

The Next Five Years

An Investor Perspective

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We have

Junior Schools



Senior Schools



Boarding Schools



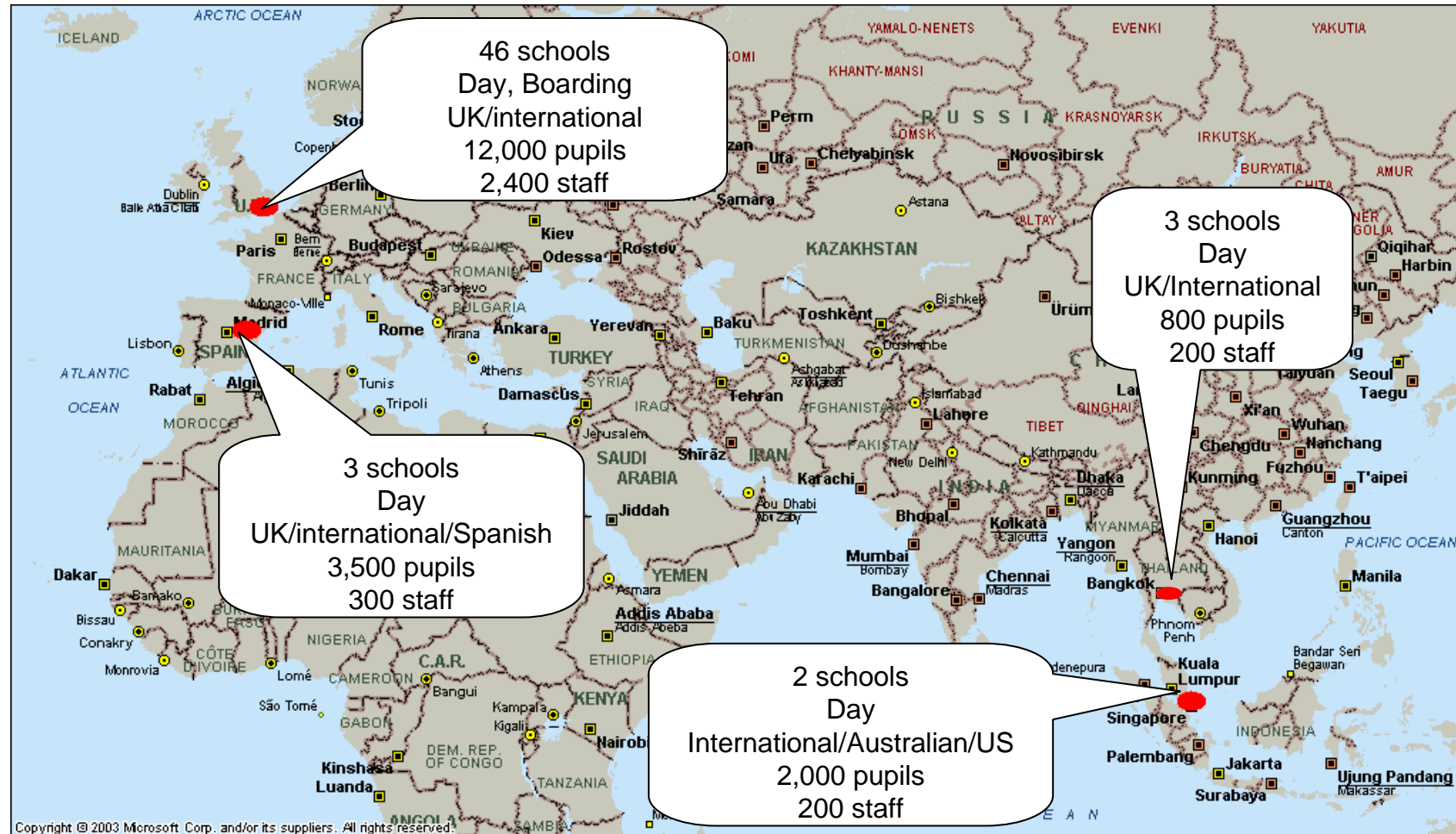
International Schools



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Our Schools



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Current Issues for UK Schools

