



6 July 2015

AMENDED LOAN FACILITIES

Vocation Limited (ASX: VET) is pleased to advise that it has completed negotiations to amend the terms of its loan facilities with its bank syndicate. The new arrangements follow completion of the Company's strategic review process and will provide increased stability for the Company's future business activities.

The key components of the amended loan facilities are:

- \$11 million cash advance facility and \$1.5 million revolving bank guarantee facility
- New, extended maturity date of 28 February 2017 (previously 30 May 2016), i.e. 1.7 years duration
- A minimum of \$3 million in mandatory repayments over the next 12 months
- Margin grid reset (FY16 NPAT impact of less than \$40K)

Over the past seven months the Company has streamlined its business portfolio to better align with its capital structure, generating gross divestment proceeds of \$84 million¹ (excluding deferred and contingent consideration). This has resulted in gross debt being reduced from \$120 million in early December 2014 to the current level of \$11 million.

Vocation currently has cash balances of circa \$9 million, down from \$17-20 million in the January / February 2015 period as more than \$9 million has had to be spent managing legal and regulatory issues, undertaking asset sale activities, and associated costs. These costs were fully factored into the updated financial guidance provided to the market on 1 June 2015.

The Company has a clearly defined, five point turnaround plan to guide its recovery over the next 2-3 years. Future profitability and cash flows will benefit from an intense focus on executing the turnaround plan. A full business update will be provided with the Company's FY15 results announcement on 31 August 2015.

An outline of the terms of the amended loan facilities is provided on page 2 of this announcement.

For further details:

Media:

John Hurst
Cannings Corporate Communications
+61 418 708 663

Investors & Analysts:

Stewart Cummins
CEO & Managing Director
Vocation Limited
+61 2 8047 6998
+61 423 782 952

¹ Gross divestment proceeds exclude settlement adjustments (\$5 million), funds retained by acquirers for working capital (\$4 million), and costs of disposal (\$2 million)

NSW Office

Level 15, 1 Pacific Highway
North Sydney, NSW 2060

VIC Office

Level 3, 4 Riverside Quay,
Southbank, VIC 3006

QLD Office

Suite 1, Level 1, Tower D, Garden
Square, 643 Kessels Road,
Upper MT Gravatt QLD 4122

WA Office

Level 1, 2 Kings Park Road, West
Perth, WA, 6005



Key Amended Terms of Loan Facilities

- Revolving cash advance facility of \$11 million and \$1.5 million revolving bank guarantee facility (previously \$85 million and \$3 million respectively)
- Maturity date is 28 February 2017 (previously 30 May 2016)
- Mandatory prepayments will include:
 - \$1 million on or before each of 30 September 2015 and 1 December 2015;
 - \$1 million, being the deferred consideration from the ASM/ACAE sale, on or about 19 March 2016 (this date being 1 year from completion of the ASM/ACAE sale); and any proceeds received as contingent consideration from the sale of Endeavour Learning Group
 - \$4 million on or before 1 August 2016
 - Proceeds from any insurance claims (excluding workers' compensation and other third party claims)
 - Any amount by which the Group's consolidated cash balances exceed \$10 million at the end of any quarter
- Vocation required to provide regular reporting to bank syndicate on, among other things: financial performance; cash balances and cash flows; and status of litigation, disputes, and regulatory matters
- Financial covenants have been aligned to the Turnaround Plan milestones and include: (i) a cash balance test; and (ii) normalised EBITDA test (each quarter from 30 September 2015 onwards)

NSW Office

Level 15, 1 Pacific Highway
North Sydney, NSW 2060

VIC Office

Level 3, 4 Riverside Quay,
Southbank, VIC 3006

QLD Office

Suite 1, Level 1, Tower D, Garden
Square, 643 Kessels Road,
Upper MT Gravatt QLD 4122

WA Office

Level 1, 2 Kings Park Road, West
Perth, WA, 6005