

8 February 2012

ACF Results for the Half Year Ended 31 December 2011

The Directors of the Responsible Entity, Austock Property Management Limited ("APML") provide the results of the Austock Childcare Fund (ACF or the Fund) for the half year ended 31 December 2011.

(a) Key Summary

1. Distributable income of \$0.5 million, up 24% on the previous corresponding period ("pcp")
2. Distribution for half year of 3.4 cpu
3. Debt facility currently drawn to \$10.0 million with Commonwealth Bank of Australia ("CBA") expiring July 2013
4. Gearing of 39%
5. Weighted Average Lease Expiry at 31 December 2011 of 6.1 years
6. 100% occupancy as at 31 December 2011

b) Financial Summary

The table below provides a summary of ACF's 31 December 2011 financial results.

For the half year ending	Dec 2011	Dec 2010	Variance
Total revenue	\$1.5m	\$1.4m	stable
Total expenses	\$1.0m	\$1.0m	(8.1%)
Distributable income	\$0.5m	\$0.4m	23.7%
Net profit	\$0.4m	\$0.4m	stable

As at	Dec 2011	June 2011	Variance
Total Assets	\$26.4m	\$26.4m	stable
Investment Property	\$25.6m	\$25.6m	
Borrowings ¹	\$10.0m	\$10.0m	
Net Assets	\$15.7m	\$15.8m	
Number of Properties	24	24	
Gearing ²	39.0%	39.0%	
NTA per unit	\$1.15	\$1.16	

(c) Property Summary

ACF's early learning property portfolio as at 31 December 2011 is summarised as follows:

	No of Properties	Carrying Value \$000's	Current Rent (pa) \$000's	Property Yield
Goodstart	11	11,400	1,108	
Other	13	14,235	1,396	
Total Properties as at 31 December 2011	24	25,635	2,504	9.8%

¹ Drawn Debt

² Gearing is calculated by borrowings / investment properties

Goodstart - Tenant of 11 Early Learning Properties

The not-for-profit group Goodstart Early Learning (“Goodstart”) a consortium of the major not-for-profit groups Mission Australia, the Benevolent Society, Social Ventures Australia and the Brotherhood of St Laurence is the tenant of 11 of the ACF’s properties.

Key information extracted from Goodstart’s 30 June 2011 Annual Report includes:

- Goodstart repaid \$21.0 million of bank debt (only \$6.0 million of this debt repayment was required by the lenders - an additional \$15.0 million was repaid);
- Achieved positive operating cash flows of \$58.1 million;
- Achieved EBITDA of \$40.4 million;
- Achieved a surplus of \$5.6 million; and
- Occupancy has steadily increased post 30 June 2011.

Other Tenants

The Fund has 6 appropriately qualified tenants leasing the remainder of its property portfolio in addition to Goodstart. The early learning tenants include: Leading Childcare, Early Learning Services, G8 Education Limited, Bright Horizons and two other centres with single tenancies.

(d) Debt Funding

The Fund’s debt facility is with the Commonwealth Bank of Australia (“CBA”). The key commercial terms are:

Facility Limit as at 31 December 2011	\$10.7 million (currently \$10.0 million drawn)
Facility Term	3 years expiring 31 July 2013
Financier	CBA
Maximum Loan to Value Ratio	Not greater than 55% based on secured property values
Interest Cover Ratio	Not to be less 1.7x (EBITDA) measured on a yearly basis

Hedging Arrangements

The Fund has an interest rate swap with the CBA for \$5.5 million at an interest rate of 5.49% pa. The swap is effective until 31 July 2013 and hedges 55% of ACF’s debt against adverse interest rate movements.

(e) Distributions

As per our revised distribution guidance for FY12 in December 2011, reduced operational and interest costs have had a positive impact on the Fund’s distribution forecast for FY12, previously 6.4 cents, now forecast at 7.0 cents per unit. This forecast assumes continued tenant performance and lower cost of debt.

(f) Outlook

ACF is a property trust with a stable and predictable income stream, proven underlying property values, conservative gearing, zero vacancy rate and long-term triple net leases. With continued government support, a strong demand for early learning and expected growth in the industry over the coming years, ACF remains focussed on providing reliable quarterly distributions in line with its forecasts. Reducing costs is a key deliverable as well as ensuring the performance of the existing portfolio and that distributions to Unitholders are maximised.

Key areas identified for concentrated efforts include, but are not limited to:

- continued cost reduction and savings;
- ongoing management of tenant performance;
- continuous assessment of options regarding the Fund’s debt obligations and cost of borrowings;
- active management of the portfolio’s assets; and
- continue to engage in transparent and concise investor communications.



(g) Investor Relations

Unitholders are invited to call our Investor Relations Manager, Lula Lioffi with any queries regarding the management of the Fund. Boardroom Pty Limited is the Fund's Registry and can be contacted on 1300 737 760 with respect to any queries in relation to your unitholding.

All of the Fund's publications are available on its website www.acfund.com.au, including the Fund Profile that periodically summarises the Fund's overall financial position and asset base, under the website heading of "Reports & Publications/Other Reports".

(The documents attached to this release comprise the information required by ASX Listing Rule 4.3A and should be read in conjunction with the half year results to 31 December 2011.)

Nick Anagnostou
Fund Manager & Chief Executive Officer
Austock Childcare Fund

For further information contact:
Lula Lioffi
Investor Relations Manager
+61 3 8601 2668
lloffi@austock.com