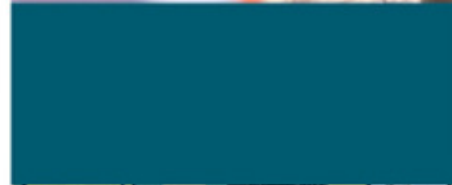


DELIVERING EXCELLENCE IN EDUCATION, TRAINING AND CHILDCARE



PRELIMINARY RESULTS PRESENTATION

Andrew Fitzmaurice Chief Executive Officer
David Smith Group Finance Director

14th November 2007



NORD ANGLIA: Highlights 2006/7

- Disposal of Nursery Division for £31.2m to ABC Learning
- International Schools growth in profits, students and capacity
- Learning Services contract wins and renewals
- Appointment of new Finance Director
- New debt facilities in place to meet expansion requirements



NORD ANGLIA: Review of objectives set in November 2006

- Capitalise on demand for British education in overseas markets
- Expand International Schools and Learning Services overseas
- Open schools for local population as well as expats
- Drive international growth around existing geographic clusters
- Leverage Learning Services' reputation and people
- Stabilise Nurseries' performance and continue to review estate

Income performance highlights – continuing operations pre-exceptional charges

£m	<u>2007</u>	<u>2006</u>	<u>%</u>
Revenue	66.8	51.5	32
Operating Profits (inc JV)	8.7	7.3	20
PBT	6.3	3.8	66
EPS (pence)	9.38	7.50	25

Discontinued and exceptional costs

£m	<u>2007</u>	<u>2006</u>
<u>Nursery operations & closure</u>		
Operating Profit	0.5	2.0
Exceptional/Impairment/Closure	(6.9)	(6.6)
Group Loss on Sale	(48.6)	-
Interest	(0.2)	(0.2)
	<hr/>	<hr/>
PBT	(55.2)	(4.8)
Tax	1.2	-
	<hr/>	<hr/>
Discontinued post tax loss	(54.0)	(4.8)
Exceptional Restructuring - Post Nurseries	(3.1)	(0.9)
Other exceptional costs	(2.2)	(1.7)
Tax	1.3	0.4
	<hr/>	<hr/>
Exceptional post tax loss	(4.0)	(2.2)

Divisional performance : (continuing, pre-exceptional)

£m	<u>2007</u>	<u>2006</u>	<u>%</u>
International Schools			
Revenue	27.5	20.3	35
Established Schools	8.9	5.4	65
New Schools	(0.8)	-	-
Divisional Overheads	(1.1)	(0.7)	57
EBIT	7.0	4.7	49

Divisional performance: (continuing, pre-exceptional and goodwill)

£m	<u>2007</u>	<u>2006</u>	<u>%</u>
Learning Services			
Revenue	39.4	31.1	26
EBIT	<u>7.1</u>	<u>6.7</u>	6
Group Central Costs	5.5	4.2	30

Balance Sheet & Cashflow

£m	<u>2007</u>	<u>2006</u>
Net Assets	3.5	50.9
Net Debt	(14.8)	(21.6)
Cash Generation from Ops	10.5	13.3
Capex	3.9	3.1
Post Transaction		
: Debt	(10.0)	
: Cash (Majority in China)	18.0	
: Facility Headroom	25.0	

Capital Expenditure: continuing business

£m	<u>2008</u>	<u>2007</u>
Capital Expenditure	9.1	3.9

Major current & forthcoming projects:

	Approval	Project value
Pudong expansion	2007	1.5
Puxi expansion	2007	1.4
Warsaw facilities & expansion	2008	1.4
Singapore new school	2008	3.5
Beijing new school	2008	1.0
Tianjin new school	2008	2.0
Middle East new school	2008	1.0

Taxation

	£'m	
	<u>2007</u>	<u>2006</u>
Continuing PBT pre exceptionals	<u>6.3</u>	<u>3.8</u>
Tax related to continuing activities	2.3	0.6
Tax rate	37%	16%
Tax related to exceptionals	(1.3)	(0.4)