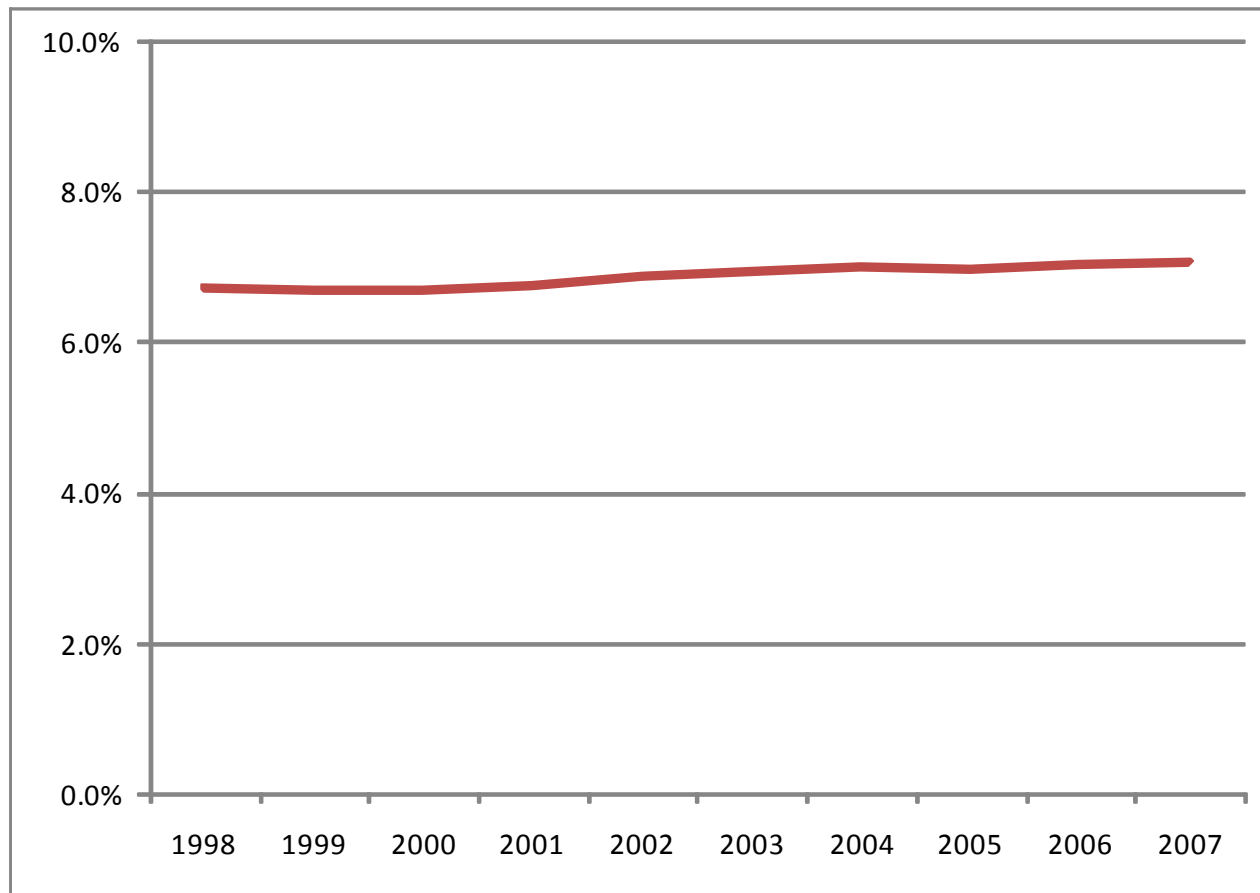
- **Political**
 - New government in 2010
 - Continued (?) pressure from Charity Commission
 - Use of education system to offset policy failure elsewhere
 - Continual legislative change pressure
- **Social**
 - Boarding to day
 - Increasing demographic at EYFS/KS1, followed by fall
 - Increased mixing of state and private
- **Economic**
 - How are parents to fund fees?
 - Control of costs -> fees
 - Proving value
 - Federation / grouping
 - Development of bi-lingual schools overseas hitting overseas students in UK
 - Is the recession really over?
- **Technical**
 - No major strategic issues



