G8 Education ltd

EGM Presentation

Extraordinary General Meeting | 30 September 2010

Jenny Hutson, Chairperson

Overview | G8 Education

G8 Education ltd

- Early Learning Services Limited (ASX:ELY) listed in 2007 with 38 centres
- Payce Child Care – an unlisted subsidiary of Payce Industries Limited – owned and operated 58 centres
- ELY and Payce merged in March 2010 to form G8 Education (ASX:GEM):
  - This provided economies of scale and efficiencies throughout the child care centre operations
  - Share price 29 September 2010 – $0.71 per share
  - Placement 18.93 million shares at $0.69 on 29 September 2010 raising $13.06 million
  - Share Purchase Plan at the same price enabling retail investors to purchase up to $15,000 in additional shares at $0.69 per share which is open until 21 October 2010
- Acquisition of 51 additional Australian child care centres on foot taking G8 Education's Australian portfolio to 140 centres
- The excellent Early Learning Services team is now profitably producing for all stakeholders across the centres operated by G8 Education.

G8's vision

G8's mission

G8 Education ltd

Our mission is to be a 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.



The vision of G8 Education

G8 Education ltd

- A portfolio of outstanding child care brands:
  - Early Learning Services
  - World of Learning
  - Bourne Learning
  - Community Kids
  - Holiday Club
  - Kindy Patch
- Focus on the importance of child care
- Make good centres great through focusing on outstanding child care management

2010 Acquisitions Update: Australian Centres

G8 Education ltd

1 April 2010 acquisitions
- 10 child care centres
- 847 licensed places

28 June 2010 acquisitions
- 9 child care centres
- 655 licensed places

27 July 2010 acquisitions
- 2 child care centres
- 180 licensed places

2 August 2010 acquisitions
- 30 child care centres
- 2,078 licensed places

Board and Management Team

G8 Education[ltd]

Jenny Hutson,
Chairperson
B.Com, LLB, FAIMM, MAICD

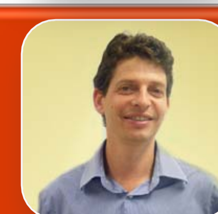
Craig Chapman,
Chief Executive Officer
B. Com., A.S.C.P.A., C.S.A.

Chris Sacre, Chief Financial Officer/
Joint Company Secretary
B.Bus, CA, SA Fin, G Dip AppFin

Jae Fraser,
General Manager Operations

Chris Scott,
Managing Director
B.Econ (Hons)

Brian Bailison,
Non-Executive Director
B.Com., B.Acc (Cum Laude), ACA



Garry Edwards,
Financial Controller/
Joint Company Secretary
MBA, FAICD

Centre Overview

Australian Centres

G8 Education ltd

State	Total Australian centres (assuming completion of all announced acquisitions as at 30 September 2010)
Queensland	70
New South Wales	38
Victoria	9
Australian Capital Territory	5
South Australia	15
Western Australia	2
Tasmania	1
Total centres	140
Total licence capacity	9,854