International Schools



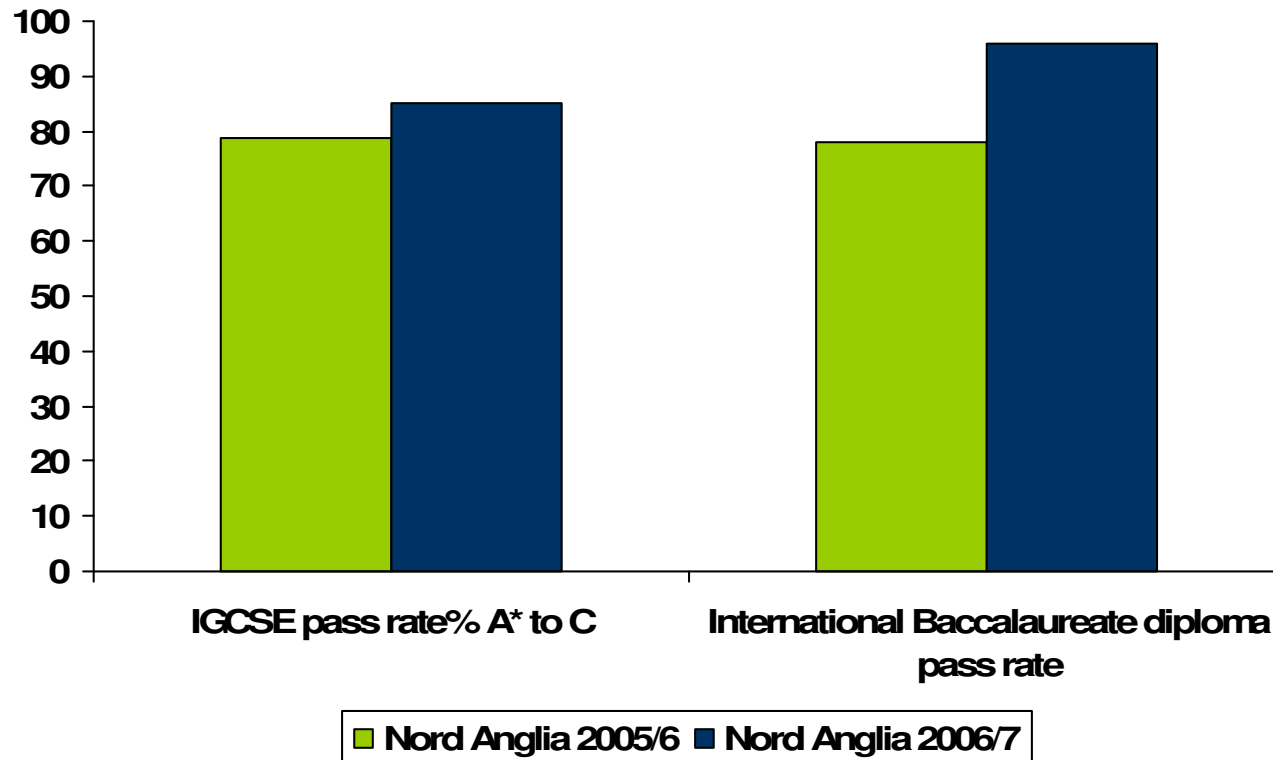
International Schools 2006/7 performance highlights

- Profits up by 49% on previous year
- Average number of pupils increased from 2418 to 3140
- Academic results ahead of previous year
- 3000 additional places created for 2007/8 year
- Investment in infrastructure to drive capacity growth and manage quality within larger school portfolio
- Repatriation of profits earned in China



