

Vocation to acquire Endeavour

6 June 2014 – Vocation Limited (ASX:VET) has signed an agreement to acquire 100% of Endeavour College of Natural Health (Endeavour), one of Australia's leading providers of higher education and vocational training in the health and wellness sector.

Rationale

The acquisition is earnings accretive and complementary, and delivers on a number of Vocation's key strategic objectives. Most notably, it will significantly diversify Vocation's revenue sources as Endeavour currently attracts no state or federal funding. The acquisition also significantly strengthens Vocation's position in the higher education market, broadens Vocation's educational offering by providing further exposure in the growing health and wellness sector, and delivers an established and high quality national campus footprint which significantly improves Vocation's overall geographic exposure.

The health and wellness sector continues to demonstrate significant growth in the context of an ageing population and a growing awareness of natural health and fitness more generally. Strong growth in employment prospects for health professionals is expected over the next five years.

With this purchase Vocation has completed its 2014 pro-active acquisition program with Vocation executives involved in the program now focused on integration activities and synergy programs.

Overview of Endeavour

Endeavour is a leading provider of higher education and vocational education in natural health and wellness, with four diverse, integrated and highly regarded brands in health (through Endeavour and College of Natural Health & Homeopathy); fitness (through FIA Fitnation) and beauty (through the College of Natural Beauty). The Company operates six high quality campuses in Australia, with one in every major city, and two boutique campuses in New Zealand. There is significant scope for Vocation to utilise Endeavour's campus facilities to deliver Vocation's existing courses face-to-face where required. Endeavour also has a dedicated online course delivery platform with significant growth potential.

Endeavour educated more than 8,000 students in FY2013, with further growth in FY2014. More than half of Endeavour's students are enrolled in higher education courses. Endeavour's focus on developing education pathways for students, from vocational to higher education and between its three business pillars has contributed to its strong growth over the past four years. Recognising industry trends and responding quickly to market demands with new course offerings is another key strength of the business.

Carolyn Barker AM, Endeavour's highly respected Chief Executive Officer, has led the growth of the business since 2011. Carolyn will remain with the business and continue to drive its growth in Australasia. One of the key growth drivers will be the expansion of Endeavour's VET offering at Advanced Diploma and Diploma level to enable students to access VET-FEE-HELP.

Vocation Chief Executive Officer Mark Hutchinson said:

"The acquisition of Endeavour is a game changer for Vocation. It gives us a position of scale in higher education at a time of significant opportunity for providers that can offer high quality, engaging teaching, strong job outcomes and flexible delivery. The acquisition further diversifies our business and provides an attractive exposure to the natural health and wellbeing sector, one of the fastest growing employment sectors in Australia. Importantly, as a combined business we will be able to offer students career pathways from Certificate 1 through to Bachelor degrees, and our flexible delivery model will be further strengthened through the addition of Endeavour's terrific campus footprint.

"Our recent acquisitions have significantly accelerated our diversification strategy, delivered a number of key licences, provided a meaningful exposure to the higher education market and strengthened our management team in the process. While we remain open to opportunities that are compelling and meet our investment criteria, our focus is now on bedding down what we've got. Operational synergies relating to Endeavour will be effected selectively for the immediate future while the full integration model and structure is finalised."

Sydney

Level 15, 1 Pacific Highway
North Sydney NSW 2060

Melbourne

Suite 1, 31 Chessell Street
South Melbourne VIC 3205

t +61 2 8047 6900
w vocation.com.au

"I'm very confident that, with the benefit of the businesses we have acquired and the momentum in our existing businesses, Vocation is in great shape to focus on integrating Real Institute in the first half of FY2015 and continuing to grow organically and deliver great outcomes for our students."

Endeavour Chief Executive Officer, Carolyn Barker AM, added:

"The opportunity to join forces with Vocation to continue to capture a greater share of what we believe is an exciting growth market is compelling. We have a shared focus on delivering strong student outcomes, and this transaction will enable us to provide students with even better education pathways and resources to help them achieve their career goals."

