



A.B.C. Learning Centres Limited

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Announcement of 2002 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 \$6.86 million for the year ending 30 June 2002.

The company one of the largest owners of private childcare centres in Australia also announced a number of strategic initiatives which will provide the foundation for continuing growth.

FINANCIAL HIGHLIGHTS

| | 2002 | 2001 | Change |
|--------------------------------------|-------------|-------------|---------------|
| • Revenue | \$23.84 m | \$12.95 m | 84% |
| • Operating Profit after tax | \$6.86 m | \$3.25 m | 111% |
| • Earnings per share - basic | 49.2 cents | 29.9 cents | 64% |
| • Final Dividend – fully franked | 18 cents | 12 cents | 50% |
| • Full Year Dividend – fully franked | 28 cents | 14 cents | 100% |
| • No. of childcare centres – 30 June | 94 | 43 | 119% |

STRATEGIC INITIATIVES

- Acquired a further six centres since 30 June 2002;
- Entered into agreements to purchase / develop a further 36 centres in the current financial year;
- Negotiating to acquire a further 60 sites / centres;
- Arranged to fund future growth through a fully underwritten \$30 million renounceable rights issue, subject to documentation;
- Undertaken to effect a Capital Reconstruction through a 5:1 share split post the rights issue.

Chairman Sallyanne Atkinson said the company was extremely pleased to announce a set of outstanding results which delivered on the forecasts made by the company at the beginning of the year when indicating its strategy of consolidation of its operation and expansion through additional acquisitions during the year.

“The Directors are delighted to declare a final dividend which brings the total paid for the full year to 28 cents fully franked, a 100% increase on that paid last year,” Sallyanne said.

GROWTH AREAS

Owned Centres

During the year the company increased the number of owned centres from 43 to 94 and expanded its business into New South Wales, South Australia and Western Australia. Since year-end, the Company has acquired a further six centres bringing the total of owned centres to 100.

The strong growth of the business is expected to continue over the next 12 months as it continues to be driven by a strategy of selectively acquiring and aggregating centres at prices which are earnings per share positive. 36 centres are due to commence operations in the coming financial year via acquisition or development.

COMMITMENT TO EXCELLENCE

Managing Director Eddy Groves said the performance, was the consequence of adhering to the company’s strategy of expanding its operations to all States and the commitment to excellence in maintaining the highest standards of quality throughout the operation.

“We have never compromised, and will never compromise, the quality of our centres, our staff or our operational procedures by reducing standards, cutting costs or staff numbers. We adhere to a continuous program of review and in the year recently completed, the company committed in excess of \$2 million to the refurbishment and capital improvement of our centres.

ABC was established with the primary aim of providing quality affordable care and education for all children. Parents rightly demand quality care for their children. We meet that expectation 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 18 cents per share, fully franked, making a total of 28 cents fully franked for the full year (2001 – 14 cents).

The final dividend will be paid to shareholders on the register as at 4 September 2002 with payment scheduled for 1 November 2002.

CAPITAL RAISING

In order to fund the anticipated growth of the company as indicated above, ABC has reached agreement, subject to documentation, to raise additional capital through a 2:11 renounceable rights issue to existing shareholders on the following terms:

Amount: \$30 million (approx)

Issue Price: \$10.80

The capital raising has been designed to enable existing shareholders to participate in the future growth of ABC following two placements over the last 12 months. It is proposed that Austock Brokers Pty Limited act as Lead Manager, and will, in conjunction with Wilson HTM Corporate Finance Ltd underwrite the issue. A Prospectus relating to the issue will be lodged with ASIC in mid September and forwarded to shareholders in early October.

CAPITAL RECONSTRUCTION

At the completion of the capital raising, the directors have determined, subject to shareholder approval, to effect a capital reconstruction through a share split on the basis of five shares for every one currently held. This will result in the shares on issue increasing from the current level of approximately 15.38 million to approximately 90.9 million. This is expected to significantly enhance the liquidity of ABC shares in the market.

FUTURE PROSPECTS

Mr Groves said the continued expansion of the childcare centre base as outlined above will enable the company to continue to significantly grow the business and profitability through to June 2003.

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

26 August 2002