



INVESTOR & ANALYST PRESENTATION

For the year ended 30 June 2014

Chief Executive Officer – Tim Power

Chief Financial Officer - Jonathan Kenny



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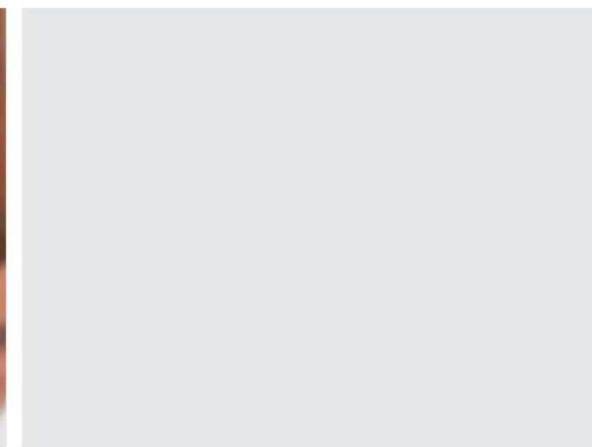
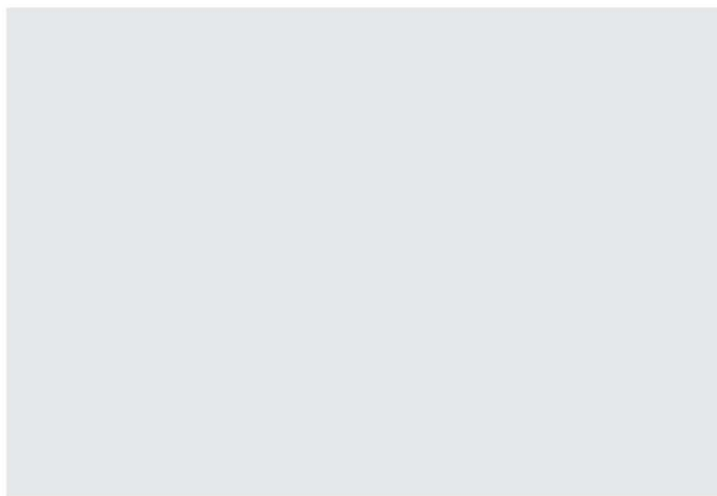
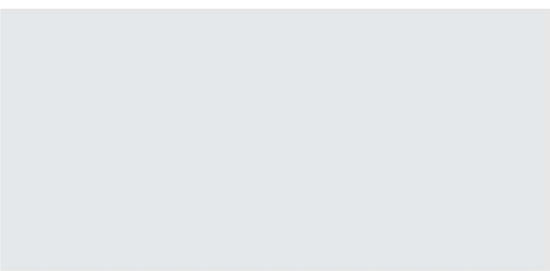
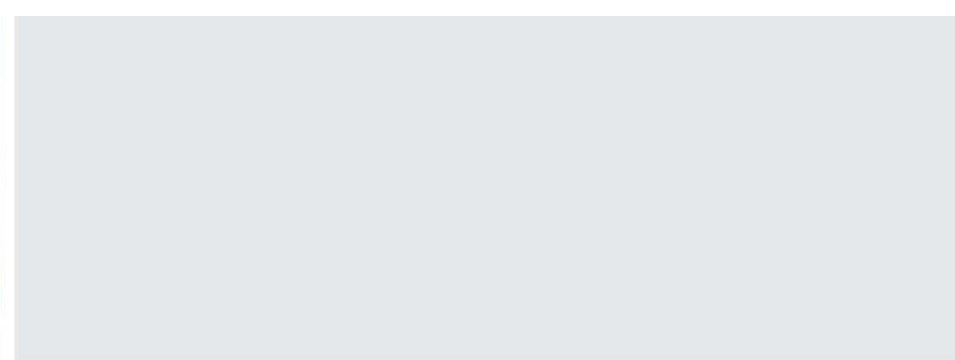
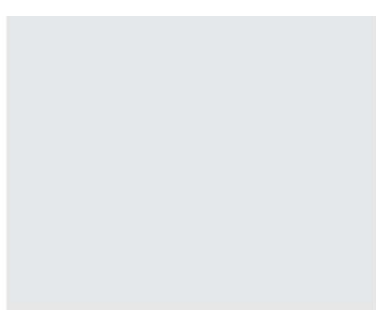
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3P Learning Overview

- 3P Learning is a global online education company that offers cloud-based software-as-a-service products for schools and students in grades K-12¹
- At 3P Learning, our mission is to create a place where students, families and teachers can love learning. This passion translates to more engaged educators, motivated learners and an overall improvement in student knowledge and achievement
- 3P Learning is the global leader in online learning for school-aged students, with our programs covering mathematics (Mathletics), spelling and literacy (Spellodrome), reading skills (Reading Eggs) and Science (IntoScience). All of our e-learning programs are designed by educators and educational technologists and are fully aligned with over a dozen international curricula – just one reason why they are trusted by over 4.7 million students and 17,000 schools across the world

1. K-12 refers to Kindergarten to Grade 12, which includes both primary and secondary students.

FY14 Performance vs Prospectus Forecast

- Revenue was \$1.2 million or 3.3% ahead of prospectus forecast
- EBITDA was 3.7% ahead of pro forma prospectus and 5.0% ahead on a statutory basis
- NPBT was 5.2% ahead of pro forma prospectus and 10.5% ahead on a statutory basis
- NPAT was 2.6% ahead of pro forma prospectus and (13.4%) behind on a statutory basis

