

# Child-care centres won't close: ABC [AU] <sup>[1]</sup>

Business, The Canberra Times

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## AVAILABILITY

See text below.

## EXCERPTS

Embattled ABC Learning Centres co-founder Eddy Groves has ruled out closing Australian child-care centres as he moved to reassure directors and parents that the company's future was secure.

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He told the meeting the company would continue trading as normal despite recent turmoil which has seen the company's share price plummet.

"I think there's a lot of interesting things that are happening out in the sharemarket today, and I don't know if they have too much relationship to what a business is actually doing," he said outside the meeting.

"At the end of the day, this is [a] very solid business.

"We've been here for 20 years, I think we'll be here for a lot longer than that, and really I don't think there's too much link between the share price and the strength of the operating business."

The colourful businessman returned to Australia on Friday from the United States, where he struck a deal to sell 60 per cent of the company's US child-care business.

However, he ruled out the possibility of closing centres in Australia or New Zealand to cope with the financial crisis.

"When you have fear and frenzy in a market place it can do amazing things, and I've seen amazing momentum and a negative sentiment gathered in the last two weeks, and I think that's something that's, you know, a bit sad," he said.

"At the end of the day, there's 16,000 people in Australia and New Zealand that rely upon us doing a good job, and we have done a good job."

Mr Groves said he had been forced to sell his stake in the company once worth almost \$300 million after margin calls last week, although a company official later clarified that he retained 3186 shares of his holding, worth less than \$5000.

Mr Groves said, "My stake as of right now is I have no shares in ABC.

"Unfortunately, you know, that's what's happened in amongst this process."

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He also has denied reports he was trying to sell his basketball team, the Brisbane Bullets. The Sunday Mail reported that Mr Groves tried to sell the club last week, but the deal fell through.

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- reprinted from the Canberra Times

**Region:** Australia and New Zealand <sup>[2]</sup>

United States <sup>[3]</sup>

**Tags:** privatization <sup>[4]</sup>

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