US expansion to drive growth for ABC [AU] [1]

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EXCERPTS

Childcare operator ABC Learning Centres expects this year's performance to be more than 20 per cent better than last year.

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Mr Groves said the company's expansion into the US was on schedule. The US subsidiary, Learning Care, had 414 centres and the number was forecast to grow to 500 by June next year.

He said the company had targeted 10 growth areas in the US and aimed to build 10 centres in each area each year for the next few years: "100 centres per year is no different to what we've been able to achieve in Australia.

"If we can achieve that in a place like Australia with a population of 20 million, we should be able to achieve that in the US with a population of 300 million."

In addition to the US operations, ABC expected to double the number of profitable centres it had in Australia and New Zealand in the next three years. "We had 930 centres at the end of June, (and) 720 were mature - and the definition of mature is: they contributed to the bottom line," Mr Groves said. "The other 210 were break-even and that's because they were new centres that we're rolling out.

"So when you look at getting 1400 centres in Australia and New Zealand by 2008, you have effectively doubled from the 720.

"It will take another couple of years before profits come through, but you've effectively doubled the company in Australia and New Zealand over the next few years."

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