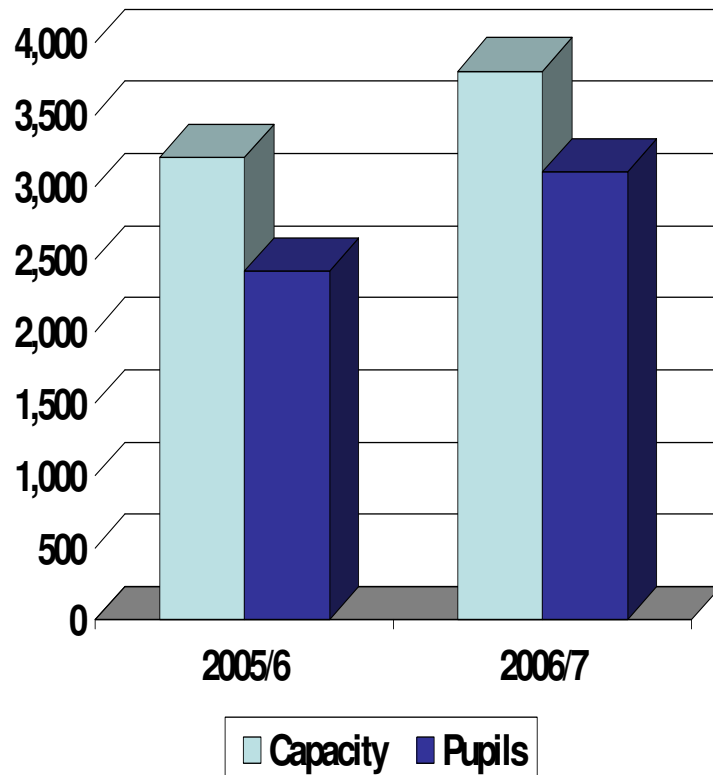
International Schools academic achievement

IGCSE and IB results

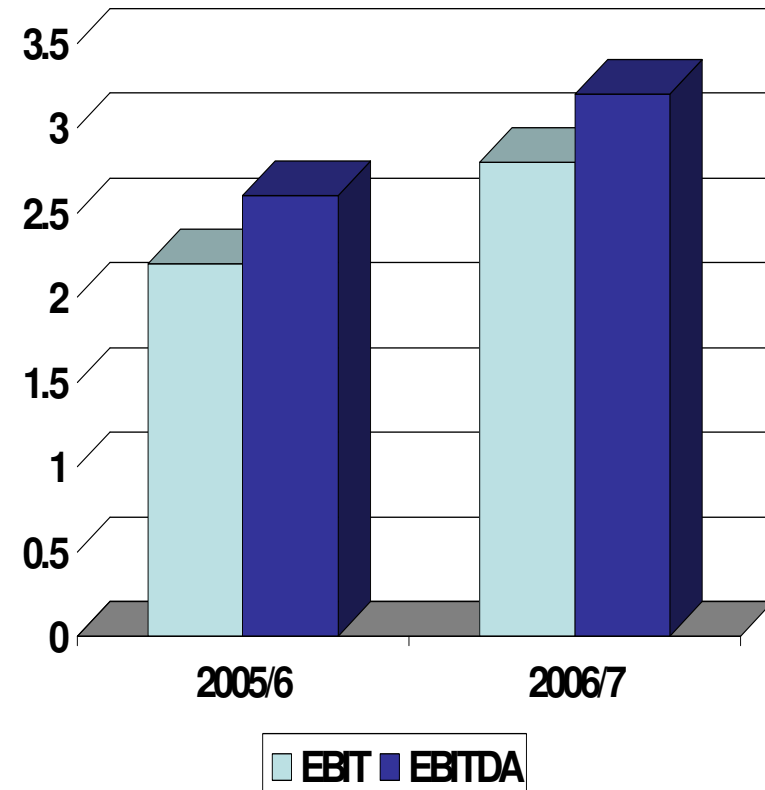


International Schools like for like profit per pupil: Pudong, Puxi, Prague, Warsaw, Bratislava and Budapest

