

ASX Announcement

G8 Education Limited
(ASX:GEM)



G8 Education^{ltd}

22 October 2014

G8 Education Limited to acquire 20 childcare and education centres

Listed Queensland-based childcare and education centre operator G8 Education Limited (ASX: GEM) is pleased to announce that it has contracts in place that give it the right to acquire 20 childcare and education centres from a number of different vendors.

G8 Education has contractual arrangements with each of the vendors, conditional upon customary licensing and landlord approvals. Subject to these conditions being satisfied the acquisitions are expected to settle before the end of February 2015.

17 of the 20 centres are being acquired for a purchase price of \$24.35 million which is payable at settlement, with a further payment of \$1.3 million conditional upon a centre based EBIT target being achieved in the 12 months post settlement. The purchase price represents 3.98 times anticipated EBIT for the 12 months post settlement. The 17 centres include 1,134 licenced places.

The remaining three centres are premium centres over which the Sterling group of companies, which were acquired by G8 Education, had options to purchase. These centres were in addition to the 91 centres which G8 Education announced on 24 March 2014. The purchase price for these three Sterling related centres is \$12.35 million, representing 6.19 times anticipated EBIT for the 12 months post settlement. The three centres include 209 licenced places. G8 Education wishes to affirm that there are no more Sterling related centres subject to contracts or options.

G8 Education Managing Director, Chris Scott, said: *'These transactions will increase the total number of places in the Australian portfolio by 1,343 per day and will be EPS accretive from settlement date.'*

ENDS

Chris Scott
Managing Director

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