

# LOYALIST GROUP LIMITED

For Immediate Release  
TSX Venture Exchange  
Symbol "LOY"



## LOYALIST GROUP REPORTS 198% INCREASE IN REVENUES IN Q2 FROM ACQUISITIONS AND INCREASED ENROLMENT

Toronto, Ontario – August 30<sup>th</sup> 2011 – Loyalist Group Limited (“Loyalist” or the “Corporation”) (TSX Venture Exchange: "LOY"), today reported its results for the second quarter of fiscal 2011 ended June 30<sup>th</sup> 2011, which is the Corporation’s second quarter since obtaining its public listing on the TSX Venture Exchange on January 5<sup>th</sup> 2011. Comparative figures refer to financial results of the McKinsey Education Group (“McKinsey”) that was the core operating entity owned by Loyalist last year. The second quarter fiscal 2010 results from McKinsey’s have been restated to reflect the Corporation’s adoption of IFRS reporting guidelines.

For its second quarter as a public company, Loyalist Group grew Tuition Revenues by 150% when compared to McKinsey’s results for the same period the previous year. Tuition revenues for the six months ended June 30, 2011, were \$720,013.

Three and six months ended June 30<sup>th</sup> 2011, compared to three and six months ended June 30<sup>th</sup> 2010:

	Q2 2011	Q2 2010	6 Months 2011	6 Months 2010
Revenues	\$ 401,942	\$ 150,253	\$ 777,913	\$ 348,161
Operating Expenses <sup>†‡</sup>	\$ 669,881	\$ 9,924	\$ 1,419,363	\$ 329,455
Gross Profit	\$ (268,712)	\$ 9,924	\$ (646,242)	\$ 18,706
Investment & Other Income	\$ 30,455	\$ 1,547	\$ 57,900	\$ 1,917
Net Income (Loss)	\$ (268,712)	\$ 9,924	\$ (646,242)	\$ 18,706
Net Income (Loss) per Share				
Basic	\$ (0.006)	\$ 0.001	\$ (0.015)	\$ 0.004
Fully Diluted	\$ (0.006)	\$ 0.001	\$ (0.015)	\$ 0.004

<sup>† ‡</sup> Comprises stock-based compensation, office and general, finance costs, professional fees, travel, consulting fees, amortization of intangible assets, and depreciation of property, plant and equipment.

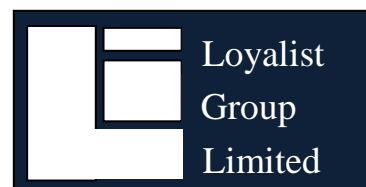
Andrew Ryu, CEO of Loyalist, commented, “Our focus during the first half of fiscal 2011, our first as a reporting issuer, has been to add to our existing ESL schools and teachers’ colleges through accretive, strategic acquisitions in order to increase the number of enrolled students. As at January 1, 2011 there were 110 students enrolled at our schools, compared to 243 as at August 1, 2011. Naturally, during this process, one-time expenses related to these acquisitions have adversely impacted our bottom line. We expect that the synergies achieved from the integration of these acquisitions over the coming months will result in improved financial results over future quarters.

### 2011 Second Quarter Operational Highlights

- The Corporation completed its acquisition of all the issued and outstanding securities of Universal College of Language Inc. in Vancouver, Canada on June 1, 2011.

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- The Corporation completed a private placement by issuing 2,064,000 common shares at a purchase price of \$0.125.
- The Corporation entered into an agreement to acquire PGIC Vancouver Studies Inc., PGIC Career College Inc. and PGIC Holdings Ltd., leading English as a Second Language schools in Vancouver, Canada.
- The Corporation entered into an agreement to acquire a privately held education company operating in South Korea.

## Highlights Subsequent to the End of Q2

- On July 1, 2011, the Corporation completed its acquisition of all the issued and outstanding securities of a privately held education company operating in South Korea for \$80,000 cash and 625,000 common shares of the Corporation.
- On August 1, 2011, the Corporation completed its acquisition of all the issued and outstanding securities of PGIC Vancouver Studies Inc., PGIC Career College Inc. and PGIC Holdings Ltd., leading English as a Second Language schools in Vancouver, Canada.
- On August 5, 2011, the Corporation entered into an agreement to acquire Western Town College (WTC), an English as a Second Language school, in Vancouver, Canada.

To view the Corporation's financial statements and management's discussion and analysis for the period, please visit [www.sedar.com](http://www.sedar.com).

## About Loyalist Group Limited

Listed on the TSX Venture since January 4<sup>th</sup> 2011, Loyalist Group Limited (TSXV: LOY) owns and operates private education schools both in Toronto and Vancouver offering (i) English as a Second Language Courses for international students; (ii) Training programs for teachers, commonly known as TESL; (iii) Professional Development Courses; and (iv) Corporate English for Professionals.

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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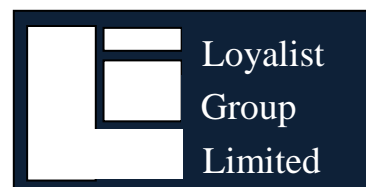
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## Forward-Looking Statements

This news release, in accordance with the Safe Harbour 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

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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 effects 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.