Key Financial Information	FY14 Pro Forma *	Prospectus Pro Forma	Variance	FY14	Prospectus Statutory	Variance
Revenue (\$m's)	36.5	35.3	1.2	36.5	35.3	1.2
EBITDA (\$m's)	13.0	12.5	0.5	8.4	8	0.3
NPBT (\$m's)	11.4	10.8	0.6	6.9	6.2	0.6
NPAT (\$m's)	8.5	8.3	0.2	5.1	5.9	(0.8)
EBITDA margin	35.5%	35.4%	0.9%	22.7%	22.6%	0.1%
Cash at Bank (\$m's)	24.4	na	na	24.4	na	na
ARPU (\$)	8.41	7.82	0.59	8.41	7.82	0.59
Total Licences (m's)	4.7	4.7	-	4.7	4.7	-

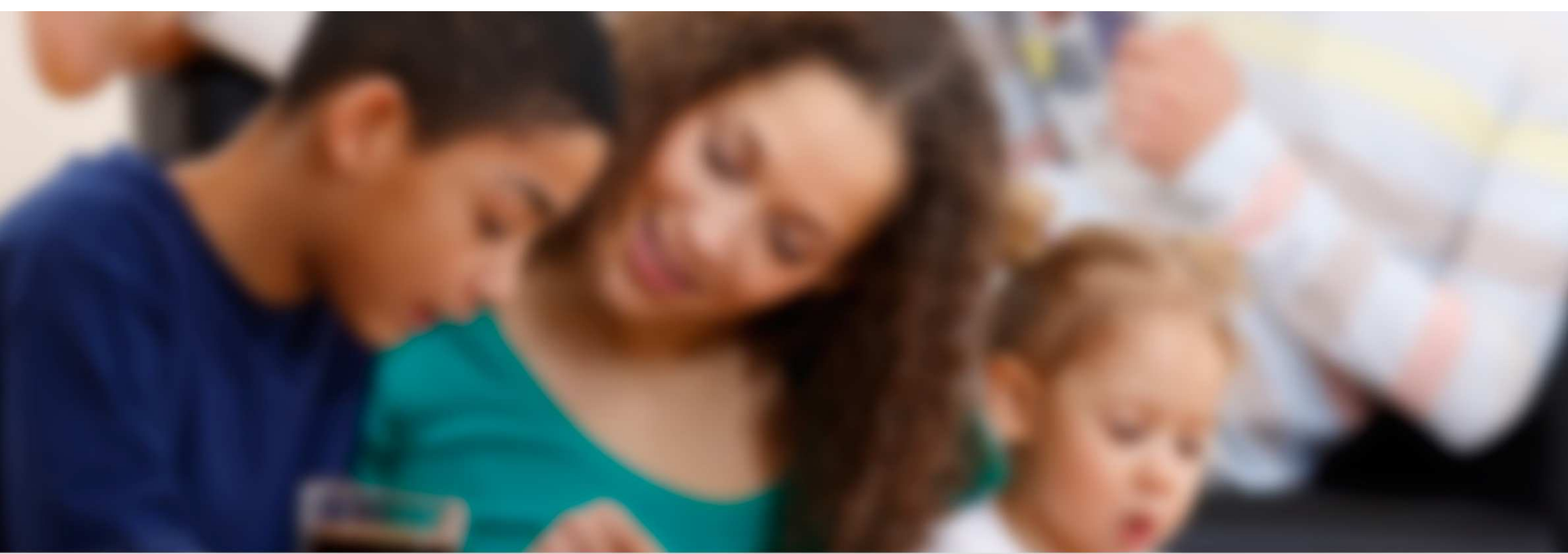
* Pro Forma financial information which has been prepared to reflect 3P's financial performance and position as if accounting policies had been consistently applied over the historical period and with adjustments made for significant abnormal and/or non-recurring items including the impact of the IPO.



FY14 Operational Highlights

- Successful completion of IPO in July 2014
- Licence growth of 800,000 for FY14 (+21% yoy)
- 32 product enhancement releases for last quarter reflecting continuous innovation
- Over 1.1 million unique app downloads since launch
- Launched Jenolan Caves with Australia Biggest Excursion in partnership with the CSIRO
- Positioned well for FY15 growth and achievement of prospectus forecast

