

PRESS RELEASE

Navis Capital Acquires Guardian Early Learning

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Malaysia-Based Firm May Expand Child-Care Operator to Southeast Asia

Private-equity firm Navis Capital has acquired Guardian Early Learning Group, an Australian operator of child-care centers, in a deal worth around \$120 million Australian dollars (US\$109.6 million), people familiar with the matter said.

Guardian Early Learning has 69 child-care centers in Australia and is the country's second-biggest private provider of child-care services behind publicly listed G8 Education Ltd. Navis aims to double the size of the business over the next few years and may expand into Southeast Asia, a person familiar with the firm's thinking said.

Day-care is a growing industry in Australia, where the population is expanding and more women are entering the workforce. Children now spend an average 27.5 hours a week in day care, up from 26.1 hours in 2009, but tight regulatory oversight of the industry makes it hard for new entrants.

Guardian Early Learning was founded in 2004 by current Chief Executive Tom Hardwick, who will remain in his role after the deal is completed.

Malaysia-based Navis, which manages more than \$3 billion in equity, focuses on investments in South Asia, Southeast Asia and Australia. The firm aims to grow businesses across borders, whether by bringing Australian companies into Asia or vice versa.

Guardian was put up for sale by Wolseley Private Equity in March of this year. The business had earnings before interest, tax, depreciation and amortization, or Ebitda, of around A\$15 million in 2012, people familiar with the business said.

Wolseley completed its acquisition of Guardian, its fifth investment, in late 2010. The Sydney-based firm targets companies in Australia and New Zealand with enterprise values of A\$20 million to A\$100 million. Guardian acquired Jigsaw Corporate Childcare in September for an undisclosed sum.

Australia's child-care sector has had its troubles. ABC Learning Centres Ltd., one of the country's biggest operators, collapsed in 2008 following a rapid, debt-fueled international expansion.

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