29 August 2011

Record profit result for the half year ended 30 June 2011

Highlights

- Profit after tax and before significant items of $4.308m, up 370%
- Profit after tax and after significant items of $3.746m, up 446%
- Earnings per share of 2.03 cents, up 133%
- Annual Dividend of 4.0 cents, up from nil
- Operating cash flow of $3.364m, up 255%

In announcing the result, G8 Education’s Managing Director, Mr Chris Scott said: “The result for the 2011 half year was very pleasing. The result was achieved against a backdrop of subdued global economic conditions and an adverse impact on reported earnings due to the Singaporean dispute.

The recent acquisitions have been positive contributors to earnings growth. The integration of these acquisitions is in line with our expectations, with the exception of Singapore.

Cost synergy targets were over expectations, which have resulted in improved margins and returns in Australia.

The cash generating capacity of the business has improved substantially which has allowed us to pay quarterly dividends of 1 cent per quarter, for the first time in the Company’s history. The operating cash flow was in excess of $3.3m, which is lower than the reported half year profit due to working capital timing differences.

G8 Education’s capital management initiatives have allowed a balance between returns to shareholders and maintaining flexibility to pursue growth and acquisition opportunities.

In particular, the loss on the sale of an underperforming centre is expected to be offset by gains on the sale of other underperforming centres in the second half.

G8 Education is well positioned to deliver sustained growth and improving returns to shareholders.”

ENDS

Chris Scott
Managing Director