



UCW Limited (ASX:UCW)
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The Manager
Company Announcements
Australian Securities Exchange

By electronic lodgment

Completion of acquisition of 24.6% of Performance Education Group Pty Ltd

The Board of UCW Limited (**UCW** or **the Company**) is pleased to advise that the Company has completed the acquisition of 24.6% of the ordinary shares in Performance Education Group Pty Ltd ACN 117 850 281 (**Performance Education**). The transaction was announced to ASX on 17 March 2017.

Approximately \$4.7m was paid on completion (**Completion Amount**). 25% of the Completion Amount was satisfied through the issue of 19,734,258 ordinary shares in UCW at an issue price of \$0.06 per share (**Consideration Shares**). The Consideration Shares are subject to a voluntary escrow period of 12 months, expiring 10 July 2018. The remaining 75% of the Completion Amount was paid in cash, being approximately \$3.6m.

A working capital adjustment (**Adjustment Amount**) of between \$0.9m and \$1.1m is expected to be finalised and paid shortly. The Adjustment Amount is also payable 25% in UCW shares at an issue price of \$0.06 per share and 75% in cash.

\$1.5m of the Completion Amount was funded by a new loan facility with Commonwealth Bank, which also includes a \$0.5m working capital facility (currently undrawn) and a \$0.2m bank guarantee facility (**Loan Facility**). The Loan Facility has terms that are typical of commercial loans of this nature. Establishing the Loan Facility has allowed the Company to retain a greater amount of its cash reserves to pursue future investment and/or acquisition opportunities.

In accordance with accounting standards, UCW intends to equity account for its interest in Performance Education by bringing its proportionate share of Performance Education's net profit after tax to account in its Statement of Profit or Loss.

The Board of UCW looks forward to working with the Performance Education board and management on the development of the business. Mr. Adam Davis, UCW's Chief Executive Officer, has been nominated as UCW's representative director on the board of directors of Performance Education.

About Performance Education

Established in 2006, Performance Education is a leading provider of the Professional Year program, designed to assist international graduates of Australian higher education providers in Information Technology and Accounting to gain valuable work skills and experience.

Performance Education also offers a number of work-ready and internship programs, both direct to students and under contract to other education providers.

In its audited FY16 accounts, Performance Education reported EBITDA of \$4.1m on revenue of \$30.8m. A fully franked dividend of \$1.2m was declared in June 2016.

Performance Education has operations in Sydney, Melbourne, Adelaide and Perth.

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