No. of pupils



Profit per pupil £000

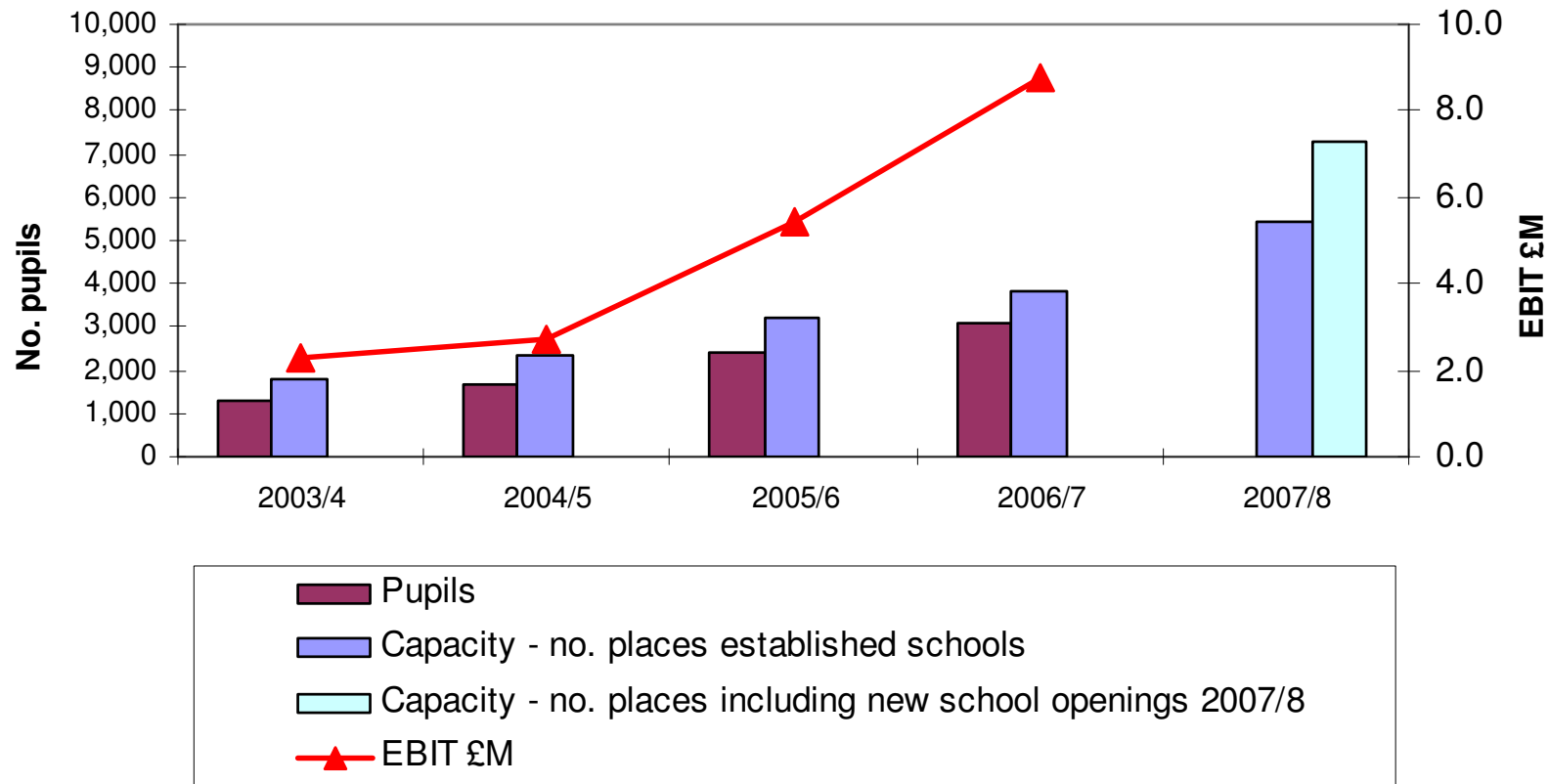


67% of like for like school profits came from China in 2006/7

International Schools growth in pupil numbers

School	Capacity		Average Pupils	
	05/06	06/07	05/06	06/07
Pudong	700	860	500	670
Puxi	668	900	383	715
Prague	242	310	185	194
Bratislava	515	575	428	514
Budapest	430	470	383	405
Warsaw	658	685	539	603
Total	3,213	3,800	2,418	3,101
Korea		240		39

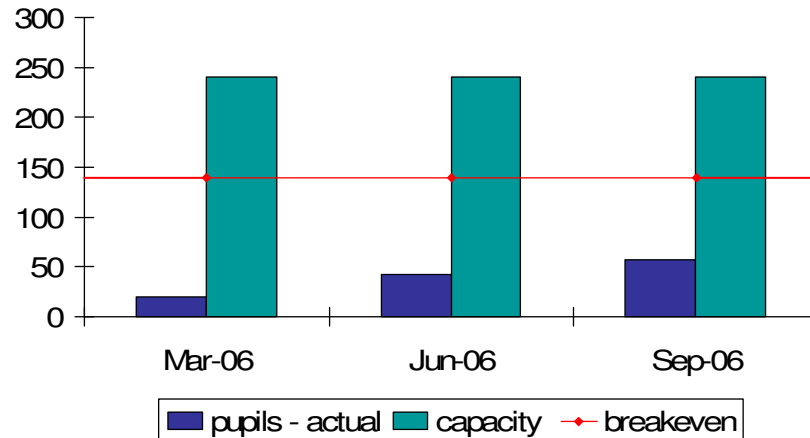
International Schools like for like schools performance: Pudong, Puxi, Prague, Warsaw, Bratislava and Budapest



