



A.B.C. Learning Centres Limited

ABN 93 079 736 664

Street Address:

Level 2, 99 Creek Street, Brisbane Q 4000

Postal Address:

PO Box 10120, Brisbane Adelaide Street Q 4000

Email Address:

Info@abcectc.com

Telephone: 61-7-3220 3232

Facsimile: 61-7-3229 2799

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of A.B.C. Learning Centres Limited ("the Company") will be held in the Surveyors Room, Conrad International Hotel, William Street, Brisbane on Thursday 1 November 2001 at 11:00 am.

ORDINARY BUSINESS

1 To adopt financial statements

To receive, consider and adopt the financial report of the Company and of the economic entity for the year ended 30 June 2001 and the reports by directors and the auditors thereon.

2 Election of a Director

To re-elect a director in accordance with article 48.2 of the Company's Constitution. Mrs Le Neve Groves retires in accordance with article 48.2 and being eligible, offers herself for re-election.

SPECIAL BUSINESS

3 Ratification of placement made on 14 August 2001

To consider and if thought fit, to pass without amendment, the following ordinary resolution:

That for the purposes of ASX Listing Rule 7.4 and all other purposes, the members of the Company hereby ratify the issue and allotment of 850,000 ordinary shares at an issue price of \$3.70 each as detailed in the explanatory note accompanying the Notice of Annual General Meeting.

In accordance with the ASX Listing Rules the Company will disregard any votes cast on the resolution by:

- Persons who participated in the issue; and
- An associate of those persons.

However, the Company will not disregard a vote if it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

4 Amendment of executive option plan

To consider and if thought fit, to pass without amendment, the following ordinary resolution:

That the executive option plan be amended to allow the option holders to exercise all or any of their options as from 21 September 2001 until the End Date of the executive option plan, by adopting the following amendments:

The definition of "Exercise Period" set out on page 1 of the Plan should be replaced with the following:

"(9) "Exercise Period" means:

- (i) in relation to Series 1 Options, the period between 21 September 2001 and the End Date;***
- (ii) in relation to Series 2 Options, the period between 21 September 2001 and the End Date; and***
- (iii) in relation to Series 3 Options, the period between 21 September 2001 and the End Date."***

The definition of "Relevant Date" set out on page 2 of the Plan should be replaced with the following:

"(18) "Relevant Date" means:

- (a) in respect of Series 1 Options - any date after 21 September 2001;***
- (b) in respect of Series 2 Options - any date after 21 September 2001;***
- (c) in respect of Series 3 Options - any date after 21 September 2001."***

A new clause be inserted as follows:

"14. Lapse of Executive Option Plan

14.1 This Executive Option Plan will end on the earlier of:

- (a) 7 days after the date that each and every Option granted under these Terms has been validly exercised by all Option Holders; or***
- (b) the End Date."***

In accordance with the ASX Listing Rules the Company will disregard any votes cast on the resolution by:

- Persons who participated in the issue of options; and
- An associate of those persons.

However, the Company will not disregard a vote if it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5 Other Business

To transact any other business which may be lawfully brought forward.

By Order of the Board

R V Harris
Secretary

28 September 2001

Proxies

A member entitled to attend and vote at the meeting is entitled to appoint a proxy. A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. A proxy need not be a member of the Company. Proxies must be received by the Company at its registered office at Level 2, 99 Creek Street, Brisbane, by mail to PO Box 10120, Adelaide Street, Brisbane 4000 or by facsimile to (07) 3229 2799 not later than 24 hours before the meeting. A form of proxy is provided with this notice.

EXPLANATORY NOTES

Resolution 3

As previously advised to shareholders, the Company issued a total of 850,000 ordinary shares on 14 August 2001 at a price of \$3.70 by way of placement. These shares rank equally with other ordinary shares of the Company and were allotted to the following shareholders:

