

ASX Announcement

G8 Education Limited
(ASX:GEM)



22 July 2015

Update - G8 Education Limited Takeover Offer for Affinity Education Group Limited

On 3 July 2015 G8 Education Limited (**G8 Education**) (ASX:GEM) announced its intention to make a takeover bid for all of the ordinary shares in Affinity Education Group Limited (**Affinity Education**) (ASX:AFJ) which G8 Education does not already own. G8 Education owns 19.89% of the fully paid ordinary shares in Affinity Education. G8 Education proposes to offer 1 fully paid ordinary share in G8 Education (**G8 Education Share**) for every 4.61 fully paid ordinary shares in Affinity Education (**Affinity Education Shares**) (**Offer**) valuing Affinity Education at \$162 million (or \$0.70 per Affinity Education Share), based on the closing price of G8 Education on the day immediately preceding this announcement. This represents an attractive premium of:

- 29.6% to Affinity Education's closing share price of \$0.54 on 2 July 2015, the last day of trading prior to the announcement of G8 Education's intention to make a takeover bid for Affinity Education*; and
- 9.4% premium to the 10 day volume weighted average price of Affinity Education of \$0.64 on 10 trading days prior to the announcement of G8 Education's intention to make a takeover bid for Affinity Education.**

G8 Education's offer is subject to certain defeating conditions including acquiring a minimum 50% shareholding and the necessary authorisations and clearances being obtained from the Australian Competition and Consumer Commission and Australian Competition Tribunal.

G8 Education's Chairperson Jenny Hutson said "the Offer represents compelling value to Affinity Education shareholders".

On 3 July 2015, G8 Education Limited (G8 Education) (ASX:GEM) stated that it intended to lodge the bidder's statement in relation to the Offer with the Australian Securities and Investments Commission (ASIC) within 21 days of the Initial Announcement. G8 Education wishes to update the market that it is currently in the process of preparing the bidder's statement and now intends to lodge its bidder's statement in relation to the Offer with ASIC by 31 July 2015.

ENDS

Chris Scott

Managing Director

*Based on the closing price of G8 Education and Affinity Education on the last day of trading prior to the announcement of G8 Education's intention to make a takeover bid for Affinity Education.

** The volume weighted average price excludes the 38,001,946 fully paid ordinary shares acquired by G8 Education in Affinity Education on 2 July 2015.