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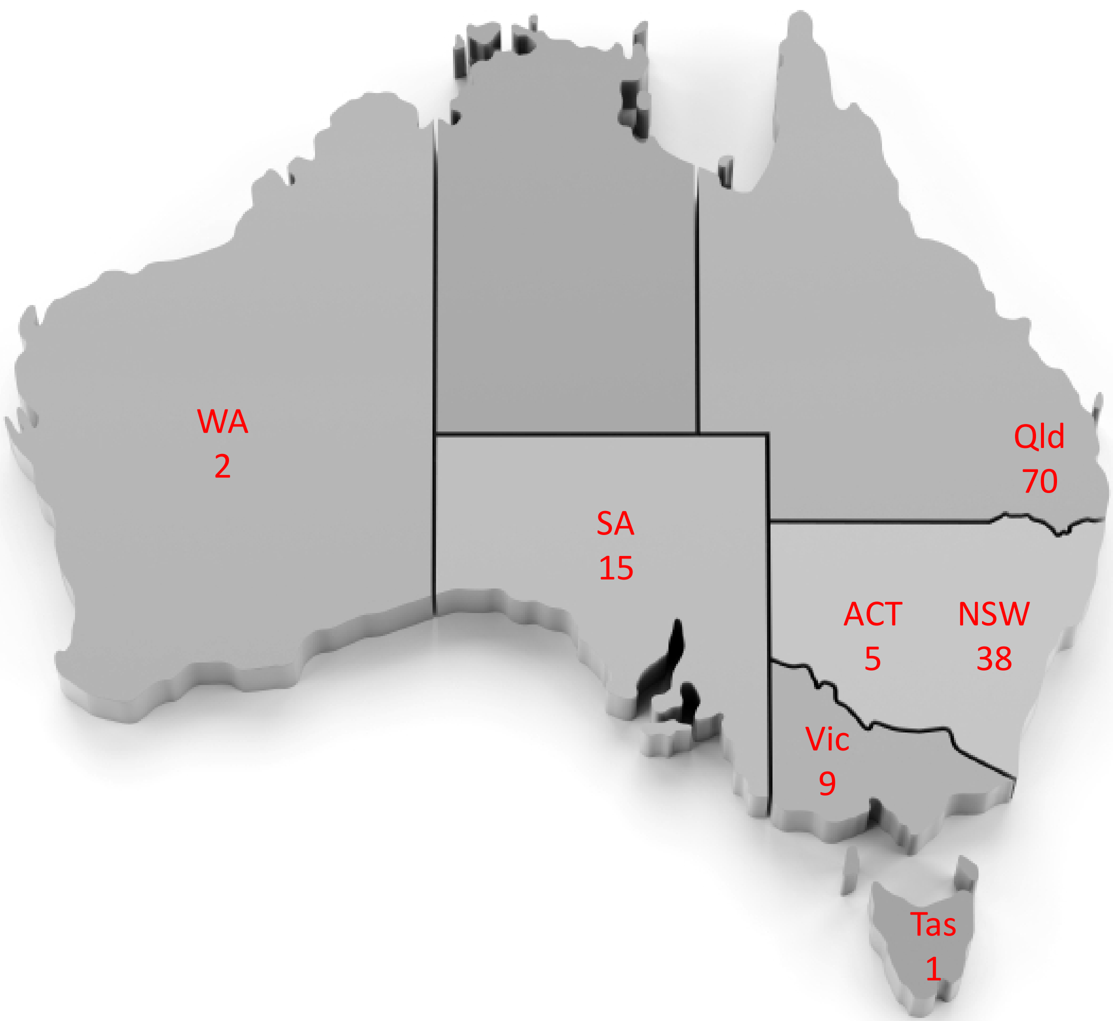
Geographic Diversity



