26 April 2012

Acquisition of 6 childcare and education centres

Overview

Listed Queensland based childcare and education centre operator G8 Education Limited (ASX: GEM) is pleased to announce the acquisition of six premium childcare and education centres in South Eastern Australia.

Two business acquisition contracts have been executed. Both contracts are conditional upon customary licensing approvals. Both acquisitions will be funded from existing bank finance facilities which the group is currently in the process of finalising condition precedents for drawdown.

Settlement of each contract is expected no later than 30 June 2012.

Transaction Summaries

The purchase price for three of the centres is $10 million payable at settlement which represents 4 times anticipated EBIT for the 12 months post settlement.

The purchase price for the other three centres is $3 million which represents 4 times anticipated EBIT for the 12 months post settlement. $2.5 million is payable at settlement and a further payment of $500,000 is conditional upon a centre based EBIT target being achieved in the 12 months post settlement.

Managing Director, Chris Scott, commented: “The addition of these six premium centres expands the footprint of G8 Education in South Eastern Australia. The six centres will contribute to EBIT for the second half of the calendar year. These acquisitions continue to leverage the expertise of the head office team in a way that is earnings per share accretive.”

ENDS

Chris Scott
Managing Director

T:+617 5581 5300
E:chris.scott@g8education.com