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A.B.C. LEARNING CENTRES LIMITED (ASX:ABS) Announcement of 2007 Half Year Result

**ABC EBITDA* UP 86% TO \$138.1 MILLION
ABC NPAT* UP 57% TO \$64.2 MILLION**

A.B.C. Learning Centres Limited (ABC) today announced a net profit after tax of \$64.2* million for the half year ending 31 December 2006, up 57 per cent driven by strong revenue growth. EBITDA was also up 86 per cent to \$138.1* million.

This result means ABC is on track to achieve its guidance of EPS and EBITDA of 36 cents (adjusted for straight line leasing) and \$273* million respectively.

ABC Chairman Sallyanne Atkinson, AO, said the strong first half result affirmed ABC's strategy of consolidating its position in Australia and New Zealand while expanding into North America.

ABC CEO Operations (Global), Eddy Groves, said ABC has successfully integrated both Hutchison's Child Care Centres and Kids Campus in Australia, contributing to the strong half year result.

"ABC's Australia and New Zealand operations also benefited from the school calendar which helped deliver strong first half margins. Moving forward the signing of a landmark agreement with the major childcare worker union, the LHMU, will help secure qualified early childhood care providers for ABC."

Mr Groves said, internationally, the announcement of the acquisition in December of La Petite in the US and Busy Bees in the UK were significant milestones in the development of ABC.

"The addition of La Petite in ABC's suite of brands will lead to a significant expansion of ABC's capacity to care for more children in the US which has a childcare market 15 times the size of Australia. In the UK, Busy Bees represents an important strategic step with ABC's entry into the European childcare market as well as providing access to Busy Bees' innovative childcare voucher system."

Bill Davis, President and CEO of Learning Care Group, Inc. - ABC's US subsidiary - said ABC was pleased with the continued improvement of the US operations, with the Learning Care Group more than doubling EBITDA compared to the corresponding period last year. During the same period, centre operating margins improved from 12.1 per cent to 13.3 per cent.

"The future integration of La Petite is expected to replicate the successful integration of the Peppercorn centres in Australia in 2004 where the company completed that process within 12 months of purchase. The integration will generate significant savings in head office costs," Mr Davis said.

* Adjusted for straight line leasing.

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of 8.0 cents per share, fully franked. The record date for the dividend will be 16 March 2007 with payment scheduled for 30 March 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 per cent discount to the volume weighted average trading price for the five ASX trading days preceding and including the record date of 16 March 2007.