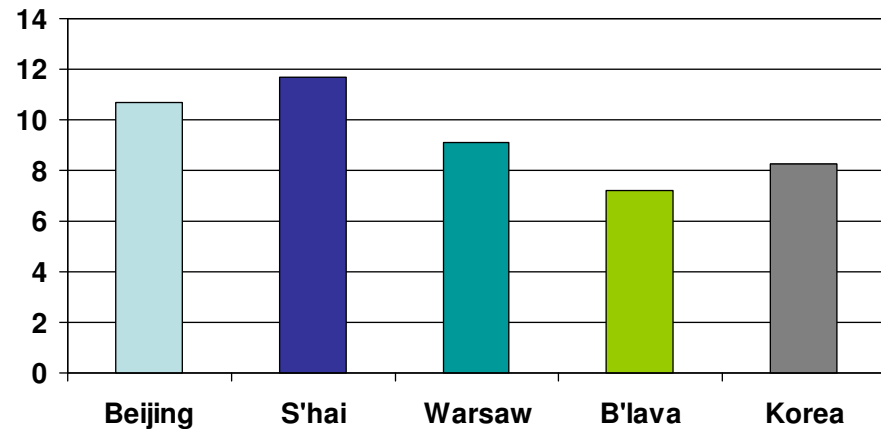
2007/8 Total places International Schools 6,660, total places pre-schools 640

International Schools new school performance: Korean school in Seoul

Pupil growth



School fees - p.a. £000



Key financial data

- Opened March 2007. Three year rental lease expiring March 2010.
- Capital investment of £465k depreciated over lease period.
- 2006/7 loss £807k made up of £569k trading loss and £238k pre-opening costs.
- 140 pupils required to breakeven pre divisional overheads. Total capacity of 240 places.

International Schools capacity added for 2007/8

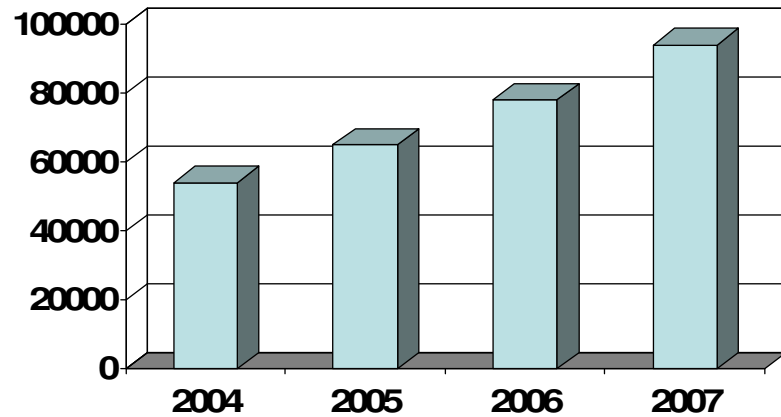
School location/type	Capacity added	Update
Pudong Shanghai International school for expats	600 places of additional capacity opened Sept. 2007	Registrations increasing since opening of new facilities and now at 850 students.
Prague International school for expats	New campus with 550 places opened in place of old 310 place campus	Registrations grew by over 100 pupils during the summer endorsing the decision to open a new campus.
Nan Xiang Shanghai International school for expats	New campus – 1200 place school opened Sept. 2007	School opened ahead of schedule but at short notice. Initial registrations low at 14 pupils but marketing activity beginning to show results. Rent as profit share arrangement.
Ningbo Local school for Chinese nationals	New campus - 400 place pre-school	School opened on time currently has 15 pupils registered. Rent as profit share arrangement.
Puxi Shanghai International school for expats	500 places of additional capacity opening January 2008	Current facility full with 950 pupils. Able to take further registrations from January 2008.

