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The Manager
Company Announcements
Australian Securities Exchange

By electronic lodgment

Acquisition of 4Life Pty Ltd

The Board of UCW Limited (**UCW**) is pleased to announce that it has entered into a binding Share Sale Agreement (**SSA**) to acquire 100% of the issued capital of 4Life Pty Ltd (**4Life**).

Highlights

- **Add-on acquisition for Australian Learning Group Pty Limited (ALG)**
- **Established provider in Community Services with international student focus**
- **Adds suite of courses in a new vertical and an Adelaide campus**
- **Opportunity to leverage ALG's national campus footprint and agent network**
- **Purchase price of \$1.2m, including \$0.2m in UCW shares at 6 cents per share**

About 4Life

Established in Adelaide in 2004, 4Life is a Registered Training Organisation (**RTO**) and Commonwealth Register of Institutions and Courses for Overseas Students (**CRICOS**) provider that offers certificate and diploma level courses in the field of Community Services to international and domestic students.

4Life's courses include Early Childhood Education and Care, Individual Support, Disability, Ageing Support, Mental Health, Counselling and Community Services. Most of 4Life's courses include a work-integrated learning or placement component.

Community Services is predicted to create one in four new jobs by 2018, due to increased demand for childcare and aged care¹. This makes it one of Australia's fastest growing employment sectors², presenting strong employment prospects for both international and domestic students.

4Life established a Sydney campus in 2015 to participate in the international student market. The Sydney campus currently has approximately 100 international students.

The Adelaide campus remains focused on the domestic market, offering fee-for-service courses, government funded courses and corporate training workshops in First Aid and related topics.

¹ Community Services & Health Industry Skills Council Ageing Population Issues Paper June 2015

² Department of Employment "Employment Outlook to November 2018 Report" September 2014

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FY16 revenue was approximately \$1.5m³.

Transaction rationale

4Life is a complementary add-on acquisition for ALG (a subsidiary of UCW), bringing a suite of courses which ALG can deliver through its national campus footprint and agent network.

Similarly, 4Life will expand ALG's geographical reach with the addition of a CRICOS-approved Adelaide campus to deliver its Fitness, Massage Therapy, Sport & Recreation Management and Dance Teaching courses.

4Life will also add to ALG's growing cohort of international students and brings a new competence in work-integrated learning.

4Life will be integrated into ALG and the founders of 4Life, who both have healthcare backgrounds, intend to remain with the business.

Transaction structure and material terms

UCW will acquire 100% of the issued capital in 4Life.

The total purchase price is \$1.2m, payable \$1.0m in cash and \$0.2m in shares in UCW at a price of 6 cents per share. The cash component is payable on completion out of existing UCW cash reserves. The UCW shares will be issued at the end of a 2 year warranty period (subject to any warranty or indemnity claims being made by UCW).

The transaction is subject to the satisfaction or waiver of a number of conditions precedent including regulatory approvals and a typical working capital adjustment.

Completion is expected to occur in the first quarter of 2017.

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³ Based on management accounts provided by 4Life to UCW, which have not been independently audited by UCW. 4Life's revenue recognition policies differ from UCW's.