

1 September 2015

Acquisition of Smallprint and Catapult

The Company is pleased to announce it has entered into a conditional business asset purchase agreement to acquire a 100% interest in the businesses of Smallprint and Catapult, which are together Australia's largest producer of student learning resources and online study material.

Smallprint maintains Australia's largest range of learning resources with over 230 qualifications on offer, with a large number of these also available in an online version hosted on its online learning management system.

Catapult/Smallprint has been operating for a number of years servicing hundreds of RTOs and TAFEs throughout Australia with unaudited FY15 revenue of approximately \$12million.

ACO had budgeted for several million dollars of spend on online hosting and resources for its FY16 requirements through other providers. Assuming completion of the acquisition occurs, the service would be provided in-house by Catapult, providing significant cost savings for ACO. Further, having such an extensive course library at its disposal provides ACO with significant opportunities in other markets that it doesn't currently service.

The acquisition consideration is circa \$23.82million and will be funded from the Company's current cash reserves. The purchase price was calculated by reference to a multiple of EBITDA.

Managing Director Ivan Brown stated "This acquisition is significant in that Smallprint and Catapult generate all their revenue from non-government sources. Furthermore, assuming completion of the acquisition occurs, it will provide significant leverage for the Company in its efforts to generate further revenue from outside current revenue streams. The purchase is expected to provide significant synergies and cost-savings immediately upon completion of the acquisition, which are expected to increase into the future"

The contract is still subject to satisfaction of due diligence by ACO and is expected to complete in mid September.

For further information, please contact:

Ivan Brown

Managing Director

P: +61 3 8331 7890

E: info@australiancareersnetwork.com.au