International Schools capacity: target 15 to 20000 places by 2011

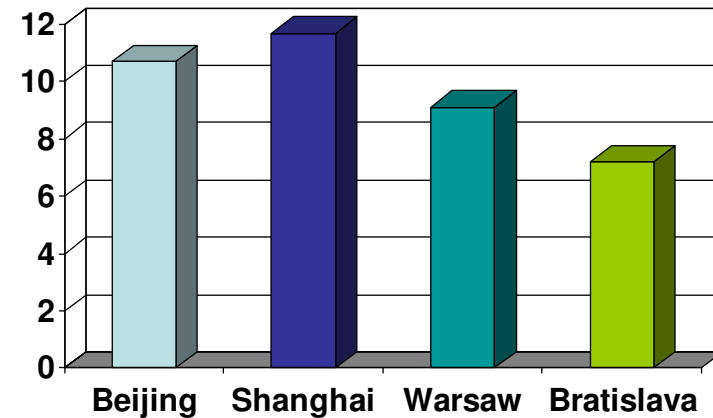
Market	Opportunity	Status
Beijing	1500 place International School	Opening September 2008 subject to receiving the appropriate educational licence. £1.5m rental guarantee given to property developer which will be forfeit if the educational licence is not obtained.
Singapore	1500 place International School	Site under negotiation with Singaporean Government and commercial terms to be finalised. Phase one 600 place facility scheduled September 2008.
Tianjin China	1200 place International School	Memorandum of Understanding signed with Local Government. Planned opening September 2009. Tianjin is a fast growing city experiencing an influx of foreign nationals.
Kuala Lumpur	750 place International School	Agreement reached with developer of residential complex. Commercial terms not finalised.
China	<ol style="list-style-type: none"> 1. Developing opportunities in other major cities 2. Further local schools if Ningbo a success 	Target one new city per year.
Middle East	Various opportunities	New school openings under review.
Europe	Central and Eastern Europe opportunities	New school openings under review.

International Schools new school opening case study: Beijing

Expatriate population



Fees per annum £000

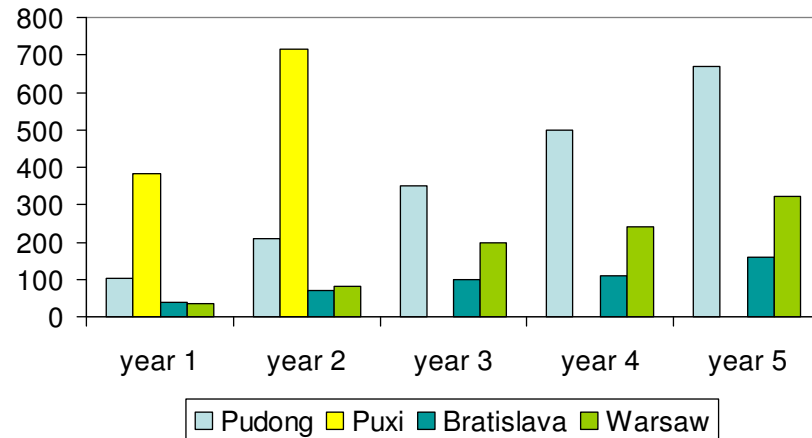


Key financial data

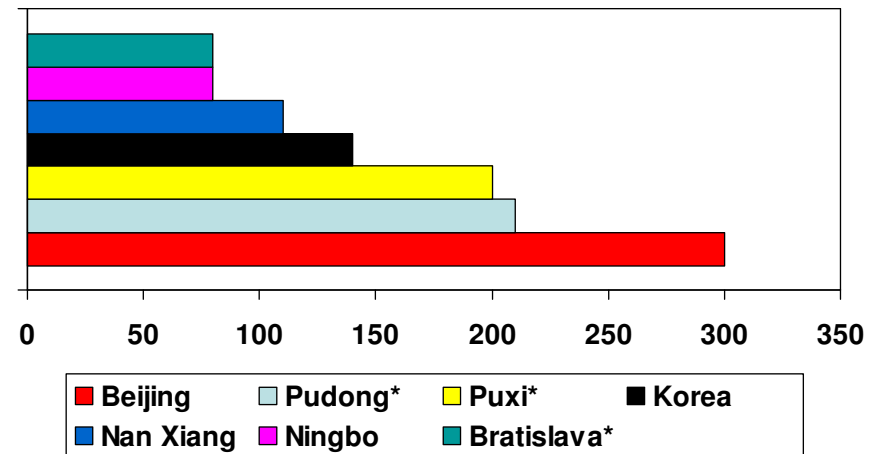
- 1500 place international school for expats
- 20 year lease with initial rent of £0.9m rising to £1.5m from year 4 plus 15% profit share
- Pre opening costs of £400k – founding head, marketing, legal, registrations
- Capital cost of £1m for equipping school