1. K-12 refers to Kindergarten to Grade 12, which includes both primary and secondary students.



3P Learning

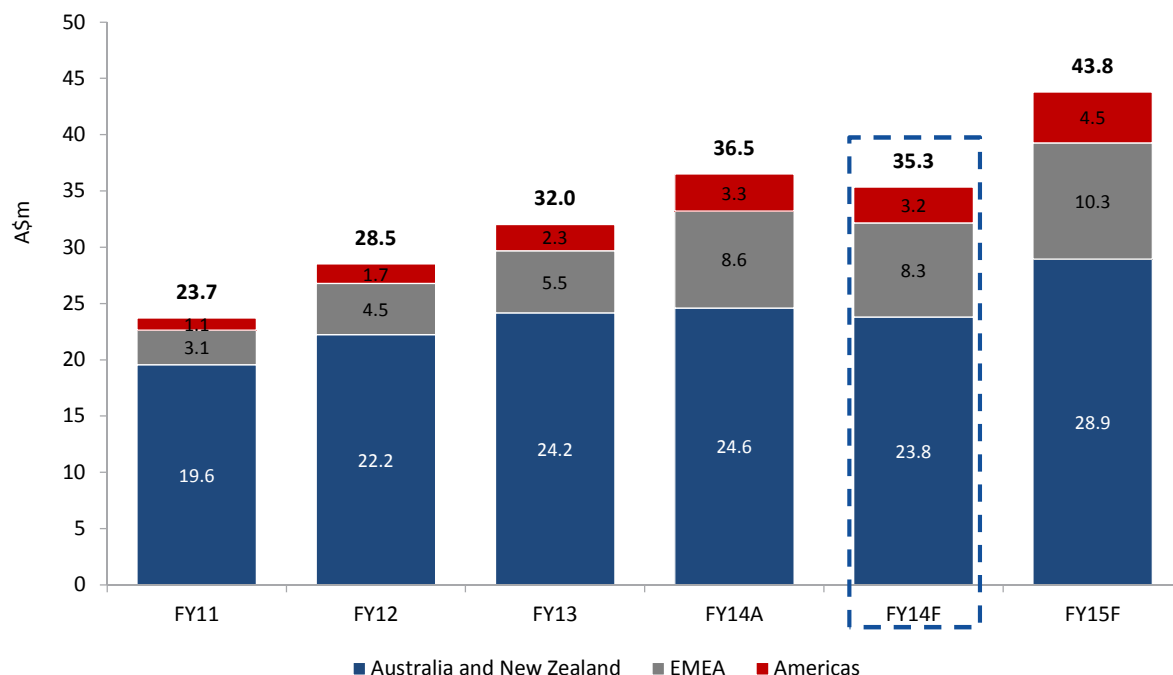
Section 2

Financial Information and KPIs

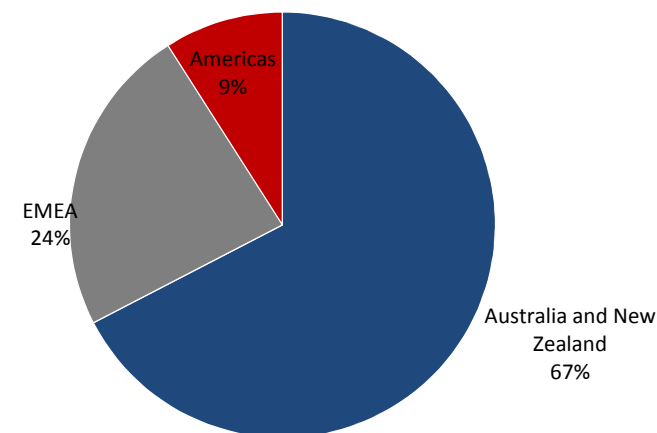
Revenue

FY14 revenue ahead of prospectus forecast in all categories. In ANZ copyright revenue was \$0.8 million ahead and in EMEA licence revenue was \$0.3 million ahead due to higher ARPU mix and America slightly ahead with additional licence sales in Q4.

