

18 January 2011

Minimal Flood Exposure for ACF

The Austock Childcare Fund (ACF) provides the following update regarding its potential exposure to the recent floods in Queensland, New South Wales and Victoria.

ACF owns 25 properties in Queensland that potentially fall within the recent flood affected areas. The initial assessment by Management of potential damage to the portfolio has taken some days given the number of locations and the scale of the flood affected areas, together with access difficulties at many sites.

Management can now confirm that as at 2pm yesterday, damage has been contained to two sites where a relatively small amount of water/flood damage has occurred. Based on the information provided, both sites are trading and may require only minor repairs.

ACF holds appropriate insurance cover for the effect of floods on its properties, although like all insurance policies, it is limited to a finite amount per property. The damage identified to date is not expected to exceed the policy limit.

Unitholders should note that the sites have not been formally inspected by ACF and Management is reliant on the information provided by third parties including ACF's tenants. As the flood affected areas progress through their rebuilding it is possible damage over and above that already noted becomes apparent. Further, as the floods progress/recede, they may potentially affect ACF sites that are currently considered unaffected however, no sites have been identified as being within any potential flood zone at this time.

Management will issue a further update should there be a material change to the information provided herein.

Nick Anagnostou
Executive Director/Fund Manager
Austock Childcare Fund

For further information contact:
Lula Lioffi
Investor Relations Manager
61 3 8601 2668

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Further information

The Austock Childcare Fund internet site, www.acfund.com.au is a source of information for Unitholders. It includes details of ACF and its Manager, announcements, current activities and historical information. The site provides access to annual and half-year reports and also ACF updates covering matters of relevance to investors.