- 1 National Nominees Limited
- 2 National Nominees Limited Equisuper Account
- 3 Lion Capital Pty Ltd
- 4 M F Custodians Ltd
- 5 Equity Trustees Limited - Australian New Horizons Account
- 6 Trust Company Superannuation Services Ltd - Cellnet S/F Account
- 7 Rana A Blewitt
- 8 ANZ Nominees Limited
- 9 Hemda Nominees Pty Ltd - Super Fund No2 Account
- 10 Mrs Debra Halan
- 11 Richard Lazar
- 12 Dorothy J Tooth
- 13 Guthrie White
- 14 Ms Jillian Cain
- 15 Mrs Paddie Sebastian
- 16 Peter Hall & Barbara Hall
- 17 Ralph Candiloro
- 18 Barbara Hawkness Design Pty Ltd
- 19 Permanent Trustee Australia Limited - FAM0001 Account
- 20 Ian Hopkins
- 21 Simon William Tooth
- 22 Craig Ellis
- 23 Loftus Lane Investments Pty Ltd
- 24 Queny Holdings Pty Ltd
- 25 Hugo & Johanna Frijlink ATF Frijlink Superannuation Fund
- 26 Mobuck Investments Pty Ltd
- 27 G.J.P Investments Pty Ltd ATF Langham Trust
- 28 Mr Anthony Pratt, Mr John Pratt - Mt Dayana Discretionary Account
- 29 Campratt Pty Ltd
- 30 Ginga Pty Ltd
- 31 Perpetual Trustees Victoria Limited – GROWTH Account
- 32 Permanent Trustee Australia Limited – PAR0002 Account
- 33 Normandy Finance & Investments Asia Limited
- 34 Sam Kavourakis ATF Kavourakis Superannuation Fund
- 35 Atkinson Produce Superannuation Pty Ltd
- 36 Tanton Family Trust
- 37 Russellan Pty Ltd
- 38 Favco (Qld) Staff Super P/L - Favco (Qld) Staff Super Account
- 39 National Australia Trustees Limited – Woodhill Holdings P/L Account
- 40 Moreorless Pty Ltd
- 41 Mr John Neville Traynor & Mrs Margaret Rose Traynor - Traynor Family S/F Account
- 42 Parcove Pty Ltd - The Hasule Family Account
- 43 Mr Cyril John McDonald Best & Mrs Vera Best - Best Super Fund Account
- 44 Mr Jeremy Hope & Mrs Kim Hope - Hope Employees Super Account
- 45 Dr Kenneth John Morrison & Mrs Christine Anne Morrison - K J Morrison Super Account
- 46 Dr Peter James Moran & Mrs Valerie Helen Moran - P J Moran Super Account
- 47 Mr Peter Alexander Beveridge & Mrs Anne Beveridge - Beveridge Super Account
- 48 Mr Graham Francis Balderson & Mrs Lily Joy Balderson - Kruger Super Account
- 49 Bestlex Pty Ltd - Bestlex Family Account
- 50 Weeroona Investments Pty Ltd - Hamilton Family Account
- 51 Permanent Trustee Company Limited - Aust First Sectorlink PST Account
- 52 Michey Pty Ltd - Mallett Superannuation Fund

The \$3,145,000 in funds raised has been used to fund working capital requirements including the acquisition of new childcare centres.

Listing Rule Explanations

Resolution 3

The ASX Listing Rules (Rule 7.1) contain provisions that restrict listed companies from issuing more than 15% of their capital in a 12 month period without shareholder approval. The Company has not exceeded this 15% threshold.

Listing Rule 7.4 allows the Company to ratify an issue of shares for the purposes of the 15% rule enunciated above. If each resolution is passed, the shares the subject of the relevant issue will not be counted towards the restriction on the Company issuing more than 15% of its capital in a 12 month period without shareholder approval, as shareholders will have approved the issue by ratifying it.

Resolution 4

The Company previously adopted an executive option plan (the "Plan"). Under the Plan, certain directors were issued with a number of options which could be exercised to purchase ordinary shares in the Company over a four year period from the Company's quotation date.

The number of options held by each option holder were divided into a series of tranches, and the ability to exercise an option is triggered by the ordinary share price of the Company reaching a certain target value known as the "Hurdle Share Price" under the Plan.

The Hurdle Share Price under the Plan was determined by "the amount calculated as the Initial Share Price at float compounded at the rate of 20% per annum". At the time this method was set, the directors of the Company could not anticipate the amount that the initial share price would increase by, or the time frame within which required share price increases would occur.

As the initial share price was \$2.00, the Company share price would have to reach a value of \$3.46 over a three year period to allow all the options under the Plan to be exercised. However, due to the performance of the Company and the market demand for shares in the Company, this share value was achieved within 4 months of the Company's quotation date, and the share price has remained above that Hurdle Share Price ever since. The Company's current share price is around the \$6 range at present.

As:

- (a) the directors and the Company have had significant success in managing and expanding its business which has resulted in a substantial increase in the share value over the last 6 months; and
- (b) the current share value has surpassed the Hurdle Share Price of \$3.46, which was to be achieved over a 3 year period,

the Company (subject to an appropriate resolution being passed by shareholders) would like to:

1. allow the directors to be able to exercise any or all of their options under the current Plan as soon as possible as the Share Hurdle Price has been reached;
2. allow the current Plan to lapse after all the options have been exercised; and
3. put in place a new Directors Incentive Option Plan which contains terms that are more relevant to the Company's current trading environment.