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Penetration of Independent Schools - England



Source: DCSF Schools and Pupils in England 2007 (final)



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Summary of UK

- No growth, ergo, growth by market share gain
- Very fragmented industry
- Perceived poor government provision
- Need to prove value to customer
- Increasing cost pressure
- Uncertain economic and political climate

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- Most other industries would be consolidating fast, with casualties along the way



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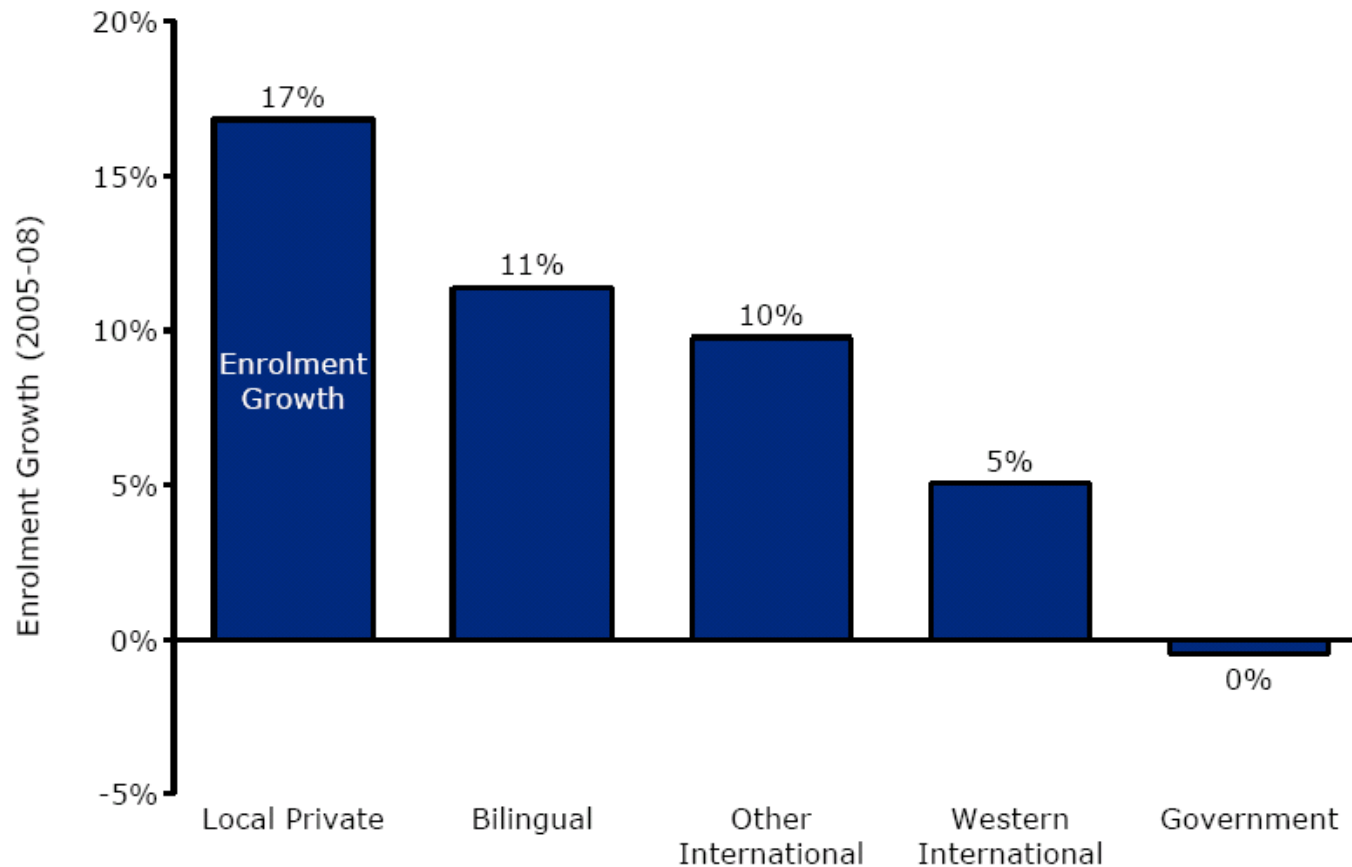


