



ASX Release

**A.B.C. Learning Centres
Limited**

ABN 93 079 736 664

Contact: Mr Eddy Groves

Phone: (07) 3906 2000

Fax: (07) 3908 2516

Level 1, 20 Metroplex Avenue, Murarrie Q 4172

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AGREEMENT TO ACQUIRE 11 CHILD CARE CENTRES, 5 DEVELOPMENT SITES AND A CHILD CARE TRAINING COLLEGE - CAIRNS

A.B.C. Learning Centres Limited ("ABC"), one of the largest owners of private child care centres in Australia, today announced that its subsidiary, A.B.C. Developmental Learning Centres Pty Ltd has entered into an Agreement with Jilt Pty Ltd and Rommett Investments Pty Ltd to acquire 11 existing child care centres (including a development site) and a child care training college, all located in Cairns, North Queensland (Stage 1). The Agreement also allows ABC to develop a further 4 sites in the region (Stage 2). These centres are additional to the recently announced position.

The value of Stage 1 is a net consideration of \$13.26 million which comprises \$11.26 million in cash and \$2 million in ABC shares at a price of \$4.04 per share. Settlement of Stage 1 is due to occur in June 2004. ABC will also be making a capital contribution of \$2.172 million towards the development of the sites in Stage 2 over the period from June 2004 to December 2005.

After completing due diligence on the acquisition, the Directors believe that the EBITDA for the 2004/2005 year will be \$2.6 million and for the year 2005/2006 will be \$3.2 million. The operation of the training college will significantly enhance the services provided by ABC's training college division and offers students in the North Queensland region the opportunity to further their education in the child care field.

CEO (Operations), Mr Eddy Groves said that he is pleased to be able to announce the Agreement as it will substantially increase ABC's presence in Cairns and North Queensland.

J G Bannan
Company Secretary