Revenue by geography



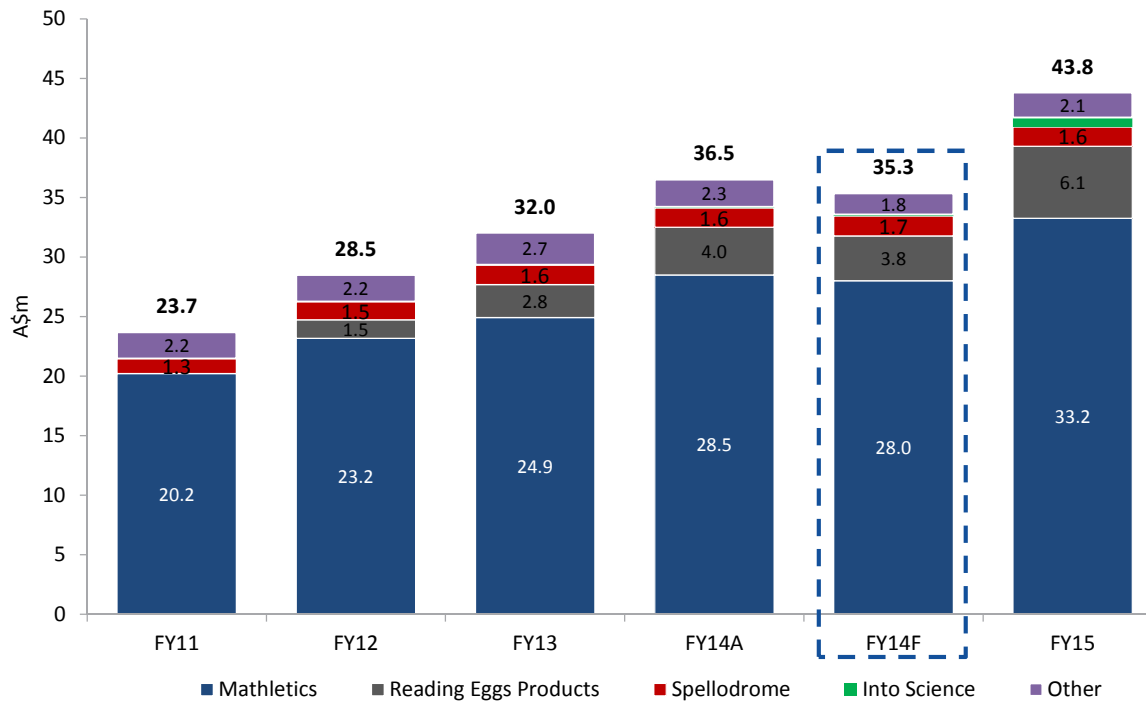
Revenue split 30 June 2014



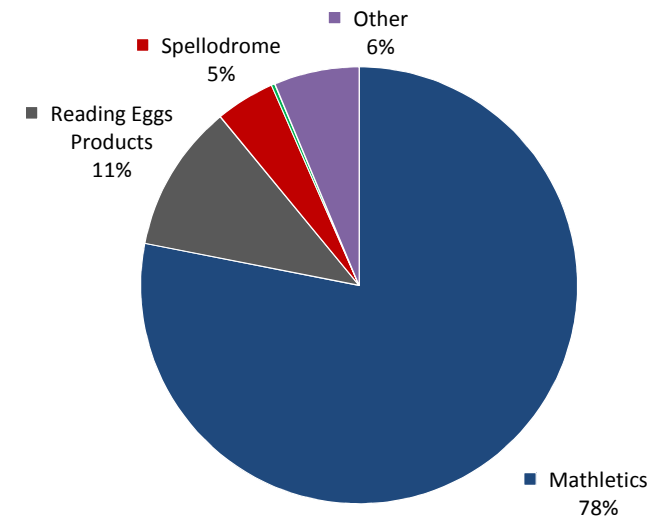
Revenue

FY14 revenue ahead of prospectus forecast. In ANZ copyright revenue was \$0.8 million ahead and in EMEA licence revenue was \$0.3 million ahead due to higher ARPU mix.

Revenue by product



Revenue split as at 30 June 2014

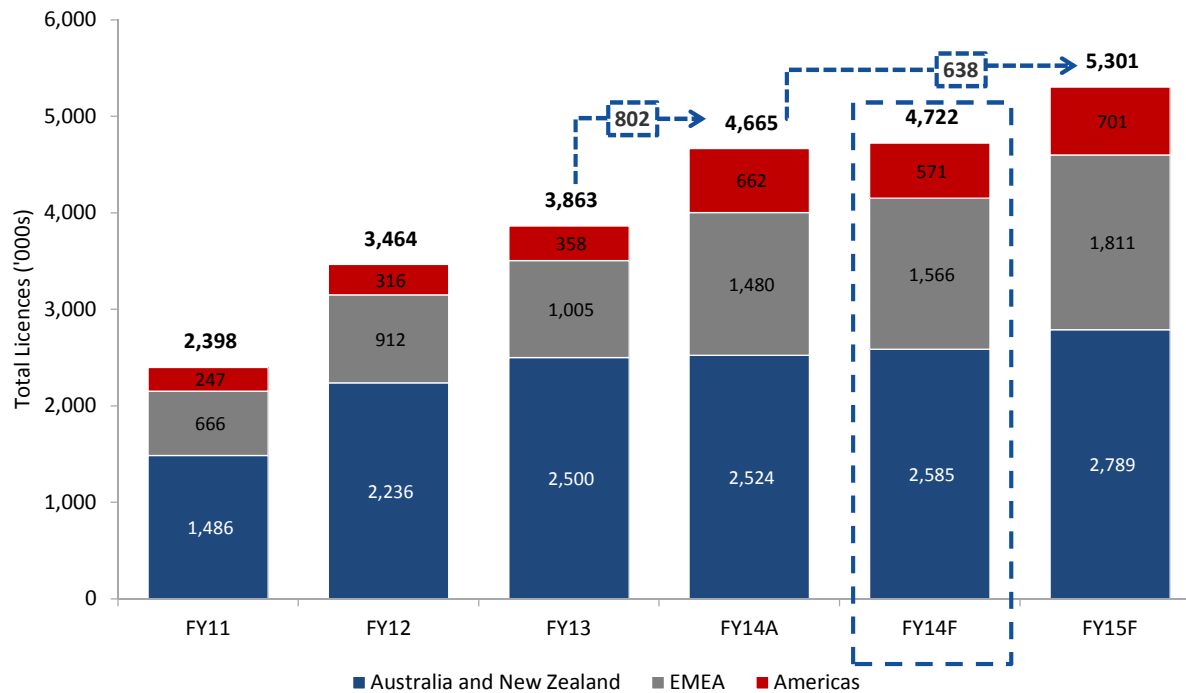


Licences

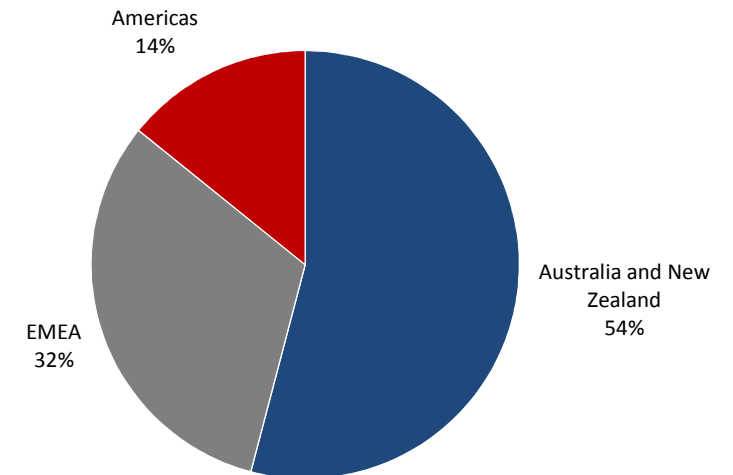
Strong licence growth in FY14 of 800,000 (+21% growth yoy)

