



Headline Earnings
▲ 82%
from R28 m
to R51 m

EBITDA
▲ 69%
from R97 m
to R164 m

HEPS
▲ 68%
from 8.8 cents
to 14.8 cents

Revenue
▲ 45%
from R487 m
to R705 m

Learners
▲ 26%
from 28 737
to 36 085

Condensed consolidated statement of comprehensive income

	Percentage change	Unaudited 30 Jun 2015 6 months R million	Unaudited 30 Jun 2014 6 months R million	Audited 31 Dec 2014 12 months R million
Revenue	45%	705	487	1 001
Operating expenses	39%	(541)	(390)	(809)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	69%	164	97	192
Schools EBITDA	46%	204	140	262
Head office EBITDA	(7%)	(40)	(43)	(70)
Depreciation and amortisation	51%	(42)	(28)	(58)
Earnings before interest and taxation (EBIT)	77%	122	69	134
Investment revenue	175%	11	4	12
Impairment	-	-	-	(1)
Share of profits (loss) of associates	-*	-	(1)	1
Finance costs	94%	(66)	(34)	(67)
Profit before taxation	76%	67	38	79
Taxation	90%	(19)	(10)	(28)
Profit for the period (PAT)	71%	48	28	51
Other comprehensive income:				
Net fair value profit (loss) on cash flow hedges		5	-*	(3)
Total comprehensive income	89%	53	28	48
Profit attributable to:				
Owners of the parent	82%	51	28	55
Non-controlling interest		(3)	-*	(4)
	71%	48	28	51
Total comprehensive income attributable to:				
Owners of the parent	100%	56	28	52
Non-controlling interest		(3)	-*	(4)
	89%	53	28	48
Reconciliation of headline earnings:				
Earnings attributable to owners of the parent	82%	51	28	55
Adjusted for:				
Profit (loss) on disposal of property, plant and equipment		-*	-	-*
Loss on impairment		-	-	1
Headline earnings	82%	51	28	56
EBITDA margin	23%		20%	19%
EBITDA margin for schools	29%		29%	26%
Earnings per share (EPS) (cents)**				
Basic	68%	14.8	8.8**	17.0**
Diluted	67%	14.5	8.7**	16.8**
Headline earnings per share (HEPS) (cents)**				
Basic	68%	14.8	8.8**	17.2**
Diluted	67%	14.5	8.7**	16.8**
Number of shares in issue (millions)				
Basic		355.2	324.3	325.6
Diluted		360.7	327.4	330.1
Weighted average number of shares in issue (millions)				
Basic		342.1	311.6**	322.5**
Diluted		347.6	314.7**	327.1**

Notes:

- * Balances less than R500 000 are displayed as R Nil in million rounding.
- ** Earnings per share and headline earnings per share for the comparative periods have been adjusted downwards by 0.2 cents for the six months ended 30 June 2014 and 0.5 cents for the year ended 31 December 2014 respectively. This is due to the retrospective adjustment of the 2015 rights offer undertaken. The adjustment to basic and diluted weighted average number of shares in issue is an increase of 7.8 million shares for the six months ended 30 June 2014 and an increase of 8.1 million shares for the year ended 31 December 2014 respectively due to the bonus element contained within the rights offer.
- *** EPS and HEPS are calculated on the actual Rand value of amounts disclosed in the Condensed consolidated statement of comprehensive income and not on the Rmillion rounding.

Condensed consolidated statement of financial position

	Unaudited 30 Jun 2015 6 months R million	Unaudited 30 Jun 2014 6 months R million	Audited 31 Dec 2014 12 months R million
ASSETS			
Non-current assets	4 052	2 917	3 813
Property, plant and equipment	3 568	2 454	3 338
Goodwill	338	331	338
Intangible assets	128	118	121
Investment in associate	9	12	9
Other financial assets	9	2	7
Current assets	868	523	259
Inventories	5	3	17
Current tax receivable	4	3	3
Loan to associate	3	-	6
Trade and other receivables	54	28	38
Cash and cash equivalents	802	489	195
Total assets	4 920	3 440	4 072
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of parent	3 003	2 174	2 212
Share capital	2 819	2 084	2 092
Reserves	23	10	9
Retained income	161	80	111
Non-controlling interest	(4)	3	(1)
Total equity	2 999	2 177	2 211
LIABILITIES			
Non-current liabilities	1 670	1 049	1 561
Loans and other financial liabilities	1 492	900	1 395
Deferred tax	178	149	166
Current liabilities	251	214	300
Loans and other financial liabilities	30	20	23
Current tax payable	5	3	2
Trade and other payables	91	68	122
Prepaid school fees and deposits	119	84	114
Acquisition payables	6	39	39
Total liabilities	1 921	1 263	1 861
Total equity and liabilities	4 920	3 440	4 072
Net asset value per share (cents)	845.4	670.1	679.1

