

Groves shows the ABC of expansion [AU] ^[1]

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EXCERPTS

The child-care provider ABC Learning Centres is promising more fun times this year, with further acquisitions in the US.

ABC, the world's largest publicly listed child-care provider, yesterday announced a net profit after tax of \$143.1 million for 2006-07, up 76 per cent on the previous year.

The strong performance was driven by the company's continued global expansion, strong enrolments and a full year contribution from its acquisition of La Petite Holdings of the US, said the company's founder and chief executive, Eddy Groves.

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Sydney Morning Herald

Mr Groves also hinted at further acquisitions and growth, which would boost the number of centres worldwide from the current 2238. Final dividend is nine cents a share for the year ended June 30, up from eight cents in the same period in fiscal 2006. The shares rose 21 cents to \$7.07.

ABC is already the largest provider of child care in Australia and New Zealand, and with the \$US330 million (\$420 million) acquisition of La Petite became the second largest child-care provider in the US. Its business in Britain is also booming. Two weeks ago ABC announced the \$74 million acquisition of Britain's Leapfrog Nurseries.

Should shareholders in Nord Anglia Education approve the buy-out next month the deal would make ABC the largest child-care provider in Britain.

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In June Mr Groves said ABC would be eyeing more US acquisitions, funded by a \$1 billion war chest accumulated through two separate capital raisings this year.

A US spending spree was still on the cards, Mr Groves said, but he declined to give any details. "I think what we've announced for the US is that we would continue to acquire the franchise centres within the Tutor Time group, and that we would continue to make regional acquisitions."

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