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Companies Announcements Office
Australian Securities Exchange
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Sydney NSW 2000
(Via ASX Online)

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AKG TO ACQUIRE SPECTRA TRAINING

Academies Australasia ('AKG') today announced that a Heads of Agreement has been executed for the acquisition of CLB Training & Development Pty Ltd as trustee for the CLB Unit Trust trading as 'Spectra Training' ('Spectra').

Founded in 2003, Spectra is one of the largest and highest quality private training organisations in Australia. It is one of the few registered training organisations to have state funding contracts in all six States in Australia. Specialising in workplace-based training, it delivers training across 370 locations, for more than 200 clients in the six States and the ACT. It is one of the largest private providers of Apprenticeship training in Australia. It has approximately 4,000 students (1,200 apprentices and 2,800 trainees). Spectra's head office is in South Melbourne. It also has offices in Sydney, Brisbane, Adelaide and Perth. Spectra's RTO licence was extended in 2013 for 5 years through to December 2018. The web address is www.spectra-training.com.

Spectra's revenue for the 12 months to December 2014 (CY14) is projected at \$17,600,000, and EBITDA for CY14 \$4,100,000. About 70% of the projected revenue is already contracted.

Consideration for the acquisition is \$15,750,000 made up of \$8,662,500 in cash and \$7,087,500 in the form of 5,906,250 new fully paid ordinary shares in AKG (\$1.20 per share). The cash consideration will be funded from internal resources and bank debt. With the issue of new shares, AKG's total shares will increase from 56,157,234 to 62,063,484. The new shares will be held in escrow for 24 months.

The 5,906,259 new shares will be issued in two tranches: 4,406,250 (75%) at completion and 1,500,000 (25%) upon approval by shareholders not later than the 2014 Annual General Meeting of AKG. *[The Board's discretion to issue shares is limited to 15% of the shares on issue. At the 2013 Annual General meeting on 21 October 2013, that discretion was 'refreshed'. There were 52,748,143 shares on that date. In December 2013, 3,409,091 shares were issued as consideration for the acquisition of DFL Education (QLD) Pty Limited. That issue and the first tranche of 4,406,250 add up to 7,815,341 or 14.82% of 52,748,143. The Board will recommend that shareholders approve the second tranche issue of 1,500,000 shares.]*

The acquisition is expected to be accretive to AKG's earnings per share.

The acquisition price of \$15,750,000 reflects a multiple of 3.8 times the projected EBITDA of \$4,100,000 for CY14.

The acquisition is subject to due diligence and other conditions such as regulatory approvals. It is expected that the exercise will be completed in July 2014.

Christopher Campbell, Group Managing Director, said: *We first diversified into the domestic market three years ago. Spectra has an excellent reputation. It will give us a footprint in every state in Australia, a high quality entry position into the Apprenticeships training sector and bring us additional management depth and experience. We are also pleased that the vendors are showing their commitment to, and confidence in, AKG by taking 45% of the consideration in AKG shares at a premium on the present market price. We are particularly delighted that Gary Cobbledick, shareholder and Managing Director of Spectra, will be entering into a long-term contract with the AKG group, for the next four years.*

Gary Cobbledick, shareholder and Managing Director of Spectra added: *My partner Raphael Geminder and I saw AKG as the ideal group within which Spectra can continue to grow. It has a reputation for careful and steady growth in training and education, which is a vital sector in the economy. We look forward to contributing to, and being part of, AKG's future.*

Stephanie Noble
Company Secretary

For further information call Christopher Campbell on +61 412 087 088 or +61 2 9224 5555.

Academies Australasia has been operating for 106 years and listed on the Australian Securities Exchange for 37 years. The group's education business now comprises 14 separately licensed colleges operating in New South Wales, Victoria and Queensland in Australia, and in Singapore. Over the years, Academies Australasia colleges have taught tens of thousands of students from 119 countries.