



## APX Announcement

4 March 2008

### Unitholder Enquiries Regarding the Australian Social Infrastructure Fund (“ASIF”) and A.B.C. Learning Centres Limited (“ABC”)

The Directors of Austock Funds Management Limited (“AFML”), the Responsible Entity of ASIF, have received a number of enquiries from unitholders in relation to ASIF and the childcare centres it owns and leases to ABC.

As at 31<sup>st</sup> December 2007, ASIF owned 56 childcare centres, all of which are located in Australia and are subject to long term leases to ABC or a related entity. ASIF has to date received all rent due under these leases.

ABC reported its results for the six months to 31 December 2007 last week which included earnings before interest and tax (“EBIT”) of \$107.3 million from its Australian and New Zealand business. AFML considers that there is nothing in those results, or anything that it is aware of, that places ABC in default under or prevents ABC continuing to pay its rent and satisfy its other obligations under those leases. AFML will continue to monitor the position in connection with ABC’s tenant covenant strength. AFML retains its view that the Australian child care market remains strong and steps taken by the Australian Federal Government in connection with childcare further reinforces this view.

AFML believes that the Australian and New Zealand business of ABC continues to provide a strong lease covenant with consistent rental flow which also supports the valuation of ASIF’s property portfolio. Properties owned by ASIF are subject to an independent valuation at least once every two years. As at 31<sup>st</sup> December 2007, the direct property owned by ASIF was valued at \$97.17 million. Of the \$97.17 million, the 56 childcare centres leased to ABC represented \$80.0 million and were valued at an average yield of 8.6%.

As at 31 December 2007, the Fund’s gearing (Debt/Total Investments) was 30.2%. Total debt as at 31 December 2007 equated to ~\$36.0 million. The debt is secured by a first ranking registered mortgage over the assets of the Fund. The Fund’s current debt facility expires between June 2008 and June 2010. The responsible entity expects to renew these facilities on expiry.

The closing unit price of ASIF on Friday, 29 February 2008, of \$1.90 represents a discount of ~35.8% to NTA of \$2.96. If ASIF’s distribution for the six months to 31<sup>st</sup> December 2007 of 11.59 cents per unit was annualised, a closing unit price of \$1.90 would imply a distribution yield of ~12.2%. As reported to the APX recently, Directors of AFML have continued to acquire units on market, evidencing their faith in ASIF and the underlying value of its investment portfolio.

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