



ASX ANNOUNCEMENT
AFFINITY EDUCATION GROUP LIMITED
ASX:AFJ

29 August 2014

Affinity Education releases strong results for the half year ended 30 June 2014

Further strengthening its position in the Australian child care sector, Affinity Education today announced results for the half year ended 30 June 2014, highlights of which include:

- Excluding acquisition costs, EBIT of \$4.0 million, representing a 30 percent increase over the prospectus forecast due to the contribution from acquisitions during the period;
- Pro forma EBIT of \$3.9 million, in line with prospectus forecast demonstrating the successful integration of the centres acquired at the time of the IPO on 9 December 2013;
- A 60 percent increase in the company's portfolio of child care centres following the successful acquisition of 34 centres prior to 30 June 2014, with an additional 8 centres having been acquired since June 30; and
- The successful completion of a 3 for 4 pro-rata accelerated renounceable entitlement offer raising \$75 million for acquisitions.

Justin Laboo, Managing Director of Affinity Education Group said the acquisitions had built on the Group's growth strategy of diversifying further into Sydney, Melbourne and Perth while adding to its existing strong cluster of centres in Queensland.

He said the Group has core management expertise to successfully integrate the new centres across all critical work streams of human resources, systems, operations and finance.

"The results for the half year demonstrate the successful integration of our IPO portfolio, the confidence of our major shareholders, and the ability to leverage our platform to acquire additional centres," Justin Laboo said.

He said the Group's occupancy has continued to achieve a consistent rate of increase with each week of operation, and this momentum is expected to continue in the second half of 2014, in line with seasonal industry trends.

In addition to the improving occupancy performance, Affinity has also seen continued improvement in average fees collected and its wage to revenue performance.

Affinity has a strong acquisition pipeline and combined with the \$100 million acquisition facility is well funded to execute accretive growth opportunities in line with the Group's disciplined acquisition criteria in the second half of 2014.

ENDS

Justin Laboo
Managing Director

John Bairstow
Company Secretary

About Affinity Education Group Limited

Affinity Education Group Limited has been established to be a leading provider in the Australian market of high quality education and care to children aged six weeks to 12 years. Provision of these services includes long day care, before and after school care and occasional care.

