

1 June 2010

The Australian Social Infrastructure Fund Completes Transfer of 42 ABC Leases to GoodStart

The Australian Social Infrastructure Fund (ASIF) advises that in accordance with the Fund update of 24 May 2010, the transfer of all 42 leases to GoodStart Childcare Limited has now been completed. Preconditions to completion have been satisfied and included:

- Completion of relevant lease transfer documentation;
- Provision of a pooled bank guarantee of ~\$3.6 million;
- Payment of pre-receivership outgoings unpaid by the former tenant, ABC Learning Centres Ltd; and
- Partial recovery of the costs that directly relate to the transfer of lease to GoodStart.

The transition to GoodStart has been successful with no disruption or reduction to ASIF's net rental income and with 42 of the Fund's leases now in favour of GoodStart.

ASIF looks forward to a new relationship with GoodStart's management who are expected to provide significantly stronger executive and operational expertise together with an enhanced corporate governance standard. In addition to the 42 leases assigned to GoodStart, transfer of the 1 ABC centre operated by NELC is being negotiated with an alternate operator as part of the ABC1 process and agreement on this property is expected shortly. All of ASIF's other 7 childcare properties and 2 commercial properties are leased and the rent continues to be paid monthly.

As advised in ASIF's 24 May, 2010 update, ASIF is in the process of negotiating an extension of its debt facility which expires on 30th June 2010. ASIF believes it is well placed to negotiate the extension of this facility and will update Unitholders upon completion. Subject to the extension of ASIF's debt facility and the bank's approval; ASIF proposes to pay a distribution to Unitholders for the year ending 30 June 2010. The timing of this distribution will be announced as soon as possible.

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