

1 June 2010

Austock Childcare Fund Update – Completes Assignment of 11 ABC Leases to GoodStart

The Austock Childcare Fund (ACF) advises that in accordance with the Fund update of 24 May 2010, the assignment of all 11 leases to GoodStart Childcare Limited has now been completed. Preconditions to completion have been satisfied and included:

- Completion of relevant lease assignment documentation;
- Provision of a pooled bank guarantee of ~\$670k;
- Payment of pre-receivership outgoings unpaid by the former tenant, ABC Learning Centres Ltd; and
- Recovery of the majority of the costs directly relating to the assignment to GoodStart.

The transition to GoodStart has been successful with no disruption or reduction to ACF's rental income and with 11 of the Fund's leases now in favour of GoodStart.

ACF looks forward to a new relationship with GoodStart's management who are expected to provide significantly stronger executive and operational expertise together with an enhanced corporate governance standard. In addition to the 11 leases assigned to GoodStart, assignment of the 2 ABC centres operated by NELC is being negotiated with an alternate operator as part of the ABC1 process and agreement on these properties is expected shortly.

As advised on ACF's 24 May, 2010 update, the Fund's immediate priority will be the negotiation of an extension of its debt facility which expires on 28th June 2010. Management believes it is well placed to negotiate an extension of its debt facility, now that it has secured a new operator to all centres and has sold all non-income producing property.

Management will be seeking to resume distributions on a quarterly basis in the second half of 2010. In addition, ACF may be announcing a distribution to Unitholders for the year ended 30 June 2010 as soon as possible. This will be dependent on a number of factors, including the cost of a new debt facility.

The Board wishes to express its appreciation to Austock staff for their hard work in protecting the interests of Unitholders through a difficult period.

The Board would also like to recognise Unitholders for their patience and support. It believes ACF is a sound property trust with positive steps taken by Management to ensure Unitholder's interests are adequately protected and with a view to recommencing frequent distributions in the second half of 2010.

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