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17 November 2015

The Manager
Company Announcements
Australian Securities Exchange
By Electronic Lodgement

UPDATE ON CAPITAL RAISING AND PROPOSED ACQUISITION OF ALG

UCW Limited (ASX:UCW) (**UCW or the Company**) is pleased to provide the following update regarding the acquisition of Australian Learning Group Pty Ltd (**ALG**) and the associated capital raising (**Proposed Transaction**).

Highlights

- The Company has entered into a subscription agreement with Global Capital Holdings (Australia) Pty Limited (**Global Capital**) (<http://glocapital.com>) whereby Global Capital or its nominee(s) will invest \$6.5m into the Company as part of the Proposed Transaction.
- Global Capital is a principal investment firm that manages various funds in Australia on behalf of institutional and select private investors.
- Global Capital's investment in UCW is subject to UCW shareholder approval, Global Capital board approval and FIRB approval and will be made pursuant to a new prospectus (**New Prospectus**). The current prospectus is hereby withdrawn, effective immediately.
- The offer under the New Prospectus will seek to raise \$10m (including Global Capital's \$6.5m) via the issue of 166,666,667 shares at 6 cents per share with one (1) free attaching option for every three (3) new shares subscribed. The options will be unquoted, have an exercise price of 6 cents and will expire on 30 June 2018.
- On completion of the Proposed Transaction, Gary Burg will join the Board of Directors of UCW as its Non-Executive Chairman. Adam Davis will be appointed Chief Executive Officer and Managing Director.
- The vendors of ALG are supportive of Global Capital's investment and have agreed to extend the sunset date for completion of the acquisition of ALG to 31 March 2016 to facilitate the proposed capital raising timetable.
- ALG continues to trade well with international enrolments for the first half of FY16 up circa 30% on the prior corresponding period.

The Board of UCW welcomes the opportunity to have Global Capital on the register as a strategic partner supportive of the Company's strategy to build a private education business in the vocational education and training (VET) sector and looks forward to Gary Burg joining the Board.

Proposed capital raising

The current prospectus on issue is hereby withdrawn, effective immediately. Subscriptions received under the current prospectus will be refunded. However, any investor who has offered to subscribe under the withdrawn prospectus will be offered the opportunity to invest in the New Prospectus.

Subject to shareholder approval, the Company intends to issue a New Prospectus to raise \$10m (including Global Capital's subscription of \$6.5m) by way of an issue of ordinary shares at 6 cents per share with one (1) free attaching option for every three (3) new shares subscribed. The options will be unquoted, have an exercise price of 6 cents and will expire on 30 June 2018.

The capital structure of the Company post completion of the proposed capital raising and acquisition of ALG is as follows:

	Number of shares	Diluted %
Shares currently on issue	84,320,056	24.3%
Shares issued pursuant to New Prospectus	166,666,667	48.0%
Consideration shares issued to vendors of ALG	16,666,666	4.8%
Total shares	267,653,389	77.0%
Options currently on issue	18,750,000	5.4%
Options attaching to shares issued pursuant to New Prospectus	55,555,555	16.0%
Options attaching to consideration shares issued to vendors of ALG	5,555,554	1.6%
Fully diluted	347,514,498	100.0%

Post the capital raising and completion of the acquisition of ALG, the Company will have cash reserves of approximately \$6m after the costs of the offer. Cash reserves will be used to fund the deferred cash consideration for the acquisition of ALG, for working capital and investment in growth initiatives (including potential further acquisitions).

On completion of the Proposed Transaction, Global Capital will have a diluted interest in UCW as detailed below:

Shares	108,333,333	31.2%
Options	36,111,111	10.4%
Fully diluted	144,444,444	41.6%

Changes to Board of Directors

On completion of the Proposed Transaction, Gary Burg will be appointed to the Board of Directors of UCW as Non-Executive Chairman.

Gary has been involved with the Global Capital Group since 1995 in South Africa and in Australia since 2001. In Australia, Gary has been involved in a number of businesses across a range of sectors including life insurance, financial services and education. Gary is currently a director of Clearview Limited and Global Capital Holdings (Australia) Pty Limited, which is the investment manager of the recently established Global Capital Principal Investments business in Australia. He is a former director of (and investor in) 3Q Holdings Limited and South African listed Capital Alliance Holdings Limited (which owned Capital Alliance Life Limited and Capital Alliance Bank Limited). Gary is also a former director and investor in Prefsure Life Limited and Insurance Line.

Concurrently with the above, Adam Davis, the current Executive Chairman of UCW, will be appointed Chief Executive Officer and Managing Director. Adam has extensive experience in the education sector, having founded and then acted as Chief Executive Officer and Managing Director of ASX-listed Tribeca Learning Limited (**Tribeca**). Under Adam's stewardship, Tribeca acquired and integrated numerous education businesses servicing the Australian financial services sector, consolidating a fragmented market and creating the leading national provider. The company was acquired by Kaplan, Inc. in 2006. Tribeca offered a broad range of accredited courses and continuing education programs and its customers included most of the major financial institutions in Australia. Now trading under the Kaplan brand, the business remains the dominant education provider to the sector.

Shareholder approvals

As Global Capital's investment will result in it having a relevant interest of over 20% of the issued capital of UCW, shareholder approval is required for the acquisition of such interest.

Shareholder approval is also required for the new capital raising and to allow current and proposed UCW Directors to participate in the offer. Shareholder approval will also be sought for Gary Burg's appointment to the Board, conditional on completion of the Proposed Transaction.

A notice of general meeting containing further details of the approvals being sought is currently being prepared and will be released shortly. The notice of meeting will contain an Independent Expert's Report to assist shareholders in assessing the proposed investment by Global Capital.

The Board of Directors is unanimous in its support for Global Capital's investment, Gary Burg's appointment to the Board and the proposed capital raising offer and each director of UCW intends to vote in favour of the resolutions contemplated in respect of their shareholding.

Update on ALG

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ALG continues to trade well with international enrolments for the first half of FY16 up circa 30% on the prior corresponding period (based on unaudited data provided by ALG management).

ALG has recently been advised that the Australian College of Sport & Fitness has been nominated as a finalist in the Victorian International Education Awards 2015, in the 'Excellence in International Education – Private Education and Training' category. The Victorian International Education Awards is a prestigious Victorian Government initiative rewarding outstanding achievement and excellence in international education in Victoria.

Indicative timetable

An indicative timetable for completion of the proposed capital raising described herein and completion of the acquisition of Australian Learning Group Pty Ltd is as follows:

Action	Target Date for Completion
Dispatch Notice of Meeting to UCW shareholders	18 December 2015
Lodge New Prospectus with ASIC	13 January 2016
Shareholder meeting to approve the Proposed Transaction	22 January 2016
Close Offer under New Prospectus	5 February 2016
Completion of acquisition of ALG and issue of securities pursuant to New Prospectus	10 February 2016
Relisting on ASX	12 February 2016

The above dates are indicative only and are subject to change.

The Company's securities are and will remain suspended from official quotation on the ASX until such time as the capital raising and the acquisition of ALG has been completed and the Company has complied with the requirements of the ASX, including re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

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