



## ASX ANNOUNCEMENT

AFFINITY EDUCATION GROUP LIMITED

ASX:AFJ

15 June 2015

### **Affinity Education improves pricing, increases size and extends maturity of existing debt**

Affinity Education is pleased to announce its debt facilities with the Commonwealth Bank of Australia (CBA) have been renegotiated on more favorable terms. Under the revised terms, the maturity of the acquisition debt facility has been extended by 12 months to July 2018 and the interest rate margins have been reduced. The facilities have also increased by \$2 million, consistent with the increased requirement for bank guarantees. Reporting requirements under the revised facility agreement will also reduce, reflecting the maturity of the group.

Justin Laboo, Chief Executive of Affinity Education said, "We are very pleased with the revised terms negotiated with our principal financier, which demonstrate both their commitment as a long term lender and their increased support for the group".

In line with previous announcements the pro forma net debt level will be \$35 million following the recent entitlement offer and completion of outstanding settlements. This provides significant headroom, in excess of \$65 million within the debt facility.

Affinity Education is continuing discussions with several domestic banks regarding diversification of funding, which will also increase available debt. Given the strong balance sheet, low gearing and available debt, the finalisation of the expanded facility is expected to be in the second half.

Mr Laboo added, "The introduction of additional lenders will provide Affinity Education with enhanced funding terms, diversification of financing relationships and improve our execution of future growth. The group aims to deploy capital in a disciplined manner, with an expanded debt facility negotiated on the right terms and at the right time to meet the Group's needs".

ENDS

Justin Laboo  
Managing Director

Paul Cochrane  
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.