Licence numbers in Americas ahead of forecast for Q4 with strong sales to school clusters. ANZ and EMEA licence sales behind prospectus forecast but well on track for FY15.

Total Licences ('000's) – by geography



Licences split as at 30 June 2014

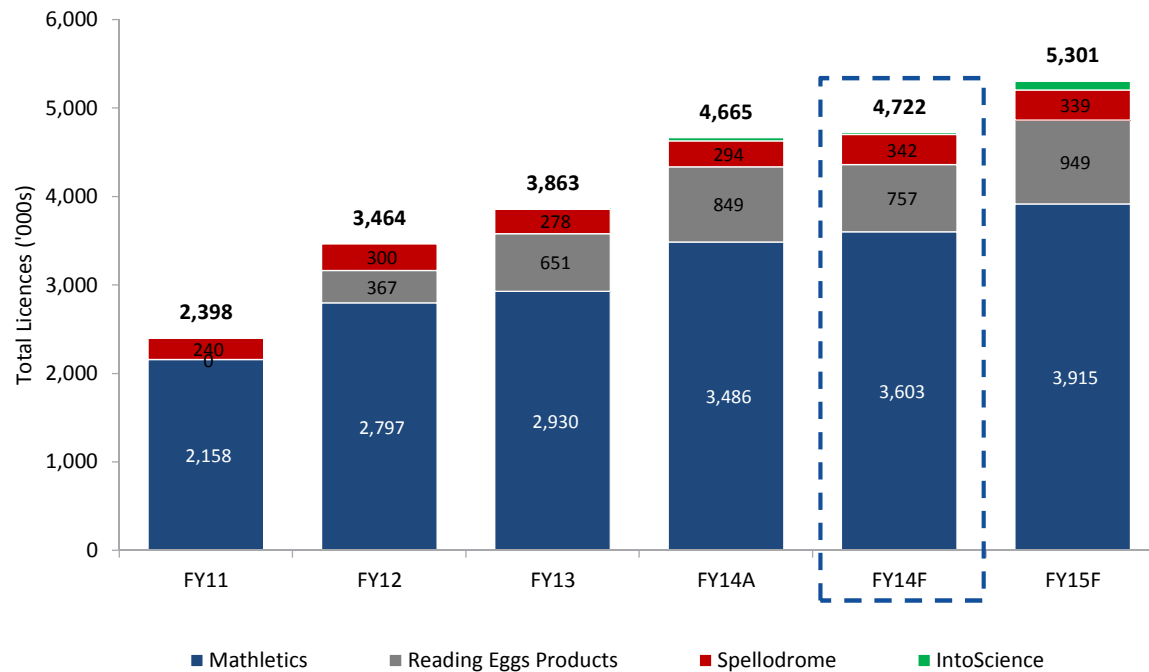


Licences

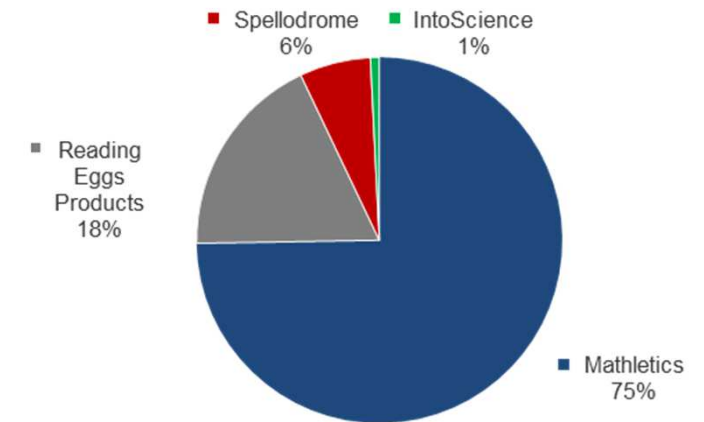
Strong licence growth in FY14 of 800,000 (+21% growth yoy).

Cross sell of Reading Eggs ahead of forecast.

