



ASX Announcement

10 September 2014

Vocation Ltd (ASX: VET) (**Vocation**) today announces a fully underwritten placement to institutional and sophisticated investors to raise approximately \$74 million (**Offer**) at the offer price of **\$3.05 (Offer Price)** through the issue of approximately 24.3 million new shares.

The Offer Price of \$3.05 represents a discount of 7.9 per cent to the last close price of \$3.31 as at 9 September 2014 and a 7.3 per cent discount to the 5-day VWAP to 9 September of \$3.29 per share. Shares will be issued under the Offer utilising part of Vocation's 15 per cent placement capacity under Listing Rule 7.1 and will rank equally with Vocation's existing fully paid ordinary shares.

Following completion of the placement, Australian and New Zealand retail shareholders will be offered the opportunity to invest up to \$15,000 in new shares pursuant to a share purchase plan (**SPP**). The amount raised under the SPP will be capped at \$10 million and will not be underwritten. Further details on the SPP will be provided to all eligible shareholders in due course.

Use of funds

The funds will be employed;

- To pay down a large portion of Vocation's \$120 million acquisition facility[^] (fully drawn since the \$84 million fully debt funded acquisition of Endeavour which completed in July) that allows Vocation to:
 - Increase balance sheet capacity to provide the business with the ability to take advantage of strategic opportunities in the market, both organic and through acquisition as the education sector continues to consolidate
 - Increase working capital flexibility as the business continues to grow and diversify across States, FEE HELP programs and Higher Education opportunities through Endeavour
 - Continue diversifying Vocation across multiple channels to improve student choice, quality education and job outcomes.
- To fund two small acquisitions totalling approximately \$7 million, including:
 - The remaining 50 per cent stake in the Australian School of Management (ASM), which will enable Vocation to accelerate expansion of its course offerings across the East Coast utilising excess capacity in Endeavour's campus network
 - An addition to Endeavour's New Zealand operations in respect of which Vocation is in advanced discussions. This acquisition will substantially increase Endeavour's student capacity in that market.
- To deliver accelerated investment in the MyVocation platform, in line with Vocation's strategy to deliver positive student outcomes, in particular job opportunities, and decrease reliance on brokers

Vocation Group CEO and Managing Director Mark Hutchinson said, "Vocation's business continues to enjoy good momentum. The fund raising will provide us with ongoing flexibility to grow and further diversify our business through organic and acquisitive growth."

Vocation is comfortable with current earnings consensus estimates, including EPS, prior to the dilutionary impact of the capital raising.

Further to the ASX announcement dated 25 August 2014, Vocation advises that the review being conducted by the Victorian Department of Education and Early Childhood Development is expected to conclude no later than



the end of October (confirmed in its meeting with the Department earlier this week). Vocation considers that neither the review nor its anticipated outcomes are material to Vocation.

^\$120 million acquisition facility (including a \$15 million working capital line) is repayable in June 2017

Offer timetable

Record Date for SPP	9 September 2014
Trading halt requested	10 September 2014
Bookbuild conducted	10 September 2014
Trading halt lifted and trading recommences	11 September 2014
Settlement	15 September 2014
Allotment and New Shares commence trading on ASX	16 September 2014

This timetable is indicative only and subject to change. Vocation reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act (Cth) 2001.

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About the Offer

This press release includes “forward looking statements” within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, “guidance”, “will”, “predict” and other similar expressions. Indications of, and guidance on, future earnings or distributions and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Vocation, and its officers, employees, agents, or associates, that may cause actual results to differ materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Vocation assumes no obligation to update such information.

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