

2 April 2015

Evolve announces further acquisitions

Evolve Education Group Limited ("Evolve") is pleased to announce it has successfully completed the acquisition of 85 ECE centres, as envisaged in the Prospectus.

Evolve has continued execution of its growth strategy and has already settled the acquisition of an additional ECE centre (bringing the current total to 86), and currently has contracts in place to acquire a further eight ECE centres. These acquisitions will settle in April (subject to satisfaction of conditions, where relevant). On completion of these acquisitions Evolve will then own 94 ECE centres.

The 55 ECE centres (excluding centres acquired as part of the Lollipops Educare acquisition) have been settled at a total cost of \$88.2m with an average EBITDA multiple of 4.9. The total consideration payable for the additional nine centres is \$11.1m with an average acquisition multiple of 4.9 on the centres current run-rate EBITDA. The acquisitions will be fully funded through Evolve's operating cash flows and debt facilities and are expected to be immediately earnings accretive.

Alan Wham, Chief Executive of Evolve said "we are pleased with the efforts of our management team to successfully integrate centre acquisitions and I would like to thank all the staff at the centres for helping the transition run smoothly. Evolve has now established a corporate structure and operating platform from which we can grow, delivering both quality early childhood education and returns for shareholders. The acquisition of further centres beyond the announced 94 is a primary focus".

In addition to these nine centres, Evolve is well-advanced on its acquisition pipeline and continues to seek suitable acquisition targets which meet its acquisition criteria as set out in the Prospectus. The acquisition multiples paid for future assets will be driven by the company's acquisition criteria along with market conditions at the time, with Evolve remaining committed to ensuring that all acquisitions are earnings accretive.

ENDS

For any further inquiries please contact:

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