the beginning of the yea | r | (46 036) | 9 837 |
| Cash and cash equivalents at the end of the year* | | 78 933 | (46 036) |
| * Consists of: | | | |
| - Cash and cash equivalents | | 78 933 | 28 504 |
| – Bank overdraft | | - | (74 540) |

| | Reviewed 31 Dec 2013 R'000 | Audited 31 Dec 2012 R'000 |
|--------------------------------------|----------------------------------|---------------------------------|
| | | |
| nt assets | 2 516 174 | 1 426 179 |
| ant and equipment | 2 131 811 | 1 209 758 |
| | 271 748 | 148 861 |
| ssets | 97 607 | 67 560 |
| in and loans to associates | 12 680 | - |
| | 2 328 | - |
| sets | 117 573 6 817 | 57 520 |
| receivable | 1 592 | 1 288 |
| ther receivables | 30 231 | 27 728 |
| ash equivalents | 78 933 | 28 504 |
| | | |
| ts | 2 633 747 | 1 483 699 |
| ND LIABILITIES | | |
| ibutable to equity holders of parent | 1 560 199 | 861 211 |
| al | 1 500 671 | 843 710 |
| | 7 310 | 4 065 |
| come | 52 218 | 13 436 |
| lling interest | 3 180 | 507 |
| у | 1 563 379 | 861 718 |
| s | | |
| nt liabilities | 874 426 | 320 572 |
| other financial liabilities | 755 145 | 236 243 |
| K | 119 281 | 84 329 |
| bilities | 195 942 | 301 409 |
| related parties | - | 5 033 |
| other financial liabilities | 69 885 | 125 275 |
| payable | 1 173 | 2 216 |
| other payables | 48 439 | 21 285 |
| ool fees and deposits | 61 131 | 36 400 |
| payables | 15 314 | 36 660 |
| raft | - | 74 540 |
| ties | 1 070 368 | 621 981 |
| y and liabilities | 2 633 747 | 1 483 699 |
| alue per share (cents) | 529.2 | 358.2 |
| sed consolidated statement of ch | anges in ea | quity |
| | Reviewed 31 Dec 2013 R'000 | Audited 31 Dec 2012 R'000 |

onden ity

| | 31 Dec 2013 R'000 | Audited 31 Dec 2012 R'000 |
|---|----------------------|---------------------------------|
| Balance at the beginning of the year | 861 718 | 369 774 |
| Total comprehensive income for the year | 39 232 | 14 677 |
| Issue of shares | 666 405 | 475 632 |
| Share issue costs | (9 443) | (1 710) |
| Recognition of share-based payments | 5 467 | 3 345 |
| Balance at the end of the year | 1 563 379 | 861 718 |

Notes to the financial statements

1. Statement of compliance

The condensed consolidated financial information for the year ended 31 December 2013 has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by IAS 34: Interim Financial Reporting, the listing requirements of the JSE and the requirements of the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS which are consistent in all material respects with those applied in the financial statements for the year ended 31 December 2012. The reviewed provisional results have been prepared by DN Hartshorne, CA (SA) and supervised by the Chief Financial Officer, B van der Linde, CA (SA) CFA.

Review conclusion

The condensed consolidated financial information for the year ended 31 December 2013 has been independently reviewed by the Group's auditor, Deloitte & Touche. The review was conducted in accordance with ISRE 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A copy of their unmodified review conclusion is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Group's auditors

The auditor's report does not necessarily cover all of the information contained in this announcement/financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the Company.

