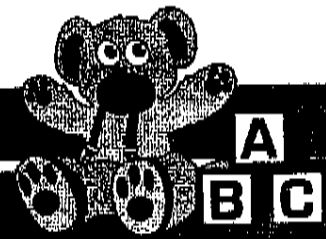


A.B.C. LEARNING CENTRES LIMITED

A.B.C. Learning Centres Limited

ABN 65 079 755 694

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PO Box 10120 Artaria Street, Brisbane QLD 4000

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11 March 2008

Melissa Grundy
 Manager, Issuers (Brisbane)
 Australian Securities Exchange
 Riverside Centre
 BRISBANE QLD 4001

By email: melissa.grundy@asx.com.au

Re: ASX Limited letter dated 10 March 2008

We refer to your letter dated 10 March 2008 requesting clarification as to the information of which the Company was, or is, aware in relation to its Directors' margin lending arrangements.

Our responses to the questions put in that letter are as follows:

1. **Is the Company aware of whether the on-market trades conducted by the Directors on Thursday, 6 March 2008 occurred as a result of margin arrangements over shares held by any, or all, of the Directors?**

Directors Edmund Groves, Le Neve Groves and Martin Kemp (the "Directors") traded shares in the Company on Thursday, 6 March 2008. Based on information provided by the Directors, the Company understands these trades occurred as a result of margin calls.

Upon being informed of relevant details regarding the changes to the relevant interests of its Directors, the Company prepared and lodged Appendix 3Y forms.

2. **At the time that the Company's announcement entitled "Market Update on Margin Loans to Directors" dated Wednesday 27 February 2008 (the "Announcement") was released to the market, was the Company aware of the following:**

2.1 The key terms of the margin arrangements of any, or all, of the Directors, including the respective trigger points, the right of the lender to sell unilaterally and any other material details (the "Information")?

The only Information of which the Company was aware on 27 February 2008 was disclosed in the Announcement.

2.2 Whether the trigger points in the margin arrangements of any, or all, of the Directors had been activated and could result in the subsequent sale of additional securities subject to those margin arrangements (the "Activation of Triggers")?

No; at the time of the Announcement on 27 February 2008 the Company was not aware of information relating to the Activation of Triggers.

3. If, at the time that the Announcement was released, the Company was aware of the Information in respect of any, or all, of the Directors' margin arrangements and/or the Activation of Triggers, did the Company consider that the Information and/or Activation of Triggers was material to the Company?

Not applicable.

4. If, at the time that the Announcement was released, the Company was aware of the Information in respect of any, or all of the Directors' margin arrangements and/or the Activation of Triggers, and the Company did not consider that the Information and/or Activation of Triggers was material, please advise the basis on which the Company did not consider the Information and/or Activation of Triggers to be material to the Company.

Not applicable.

5. If, at the time that the Announcement was released, the Company was aware of the Information in respect of any, or all, of the Directors' margin arrangements and/or the Activation of Triggers, and the Company considered that the Information and/or Activation of Triggers was material, please advise why the Information and/or advice of the Activation of Triggers was not released to the market at that time.

Not applicable.

6. If the answer to either question 2.1 and/or 2.2 is "no", please advise whether, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements and/or the Activation of Triggers attached to margin loans, of any, or all, of the Directors.

Subsequent to the release of the Announcement, the Directors informed the Company that their shares had been sold on Thursday 6 March 2008, and indicated that these sales had occurred as a result of margin calls. Prior to being informed by the Directors of the changes to their relevant interests, the Company was not aware of any further Information (i.e. other than as disclosed in the Announcement) and was not aware of the Activation of Triggers.

7. If, subsequent to the release of the Announcement, the Company did become aware of the Information in respect of any or all, of the Directors margin arrangements, and/or the Activation of Triggers, please advise when it became aware of the Information and/or the Activation of Triggers.

See response to question 6 above.

8. In the light of the information contained in the ASX Companies Update No02/08 dated 29 February 2008 ("Companies' Update"), please advise what steps were taken by the Company in order to ascertain whether the Information in relation to the margin arrangements of the Directors (whether considered individually or collectively) was material to the Company.

The Company reviewed the Companies' Update and took appropriate steps to consider its application to the Company, having regard to the nature of the Company's operations and the particular circumstances of the Company. Having carefully considered the Companies' Update and the Company's position, the Company did not seek to receive the Information. The Information related to personal financial arrangements of the individuals concerned which was not, and ought not be, relevant to the Company's business affairs and operations.

9. If, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements of any, or all, of the Directors and/or the Activation of Triggers, please advise whether the Company considered that the Information and/or the Activation of Triggers was material to the Company?

Not applicable.

10. If, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements of any, or all, of the Directors and/or the Activation of Triggers and the Company did not consider that the Information was material,

please advise the basis on which the Company did not consider the Information and/or the Activation of Triggers to be material to the Company.

Not applicable.

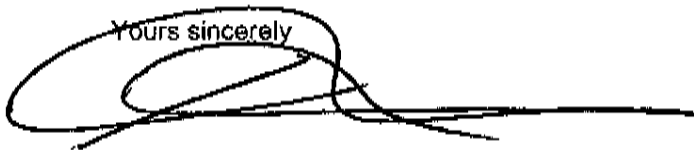
- 11. If, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements of any, or all, of the Directors and/or the Activation of Triggers, and the Company considered that the Information and or Activation of Triggers was material, please advise why the Information and/or advise of the Activation of Triggers was not released to the market at that time.**

Not applicable.

