

A.B.C. Learning Centres Limited

Half Year Results Presentation

31 December 2003



Highlights

- ✓ Strong growth from previous corresponding period
 - Net profit \$9.7m up 85%
 - EPS 8.9¢ up 37%
- ✓ 253 centres as at 31 December 2003
- ✓ Continued expansion in all Australian States and Territories and New Zealand
- ✓ Corporate childcare agreement with ANZ
- ✓ Fully franked dividend of 4.5 cents per share declared
- ✓ \$100m capital raising completed



Earnings

| Half year ended 31 Dec (\$m) | 2002 | 2003 | % Change |
|------------------------------|--------------|--------------|--------------|
| Sales revenue | 16.5 | 36.4 | 121% |
| Total Revenue | 18.2 | 39.5 | 117% |
| EBIT | 8.2 | 15.0 | 84% |
| <i>EBIT margin*</i> | <i>44.9%</i> | <i>38.0%</i> | <i>(15)%</i> |
| Net Interest | (0.7) | (1.8) | 176% |
| Pre-tax Profit | 7.5 | 13.2 | 76% |
| Tax | (2.3) | (3.5) | 55% |
| NPAT | 5.2 | 9.7 | 85% |
| EPS (cents): | | | |
| - basic | 6.5 | 8.9 | 37% |
| - fully diluted | 6.4 | 8.8 | 38% |
| DPS (cents): | | | |
| - interim | 3.0 | 4.5 | 50% |

* Reflects lower margin on Future One centres acquired. In 2005 it is anticipated that the margin on Future One centres will return to typical ABC levels

Source: Company Reports



Balance Sheet

| \$m | 30 June 2003 | 31 December 2003 |
|--------------------------|-----------------|---------------------|
| Cash | 4.2 | 55.1 |
| Other Assets | 152.8 | 226.4 |
| Total Assets | 157.0 | 281.5 |
| Debt | 55.6 | 77.4 |
| Other Liabilities | 12.2 | 10.4 |
| Total Liabilities | 67.9 | 87.8 |
| Net Assets | 89.1 | 193.7 |
| Net debt / Equity | 58% | 12% |
| EBIT Interest Cover | 12.4 | 8.3 |

Source: Company Reports



Cash flow

| | Operating cash flow | + Tax | + Interest | = | Gross cash flow | vs | EBITDA |
|--------|---------------------|-------|------------|---|-----------------|----|-------------|
| 1H2004 | 10.2 | 1.2 | 1.8 | | 13.2 | | 15.9 |
| 2H2003 | 4.7 | 1.8 | 0.8 | | 7.3 | | 11.0 |
| 1H2003 | 6.6 | 3.0 | 0.7 | | 10.3 | | 8.5 |

Source: Company Reports

✓ High quality of earnings continues



Outlook

- ✓ Continued growth in centre numbers
- ✓ Strong balance sheet following capital raising
- ✓ Continued opportunities in corporate childcare
- ✓ Expansion into primary education market

