

ASX Announcement

G8 Education Limited
(ASX:GEM)



2 June 2016

G8 Education update on matters

Singapore Dollar Notes

G8 Education is pleased to confirm that the Series 001 Notes (Singapore Dollars 260 million) have now been totally redeemed and replaced by the Series 003 Notes (Singapore Dollars 270 million with maturity in May 2019). The Series 002 Notes were redeemed on 29 February 2016.

Series 003 Notes Hedging

G8 Education confirms that the Series 003 Notes have been completely hedged until May 2019 by way of an interest rate swap. G8 Education has no foreign exchange exposure to the Series 003 Notes.

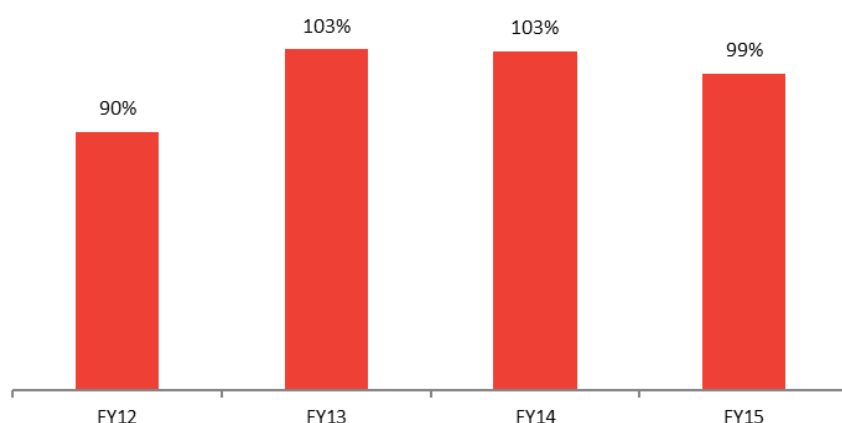
Debt Leverage

G8 Education wishes to advise that it is expected that net debt to EBITDA at 31 December 2016 will be approximately 2.1 times.

Cash Flow

G8 Education wishes to advise that G8 Education continues to experience strong cash flow. The Table tells the story:

Historic cash conversion



Note: Cash conversion = Operating cash flow plus net interest paid plus tax divided by underlying EBITDA

Appointment of Company Secretary

G8 Education is pleased to advise that Maria Forgione has been appointed Company Secretary.

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G8 Education Core Values

G8 Education recently held its inaugural National Centre Manager Conference at Royal Pines on the Gold Coast attended by 511 employees. The focus of the conference was three-fold:

- 1) To provide an opportunity for G8 Centre Managers to network with each other and to meet key support office staff.
- 2) To provide educational opportunities that spanned topics as broad as Marketing, Leadership, Transition to School for our Children, and Financial literacy training.
- 3 To provide an opportunity to communicate our core G8 values.

This was a logical step for G8 as our focus turns to consolidation and internal development. G8 had a few core value words on a page but they did not resonate with staff in the field and did not link to their why, that is “why do you do what you do”.

The G8 Education core values are: **COMPASSION INNOVATION INTEGRITY DEDICATION PASSION**

This is how G8 Education arrived at these core values:

- **Mission to Mars.** An exercise to discover our core values (because you cannot dictate to someone what their values are, they exist already and just need to be uncovered). The Mission to Mars exercise was conducted across many cohorts of staff, Senior Management, Operations Managers, Centre Managers, and Lead Educators. We distilled the results down to 5 values that were common across the different cohorts.
- **Core Value Challenge.** We now had the 5 words but not the meaning. We asked staff for their views. We received more than 110 responses. We took the key words or phrases from each submission and wrote them all down (hundreds of them). We then used this “pool of thoughts” to construct definitions for each of the values. This took a lot of time and some serious wordsmithing. But now we had the definitions or meaning.
- **Values to Life through Video.** We then asked a professional video production company shoot a video at one of our centres and theme it around the core values. It was revealed for the first time at the CM Conference. It is no exaggeration to say that there were tears all around. See why for yourself. Please click on the link below for visual representation of the G8 Education core values – of what G8 Education believes in:

<http://careers.g8education.edu.au/culture/>

ENDS

Chris Scott

Managing Director