G8 Education ltd

Community KIDS

Kindy Patch

BOURNE LEARNING

Holiday Club

World of Learning

Early Learning Services Limited
Committed to Child Care

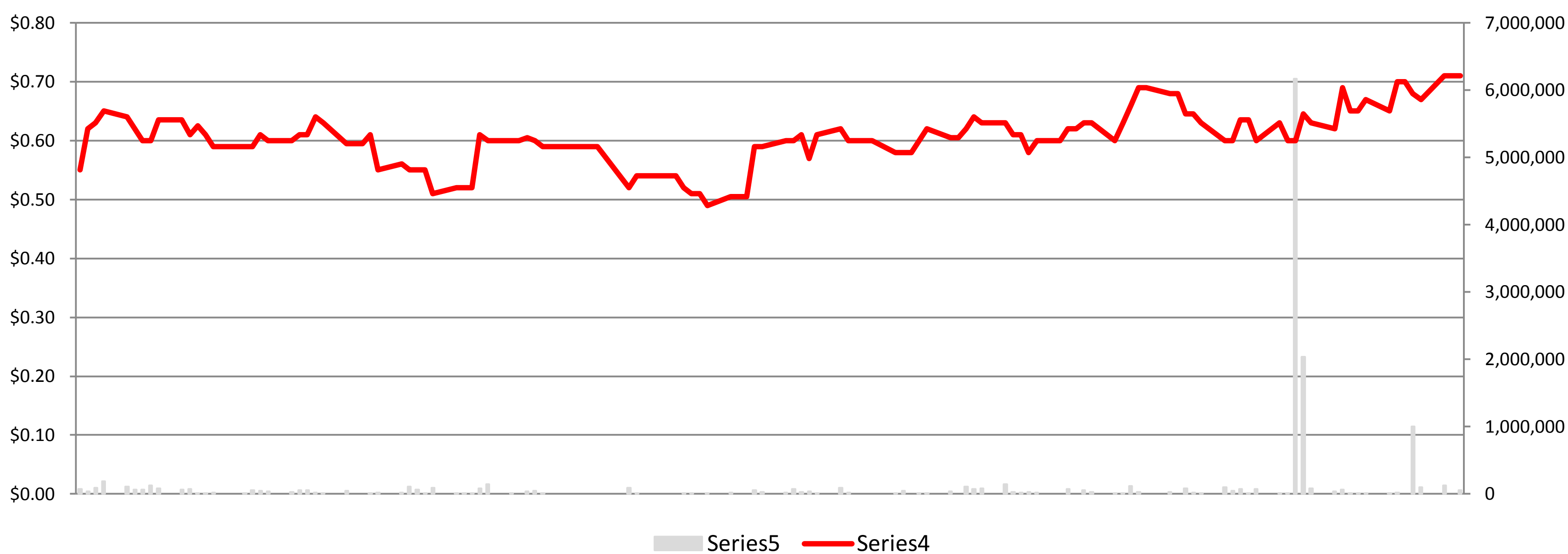
Key Statistics

Key Statistics

G8 Education ltd

Current share price (at close of trade on 29 September 2010)	$0.71
Shares on issue during 2010 (following announced acquisitions and placement of 18.93 million shares)	159,112,771
Market capitalisation at finalisation of all announced acquisitions, and assuming share price of $0.71 at close on 29 September 2010)	$112.97 million

90 day price history: 10 June 2010 to 27 September 2010



Key financial results 1H2010

G8 Education ltd

	Forecast 6 months to 30 June 2010*	Actual 6 months to 30 June 2010
Revenue	23,585,383	23,282,014
Expenses (excluding interest)	22,476,352	21,697,921
EBIT	1,109,031	1,584,094
Interest	641,289	608,083
Net Profit Before Tax	467,742	976,010

EBIT increase 42.8% on forecast.
NPAT increase 108.7% on forecast

Source: GEM ASX Announcement: 16 August 2010

2010 Guidance

2010 Guidance

G8 Education ltd

	Calendar Year 2010 Guidance
Revenue	$64.78m
Expenses	$57.17m
Earnings Before Interest and Tax	$7.61m
Interest	$1.20m
Net Profit Before Tax	$6.41m
Net Profit After Tax	$4.49m

*Assumes 90 centres owned for the 2010 year with 38 centres owned for 12 months, 31 centres owned for 9 months, 10 centres owned for 6 months, 11 centres owned for 3 months and 20 centres managed .

Source: GEM ASX Announcement: 28 September 2010

2011 Guidance

2011 Guidance

G8 Education ltd

	Calendar Year 2011 Guidance
Revenue	$115.47m
Expenses	$98.19m
Earnings Before Interest and Tax	$17.28m
Interest	$2.11m
Net Profit Before Tax	$15.17m
Net Profit After Tax	$10.62m

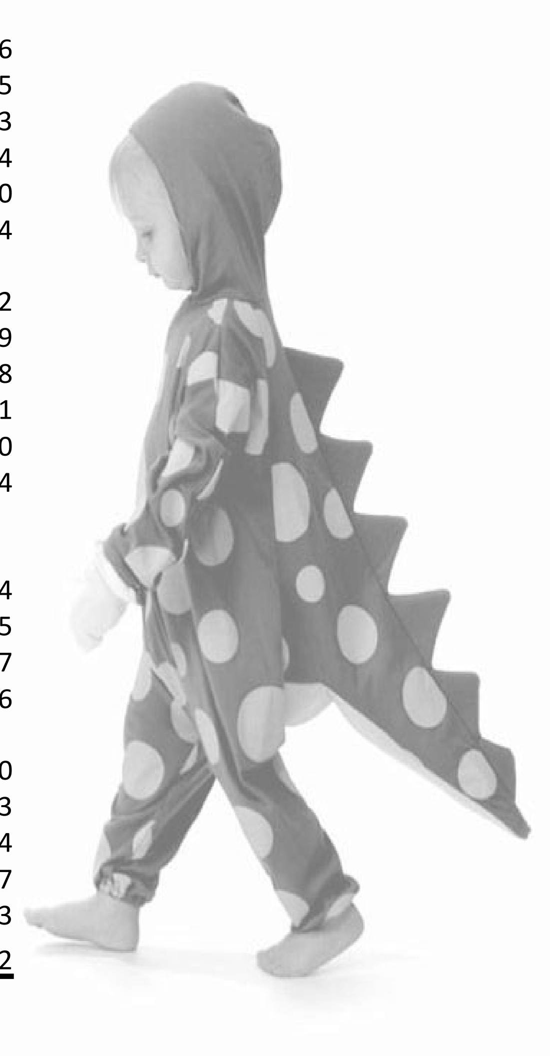
*Assumes 120 centres owned for the 2011 year and 20 centres managed.

