

20 October 2015

Company Announcements Office
Australian Stock Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Via ASX Online

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FULLY UNDERWRITTEN RENOUNCEABLE PRO-RATA RIGHTS ISSUE

Following are two letters from Academies Australasia Group Limited (ASX:AKG) to shareholders regarding the fully underwritten renounceable pro-rata rights issue announced earlier today. The letters are:

- Letter to shareholders eligible to participate in the rights issue.
- Letter to shareholders who are ineligible to participate in the rights issue.

A transaction-specific prospectus providing details of the rights issue was lodged with the Australian Securities and Investments Commission today.

The Prospectus may be accessed on www.academies.edu.au. Enquiries may be directed to companysecretary@academies.edu.au

Chris Grundy
Company Secretary

For further information call Chris Grundy, CFO, or Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 107 years and listed on the Australian Securities Exchange for 38 years. The group comprises 18 separately licensed colleges operating in New South Wales, Victoria, South Australia, Western Australia and Queensland in Australia, and in Singapore. The group offers more than 250 qualifications in a wide range of recognised courses at different levels – Certificates, Diplomas, Advanced Diplomas and Bachelor and Master Degrees. Over the years, Academies Australasia colleges have taught tens of thousands of students from 122 countries, including 6 dependencies.

20 October 2015

RIGHTS ISSUE: LETTER TO ELIGIBLE SHAREHOLDERS

Dear Shareholder

FULLY UNDERWRITTEN RENOUNCEABLE PRO-RATA RIGHTS ISSUE

As previously announced, Academies Australasia Group Limited (**AKG** or the **Company**) is offering Eligible Shareholders the right to apply for 3 ordinary new shares (**New Shares**) for every 14 shares they hold at 26 October 2015 (**Record Date**) at an issue price of \$0.30 per New Share (**Offer**). The Offer is being made in a transaction-specific prospectus which was lodged with the Australian Securities and Investments Commission today (**Prospectus**).

Timetable for the Offer

Event	Date
Announcement of the Offer, lodgement of the Appendix 3B with the ASX and the Prospectus with ASIC (and a copy to the ASX)	20 October 2015
Notice sent to shareholders containing the information required by Appendix 3B.	21 October 2015
“Ex” date (existing Shares quoted on an “ex” basis)	22 October 2015
Rights trading commences	22 October 2015
Record date to identify security holders entitled to participate in the Offer (Record Date)	26 October 2015
Prospectus and personalised entitlement and acceptance form despatched to eligible Shareholders (Opening Date) and announcement that this has occurred	29 October 2015
Rights trading ends	2 November 2015
Last day to extend the Offer	4 November 2015
Offer closes	5:00pm (AEDT) on 9 November 2015
Company notifies ASX of under subscriptions	12 November 2015
Issue date	16 November 2015
Quotation of New Shares	17 November 2015

**The dates are indicative only. Subject to the Listing Rules, the Directors may vary the dates without prior notice.*

Key Information about the Offer

The following information is a selective overview only. Eligible Shareholders and other investors should read the Prospectus in full before deciding whether to invest in New Shares and, in particular, in considering the Prospectus, you should consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

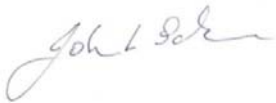
What is the Offer?	<p>The rights issue is a pro-rata renounceable offer made to Eligible Shareholders to subscribe for New Shares.</p> <p>New Shares issued under the Prospectus will be fully paid ordinary shares in the Company and once issued, rank pari passu with existing shares in the Company.</p>
What is my Entitlement?	<p>Each Eligible Shareholder is entitled to subscribe for 3 New Shares for every 14 shares held on the Record Date, subject to the terms of the Prospectus.</p> <p>In calculating the number of New Shares to which an Eligible Shareholder is entitled, fractions of New Shares will be rounded up to the nearest whole number.</p> <p>Eligible Shareholders can, in addition to their entitlement, also apply for shortfall shares.</p>
What is the issue price?	<p>The issue price is \$0.30 per New Share.</p>
Am I an Eligible Shareholder?	<p>Eligible Shareholders are persons who:</p> <ul style="list-style-type: none">• Are registered as a holder of Shares as at 26 October 2015 (AEDT); and• have a registered address in Australia, New Zealand or Singapore or are, in the opinion of the Company, otherwise eligible under all applicable securities law to receive an offer of New Shares under the Offer. <p>(Eligible Shareholder)</p>
Who is an Ineligible Shareholders	<p>Ineligible shareholders, are shareholders, at the Record Date, who have a registered address in a country outside of Australia, New Zealand or Singapore (Ineligible Shareholders).</p>
How much will be raised from the Offer?	<p>The Offer will raise approximately \$3,989,795 (before costs).</p>
What is the purpose of the Offer and how will the funds raised be used?	<p>The Company intends to use the proceeds received from the Offer, for the satisfaction of all amounts owing under various loan agreements, the payment of the expenses of the Offer and for general working capital.</p>