Total Licences ('000's) – by product



Licences split as at 30 June 2014



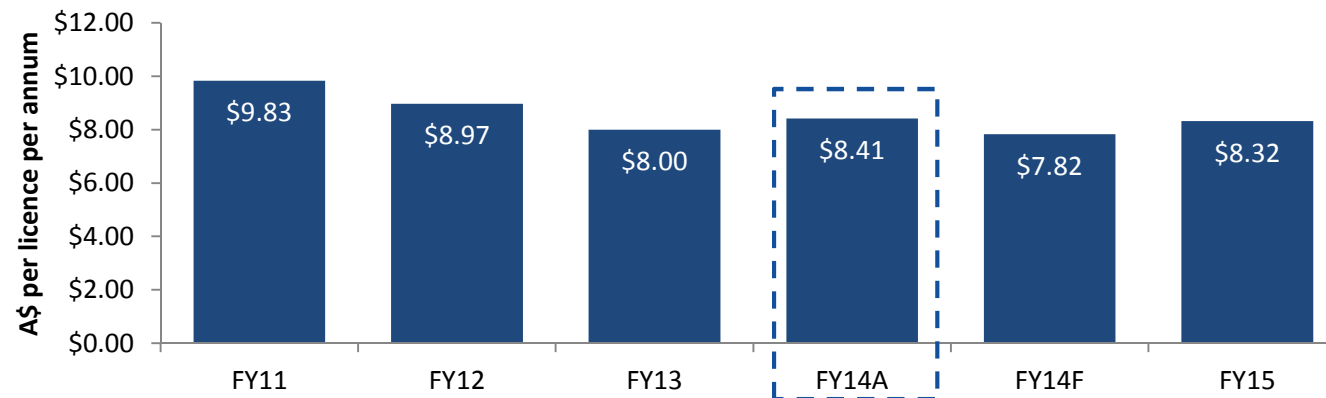
ARPU

Average revenue per licence

FY14A result reflected higher average revenue per licence compared to forecast due primarily to sales mix in EMEA and managed volume discounting

- Australian increases in ARPU are progressing as planned with no material or unexpected impact on renewals
- ARPU for FY14 already in line with FY15 forecast

Average revenue per licence per annum (A\$)



Group Performance Overview

Pro forma EBITDA was \$0.5 million above prospectus forecast for year ended 30 June 2014

Summary of actual vs forecast income statements

\$ million, June year end	Pro forma *			Statutory		
	FY14A	FY14F	Var	FY14A	FY14F	Var
Total revenue	36.5	35.3	1.2	36.5	35.3	1.2
Employee expenses	(15.3)	(14.9)	(0.4)	(15.3)	(14.9)	(0.4)
Marketing expenses	(2.0)	(2.2)	0.2	(3.0)	(3.1)	(0.1)
Technology and occupancy expenses	(3.6)	(3.5)	(0.1)	(3.9)	(3.8)	(0.1)
Other expenses	(2.6)	(2.2)	(0.4)	(5.9)	(5.6)	(0.3)
EBITDA	13.0	12.5	0.5	8.4	8.0	0.3
Margin	35.5%	35.4%	0.9%	22.7%	22.6%	0.1%
Depreciation & amortisation	(1.9)	(2.0)	0.1	(1.9)	(2.0)	0.1
EBIT	11.0	10.5	0.5	6.5	6.0	0.4
Margin	30.2%	29.8%	1.2%	17.5%	17.0%	0.5%
Interest	0.4	0.2	0.2	0.4	0.2	0.2
Profit before tax	11.4	10.8	0.7	6.9	6.2	0.6
Margin	31.1%	30.3%	1.5%	18.6%	17.6%	2.2%
Tax expense	(2.8)	(2.5)	(0.3)	(1.7)	0.4	(1.3)
NPAT	8.5	8.3	0.2	5.1	5.9	(0.8)
Margin	23.3%	23.4%	1.1%	14.0%	16.7%	-2.7%

● Further detail on slide 11.

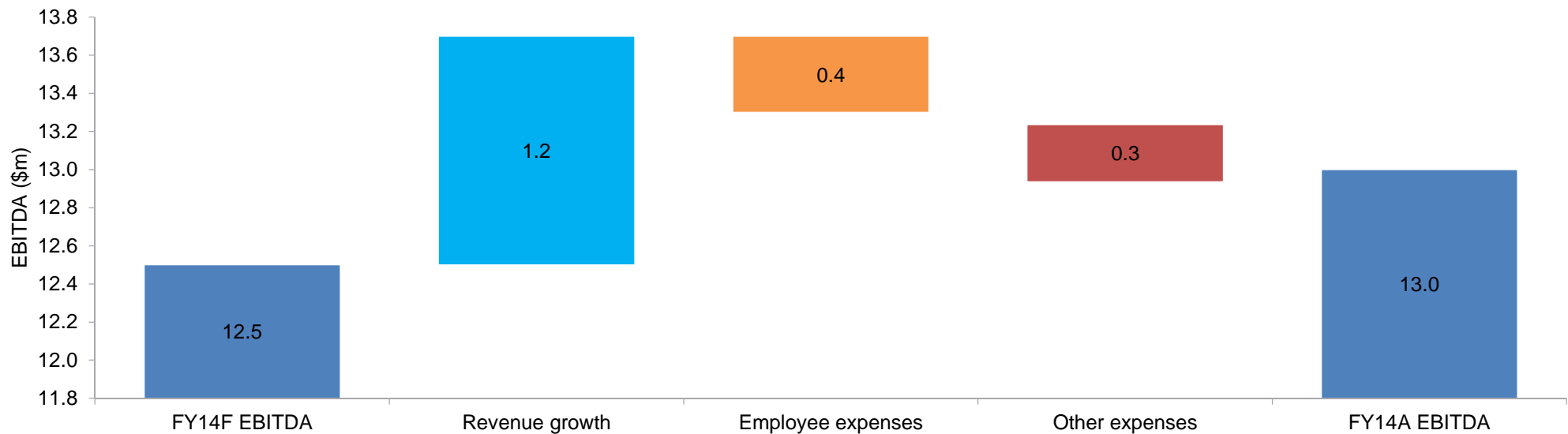
● Income tax expense is higher than forecast due to prior year tax expenses adjustments recognised in the period, other permanent differences associated with the IPO and change in the UK tax rate.

