

APPENDIX 4E

Preliminary final report

1. Details of reporting period

Name of entity	UCW Limited
ABN	85 108 962 152
Reporting period	Year ended 30 June 2016
Previous corresponding period	Year ended 30 June 2015

2. Results for announcement to the market

	Year ended 30 June 2016	Year ended 30 June 2015	Increase / (decrease)
	\$	\$	%
Revenue from continuing operations	2,040,146	7,926	25,639.9%
Loss from continuing operations	(9,343,216)	(446,948)	(1,990.4%)
Profit from discontinued operations	-	2,654,688	n/a
(Loss)/profit attributable to members of UCW Limited	(9,343,216)	2,207,740	(523.2%)

Net tangible assets

	30 June 2016	30 June 2015
	\$	\$
Current assets	9,456,342	1,169,704
Non-current assets	497,384	5,500
Less intangible assets	(18,514)	(5,500)
Less current liabilities	(6,077,667)	(216,027)
Less non-current liabilities	(15,063)	-
Net tangible assets	3,842,482	953,677
Number of shares	296,642,396	337,280,024
Net tangible assets per ordinary share (cents)	1.30	0.28

The Company's loss after income tax for the financial year was \$9,343,216 (2015: profit of \$2,207,740) due primarily to the goodwill impairment of \$8.95 million and the capital raising costs associated with the purchase of Australian Learning Group Pty Limited (ALG). The results include approximately 3 months' (25 March 2016 to 30 June 2016) trading of ALG and twelve months of the UCW Limited parent company. In 2015, the profit from discontinued operations was primarily due to a gain arising from the settlement of all liabilities and obligations of the Company as a result of the effectuation of the Deed of Company Arrangement and the creation of the Creditors' Trust Deed.

ALG's FY16 Normalised EBITDA has been determined as \$1.7m (calculated in accordance with the Share Sale Agreement, which includes cash basis of recognition of international student revenue) which will result in an earn out amount of \$3.5m becoming payable November 2016, taking total consideration (excluding the working capital adjustment) to \$8.5m, which equals 5 x FY16 Normalised EBITDA. The FY16 Normalised EBITDA is subject to the review of the ALG vendors.

As at 30 June 2016, the Company had \$2.05 million of deferred revenue, the majority of which will be recognised in FY17. The Company's cash position was \$8.82 million, prior to the expected ALG earn-out amount of \$3.5 million.

Additional Appendix 4E disclosure can be found in the Directors' Report and the 30 June 2016 Financial Statements and accompanying notes, which have been audited by Stantons International Audit and Consulting Pty Ltd.