

August 18, 2017

**Australian Securities Exchange Limited Via e-lodgement
ASX Code ICT**

COMPANY UPDATE

- **MIA subsidiary companies placed in liquidation**
- **Termination of the Lara PLC acquisition**

iCollege Limited ("Company") (ASX: ICT) advises that it has placed the following wholly owned subsidiary companies into liquidation.

Management Institute of Australia Pty Ltd

ACN 150 685 359

Management Institute of Australia No.1 Pty Ltd

ACN 122 673 278

Management Institute of Australia No.2 Pty Ltd

ACN 132 489 591

Mr Henry Kwok and Mr Gavin Moss of Chifley Advisory were appointed as Joint and Several Liquidators of the abovenamed companies on 16 August 2017 by the parent company, iCollege Limited, at a meeting of the companies' members held on 16 August.

The MIA companies were acquired by the Company from Walker Enterprises (Australia) Pty Ltd (Walker) who is alleging a breach by iCollege Ltd and MIA of the Share Sale Agreement between those parties dated 16 March 2015. Mr Michael Walker is the former director and shareholder of MIA

iCollege disputes Walker's claims in full and will be fully defending the Proceedings. It also anticipates counterclaiming for damages arising from the circumstances relating to the entry into the Share Sale Agreement, and breach of warranties

icollge.edu.au

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Reference is made to the following previous ASX announcements in relation to this dispute and the restructure made to the companies.

1. 31 December 2015 – 'Review and Restructure of Management Institute of Australia Complete', iCollege announced that it had completed a review and restructure of the MIA group of companies acquired from Walker during which a number of inconsistencies had been discovered with what was portrayed of the business prior to its acquisition.

The board had taken the view that additional payments to Walker were not justifiable given the inconsistencies discovered and suspended any further payments and release of any shares currently held in escrow while proposing mediation in an attempt to resolve matters.

2. 29 February 2016 'Half year Financial Report' - Discovery of inconsistencies in the MIA Group of Companies with what was portrayed of the business prior to its acquisition. The inconsistencies have provided information to the Company that suggest that, based on all information available at this point in time, the intangible asset acquired as part of the business combination with MIA is impaired.

As a result the Company has recognized impairment charges of \$4,854,240 for the entire value of the intangible assets acquired as part of the MIA business.

This was further disclosed in the Company's Annual Financial Report lodged with ASX on 30 September 2016.

The financial effect the MIA liquidations will have on iCollege will be nil, with each operation wound down and becoming dormant at the start of the 2017 financial year with deregistration completed by the National training regulator 'Australian Skills Quality Authority ('ASQA') on the following dates. This was determined the best option as a result of the review and restructure of the companies as detailed above.

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Management Institute of Australia Pty Ltd - *deregistered 25/09/2016*
Management Institute of Australia No.1 Pty Ltd - *deregistered 05/05/2017*
Management Institute of Australia No.2 Pty Ltd - *deregistered 27/02/2017*

The Company also provides an update in regards to the Lara PLC acquisition. It advises that in accordance with the binding term sheet executed between the Company and Lara PLC on or about 2 May 2017, and the extension letter between the parties dated on or about 30 June 2017 that the agreement has now been terminated.

For and on behalf of iCollege Limited
Stuart Usher
Company Secretary

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