What can I do with my Entitlement?	<p>An Eligible Shareholder can do the following:</p> <ul style="list-style-type: none"> • take-up all of their entitlement and apply for shortfall shares; • sell their entitlement; • take up all of their entitlement; • take up part of their entitlement; or • do nothing in which case their entitlement will lapse and will form part of the shortfall. 						
If you want to sell your Entitlement	<p>For an Eligible Shareholder to sell any or all of their entitlement they will need to instruct a stockbroker to sell the entitlement which they wish to renounce. If an Eligible Shareholder wishes to do so they must instruct their stockbroker personally and provide details as requested and shown on their Acceptance and Entitlement Form as soon as possible. Their stockbroker must sell those rights before the rights trading ceases.</p> <p>If an Eligible Shareholder wishes to transfer all or part of their entitlement to another person other than on ASX, they must forward a completed renunciation form (obtainable through their stockbroker or the share registry) together with their Acceptance and Entitlement Form completed by the transferee and a cheque for the appropriate application monies to the share registry by the Closing Date.</p>						
What happens if I do not participate in the Offer?	<p>If you do not participate in the Offer, you do not need to complete the Entitlement and Acceptance Form that will accompany the Prospectus.</p> <p>New Shares in relation to the entitlements held by Eligible Shareholders who do not exercise their full entitlements will form part of the shortfall.</p>						
Can I trade my Entitlement?	The Offer is renounceable, meaning an Eligible Shareholder can trade their entitlement.						
Is the Offer underwritten?	<p>The Offer is collectively fully underwritten by Gabriela del Carmen Rodriguez Naranjo, Chris Grundy, J & B Schleuderer Pty Ltd and Stormont Pty Ltd each of whom is an officer of the Company or is an entity related to an officer of the Company.</p> <p>The underwriting is subject to conditions ordinarily found in underwriting arrangements, including termination rights in certain circumstances. The terms of the underwriting agreements are set out in the Prospectus.</p>						
What would be the effect on capital structure?	<p>The capital structure of the Company following completion of the Offer (assuming that the Offer is fully subscribed and ignoring any variations that may be due to the fact that fractional entitlements will be rounded up to the next whole number) is summarised below.</p> <table> <tr> <td>Shares on issue at the date of the Prospectus:</td><td>62,063,484</td></tr> <tr> <td>New Shares to be issued under the Offer:</td><td>13,299,318</td></tr> <tr> <td>Shares on issue on completion of the Offer:</td><td>75,362,802</td></tr> </table>	Shares on issue at the date of the Prospectus:	62,063,484	New Shares to be issued under the Offer:	13,299,318	Shares on issue on completion of the Offer:	75,362,802
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You are not required to do anything in response to this letter. This letter is provided for your information only and does not constitute an offer of New Shares under the Offer. An offer document will be sent to Eligible Shareholders on about 29 October 2015. For further information on the Offer, please see the Company's announcements on ASX (www.asx.com.au) or the Company's website (www.academies.edu.au) or alternatively contact the Company on companysecretary@academies.edu.au.

The Board and management thank you for your continued support of the Company.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'John L Schlederer', written in a cursive style.

Dr John Lewis Schlederer
Chairman

20 October 2015

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We are writing to you in relation to your shareholding in the Company. In accordance with ASX Listing Rule 7.7, the Company is of the view that it is unreasonable to make an offer, under the Offer, to Shareholders with registered addresses outside of Australia, New Zealand and Singapore having regard to:

- (a) the number of shareholders outside Australia, New Zealand and Singapore;
- (b) the number and value of the securities owned by shareholders outside Australia, New Zealand and Singapore; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, as you are a shareholder whose registered address is outside Australia, New Zealand or Singapore, the Offer will not be extended to you and you will not be entitled to participate in the Offer.

Subject to ASIC approval, the Company has nominated Foxfire Capital Pty Ltd (**Nominee**) to act as nominee for Ineligible Shareholders under Section 615 of the Corporations Act 2001 (Cth). Pursuant to the agreement with the Nominee, the Company will transfer to the Nominee the rights that would otherwise be issued to the Ineligible Shareholders and the Nominee will then sell those rights and provide the proceeds of those sales (net of expenses) to the Company (or its share registry). The Company will then distribute to each of those Ineligible Shareholders their proportion of the proceeds of the sale net of expenses. The Nominee will receive a fee of \$5,000 for these services.

Timetable for the Offer

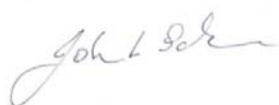
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Yours sincerely



Dr John Lewis Schlederer
Chairman