

ASX Announcement

9 December 2009

Fund Update

ABC1 Sale Process – Today's Announcement by McGrath Nicol

The Receiver of ABC Learning Ltd, announced today they had entered into an exclusivity period with the GoodStart syndicate as the preferred purchaser of the ABC1 business. The syndicate represents interests associated with Mission Australia, the Benevolent Society, Social Ventures Australia and the Brotherhood of St Laurence. The Receivers stated in the announcement today that it was confident that exchange of contracts could take place before Christmas, with sale expected to follow early in the New Year.

Unitholders should note that the Receiver will need to obtain the consent of AET to the assignment of its leases by ABC. Management expects to further engage with the Receivers in respect to AET's requirements for that consent.

Change of Auditor

Austock Property Management Limited (APML), the responsible entity of the Australian Education Trust (AET), advises that following receipt of approval from the Australian Securities and Investments Commission to a change in auditor, Moore Stephens has ceased as auditor of the Fund. PricewaterhouseCoopers has been appointed in respect of the financial year commencing 1 July 2009.

Debt Funding

As previously advised AET has undertaken to make base debt repayments to the National Australia Bank and Senior Secured Note Holders, the first of which is due on 31 December 2009 for AUD\$35 million. Management is pleased to advise that it has made the first tranche repayment of AUD\$35 million.

Property Update

ABC New Zealand

AET owns 58 childcare properties in New Zealand which are part of the ABC New Zealand group (ABC NZ). Whilst ABC NZ is not in receivership or liquidation, the ABC Receiver is in control of the business and has conducted an Expressions of Interest Campaign for the sale of the NZ business. As noted in earlier communications, based on discussions with the Receiver, Management expected the sale process and subsequent lease assignment to have been completed. The Receiver advises that negotiations with a business purchaser are continuing with expected completion in early 2010.



Closed Childcare Properties

Since 30 June 2009, of the 22 properties for lease/sale, 4 properties have been sold for \$2.8 million and 2 properties have been leased, with 16 properties remaining to be leased/sold.

Australian Development Sites

Since 30 June 2009 of the 13 properties for sale, 3 properties have been sold for \$0.8 million with 10 properties remaining to be sold.

New Zealand Development Sites

AET owns 10 development sites in New Zealand 9 of which are being auctioned later this month. It is intended to sell the other property by private treaty.

The proceeds from the sale of all AET's properties will be used to repay debt.

Outlook

Management is focussing on dealing with the issues arising from the ABC Receivership process and the successful completion of the ABC business sale. We continue to play an active role in the sales process to ensure the interests of unitholders are protected. Guidance in relation to future distributions will be provided after the completion of the reassignment of the ABC1 lease portfolio.

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