

# Site Group International Limited

ACN 003 201 910

## Supplementary bidder's statement

### For the offer by Site Group International Limited to acquire all of your shares in Careers Australia Group Limited

This document is a supplementary bidder's statement issued by Site Group International Limited ACN 003 201 910 (**Site**) in relation to Site's off-market bid (**Offer**) for all of the ordinary shares in Careers Australia Group Limited ACN 122 171 840 (**CAG**). This document supplements, and must be read together with, the bidder's statement dated 17 March 2011, which was lodged with ASIC on 17 March 2011 (**Bidder's Statement**).

Unless the context requires otherwise, the defined terms in the Bidder's Statement have the same meaning in this supplementary bidder's statement.

A copy of this supplementary bidder's statement was lodged with ASIC on 28 April 2011. Neither ASIC nor any of its officers takes any responsibility for the contents of this supplementary bidder's statement.

#### 1. Target's Statement

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On 15 April 2011 CAG lodged its Target's Statement in response to the Offer. Site considers that there are a number of deficiencies in the Target's Statement which it has raised with CAG directly.

For the reasons set out in the Bidder's Statement and in this supplementary bidder's statement Site continues to urge CAG Shareholders to accept the Offer for all of their CAG Shares.

#### 2. Independent expert declares Offer fair and reasonable

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CAG appointed Crowe Horwath to provide an independent expert's report to CAG Shareholders in relation to the Offer. A copy of this report is included in the Target's Statement.

The independent expert has concluded that the Offer is both fair and reasonable to CAG Shareholders.

This conclusion was reached by the independent expert having valued CAG Shares and Site Shares and considered the advantages and disadvantages of the Offer to CAG Shareholders.

#### 3. Offer is at a premium to independent expert's assessed value range

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CAG's appointed independent expert has valued:

- CAG shares on a fully diluted basis at between \$0.53 and \$0.60; and
- the Offer Consideration at between \$0.595 and \$0.805.

Based on the value ranges assessed by the independent expert, the Offer values all of CAG's issued capital (on a fully diluted basis) at between \$65.1 million and \$88.1 million. This represents a price earnings multiple of:

- between 32.5-43.9 times CAG's net profit after tax for the year to 30 June 2010; and

- 19.7-26.7 times CAG's forecast net profit after tax for the year to 30 June 2011.

#### **4. CAG director Darryl Somerville recommends Offer**



Independent non-executive CAG director Darryl Somerville has recommended that CAG Shareholders accept the Offer and indicated that he intends to accept the Offer in respect of the 2 million CAG Shares that he holds.

Mr Somerville is the only chartered accountant on the CAG board and has 23 years experience in public practice with PricewaterhouseCoopers, including 8 years as managing partner of its Brisbane office. He is also the only CAG director (other than Vernon Wills) to have visited Site's Clark EC Facility since training at the facility commenced.

In the Target's Statement Mr Somerville says:

*"it is my view that the amalgamation of the Careers Australia Group and Site businesses will create a business with significantly greater value than the sum of the two individual businesses and result in added value for Careers Australia Group shareholders."*

#### **5. Opportunity to undertake due diligence**



The Rejecting Directors have indicated that:

- CAG has not had the opportunity to undertake due diligence in respect of Site's operations; and
- the Offer was unsolicited.

Neither of these statements are correct. The Offer was preceded by discussions between Site and CAG in relation to the potential for an agreed merger.

Similarly, since the Offer was announced, Site has offered CAG's directors the opportunity to undertake due diligence in respect of its operations and to visit its Clark EC facility in the Philippines at Site's expense.

#### **6. No other party has made a binding Offer to acquire CAG Shares**



The Target's Statement makes numerous references to potential alternative transactions and to CAG's IPO process.

It is important that CAG Shareholders are aware that:

- there is no certainty that any alternative transaction will proceed. Indeed, CAG's appointed independent expert has stated that the offers that CAG has received are preliminary, indicative and non-binding; and
- Independent non-executive CAG director Darryl Somerville has stated that the IPO process has been temporarily deferred.

## **7. Capital raising**



The independent expert has stated in its report that if the Offer is successful, it will increase CAG's ability to access equity capital required to fund its future growth plans.

Site is continuing to progress its capital raising plans.

Site encourages CAG Shareholders to accept the Offer as soon as possible to help facilitate the capital raising need to fund CAG's growth.

## **8. Site is ASX listed**



As Site Shares are listed on the ASX, CAG Shareholders who accept the Offer and receive Site Shares will have access to a market platform on which to trade their shares.

Assuming 100% acceptance of the Offer, the Merged Group will have approximately four times the number of shares that Site currently has on issue quoted on ASX. This will be further increased by any capital raising undertaken by Site.

## **9. ASX Listing Rule 10.1**

Site applied for a waiver in respect of ASX Listing Rule 10.1 to enable the acquisition of CAG Shares from entities associated with Vernon Wills and Talbot Group Investments Pty Ltd. ASX has verbally indicated that it has declined to grant a waiver at this time. Site will consider an appeal of ASX's determination once it has received written reasons for the decision. In the absence of a waiver, Site is preparing the material to obtain shareholder approval in accordance with Listing Rule 10.1 and will engage an expert shortly to prepare a report in accordance with Listing Rule 10.10.

Site intends to issue a further supplementary bidder's statement in the event of any material developments in relation to this issue.

## **10. Site's intentions**

Site is fully aware of the outstanding contribution that CAG is making to vocational training in Australia.

If the Offer is successful, Site intends to maintain and where possible improve the high standards and effectiveness of vocational education delivered by CAG as part of the Merged Group.

Further information on Site's intentions is set out in section 5 of the Bidder's Statement.

## **11. Further information**

If you have any questions about the Offer please call the shareholder information line on 1300 737 760 between 8.00am and 5.00pm Monday to Friday (Brisbane time).

Signed on behalf of Site by David Hutchison, acting chairman, following its approval by the Directors of Site.

Dated: 28 April 2011

A handwritten signature in dark ink, appearing to read 'D Hutchison', with a stylized flourish at the end.

**David Hutchison**

Acting Chairman

Site Group International Limited