

27 January 2009

## **ASX ANNOUNCEMENT**

### **AUSTOCK GROUP LIMITED (ASX:ACK)**

#### **UPDATED HALF-YEAR GUIDANCE**

In its announcement to the ASX on 18 November 2008, Austock indicated that it was on track to report a small underlying operating profit for the first half of the 2009 financial year, after excluding non-recurring items.

Austock provides the following update, subject to the completion of the audit review:

- The Directors of Austock are pleased to report that, despite difficult trading conditions, Austock will report an underlying operating profit for the first half of the 2009 financial year, after excluding non-recurring items.
- Austock's cash position at the end of the half-year remains at \$28 million (excluding life benefit funds and cash held on trust), which is substantially the same as that reported for the full financial year ended 30 June 2008.
- Austock can confirm that a one-off impairment charge of approximately \$4.1 million will be incurred as a result of the collapse of ABC Learning Centres Limited.
- There will be additional one-off items in relation to specific areas within Austock's property business, namely impairment of acquired intangibles affecting property management businesses acquired in 2007 (Ceramic Funds Management and the Mirvac Childcare Fund) and fund closure costs. These non-recurring items will total approximately \$11.8 million. The remaining parts of Austock's property business (including the Australian Education Trust) are not affected and are operating profitably.

Austock previously wrote down the carrying value of its investment in Australia Pacific Exchange Ltd (APX). Austock completed the sale of its APX investment in December 2008 and, as a result, will write back an amount of approximately \$485,000.

The net total of non-recurring items will be a one-off write down of \$15.4 million, but this will have little impact on Austock's cash position.

The fact that Austock will achieve an underlying operating profit and maintain its strong cash position during this challenging period reflects prudent cost control by all staff and the strength of the business.

For further information please contact

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