Condensed consolidated statement of cash flows

	Percentage change	Unaudited 30 Jun 2015 6 months R million	Unaudited 30 Jun 2014 6 months R million	Audited 31 Dec 2014 12 months R million
Net cash generated from operating activities	(44%)	79	87	247
Net cash utilised in investing activities	(20%)	(262)	(327)	(1 257)
Net cash from financing activities	26%	790	650	1 126
Cash and cash equivalents movement for the period	48%	607	410	116
Cash and cash equivalents at the beginning of the period	147%	195	79	79
Cash and cash equivalents at the end of the period	64%	802	489	195

Condensed consolidated statement of changes in equity

	Unaudited 30 Jun 2015 6 months R million	Unaudited 30 Jun 2014 6 months R million	Audited 31 Dec 2014 12 months R million
Balance at the beginning of the period	2 211	1 563	1 563
Total comprehensive income	53	28	48
Issue of shares	740	591	600
Share issue costs	(14)	(8)	(8)
Deferred tax asset recognised through equity	4	-	-
Recognition of share-based payments	5	3	8
Balance at the end of the period	2 999	2 177	2 211

Condensed consolidated segmental report (Restated)

	Percentage change	Unaudited 30 Jun 2015 6 months R million	Unaudited 30 Jun 2014 6 months R million	Audited 31 Dec 2014 12 months R million
Revenue	45%	705	487	1 001
Curro	49%	584	392	817
Meridian	27%	121	95	184
Schools EBITDA	46%	204	140	262
Curro	51%	174	115	219
Meridian	20%	30	25	43
Property, plant and equipment	45%	3 568	2 454	3 338
Curro	48%	3 083	2 084	2 864
Meridian	31%	485	370	474
Loans and other financial liabilities	65%	1 522	920	1 418
Curro	88%	973	518	897
Meridian	37%	549	402	521

Notes to the financial statements

- Statement of compliance**
The condensed consolidated interim financial information for the six months ended 30 June 2015 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 Listings Requirements of the JSE and the requirements of the Companies Act of South Africa, as amended. The report has been prepared using accounting policies that comply with IFRS which are consistent in all material respects with those applied in the annual financial statements for the year ended 31 December 2014. The unaudited condensed consolidated interim results have been prepared by DN Hartshorne, CA(SA) and supervised by the Chief Financial Officer, B van der Linde, CA(SA), CFA.
- Accounting policies**
The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2014. For a full list of standards and interpretations which have been adopted, we refer you to our 31 December 2014 annual financial statements.
- Issued capital**
Effective 8 May 2015, 29.6 million shares were issued by way of an underwritten renounceable rights offer at a subscription price of R25.00 per rights offer share and a ratio of 1 rights offer share for every 11 Curro ordinary shares held.
- Business combinations**
Effective 1 January 2015, Curro acquired the business operations and properties of St Dominic's Academy. The business liabilities as at 1 January 2015 were taken over as purchase consideration.
- Events after the reporting period**
There were no significant events after the reporting period.

Other key information/ratios

	31 Dec 2012	31 Dec 2013	31 Dec 2014	30 Jun 2015
Number of campuses	22	26	33*	42
Number of schools	61	72	80	101
Number of learners	12 473	21 908	28 737	36 085
Average number of learners per campus	567	843	871	859
Number of staff	1 630	2 387	3 128	3 917
Number of educators	1 151	1 593	1 905	2 462
Learner/educator ratio	11	14	15	15
Building size (m ²)	169 024	261 004	392 314	415 979
Land size (ha)	153	188	298	355
Capital investment (Rm)	782	1 076	1 305	262
- Current campuses	223	602	651	228
- New campuses	237	242	482	34
- Acquisitions	322	232	172	-

Note: *Restated from 32 as disclosed in 2014 results.

The table below illustrates the J-Curve effect from newly established schools to more mature schools by age (first year of opening).

