

13 January, 2015

Company Update

Australian Careers Network Limited (ACN) (ASX: ACO) is pleased to provide the following update since listing on 15 December 2014.

First Acquisition completed

ACN is pleased to announce that it has entered into and completed a share purchase agreement to acquire all the issued capital for the purchase of the Phoenix Institute of Australia (Phoenix).

Over the last 15 years, Phoenix has delivered programs in holistic counselling and art therapy for people wishing to work in the health, education and community services sectors. Phoenix offers the VET programs, Diploma of Transpersonal Counselling and the Diploma of Transpersonal Arts Therapy. Phoenix also is a Higher Education provider offering the Bachelor of Holistic Counselling and has contracts to offer courses under both FEE-HELP (Higher Ed) and VET FEE-HELP (VET).

The acquisition of an RTO with VET FEE-HELP provides the opportunity for ACN to add further courses to Phoenix's current scope of delivery in areas of current need for clientele of the greater ACN group and the Board believes it provides material upside for the ACN group.

The projected EBIT is \$575K and it will be earnings per share accretive in the current year.

The terms of the agreement are for an initial payment of \$2.25 million on completion and a further payment of a maximum of \$2.25 million over 3 years based upon the future profit (\$575K year 1, \$840K year 2 and \$840K year 3) generated from the current programs meeting forecasts provided by Phoenix. Any new programs or courses activated by ACN will not be taken as attributable to such forecasts. The agreement was subject to a number of pre-conditions including completion of satisfactory due diligence by ACN.

Phoenix College is also registered as a CRICOS provider and as such is ACN's third CRICOS RTO.

ACN has already made application for extension of scope with ASQA to deliver Diplomas in Business, Community Services and Children Services under the VET FEE-HELP registration. It is expected further courses will be applied for in due course.

ACN expects to advance negotiations for a number of other possible acquisitions in early 2015.

A handwritten signature in black ink, appearing to read 'Ivan Brown', with a large, sweeping loop at the end.

Ivan Brown
Managing Director

For queries, please contact Australian Careers Network Limited on 03 8331 7890 or info@australiancareersnetwork.com.au

Australian Careers Network Group (ASX: ACO) is a full service vocational education and training provider encompassing student marketing and recruitment, direct and subcontracted education and training delivery (registered and non-registered), the issuing of registered qualifications, tracking, processing and reporting functions under the Australian Skills Quality Authority (**ASQA**) and the Victorian Registration and Qualifications Authority (**VRQA**).

Its primary services include workplace training and classroom based accredited certificates and diplomas, heavy equipment licensing, simulative and flexible learning, industry-experienced training and assessment and partnering with job seeking agencies to provide employment pathways to students seeking employment upon completion of a qualification.