



A.B.C. Learning Centres Limited

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27 August 2007

A.B.C. LEARNING CENTRES LIMITED (ASX – ABS)

ANNOUNCEMENT OF 2007 RESULTS

ABC DELIVERS NPAT GROWTH OF 76% & EPS GROWTH OF 29.5%

ABC today announced record operating results with Net Profit After Tax growing 76% to \$143.1 million and earnings per share increasing 29.5% to 36.0 cents per share.

The Company delivered \$314.5 million of EBITDA for the year ending 30 June 2007, up 105% from 2006 and, exceeding the Company's guidance of \$295 to \$305 million. Revenues increased 115% to \$1,696.4 million.

The following summarises the record results for the year:

Year ended 30 June 2007 (\$AUDm)	2007	2006	% increase
Revenue	\$1,696.4	\$790.8	115%
EBITDA	\$314.5	\$153.5	105%
EBIT	\$274.6	\$138.2	98%
NPAT	\$143.1	\$81.5	76%
Earnings per share (EPS)	36.0 cents	27.8 cents	29%
Dividend per share (DPS)	17.0 cents	15.0 cents	13%

The strong result for the 2007 year is as a result of:

- Strong year over year enrolment and margin improvements in the existing core business within the US market, coupled with successful integration of acquisitions;
- Continued enrolment and margin improvements and successful growth in our Australia and New Zealand markets;
- Entry into the UK childcare and childcare voucher market;
- Additional acquisitions in Australia and New Zealand;
- Contribution of a full year of results for those acquisitions made during the 2006 year; and
- Improvements in leveraging our support structure.

As a result of the acquisitions of La Petite Holdings Inc (US) and Busy Bees Group Limited (UK), ABC as at 30 June 2007 had 1,050 centres in the US and UK versus 1,188 centres in Australia and New Zealand.

Coupled with the growth in revenues, EBITDA and EPS, the Company has generated significant positive cash flows from its operations through its continued working capital management programs.

ABC Chairman, Sallyanne Atkinson AO, said the outstanding result affirmed ABC's confidence in its future.

"The successful implementation of our growth strategy over the last 12 months is demonstrated by this result," Mrs Atkinson said. "ABC is creating the world's best early childhood centres and continues to grow without compromising the quality of its services."

ABC CEO, Eddy Groves, said this robust result, which included the full year contribution from the 2006 US acquisitions, affirmed the strength of ABC's business.

"This result has been fuelled by contributions from across our business globally and we are exceptionally well positioned for continued growth," Mr Groves said.

"Exceeding our EBITDA guidance and achieving an increase in EPS of 29.5 per cent underlines the success of ABC's strategy."

The Company also reconfirms its Earnings per Share guidance of growth in excess of 20% for the 2008 financial year.

DIVIDEND

The Directors are pleased to declare a final dividend of 9.0 cents per share, fully franked, making a total dividend of 17.0 cents per ordinary share fully franked for the year.

The record date for the dividend will be 14 September 2007 with payment scheduled for 28 September 2007.

ABC's Dividend Reinvestment Plan (DRP) will be available for use by shareholders for this dividend payment. Shares issued under the DRP will be issued at a 2.5% discount to the weighted average trading price for shares sold on the ASX on the first day on which those shares are quoted ex-dividend and on the following 4 trading days, rounded up to the next full cent.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting is proposed for Wednesday, 28 November 2007 at the Brisbane Convention and Exhibition Centre, Merivale Street, South Brisbane. The meeting will commence at 12 noon.

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