



G8 Education^{ltd}

ASX Announcement

G8 Education Limited
(ASX:GEM)

27 July 2010

Acquisition of a further two childcare centres in Sydney

Overview

Queensland based listed child care operator G8 Education Limited (ASX: GEM) is pleased to announce a proposal to acquire two childcare centres in Sydney New South Wales.

A legally binding Heads of Agreement has been signed for the two centres with the vendor. The Heads of Agreement is subject to due diligence and National Australia Bank consent.

Transaction Summary: Two child care centres, 180 licensed places

The acquisition of the additional two centres will be conducted through the issue of scrip and a performance based cash payment.

The total consideration for the two centres is capped at 4 times centre based EBIT for the 2011 financial year. The total forecast centre based EBIT for the two centres for the 2011 financial year is \$701,373.

G8 Education Limited will issue 2,805,493 shares in total at an issue price of \$0.60 per share.

In addition, a performance based cash payment will be made on 31 August 2011 based on the audited performance of the two centres for the financial year ended 30 June 2011. The maximum cash payment will be \$1,122,196.80.

Chairperson Jenny Hutson said "The acquisition of these additional centres will provide G8 Education Limited the opportunity to increase the geographic diversity of the group and further leverage the expertise of the head office team in a way that is earnings per share accretive. This acquisition is a further step in G8 Education's well planned expansion strategy."

ENDS

Jenny Hutson

Chairperson

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