Source: GEM ASX Announcement: 28 September 2010

Balance Sheet as at 30 June 2010

G8 Education ltd

ASSETS	G8 Consolidated 30 June 2010	Proforma Consolidated Balance Sheet 30 June 2010
Current assets		
Cash and cash equivalents	323,653	953,036
Trade and other receivables	2,121,220	2,822,735
Other current assets	870,672	1,137,663
	3,315,545	4,913,434
Non-current assets held for sale	150,000	150,000
Total current assets	3,465,545	5,063,434
Non-current assets		
Receivables	1,025,202	1,025,202
Property plant and equipment	6,080,961	6,563,879
Deferred tax assets	2,360,748	2,360,748
Intangible assets	55,496,907	84,321,661
Total non-current assets	64,963,818	94,271,490
Total assets	68,429,363	99,334,924
LIABILITIES		
Current liabilities		
Trade and other payables	7,204,556	9,698,644
Deferred Consideration on Acquisitions	4,889,445	4,889,445
Borrowings	1,676,807	1,676,807
Total current liabilities	13,770,808	16,264,896
Non-current liabilities		
Borrowings	14,131,259	22,078,100
Deferred Consideration on Acquisitions	-	2,425,853
Provisions	518,174	518,174
Total non-current liabilities	14,649,433	25,022,127
Total liabilities	28,420,241	41,287,023
Net Assets	40,009,122	58,047,902



Source: GEM ASX Announcement: Half Yearly Report and Accounts: 18 August 2010

Profit and Loss for the half year ending 30 June 2010

G8 Education ltd

	30 June 2010	30 June 2009
	$	$
Revenue from continuing operations	23,282,014	15,783,751
Expenses		
Expenses from ordinary activities		
Employee benefit expense	(15,325,208)	(10,905,694)
Occupancy	(2,964,614)	(2,000,528)
Direct costs of providing services	(1,730,277)	(1,124,759)
Amortisation	(71,949)	(94,575)
Depreciation expense	(434,601)	(272,587)
Evaluation and assessment costs incurred in respect of potential centre acquisitions	-	(190,898)
Other expenses	(1,046,562)	(1,584,930)
Finance costs	(732,793)	(574,841)
Total expenses	(22,306,004)	(16,748,812)
Profit / (Loss) before income tax	976,010	(965,061)
Income tax (expense) / benefit	(290,435)	262,976
Profit / (Loss) from continuing operations	685,575	(702,085)
Profit / (Loss) for the half-year	685,575	(702,085)
Other comprehensive income for the half-year net of tax	-	-
Total comprehensive income for the half-year	685,575	(702,085)
Earnings per share for profit attributable to the ordinary equity holders of the company:	Cents	Cents
Basic earnings/(loss) per share	0.87	(1.60)

Source: GEM ASX Announcement: Half Yearly Report and Accounts: 18 August 2010

Revenue Seasonality

- G8 Education’s actual EBIT for the 6 months was $1.584 million against a forecast of $1.109 million. It is important to note that this result represents the profit from the Early Learning Services centres within the Group for the full 6 months and the acquired Payce child care centres for 3 months only.

- The childcare industry has a distinct seasonal pattern. A large group of children leave childcare to commence school at the beginning of the year and then revenue increases with new enrolments as the calendar year progresses.

- Consequentially, in the first half of the year, approximately 35% of the annual profit is delivered and in the second half of the year approximately 65% of the annual profit is delivered.