* Pro Forma financial information which has been prepared to reflect 3P's financial performance and position as if accounting policies had been consistently applied over the historical period and with adjustments made for significant abnormal and/or non-recurring items including the impact of the IPO.

FY14 Actual to Forecast F14 EBITDA Bridge

Pro forma EBITDA was \$0.5 million above prospectus forecast for year ended 30 June 2014

EBITDA bridge



Major Variance Analysis

- Revenue \$1.2m ahead of forecast due to increased Copyright revenue of \$0.8m and the EMEA being \$0.3M ahead of forecast.
- Employee Expenses - \$0.4m above forecast. Capitalisation of IT resources slightly lower than forecast and additional commissions on increased sales.
- Other Expenses - \$0.4 above forecast due to FX, technology and occupancy costs and other expenses.

Cash Flow

Cash Flow is ahead of forecast due to stronger working capital driven by improved debtor collections and higher Q4 sales. Cash flow conversion of 94%.

Consolidated pro forma cash flow statements

\$million, June year end	FY14A	FY14F	Var
EBITDA	13.0	12.5	0.5
Non-cash expense	0.2	0.1	0.1
Change in working capital	5.7	2.3	3.4
Operating free cash flow before capital expenditure	18.9	14.9	4.0
Purchase of PP&E	(0.3)	(0.2)	(0.1)
Purchase of intangible assets ¹	(6.4)	(6.5)	0.1
Operating free cash flow after capital expenditure	12.2	8.1	4.1
Interest received	0.4	0.3	0.1
Net interest and principal paid	(0.3)	(0.3)	-
Income tax (paid)/refunded	(1.1)	(1.0)	(0.1)
Short term deposits	(0.2)	-	(0.2)
Proceeds from the issue of shares	-	-	-
Net cash flows before dividends	11.0	7.1	3.9
Operating free cash flow after capital expenditure	12.2	8.1	4.1
EBITDA	13.0	12.5	0.5
Cash flow conversion²	94%	65%	29%

1. Includes capitalised Mathletics, IntoScience and Spellodrome \$6.4M million in FY14 actual.

2. Cash flow conversion calculated as operating free cash flow after capital expenditure as a percentage of Pro Forma EBITDA.



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Section 3

Key Product Updates



New Product Updates/Releases (Mathletics)

In June 2014, 3PL released a brand new live data reporting tool into Mathletics – for use by teachers and administrators. **Since launch, this new tool alone has seen a significant early uplift in teacher login activity.**

- New automated diagnosis of strengths and weaknesses.
- View summaries of achievements and certificates earned.
- Teachers can view live data for each of their classes and groups – or choose to view all classes together for a powerful and visual comparison.
- Functionality is available to drill down to the progress data for a single student – **generating positive feedback from users.** Usage data, time on task and a summary of rewards achieved – are all available.
- Year/grade level and whole-school reporting available to school administrators. **Whole-district reporting is under construction.**



New Product Updates/Releases (Mathletics)



In July 2014, 3PL released another groundbreaking innovation into the Mathletics tablet app - the ability to access the resource **fully offline**. This is **a world-first for a fully online resource** - in particular one with the volume and complexity of student data as Mathletics.

- **An innovative live data sync functionality** was created to intelligently download curriculum content when internet is available, store student results data when offline and automate data transfer back to Mathletics when internet is available.
- This is proving to be hugely valuable functionality for students in and outside of home - and in particularly school environments with limited and/or overstretched wifi/bandwidth infrastructure.
- Since launch **over 500,000 users** have upgraded their app to make use of the new offline functionality

