3P Learning
A place for schools and families to love learning.

Tel: +61 2 9019 2800
Fax: +61 2 8214 5869
ABN: 50 103 827 836

ASX ANNOUNCEMENT

Tuesday, January 19, 2016

Exercise of option to move to 40.0% investment in Learnosity Holdings

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3P Learning (ASX 3PL) is pleased to announce it has exercised its option to acquire a further 16.93% interest in Learnosity Holdings Limited ("**Learnosity**") for A$20.2m, taking its total shareholding in Learnosity to 40%. This builds on its initial 23.07% interest announced in September 2015.

The acquisition is expected to complete today, with the bulk of the consideration – comprising A$13.3m in cash and A$3.6m in either cash or 3PL shares – to be paid to a director of Learnosity on 31 March 2016.

3P Learning will fund the cash component through cash reserves, together with a partial drawdown under its $22m working capital facility with HSBC. If 3P Learning elects to issue shares, the subscription price will be based on a market VWAP price of approximately $2.00 per 3PL share, representing 1,815,878 shares, with 100% of those shares to be held in escrow for 12 months.

The investment in Learnosity is consistent with 3P Learning's mission to provide cutting edge online learning resources for children and schools around the world and, in particular, will enable 3P Learning to incorporate sophisticated assessment tools into all of its products.

Trading update

3P updates and confirms the trading outlook provided at the AGM on 19 November 2015.

Group revenues for the half-year to 31 December are up approximately 24% compared to the same period a year ago. Overall margins are expected to remain relatively steady due to ongoing investment and impact of foreign exchange on offshore costs. Modest price rises are expected in most markets, although large district deals in Americas have the potential to reduce overall ARPU.

3P Learning is due to report its half-year results on 19 February 2016.

About Learnosity

Learnosity is a cutting edge B2B technology company that delivers comprehensive assessment tools for education companies. With intuitive authoring, powerful reporting and over 50 Technology Enhanced Items (TEIs), Learnosity shortens development cycles, effort and time to market without sacrificing quality or value. Learnosity's solution powers the assessment layer for a substantial number of major K-12 education companies, higher education, test preparation and corporate learning institutions worldwide. By handling undifferentiated heavy lifting, Learnosity allows its customers to continue to innovate and differentiate.

Jonathan Kenny
CEO & Company Secretary

ENDS

Read more at www.3plearning.com/hello

Contact

Jonathan Kenny,	Jolanta Masojada,	John Frey
Chief Executive Officer	Investor Relations Consultant	Investor Relations Consultant
jonathan.kenny@3plearning.com	investors@3plearning.com	jfrey@gracosway.com.au