Overview

Following the acquisition of five separate child care groups over the past 22 months, G8 Education’s child care portfolio now comprises:

- **Australia**
  - 135 owned child care centres
  - Eight brands:
    - Early Learning Services
    - World of Learning
    - Bourne Learning
    - Community Kids
    - Holiday Club
    - Kindy Patch
    - Headstart
    - Ed-U-Care

- **Singapore**
  - 20 owned/operated* child care centres
  - 51 franchised child care centres
Significant events

- Reported a profit after tax of $17,250,351 in 2011 compared to $3,480,324 in 2010.

- Acquired an additional 53 child care centres and sold 7 underperforming child care centres in Australia.

- Acquired 6 child care centres in Singapore (outside of the Cherie Hearts Group International acquisition).

- In March 2012 Damien Peters joined G8 Education. Damien is an experienced Chief Financial Officer with more than 15 years’ experience in senior accounting and finance roles, most recently, as CFO of Retail Food Group, an ASX listed company with a market capitalisation in excess of $290 million.
G8’s Vision & Mission

A portfolio of outstanding early childhood education brands

Focus on the importance of early childhood education

Make good centres great through focusing on outstanding early childhood education management

Our mission is to be Australasia’s leading provider of high quality, developmental and educational child care services, and to achieve this through growth and sustainability:

**Quality Education & Care**
- To nurture and develop children’s minds, social skills and confidence in a safe and stimulating environment.

**Employees**
- To commit to employee development and a rewarding culture which will ensure an engaged and driven workforce.

**Community**
- To be responsive to local families and deliver upon community expectations.

**Profitability**
- To grow and derive value for shareholders through innovative services, systems and management.
Price chart
G8 2011 Audited Results

Financial year ended 31 December 2011
Operating cash flow for 2011 was lower than NPAT. This was due to a full week of revenue being received in January 2012 because 31 December 2011 was a Saturday. The cashflow shortfall was a timing issue which corrected itself in January 2012.

Source: Annual Report Lodged 27 February 2012
## 2011 Audited Results v Guidance

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2011 Guidance $AUD million</th>
<th>Audited Full Year 2011 Results $AUD million</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>132.35</td>
<td>142.89</td>
<td>8.0%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(112.09)</td>
<td>(118.01)</td>
<td>5.3%</td>
</tr>
<tr>
<td>Earnings Before Interest and Tax</td>
<td>20.26</td>
<td>24.88</td>
<td>22.8%</td>
</tr>
<tr>
<td>Interest</td>
<td>(1.90)</td>
<td>(2.19)</td>
<td>15.3%</td>
</tr>
<tr>
<td>Net Profit Before Tax</td>
<td>18.36</td>
<td>22.69</td>
<td>23.6%</td>
</tr>
<tr>
<td>Non-recurring abnormal transactions</td>
<td>-</td>
<td>(3.34)</td>
<td>-</td>
</tr>
<tr>
<td>Net Profit After Tax</td>
<td>12.79</td>
<td>13.90</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

- Underlying Return on Equity has increased from 5% in 2010 to 12% in 2011.
- The Net Profit After Tax margin increased from 7% in 2010 to 10% in 2011.

Source: Annual Report Lodged 27 February 2012
Australia
# Australian Centres

<table>
<thead>
<tr>
<th>State</th>
<th>Total centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland</td>
<td>60</td>
</tr>
<tr>
<td>New South Wales</td>
<td>47</td>
</tr>
<tr>
<td>Victoria</td>
<td>9</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>6</td>
</tr>
<tr>
<td>South Australia</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total centres</strong></td>
<td><strong>135</strong></td>
</tr>
<tr>
<td><strong>Total licence Capacity per day</strong></td>
<td><strong>9,868</strong></td>
</tr>
</tbody>
</table>
Australian operations

- The trading environment continues to be buoyant with average 2012 annual occupancy across centres expected to exceed 2011 occupancies.