| Audited 1 Dec 2012 R'000 | The accounting policies adopted in the preparation of the condensed consolidated finan information are consistent with those of the annual financial statements for the year ended December 2012. For a full list of standards and interpretations which have been adopted, refer you to our 31 December 2012 annual financial statements. | | | | |
|--------------------------------|---|-----------------------------|--------------------|-----------------------------|------------------|
| | 4. Issued capital | | | | |
| 1 426 179 | Effective 10 May 2013, issue at R12.00 per shar | | | | |
| 1 209 758 | issue at R19.75 per sha | | , 210 111101101101 | | ough a opeome |
| 148 861 | 5. Operating Segments | | | | |
| 67 560 | Due to all of the service | | | | |
| - | only one reportable see information of this single | | Information pre | isentea represent | s the financial |
| 57 520 | Events after the report | | | | |
| | Effective 1 January 2014 Grantleigh, an independe | | | | |
| 1 288 | consideration of R30 mil | lion. | | | |
| 27 728 | Other key ratios | | | | |
| 28 504 | outor hoy ratioo | 2011 | 2012 | 2013 | 2014* |
| 26 504 | Number of schools | 12 | 22 | 26 | 31 |
| 1 483 699 | Number of learners | 5 777 | 12 473 | 21 027 | 27 263 |
| | Learners per school | 463 | 567 | 809 | 879 |
| | Staff | 654 | 1 630 | 2 387 | 2 811 |
| 861 211 | Teachers | 446 | 1 151 | 1 593 | 1 868 |
| 843 710 | Learner/teacher ratio | 12 | 11 | 13 | 15 |
| 4 065 | Building size (m2) | 75 000 | 169 024 | 261 004 | 264 441 |
| 13 436 | Land size (ha) | 107 | 153 | 188 | 223 |
| 507 | Capital investment (Rm) | 328 | 782 | 1 076 | |
| 861 718 | - Current campuses | 80 | 223 | 602 | |
| 801718 | - New campuses | 175 | 237 | 242 | |
| | - Acquisitions | 73 | 322 | 232 | |
| 320 572 | * As at 31 January 2014 | | | | |
| 236 243 | | | | | |
| 84 329 | The tables below illustrate the schools. | ne J-Curve effect fro | om newly establis | hed schools to m | ore mature |
| 301 409 | For the year ended 31 Dec | ember 2012 | | | |
| 5 033 | % of eventual | Number of | Learner | EBITDA* | EBITDA |
| 125 275 | capacity | schools | numbers | R'000 | margin |
| 2 216 | 0-25 | 5 | 1 316 | (6 234) | (20%) |
| 21 285 | 25-50 | 6 | 3 107 | 9 510 | 12% |
| 36 400 | 50-75 | 5 | 3 590 | 32 465 | 27% |
| 36 660 | 75-100 | 6 | 4 460 | 43 129 | 35% |
| 74 540 | | 22 | 12 473 | 78 870 | 23% |
| | For the year ended 31 Dec | ember 2013 | | | |
| 621 981 | % of eventual | Number of | Learner | EBITDA* | EBITDA |
| 1 483 699 | capacity | schools 7 | numbers | R'000 | margin |
| 358.2 | 0-25 | | 2 668 4 017 | (2 653) | (4%) |
| | 25-50 | 6 | | 24 094 | 21% |
| | 50-75 | 8 | 6 119 | 43 553 | 21% |
| lity | 75-100 | 5 | 8 223 | 89 994 | 38% |
| Audited 1 Dec 2012 R'000 | The tables below illustrate th | 26 ne J-Curve effect fro | 21 027 | 154 988 hed schools to m | 25% |
| 369 774 | schools per school brand. | | | | |
| 14 677 | For the year ended 31 Dec | | | | |
| 475 632 | Brands | Number of schools | Learner numbers | EBITDA* R'000 | EBITDA margin |
| (1 710) | Curro** | 19 | 11 072 | 72 900 | 20% |
| (1710) | Moridian | 19 | 1 401 | 5 970 | 20% |

3. Accounting policies

Commentary

Revenue

↑80%

1 401

12 473

Learner

numbers

14 638

6 389

21 027

L earne

numbers

5 125

7 348

12 473

Learner

10 300

10 727

21 027

number

22

22

4

26

The tables below illustrate the J-Curve effect from newly established schools to more mature

Number of

Number of

Number of

* Curro schools incorporating Select schools and Curro Castles

schools

schools

10

12

22

10

16

26

* EBITDA at school level (excluding net head office costs and teacher college results)

schools

5 970

78 870

FBITDA*

120 733

34 255

154 988

FBITDA

R'000

54 744

24 126

78 870

EBITDA*

B'000

103 044

51 944

154 988

R'000

35%

23%

FRITDA

margin

22%

32%

FBITDA

margin

35%

12%

23%

EBITDA

margin

35%

16%

25%

25%

Learners

↑69%

Curro has become the largest for profit independent school group in South Africa. It has 31 campuses accommodating 27 263 learners including the teachers college accommodating 800 students. Curro has achieved this through:

PAT

145%

HEPS

†87%

Good academic results combined with excellence in sport and cultural activities;

EBITDA

†114%

- Support from its clients for the value for money offering:
- Dedication from its teachers to provide a quality service; and
- · Capital from its shareholders and funders to develop and acquire schools.

