

ASX Announcement

G8 Education Limited
(ASX:GEM)



8 July 2014

G8 Education Limited to acquire 19 premium childcare and education centres

Listed Queensland-based childcare and education centre operator G8 Education Limited (ASX: GEM) is pleased to announce that it has contracts in place that give it the right to acquire 19 premium childcare and education centres from a number of different vendors.

G8 Education Limited has contractual arrangements with each of the vendors, conditional upon customary licensing and landlord approvals. The acquisitions will be funded from existing cash reserves. Subject to these conditions being satisfied the acquisitions are expected to settle before the end of October 2014.

The total purchase price for the 19 centres is \$25.7 million with \$24.3m payable at settlement and a further payment of \$1.4 million conditional upon the centre based EBIT target being achieved in the 12 month post settlement. The purchase price is 3.9 times anticipated EBIT for the 12 months post settlement.

G8 Education Limited Managing Director, Chris Scott, said: *"The acquisition of these premium centres at 3.9 times anticipated EBIT for the 12 months post settlement is another key milestone in the group's acquisition strategy."*

The centres are expected to contribute to EBIT immediately upon settlement.

This transaction will increase the number of places by 1,213 and takes the total number of places in the Australian portfolio to 29,703 per day."

ENDS

Chris Scott
Managing Director