Cognita's response to current conditions



Per Annum growth in a developing country

3-Year Growth In Enrolment, 2005-2008

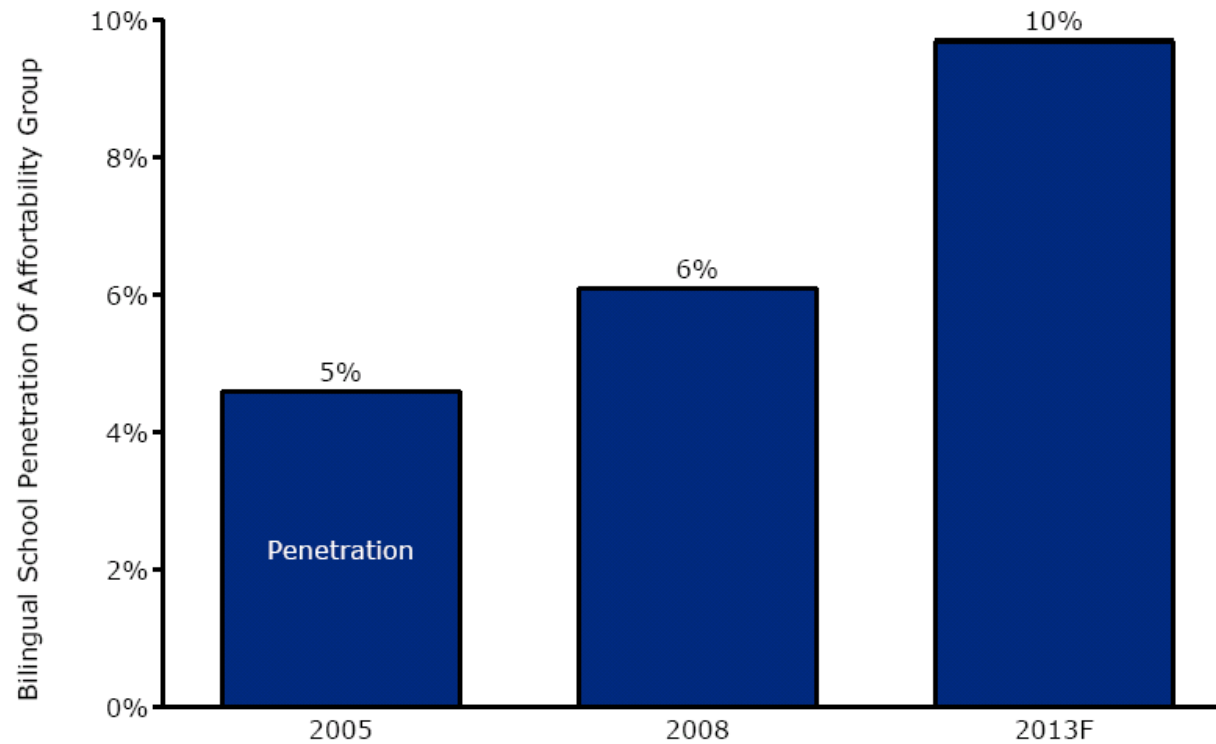


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Penetration growth in a developing country

Market Penetration By School Type, 2005-2013F



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Cognita Strategy – next 5 years

- Continue to invest in existing UK schools looking for incremental growth and external consolidation opportunities
- Push into selected overseas markets and consolidate position in those countries we enter
- “Curve ball” – UK supply side reforms if Conservatives win next election



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Q+A?