Curro serves clients in 3 segments

| Model | Average monthly school fees | |
|---|---|---|
| Curro schools incorporating Select schools | Smaller class sizes (20-25 learners) with a variety of subject choices and extra mural activities. | Primary school R2 600 High school R3 700 |
| Meridian schools | Larger class sizes (30-50 learners) with a selection of key subjects and an academic focus. Boarding facilities at most of the campuses. | R1 400 |
| Curro Castles | Full day care facilities incorporating a structured cognitive development programme for children from 3 months to 4 years. | R2 550 |
| These schools are augment training to teachers in the pu | ed by the Embury Institute for Teacher Education. The Institute also | offers short course |

Academic results

| | IEB | NSC |
|--|-----------|-----------|
| Number of learners | 380 | 632 |
| Pass rate | 100% | 92% |
| University exemption | 79% | 56% |
| Average number of A ^s per learner | 1.1 | 0.6 |
| Average | 65% | 56% |
| Average > 60% | 68% | 49% |
| Maths (taken and average) | 56% / 62% | 49% / 48% |

Through the Curro Centre for Educational Excellence, we support, train and develop our teachers to ensure that they stay abreast of best practice regarding content and methodology. We also monitor learner performance at the level of grades 3, 6 and 9 to ensure that we can intervene where it may be needed. With the Embury Institute for Teacher Education, we also drive a research agenda which guides our strategic approach to in-service as well as pre-service teacher education.

Develop and acquire

During 2013, in addition to expansion at existing campuses, Curro developed two new Curro schools in Ballito (KwaZulu-Natal) and Port Elizabeth (Eastern Cape), one new Meridian school in Karino (Nelspruit), one additional Meridian campus in Polokwane and a new Curro Castle in George (Western Cape).

- Curro has also acquired the following schools and teacher training centre Embury Institute for Teacher Education with effect from 1 January 2013;
- Northern Academy a school with 4500 learners with effect from 1 April 2013; and
- Grantleigh a school with approximately 700 learners with effect from January 2014.
- For the 2014 year, Curro aims to develop 10 new schools and there will also be expansion projects at approximately 7

existing campuses across the group. To ensure a constant supply of developable sites for schools after 2014, Curro is looking to land-bank approximately 15 sites during 2014.

Results

Revenue increased by 80% to R659 million and EBITDA 114% to R114 million for the year ended 31 December 2013. This was due to organic growth in existing schools as well as the acquisition of profitable busine The increasing occupation rates at our schools meant that the EBITDA margin has increased from 15% to 17% for this financial year

Balance sheet and funding

- During 2013 Curro invested more than R1 billion for the development, expansion and acquisition of schools. Apart from R106 million in cash generated from operating activities, additional funding was also obtained from the
- following sources:
- A R606 million rights issue
- R397 million of available funding of which R306 million has been drawn down, from the Schools and Education Investment Impact Fund of South Africa, ring-fenced for the Meridian schools; R150 million in 15-year funding from the Development Bank of South Africa:
- R150 million in 5-year bonds through a Domestic Medium Term Note Programme. The offer was 8 times oversubscribed; and
- A R250 million 18-month revolving credit facility. At year end, R130 million was drawn on this facility. For the 2014 year, Curro will
- Raise up to R1 billion in bond and/or long term bank funding; and

Raise R589 million through a 1 for 10 shares rights issue at R20.00 per share, which will be underwritten and completed by June 2014. Shareholders are referred to the detailed rights issue declaration announcement released simultaneously with this results announcement.

Dividend

SL Botha

18 February 2014

Chairmar

No dividend has been declared for the period under review

Changes to the Board of Directors and Company Secretary

Dr SWF Muthwa was appointed as independent non-executive director effective 1 May 2013. Mr AJF Greyling resigned as Company Secretary effective 1 October 2013.

Ms R van Rensburg was appointed Company Secretary effective 1 October 2013. Prospects

| Curro remains well on track to achieve its stated target of 80 schools by 2020. |
|---|
| On behalf of the Board |

| CR van der Merw CEO |
|------------------------|
| |

Curro Holdings Limited Incorporated in the Republic of South Africa (Registration Number: 1998/025801/06) JSE Share Code: COH ISIN: ZAE000156253 ("Curro" or "the Company" or "the Group")

Directors: SL Botha** (Chairman), CR van der Merwe (CEO), AJF Greyling (COO), B van der Linde (CFO), HG Louw (CIO), PJ Mouton*, B Petersen**, ZL Combi**, SWF Muthwa* * Non-executive, ** Independent non-executive Registered office: 38 Oxford Street, Durbanville, 7550 Transfer secretaries: Computershare Investor Services (Pty) Ltd 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107 Corporate advisor and sponsor: PSG Capital

These results are available at **www.curro.co.za**

78 933

(46 036)