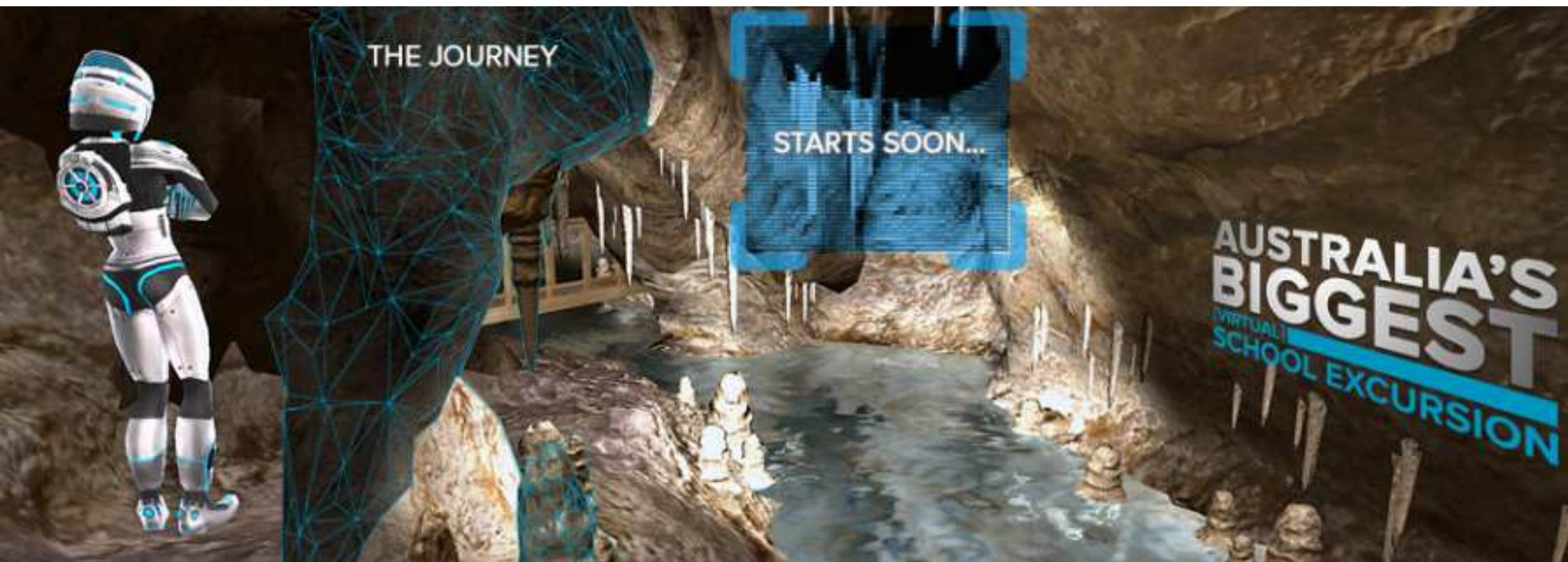


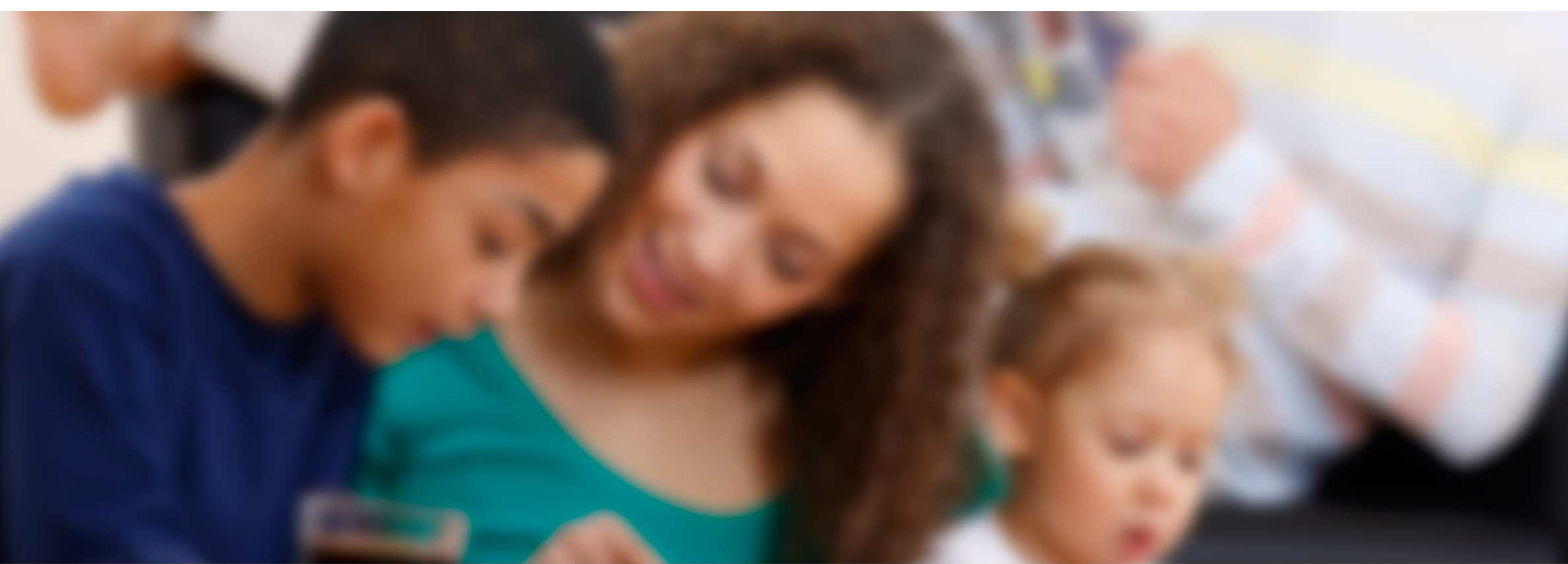
New Product Updates/Releases (IntoScience)



In August 2014, 3PL released the world-first addition of the Jenolan Caves interactive exhibit within IntoScience.

- An inch-perfect 3D digital recreation of the Jenolan Caves within IntoScience.
- A **fully immersive inquiry-based environment** for students to explore Geology.
- A world first in science e-learning.
- Launched as part of 3PL's "Australia's Biggest School Excursion – **officially opened by Hon. Malcolm Turnbull.**
- Over 500 schools registered to participate and explore the new content.





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Section 4

Recap and Outlook



Recap

- Positive result compared with FY14 prospectus forecast
- Continuing to build momentum in Americas
- Forecast ARPU increases on track
- Confirm FY15 prospectus forecast guidance