Financial impact and acquisition funding

The transaction consideration of \$84 million will be paid in cash, utilising both excess cash and a drawdown on Vocation's established debt facility, which has been increased from \$100 million to \$120 million. The consideration represents a multiple of approximately 6.5 times FY15 EBITDA. The acquisition will be accretive to Vocation's earnings per share from FY15.

Conditions Precedent

The transaction is not subject to any conditions precedent and is expected to complete on 1 July 2014.

Investor and analyst briefing

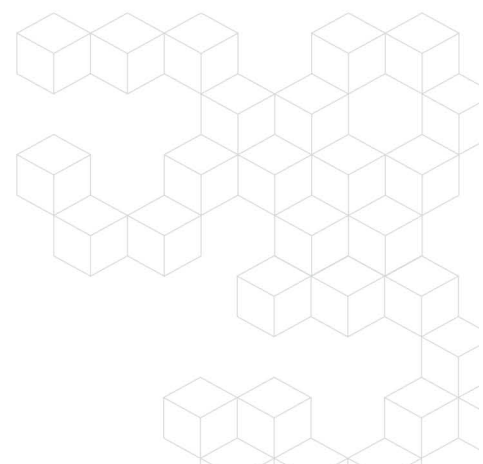
An investor and analyst briefing will be held at 10am on Tuesday 10 June 2014, following the release of this announcement.

Dial in: 02 9007 3187 or 1800 558 698
Call ID: 731 728

Further enquiries:

Investors/analysts:
Mark Hutchinson
Chief Executive Officer +61 499 663 310

Media:
Siobhan Weaver +61 416 267 042
Nightingale Communications



Notes to Editors

About Vocation

Vocation Limited ("Vocation") is one of Australia's largest vocational education and training providers that offers a flexible education delivery model for large enterprises and individuals and also provides registered training organisations (RTOs) with support and consulting services. The company has a national footprint with a diversified offering across industry sectors; including manufacturing, trades and hospitality and tourism. Vocation is focused on providing high quality and relevant course content for students that reflects the current requirements of employers.

Further details about Vocation can be found on vocation.com.au

Endeavour and College of Natural Health

Endeavour College of Natural Health is one of Australia's leading private providers of higher education and vocational training in the health and wellness sector. The company integrates four diverse, highly regarded brands in health, fitness and beauty across Australia and New Zealand - Endeavour and the College of Natural Health and Homeopathy, FIA Fitnation, and the College of Natural Beauty. Endeavour is focused on student pathways from vocational education to higher education and within its four businesses.

Carolyn Barker (AM) Biography

Carolyn Barker is an experienced CEO and Company Director with over 20 years experience running private sector businesses and government enterprises. An innovator and a leader with a demonstrable track record, Carolyn was made CEO of the Endeavour Learning Group in early 2011 and has presided over a period of strong growth for the business.

Prior to her role at Endeavour, Carolyn was the CEO of the Australian Institute of Management QLD and NSW and The CyberInstitute Pty Ltd, an award winning national online learning business. Over the decade she spent with the AIM Group, the organisation grew into a cohesive network of commercially focused business units, providing education, publishing, online learning and information services to corporate and government clients.

An experienced company director, Carolyn is currently Chair of Brisbane City Council's Brisbane Transport Advisory Board and a member of BCC's Audit Committee, a director of ASX listed Shine Corporate and a director of MIGAS Pty Ltd. Carolyn has also held directorships as the Chair of The Queensland Orchestra and Deputy Chair of the Brisbane Powerhouse Centre for Live Arts.

Carolyn was made QUT Business School's Alumni of the Year in 2002 and a Member in the Order of Australia AM in 2005 for her service to management education business and the arts. She has an MBA from the University of South Australia and is an Adjunct Professor in Business at Griffith University.

Sydney

Level 15, 1 Pacific Highway
North Sydney NSW 2060

Melbourne

Suite 1, 31 Chessell Street
South Melbourne VIC 3205

t +61 2 8047 6900
w vocation.com.au

