Settlement of multiple childcare centres acquisitions

The directors of G8 Education Limited (ASX: GEM) are pleased to announce the settlement of First Grammar childcare and education centres, Learning Sanctuary – Wantirna South and Star Kids – Ultimo.

First Grammar childcare and education centres

The group includes 10 premium childcare centres located in New South Wales. The transaction was originally announced to the ASX on 19 February 2013.

The purchase price for the ten centres was $13.9 million including transaction costs which represents 4 times anticipated EBIT for the 12 months post settlement. $12.2 million is payable at settlement and a further payment of $1.7 million is conditional upon the centre based EBIT target being achieved in the 12 months post settlement.

Learning Sanctuary and Star Kids childcare and education centres

The acquisition of Learning Sanctuary and Star Kids childcare and education centres, which are located in Victoria and New South Wales respectively, is now complete. The transaction was originally announced to the ASX on 8 March 2013.

The purchase price for the two centres was $0.6 million including transaction costs, payable at settlement, which represents 4 times anticipated EBIT for the 12 months post settlement.

The acquisitions were funded from existing cash reserves.

ENDS

Christopher Sacre
Company Secretary