- 12. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.**

Yes; the Company is in compliance with the Listing Rules including Listing Rule 3.1.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Matthew Horton', written over the 'Yours sincerely' text.

Matthew Horton
Company Secretary
A.B.C. Learning Centres Limited



10 March 2008

Mr Matthew Horton
Company Secretary
A.B.C Learning Centres Limited
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Dear Mr Horton

A.B.C. Learning Centres Limited (the "Company")

We refer the Company to the following.

1. The Company's announcement entitled "Market Update on Margin Loans to Directors", released to the market at 4.39pm E.D.S.T on Wednesday, 27 February 2008, concerning the margin lending arrangements of directors (the "Announcement").
2. The Appendix 3Y forms released to the market at 5.11pm E.D.S.T on Friday, 7 March 2008 in respect of changes in the respective interests of Mr Edmund Groves, Dr Le Neve Groves and Mr Martin Kemp (together, the "Directors").
3. The ASX Companies' Update No. 02/08 dated 29 February 2008 in relation to listing rule 3.1 and margin loans involving directors' shareholdings (the "Companies' Update").

As you are aware, listing rule 3.1 requires an entity, once it becomes *aware* of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules, which states as follows.

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

- 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
 - *The information concerns an incomplete proposal or negotiation.*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - *The information is generated for the internal management purposes of the entity.*
 - *The information is a trade secret."*

The Companies' Update notes as follows.

"Where a director has entered into margin loan or similar funding arrangements for a material number of securities, ASX advises that listing rule 3.1, in appropriate circumstances, may operate to require the entity to disclose the key terms of the arrangements, including the number of securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details. Whether a margin loan arrangement is material under listing rule 3.1 is a matter which the company must decide having regard to the nature of its operations and the particular circumstances of the company."

Having regard to the definition, listing rule 3.1, Guidance Note 8 and the Companies' Update, we ask that you answer the following questions.

1. Is the Company aware of whether the on-market trades conducted by the Directors on Thursday, 6 March 2008 occurred as a result of margin arrangements over shares held by any, or all, of the Directors?
2. At the time that the Announcement was released to the market, was the Company aware of the following.
 - 2.1 The key terms of the margin arrangements of any, or all, of the Directors, including the respective trigger points, the right of the lender to sell unilaterally and any other material details (the "Information")?
 - 2.2 Whether the trigger points in the margin arrangements of any, or all, of the Directors had been activated and could result in the subsequent sale of additional securities subject to those margin arrangements (the "Activation of Triggers")?
3. If, at the time that the Announcement was released, the Company was aware of the Information in respect of any, or all, of the Directors' margin arrangements and/or the Activation of Triggers, did the Company consider that the Information and/or Activation of Triggers was material to the Company?

4. If, at the time that the Announcement was released, the Company was aware of the Information in respect of any, or all, of the Directors' margin arrangements and/or the Activation of Triggers, and the Company did not consider that the Information and/or Activation of Triggers was material, please advise the basis on which the Company did not consider the Information and/or Activation of Triggers to be material to the Company.
5. If, at the time that the Announcement was released, the Company was aware of the Information in respect of any, or all, of the Directors' margin arrangements and/or the Activation of Triggers, and the Company considered that the Information and/or Activation of Triggers was material, please advise why the Information and/or advice of the Activation of Triggers was not released to the market at that time.
6. If the answer to either question 2.1 and/or 2.2 is "no", please advise whether, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements and/or the Activation of Triggers attached to margin loans, of any, or all, of the Directors.
7. If, subsequent to the release of the Announcement, the Company did become aware of the Information in respect of any, or all, of the Directors margin arrangements, and/or the Activation of Triggers, please advise when it became aware of the Information and/or the Activation of Triggers.
8. In the light of the information contained in the Companies' Update, please advise what steps were taken by the Company in order to ascertain whether the Information in relation to the margin arrangements of the Directors (whether considered individually or collectively) was material to the Company.
9. If, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements of any, or all, of the Directors and/or the Activation of Triggers, please advise whether the Company considered that the Information and/or the Activation of Triggers was material to the Company?
10. If, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements of any, or all, of the Directors and/or the Activation of Triggers and the Company did not consider that the Information was material, please advise the basis on which the Company did not consider the Information and/or the Activation of Triggers to be material to the Company.
11. If, subsequent to the release of the Announcement, the Company became aware of the Information in relation to the margin arrangements of any, or all, of the Directors and/or the Activation of Triggers, and the Company considered that the Information and or Activation of Triggers was material, please advise why the Information and/or advice of the Activation of Triggers was not released to the market at that time.
12. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter. If the information requested by this letter is information required to be given to ASX under listing rule 3.1, your obligation is to disclose the information immediately.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell ASX each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.

- Any other information necessary to inform the market about the trading halt, or that we may ask for.

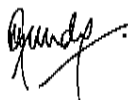
The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the expiry of the trading halt at the commencement of trading on Monday, 17 March 2008, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Please send your response to me on **facsimile number (07) 3832 4114** or by **email to melissa.grundy@asx.com.au**. Your response should not be sent to the Company Announcements Office. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible, and in any event, not later than **midday EST (1.00pm EDST) on Thursday, 12 March 2008**.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market if it considers it necessary for an informed market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any concerns about release of your response, or any queries in relation to this matter, please contact me immediately.

Yours sincerely



Melissa Grundy
Manager, Issuers (Brisbane)