

Payce Consolidated Limited
Harbourside Business Park
8 Baywater Drive
Homebush Bay, NSW 2127
Ph: 02 9648 0066
Fax: 02 9648 0466

PO Box 6688
Silverwater BC, NSW, 1811

ABN 19 001 566 310

21 December 2009

Company Announcements Office
Australian Stock Exchange Limited
SYDNEY NSW 2000

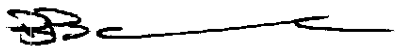
Facsimile 1300 135 638

Dear Sir/Madam

INITIAL SUBSTANTIAL SHAREHOLDER NOTICE TO EARLY LEARNING SERVICES LIMITED

Please find attached a copy of an initial substantial shareholder notice given by Payce Industries Limited to Early Learning Services Limited.

Kind Regards



Brian Bailison
Company Secretary

Phone + 61 2 9648 0066
Fax + 61 2 9648 0466



PAYCE

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Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder****To Company Name/Scheme** Early Learning Services Limited**ACN/ARSN** ACN 123 628 553**1. Details of substantial holder (1)****Name** Payce Industries Limited**ACN/ARSN (if applicable)** 000 094 753

The holder became a substantial holder on 18 December 2009

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORD	8,756,000	8,756,000	19.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Payce Industries Limited	Registered Holder	ORD 2,189,000
Wallace Infrastructure Pty Ltd	Registered Holder	ORD 6,567,000

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Payce Industries Limited	Payce Industries Limited	Payce Industries Limited	ORD 2,189,000
Wallace Infrastructure Pty Ltd	Wallace Infrastructure Pty Ltd	Wallace Infrastructure Pty Ltd	ORD 6,567,000

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5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Payce Industries Limited	18.12.09	\$547,250	Nil	ORD 2,189,000
Wallace Infrastructure Pty Ltd	18.12.09	\$1,641,750	Nil	ORD 6,567,000

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Wallace Infrastructure Pty Ltd	Craig Lewiss Wallace a Director of Wallace Infrastructure Pty Ltd is also a Director of Payce Child Care Pty Ltd
Payce Industries Limited	Brian Boyd a Director of Payce Industries Limited is also a Director of Payce Child Care Pty Ltd

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Payce Industries Limited	8 Baywater Drive, Homebush Bay NSW 2127
Wallace Infrastructure Pty Ltd	GPO Box 897, Brisbane QLD 4001

Signature

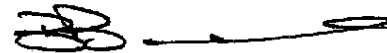
print name

BRIAN BAILSON

capacity

COMPANY SECRETARY

sign here



date

21/12/2009

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or

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arrangement; and

- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

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