



CFK Childcare
Centres Limited
ABN 75 102 498 797

3 December 2007

ASX Announcement: CFK sells some centres and agrees to acquire other centres

CFK Childcare Centres Limited (ASX: **CFK**) announces that it has entered into binding confidential heads of agreements to sell 23 centres to various purchasers for a total consideration of \$13 million.

The sale of the centres is part of the restructure program currently being implemented by the new Board to optimise the performance of its portfolio and business by divesting under-performing centres and reducing the current debt levels.

The sales are conditional in most cases to purchaser due diligence which will commence immediately, and it is expected that settlement will occur progressively over the next three months.

CFK will continue to manage 17 of the centres at no cost to it into 2008. CFK also has the option to re-acquire 2 of the centres on or before 30 June 2009.

CFK has also agreed, subject to shareholder approval and due diligence, to acquire further centres from Glowclose Pty Ltd. As previously announced, CFK has agreed to acquire centres from Glowclose with a combined ebitda of \$1.25 million. CFK will acquire additional centres with a combined ebitda of \$760,000, making the total ebitda of the centres to be acquired \$2.01 million. The consideration will be payable wholly in shares. Full details will be set out in the meeting documentation issued to seek shareholder approval for the acquisition.

Following the sale of these centres and the acquisition of the Glowclose centres, CFK will have a portfolio of 26 centres. This critical mass in addition to a relatively low gearing level will provide a good platform for CFK to embark on a new growth strategy of acquiring and developing more appropriate centres.

For further information please contact Oliver Carton, Company Secretary.



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