

ABC LEARNING CENTRES LIMITED
Announcement of 2003 result

MEDIA STATEMENT

ABC LEARNING CENTRES LIMITED (ASX - ABS)

REPORTS EXCEPTIONAL EARNINGS GROWTH

ABC Learning Centres Ltd (ABC) today announced a record operating profit after tax of \$12 million for the year ending 30 June 2003.

FINANCIAL HIGHLIGHTS

	2003	2002	Change
• Revenue	\$40.9 m	\$23.84 m	71.6%
• Operating Profit after tax	\$12.0 m	\$ 6.86 m	75.4%
• Earnings per share - basic	13.9 cents	9.84 cents*	41.2%
• Final Dividend – fully franked	4.0 cents	3.6 cents*	11.1%
• Full Year Dividend – fully franked	7.0 cents	5.6 cents*	2.0%
• No. of childcare centres – 30 June	187	94	99%

* Based on post share split

GROWTH AREAS

Expansion into new territories

The successful takeover of FutureOne Limited has given ABC a greater presence in regional and metropolitan Victoria. The acquisition became effective 13 June 2003 and included 28 centres. Over the period from 30 June to 1 September a further 9 centres have been acquired relating to the options over centres held by FutureOne Limited at the time of the takeover.

During the year the company announced its early development of the ABC Brand in New Zealand with agreements to purchase 10 existing centres and 2 proposed centres in both Auckland and Christchurch.

The company is also planning the opening of its first centre in the Northern Territory and one centre is currently being planned for Tasmania. This will result in ABC operating child care centres in every State and Territory of Australia.

COMMITMENT TO EXCELLENCE

As Joint Managing Director Eddy Groves has said on previous occasions, commitment to excellence in maintaining the highest standards of quality will always be ABC's major focus when implementing its expansion strategy.

"Our primary aim has always been the provision of quality affordable care and education for all children by providing high quality early childhood environments supported by qualified early childhood professionals specially trained in the company's own nationally-accredited training college," said Mr Groves.

DIVIDEND

In view of the Company's strong performance, the Directors have declared a final dividend of 4 cents per share, fully franked, making a total of 7 cents fully franked for the full year (2002 – 5.6 cents based on post share split).

The final dividend will be paid to shareholders on the register as at 18 September 2003 with payment scheduled for 1 October 2003.

CAPITAL RAISING

ABC is pleased to announce that it has undertaken a placement of 13,400,000 ordinary shares to a limited number of professional investors for an issue price of \$3.00 per share. The placement raised an amount of \$40.2 million which is to be used to fund working capital as part of the company's expansion process. Shares are expected to be allotted on 17 September and will not participate in the final dividend of 4 cents.

ABC is also pleased to announce that it has appointed Austock Brokers Pty Ltd to undertake a further capital raising over the next 3 months of up to \$60 million in the form of a Converting Preference Share (CPS) issue. Further details will be provided in due course, however, at this time it is proposed that the shares will have:

- Coupon of 6.75% fully franked (9.64% pre-tax)
- Conversion: 42% premium to current share price of \$3.38
- Term: 5 Years
- Priority offer to existing shareholders
- Subject to Shareholder approval at the ABC's AGM in November

FUTURE PROSPECTS

Mr Groves said the continued expansion of the childcare centre base will enable the company to continue to significantly grow the business and profitability through to June 2004.

"We are confident that the company will continue to generate positive benefits for our shareholders," said Mr Groves.

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