- Long Day Care rate increased 2.66% in January 2012 against the budget of 1.50%

- Total centre payroll costs for CY11 was 59% against an industry average of 63.5%*. Further reduction expected in CY12

- Centre EBIT margin for CY11 was 18%

*Source: IBISWorld Industry Report O8710, Childcare Services in Australia, April 2011
Singapore
## Singapore Centres

<table>
<thead>
<tr>
<th>State</th>
<th>Total centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned centres</td>
<td>8</td>
</tr>
<tr>
<td>Operated centres*</td>
<td>12</td>
</tr>
<tr>
<td>Franchised centres</td>
<td>51</td>
</tr>
<tr>
<td>Franchisees seeking premises</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total centres</strong></td>
<td><strong>81</strong></td>
</tr>
<tr>
<td><strong>Total licence capacity per day for owned centres</strong></td>
<td><strong>618</strong></td>
</tr>
</tbody>
</table>

* Refer 19 April 2011 announcement in relation to Cherie Hearts. G8 Education manages 12 of these centres while legal proceedings are resolved.
Cherie Hearts Update

The legal proceedings between G8 Education Limited and the Cherie Hearts Group, Sam Yap and Gurchran Singh in relation to various issues involving the contractual arrangements between the parties has been heard before Her Honour Justice Prakash in Singapore.

Her Honour, Justice Prakash, has handed down judgement in the Singapore legal proceedings between G8 Education Limited and the Cherie Hearts Group, Sam Yap and Gurchran Singh in relation to various issues involving the contractual arrangement between the parties.

Her Honour found in favour of G8 Education Limited. Her Honour dismissed the application brought by Cherie Hearts Group, Sam Yap and Gurchran Singh.

In her judgement, Justice Prakash noted that, at the relevant time, Cherie Hearts Group was in breach of the conditions precedent in the Business Acquisition Contract with G8 Education in several respects, and that ‘Cherie Hearts Group acted wrongly in purporting to terminate the Business Acquisition Contract’ with G8 Education. Her Honour found that the Business Acquisition Contract is ‘still in effect and enforceable between the parties...’
Cherie Hearts Update

• Accordingly, Justice Prakash has ordered specific performance of the contract, pursuant to which G8 Education acquires the Cherie Hearts child care businesses in Singapore under the Business Acquisition Contract.

• As advised to the market on 4 March 2011, G8 Education finalised the assignment and novation of the Cherie Hearts franchisee businesses in December 2010.

• The plaintiff, Cherie Hearts Group, Sam Yap and Gurchran Singh have now lodged a Notice of Appeal in the Court of Appeal in Singapore.

• Judgement was handed down on 12 April 2012.
Looking forward
Looking forward

G8 Education continues to perform strongly and is well positioned for further growth and additional acquisitions.

• An increase in the proposed annual dividend of 50% to 6 cents per share (fully franked), payable quarterly, has been announced.

• Strong acquisition pipeline of over 70 centres with over 5,400 licenced places are being considered.
Australian Group Structure

Board of Directors

- Brian Bailison: Non-Executive Director
- Andrew Kemp: Non-Executive Director
- Chris Scott: Managing Director
- Jenny Hutson: Chairperson
- Susan Forrester: Non-Executive Director
- Matthew Reynolds: Non-Executive Director

Senior Management

- Chris Sacre: Chief Operating Officer/Company Secretary
- Chris Scott: Managing Director
- Damien Peters: Chief Financial Officer
- Jae Fraser: General Manager, Operations

Operational

- 12 operations managers
- 135 centre directors

Operations Managers

- More than 2,870 centre staff

Centre Directors

Over 9,800 Licenced places
## Capital structure

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares on issue</td>
<td>200,209,010</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>$14.2 million</td>
</tr>
<tr>
<td><strong>Debt</strong></td>
<td></td>
</tr>
<tr>
<td>Current Debt – National Australia Bank</td>
<td>$36.4 million</td>
</tr>
<tr>
<td>Replacement debt facility with BankWest</td>
<td>$50 million</td>
</tr>
</tbody>
</table>

### Dividend Policy

- Quarterly dividends to 65% cash payout ratio
- Dividend to be 1.5 cents per share from March 2012 quarter
- Dividends are fully franked.
Questions?
Formal Resolutions
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