

18 August 2015

Affinity achieves significant growth, strong underlying cashflow and strengthens its full year guidance outlook

1H15 Results Highlights

Revenue of:	\$87.0m	Up 128% on 1H14
Underlying EBITDA of:	\$8.6m	Up 76% on 1H14
Statutory Net loss of:	\$(2.1)m	Improvement of 58% on 1H14
Underlying Operating Cashflow of:	\$15.6m	Up 311% on 1H14
Portfolio Growth to:	161 centres	Up 29% in the period 1H15

Affinity Education Group Limited (ASX: AFJ) is pleased to announce its results for the half year ended 30 June 2015 (1H15). Commenting on the 1H15 result, Affinity Chief Executive Officer, Mr Justin Laboo said: "The important aspects of these results is the significant uplift compared to the half year ended 30 June 2014 (1H14), executing significant growth and investing in the creation of the corporate platform that will benefit the company in the long term."

Key Improvements in Occupancy and Wage to Revenue

The company is currently at 81% occupancy across the entire portfolio and 55% centre based wage to revenue. Occupancy and wage to revenue has significantly improved since 30 June, creating strong momentum into 2H15, resulting in the company strengthening its full year guidance outlook.

Underlying EBITDA Guidance

The company has strengthened its full year underlying EBITDA guidance to \$30m - \$32m, which excludes further acquisitions. This is based on actual earnings for 1H15, the trends in occupancy and wage to revenue improving in line with forecasts, and savings being made in overheads.

Positive outlook

"Despite lower occupancy in 1H15 than expected, the outlook for the company remains positive with strong fundamentals leading to increases in demand for childcare services. The company has created a strong corporate platform that will drive further efficiencies with continued growth. The company is well placed to continue growing shareholder value with a strong balance sheet and over \$70m of undrawn available debt facilities. The company is on track for its inaugural dividend for FY15, payable in February 2016." said Mr Laboo.

- ENDS -

Justin Laboo
Managing Director

Paul Cochrane
Chief Financial Officer

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.