

# LOYALIST GROUP LIMITED

For Immediate Release  
TSX Venture Exchange  
Symbol "LOY"



## Loyalist Group Limited (o/a McKinsey Education Group) Reports 2010 Year End Financial Results

Toronto, Ontario – May 2<sup>nd</sup> 2011 – Loyalist Group Limited (“Loyalist” or the “Corporation”) (TSX Venture Exchange: LOY), (o/a McKinsey Education Group), today reported results for the year ended December 31, 2010. All figures are reported in Canadian dollars unless otherwise noted.

“2010 was an eventful year for Loyalist. We successfully completed the Reverse Takeover Transaction, reached profitability, and positioned ourselves to become a lead consolidator in the Education industry. Loyalist has taken further steps to gain market share domestically and expand internationally toward our vision of becoming the leading Canadian education provider worldwide,” said Andrew Ryu, CEO of Loyalist.

### Financial Highlights

As at	December 31, 2010	December 31, 2009
	\$	\$
Assets	875,711	106,155
Liabilities	526,282	388,919
Shareholders' equity (deficiency)	349,429	(282,764)
As at	December 31, 2010	December 31, 2009
	\$	\$
Revenue	874,765	1,012,769
Expenses	858,509	1,020,125
	16,256	(7,356)
Foreign exchange loss	(2,999)	-
Unrealized gain on investments	3,057	-
Net earnings (Loss)	16,314	(7,356)
Net earnings (Loss) per share	0.001	(0.002)

### Financial Review

Both enrolment and net income showed improvement in 2010 with a profit of \$16,256, an increase of 312%, as described below;

- The Corporation's revenues for the year ending December 31, 2010, were \$874,765, a decrease of 13.6% compared to \$1,012,769 for the same period in 2009. In 2010, students paid a number of fees directly to suppliers, whereas in 2009 they paid these fees through McKinsey thereby increasing both gross revenue and expenses. Also, due to the currency exchange, the revenue was lowered. In 2010, Canadian Dollar was very strong against other foreign currencies such as the Korean Won, which is received by foreign currency wire transfer.
- The Corporation's expenses for the year were \$858,509, a decrease of 15.8% compared to \$1,020,125 for 2009. The reduction in expenses was primarily due to the elimination of costs in Toronto Sites and decrease

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of commission agreement in contact with McKinsey Korea; McKinsey recruits most of its students via McKinsey Korea.

- The Corporation had an income of \$16,314, an increase of 311% compared to a loss of \$7,356 for 2009.

The audited financial statements for the year ended December 31, 2010, and Management Discussion & Analysis are available at [www.sedar.com](http://www.sedar.com).

## 2010 Highlights

- Loyalist and McKinsey entered into the Agreement on October 25, 2010.
- The Corporation has successfully executed the Reverse Takeover Transaction with McKinsey International College on December 20, 2010.

## Investments and Subsequent Write-offs

- The Corporation had a limited partnership investment of \$200,000 USD, earning interest at 12.25% per annum and payable monthly.
- Two limited partnerships in the amount of \$150,000 USD.
- These partnerships investments have been valued at \$nil as the investments were in default.
- Future amounts may be received and these amounts may be material.

## Subsequent Business Highlights to Date

- The Corporation entered into an agreement with Universal College of Language Inc. ("UCL"), an English as a Second Language school with e-learning based in Vancouver, Canada.
- The Corporation has entered into an agreement to acquire a privately held education company operating in South Korea.

## About Loyalist (TSXV: LOY)

Loyalist was re-listed on the TSX Venture Exchange on January 4<sup>th</sup> 2011, after completing the purchase of a 96.2% position in the operations of McKinsey Education Group. Run by experienced professionals in the private education sector, McKinsey provides educational services with an emphasis on teaching: (i) English as a Second Language, and (ii) professional development courses. Already this year, Loyalist has purchase agreements to acquire three privately run schools; one each in Toronto, Vancouver and South Korea.

To receive corporate news updates send your email to [lauren@chfir.com](mailto:lauren@chfir.com) and mention 'Loyalist News' on the subject line.

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## Forward-Looking Statements

This news release, in accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, the Corporation notes that some statements in this news release look forward in time based on assumptions, uncertainties and management's best estimates of future events, and involve risks and uncertainties that may affect the Corporation's actual results of operations. The following important factors, among others that are discussed in Corporation filings, could cause actual results to differ materially from those set forth in the forward-looking statements such as, but not limited to risks related to any of the Corporation's announced acquisitions failing to close or becoming delayed before closing; reliance on the South Korean contract since it provides the majority of existing revenues; dealings in international jurisdiction where Canadian laws do not apply; any loss of certain key personnel; levels of students enrolment; delays in rolling out the online education programs may cause loss of market share; factors affecting ability to successfully compete amongst range of education options available in market; and currency fluctuations versus the Canadian dollar (i.e. South Korean won); and any detrimental affects upon the "McKinsey" brand. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements are detailed from time to time in Loyalist Group Limited's periodic reports filed with the Ontario Securities Commission and other regulatory authorities. Loyalist Group Limited has no intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.