International Schools: breakeven analysis

Pupil growth



Breakeven pupils

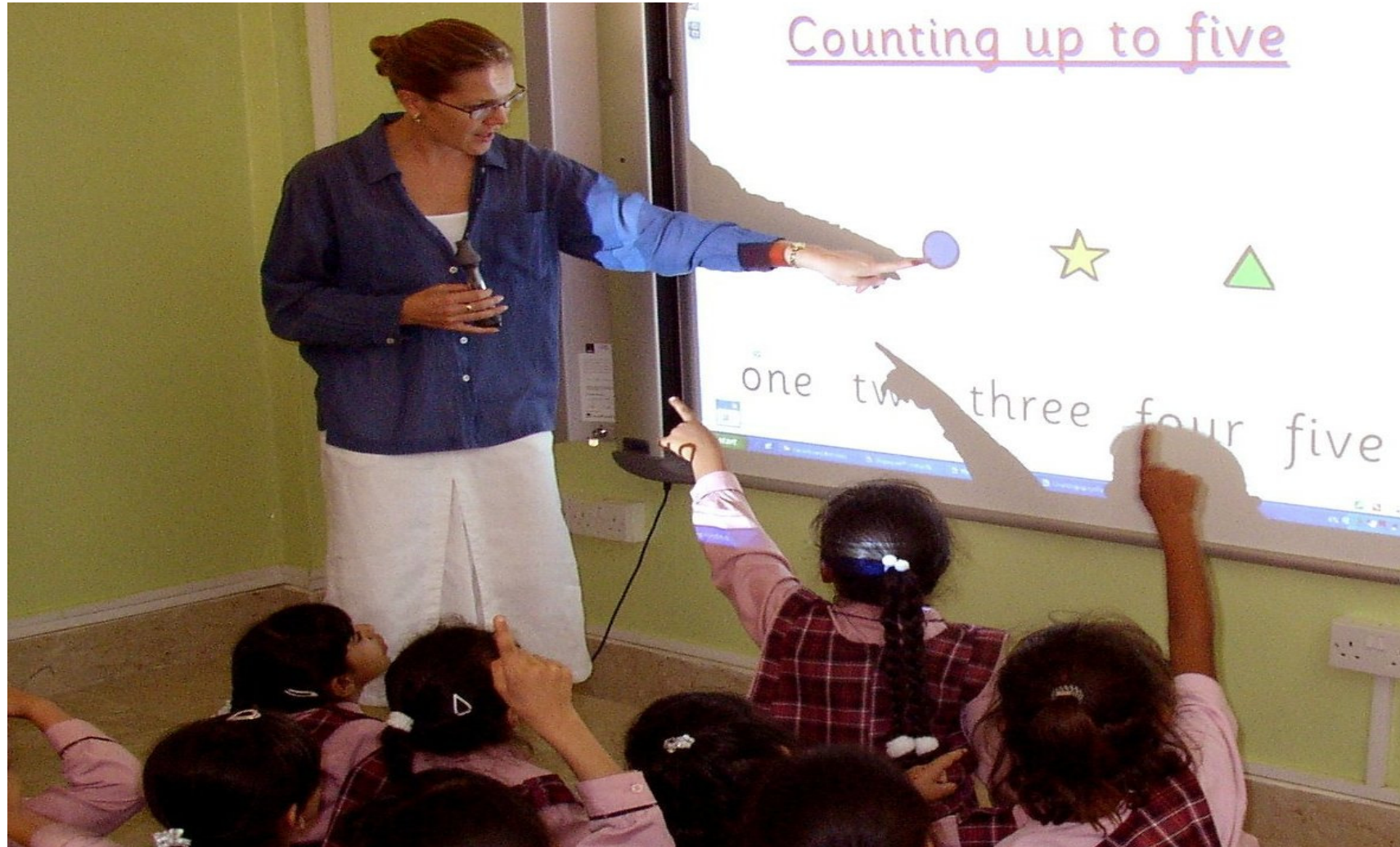


* At date of opening

Key drivers

- Fee levels
- Student recruitment rate
- Operating model: profit share/rental/ownership
- Pre – opening marketing costs
- Recruitment of quality Head and teaching staff
- Educational licensing process
- Market factors; expat growth, competition etc.

Learning Services



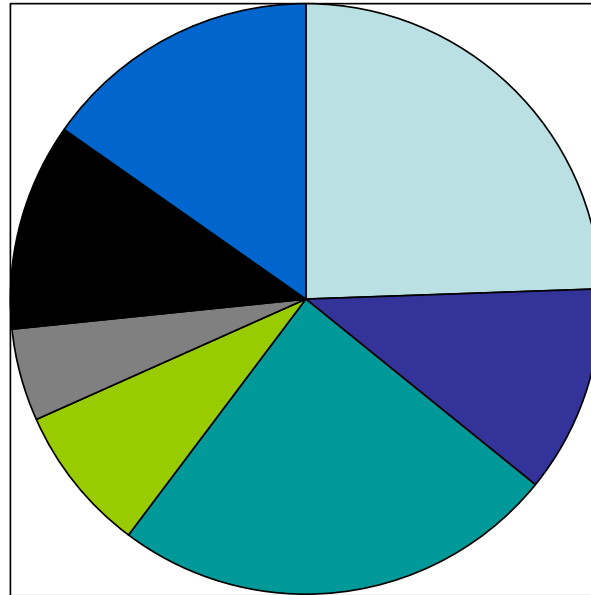
Learning Services 2006/7 performance

- Profits up by 6% on previous year
- £30m of new contracts secured plus Defence Training Review
- Majority of Connexions contracts renewed
- Business development team in place in the Middle East
- Strong pipeline of new opportunities



Learning Services business overview 2006/7

Revenue composition 2006/7



Key Drivers

- Generating new contracts
- Retaining existing contracts
- Developing Abu Dhabi contract
- Balancing business development expense against opportunity
- Margin management

Learning Services 2006/7 contract wins

CONTRACT	CONTRACT TURNOVER £m p.a.	START DATE	CONTRACT TERM
Defence Training Review *	TBA	Sept 2008	25 years with market test after 10 years
QIA Diplomas	4	January 2007	2 years
QIA Beacon and Star	1	May 2007	3 years
