

25 January 2011

Limited Flood Exposure

The Australian Social Infrastructure Fund (ASIF) provides the following update regarding its potential exposure to the recent floods in Queensland.

ASIF owns 39 properties in Queensland all of which are childcare centres. An initial review of the damage to the portfolio has taken some days given the number of locations and the scale of the flood affected areas, together with access difficulties at many sites.

Management can now confirm that as at 25 January 2011 only one of ASIF's properties in Queensland, being the Jindalee Childcare Centre, has been identified as being severely affected by the floods. The site will remain closed until rectification works are complete. In addition, a small number of sites have been identified as having some water damage which is relatively minor in nature. Based on the information received, Management expects that those centres with minimal damage should not be prevented from trading due to water damage.

ASIF holds insurance cover for the effect of floods on its properties however at this point, it cannot be established if the total cost of the damage to the Jindalee Childcare Centre will fall within the policy limit. Once the cost to repair the damage has been assessed and discussions with ASIF's insurer are complete a further update will be issued.

Unitholders should note that the sites have not been formally inspected by Management at this time and as a result Management is reliant on the information provided by third parties including its tenants. As repairs to the damaged buildings are undertaken, it is possible damage over and above that already noted may become apparent.

ASIF's properties in Victoria and New South Wales have been unaffected by the floods in those states.

A further update will be issued should there be a material change to the information provided herein.

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