The new Directors Incentive Option Plan is proposed to be tabled at a members meeting to be held within the next quarter.

Other than the amendments set out in resolution 4, all other terms of the Plan will remain the same.

To allow the amendments to be made to the Plan, the Company applied for, and the ASX has granted, a waiver of Listing Rule 6.23 to allow the Company to amend the exercise period of its Plan. The grant of the waiver is subject to the approval of the amended terms of the Plan by a shareholders ordinary resolution and subject to the voting restrictions noted above.

PROXY FORM

The Secretary
A.B.C. Learning Centres Limited
PO Box 10120
Brisbane Adelaide Street Q 4000
Facsimile: (07) 3229 2799

Proxies must be received at our registered office at least 24 hours before the time of the holding of the meeting. Proxies can be delivered to the registered office at Level 2, 99 Creek Street, Brisbane Qld 4000 or faxed to (07) 3229 2799

I/We _____

(Name(s) of Individual or Corporate holder(s))

of _____

(Address of Holder as shown in the register of member(s))

being a member of **A.B.C. Learning Centres Limited** hereby appoint

(Name of, or office held by, proxy)

or failing that person or if no person is named, the chairman of the meeting, as my/our proxy or proxies to vote on my/our behalf at the Annual General Meeting to be held in the Surveyors Room, Conrad International Hotel, William Street, Brisbane on Thursday 1 November 2001, at 11:00 am, and at any adjournment thereof.

If you wish to appoint two proxies then please copy this form and use one form for each proxy indicating the percentage of voting rights each proxy represents below. Alternatively, you can ring the registered office on (07) 3220 3232 and ask for a second proxy form to be mailed to you. The proxy is appointed to exercise _____% of my/our voting rights (To be completed only if two proxies are being appointed)

Ordinary Business:

- | | In Favour | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| 1 To adopt financial statements and reports. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To elect a director – Mrs Le Neve Groves | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Special Business

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 3 To ratify the placement made on 14 August 2001 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 To amend the executive option plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

A mark should be placed in the appropriate box if the member wishes to direct the proxy to vote in a specified way in relation to the above resolutions; if the member wishes to apportion their votes, a specified number of shares should be written in the appropriate boxes – e.g. 500 'In Favour', 500 'Against'.

Individuals to Sign

Companies to Sign

Executed in accordance with the Company's Constitution

Director

Director/Secretary (Delete the title that is not applicable)
OR

Dated / / 2001

Note: If a joint holding, either shareholder may sign. If this form is being signed by a person who is not the registered holder, then the relevant authority (e.g. power of attorney) must either have previously been exhibited to the Company or its Registrar or be attached to this form.

Sole Director and Sole Company Secretary

Dated / / 2001

Important Note

If only one signatory needs to sign on behalf of a Company and that signatory is not the Sole Director and Sole Company Secretary then a certified copy of the Company's Constitution must be attached to this form.

Affix
Seal
here if
required

PROXY INFORMATION

A.B.C. Learning Centres Limited

ABN 23 079 736 664

- 1 On a poll, ordinary shareholders have one vote for every ordinary share held.
- 2 A member entitled to attend and vote is entitled to appoint not more than two proxies.
- 3 Where a member appoints two proxies the appointment is of no effect unless each proxy is appointed to represent a specified proportion of the member's voting rights.
- 4 Companies and trusts wishing to vote must ensure that there is a valid proxy created or, in the case of a company, a representative appointed in writing under the common seal or under hand of an officer or duly authorised attorney or duly authorised representative.
- 5 A proxy need not be a member of the Company.
- 6 An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing or, if the appointor is a body corporate, either under its common seal or under the hand of an officer or duly authorised attorney or duly authorised representative.
- 7 An instrument appointing a proxy may not be treated as valid unless the instrument, power of attorney or other authority (if any) under which the instrument is signed or proof of the power or authority to the satisfaction of the directors:
 - Is deposited at the Company's Registered Office, Level 2, 99 Creek Street, Brisbane, Queensland 4000; or
 - Is sent to the Company by facsimile transmission on (07) 3229 2799,

Not less than twenty-four hours before the time for the holding of the meeting or adjourned meeting as the case may be at which the person named in the instrument proposes to vote.