Abu Dhabi PPP2	6.5	Sept 2007	3 years
Bahrain school inspections	1	April 2007	2 years
Saudi school inspections	0.2	January 2007	1 year

* Preferred bidder

Learning Services 2006/7 renewals/losses

CONTRACT	CONTRACT TURNOVER £m p.a.	Renewal/loss	CONTRACT TERM
Connexions Barnsley, Doncaster and Rotherham	6	Renewal	September 2009
Connexions Harrow	1	Renewal	September 2008
Connexions Rochdale	2	Loss	March 2008
Army Foundation College	4	Market testing	4 years from March 2008
London Borough of Waltham Forest (eduAction)	4	Re-tender	4 years from April 2008

* Preferred bidder

Learning Services current significant bids

CONTRACT	CONTRACT TURNOVER £m p.a.	START DATE	CONTRACT TERM Years	Status
Walsall Children's Services	15	January 2008	7	Shortlist
Quality Improvement Agency	10	January 2008	3	Shortlist
National College of School Leadership	10	September 2008	3	Tender
Abu Dhabi PPP3	6	September 2008	3	Roll out to existing providers

Nord Anglia: Key objectives 2007/8

- Fill spare capacity in schools
- Identify and develop new school capacity to meet medium-term targets
- Retention of existing contracts in Learning Services
- Win new Learning Services contracts in UK and Middle East
- Reorganisation of business following nursery disposal