

21 August 2009

## Austock Childcare Fund – Unitholder Update

The Directors of Austock Property Management Limited (APML), the responsible entity of the Austock Childcare Fund (ACF), provide the following update to recent announcements in relation to its exposure to ABC Learning Centres Limited (Administrators Appointed) (Receivers and Managers Appointed) and a number of its subsidiaries (ABC).

As noted in ACF's unitholder update of 30 June 2009, the convening period for the Voluntary Administrator, Ferrier Hodgson, was extended to 30 September 2009. The Administrator recently applied to the Federal Court to further extend the convening period to 31 March 2010. The likelihood of the Administrator and the Receiver seeking an extension was highlighted in the Unitholder update of 30 June 2009.

Austock Property Management Limited (APML) as the Responsible Entity of ACF challenged the extension of the convening period on the basis that, amongst other factors, ACF is suffering prolonged financial prejudice due to the length of the administration and the Receiver's continued ability to disclaim ACF leases under the Corporations Law.

The hearing before Justice Emmett of the Federal Court was held from 17 to 20 August 2009 with final orders made on 21 August 2009. In summary, the orders provide that the convening period of the Administration is extended to 31 March 2010 and note undertakings by the Receiver as follows.

Undertakings by the Receivers to the Court:

1. To commence the sale process for ABC centres immediately.
2. To use their best endeavours to follow a sale schedule with the objective of completion in the first two months of 2010.

Undertakings by the Receivers to ACF:

3. To use their best endeavours to procure a sale for all the childcare businesses they operate from premises leased from ACF.
4. Not to disclaim leases and to continue to trade the childcare businesses at each ACF premises until the earlier of the sale of that centre or 28 February 2010. If the childcare business has not been sold, the Receiver may cease to use or occupy that centre after 28 February 2010 provided eight weeks notice has been given. Until that time the Receiver undertakes to pay rent and other amounts due under the lease for the premises.
5. If notice to vacate an ACF centre is provided in accordance with the paragraph above, they will agree, if requested by APML to transfer the business operated from the centre to a new operator nominated by APML subject to certain conditions.
6. The sale by the Receivers of any childcare centre operated from a premises leased to ABC by ACF will be advertised and sold on the basis of the assignment of the lease without variation, unless APML agrees with a purchaser to vary the terms of a lease.



7. The Receiver provided undertakings regarding repair and maintenance to the centres on the premises leased by ACF.

These outcomes give greater short term clarity to ACF as they provide a framework and undertakings with which the Receiver must now comply in relation to ACF and the sale of ABC. Unitholders should note that these terms only apply to the convening period of the Administration, which has been extended to 31 March 2010.

The Court awarded APML one third of its legal costs in the matter.

Nick Anagnostou  
Director / Fund Manger

Lula Lioffi  
Investor Relations Manager  
+61 3 8601 2668