

**16 June 2017**

Market Announcement Office  
ASX Limited

**Re: Mayfield Childcare Limited (Mayfield; ASX: MFD) – Acquisition Announcement**

As signaled at our Annual General Meeting on 23 May 2017, the Mayfield Board is pleased to formally announce the company's first childcare centre acquisition since listing on 30 November 2016.

Consistent with the strategic intent of acquiring and improving under-performing centres, Mayfield has secured a 58 place centre in the eastern suburbs of Melbourne on a new 25 year lease. Funded entirely within our initial debt facility, Mayfield has provided Westpac with a Mortgage over Lease and, while not a condition of the purchase, a Right of Entry.

The acquisition will provide only a minor contribution to CY17 given the timing, improvements and occupancy growth required. The acquisition represents a purchase price multiple of 3.9x forecast CY18 centre EBIT. An attractive rent has been secured, with the Mayfield Group, post-acquisition, maintaining an average rent cost of \$1,925 per registered place.

A condition of sale was that all staff, including the Centre Manager, transferred to Mayfield, providing consistency of care and ongoing assurance to families. Furthermore, the centre recently underwent Assessment & Rating as part of the National Quality Standard, receiving an overall "Meeting" rating.

Aiding potential future growth, Mayfield has additionally secured the rights to a new greenfield, 100 place centre on the property adjacent, with construction of a new childcare centre expected to be completed in early CY19. Mayfield would then be entitled to either operate both centres or to relinquish the existing premises with the security of a non-compete agreement.

With a strong cash position and a recently approved increase in our initial Westpac debt facility, we will continue to seek considered acquisition opportunities in line with our strategic objectives, with a strong focus on improving shareholder value.

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