	Number of campuses	Learner numbers		Growth	Schools EBITDA (R million)		Growth	Schools EBITDA margin	
		30 Jun 2014	30 Jun 2015		30 Jun 2014	30 Jun 2015		30 Jun 2014	30 Jun 2015
2009 and before	15	17 387	18 064	4%	96	132	38%	32%	34%
2010	2	1 999	2 131	7%	9	12	34%	26%	29%
2011	6	3 720	4 382	18%	14	20	46%	22%	23%
2012	2	1 351	1 599	18%	4	8	68%	19%	23%
2013	4	3 643	4 918	35%	20	33	68%	35%	37%
2014	4	799	1 267	59%	(3)	1	Na	(27%)	5%
30 June 2014	33	28 899	32 361	12%	140	206	47%	29%	31%
Acquired 2015	1		600			3			23%
	8		3 124			(5)			(14)%
30 June 2015	42	28 899	36 085	25%	140	204	46%	29%	29%

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")

Statutory and administration

Directors: SL Botha** (*Chairperson*), ZL Combi**, AJF Greyling (*COO*), HG Louw (*CIO*), PJ Mouton*, SWF Muthwa**, B Petersen**, B van der Linde (*CFO*), CR van der Merwe (*CEO*) * *Non-executive* ** *Independent non-executive*

Registered office: 38 Oxford Street, Durbanville, 7550 **Corporate advisor and sponsor:** PSG Capital **These results are available at:** www.curro.co.za

Transfer secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 | PO Box 61051, Marshalltown, 2107

Commentary

Introduction

As at 30 June 2015, Curro had 36 085 learners, up 26% from 28 737 learners a year earlier.

There are now 42 (2014: 33) campuses or 101 (2014: 80) schools across the Group. A school consists of either a pre-primary school, primary school or high school whilst a campus consists of a teaching location regardless of the number of schools. The majority of Curro's campuses comprise of three schools.

Developments

In 2015 Curro aims to:

- Develop eight new schools (six campuses) to the value of R400 million. The campuses are Curro Schools at Sitari Fields (Somerset West – Western Cape), Waterfall Estate (Midrand – Gauteng), Hillcrest High School (Durban – KwaZulu-Natal). Curro Castles will be constructed at Douglasdale (Johannesburg) and Bryanston (Johannesburg). The construction of a new campus for the Embury Institute for Teacher Education will also commence in 2015;

- Improve existing campuses to the value of R600 million with additional classrooms, sport and cultural facilities. 13 campuses will see substantial improvements of at least R10 million per campus;

- Invest in land banking for future growth to the value of R300 million; and

- Invest R13 million in the further development of its curriculum.

Acquisitions

Since inception, Curro has acquired 13 schools with its own campuses and numerous other smaller schools that were incorporated into existing Curro Group schools. These acquired schools have contributed approximately 57% of the schools' EBITDA for the six month period ended 30 June 2015.

Acquired schools boost growth as they have already been through the J-Curve effect that newly developed schools still need to go through.

In January 2015, Curro concluded the acquisition of St Dominic's Academy, a 600 learner strong independent school based in Newcastle, KwaZulu-Natal for a purchase consideration equal to business liabilities of R10 million.

Curro will continue to look for suitable value-enhancing acquisition opportunities.

Financial results

Revenue increased by 45% from R487 million to R705 million. Schools EBITDA increased by 46% from R140 million to R204 million. EBITDA increased by 69% from R97 million to R164 million. This was as a result of once-off head office expenses in the prior comparative period and higher management fee income in the current period. The EBITDA margin increased from 20% to 23%.

Net interest expense has increased by 83% from R30 million to R55 million as a result of a higher interest expense at Meridian.

Headline earnings has increased by 82% from R28 million to R51 million. However, headline earnings per share increased by 68% from 8.8 cents to 14.8 cents because of the increased weighted number of shares in issue following the rights offer in May 2015.

Statement and availability

This announcement is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decisions should be based on the full announcement published on SENS. The full announcement is the responsibility of the directors. A copy of the full announcement is available on the company's website and at the offices of the company and the company's corporate advisor and sponsor.

Prospects

Curro remains on track to achieve its vision of '80@20', being 80 campuses (200 schools) and accommodating 90 000 learners by 2020.

On behalf of the board

SL Botha

Chairperson

13 August 2015

CR van der Merwe

Chief Executive Officer