

## ASX Announcement

18 January 2008

## AET Centre Settlements Update – 31 December 2007

The Directors of the responsible entity Austock Property Management Limited are pleased to be able to update unit holders of the Australian Education Trust (“Trust”) with recent settlements of child care centre properties.

### Acquisition Activity

The number of childcare centre properties owned by the Trust has increased from 388 as at 30 June 2007 to 421 as at 31 December 2007. Over this period the Trust purchased 36 childcare centre properties and disposed of three, for a net gain of 33 properties. The total value of the investments over this period was approximately \$36m.

The Trust continues to invest in securely let childcare centre assets. Each acquisition is subject to a triple net, 15 year lease with annual rental reviews (predominantly to movements in the CPI) and where the tenant must provide 5 years notice of its intention not to renew a lease.

### Disposal Activity

Of the three properties disposed of by the Trust, all were sold at a premium to valuation. The properties were sold as they no longer met with the core investment criteria of the Trust.

### Current Pipeline

The existing centre pipeline through to 30 June 2008 contains approximately 72 properties with a total value of approximately \$98m. Contracts have been executed on 16 properties with a total value of \$18m. The remaining 56 properties are currently under negotiation with a total value of approximately \$80m.

Further details are as follows:

- Of the 56 properties, approximately 30 are in New Zealand, of which 22 are existing centres and eight are development sites.
- Two leasehold centres are currently under negotiation pursuant a development agreement with National Child Care Centres Pty Ltd (“NCCC”) and should settle before 30 June 2008.
- One further sale contract have been finalised for the sale of centre in Queensland, also at a premium to valuation. This contract is now unconditional and is expected to settle in the first quarter of 2008.
- Over the six month period, construction was completed at four development sites which subsequently opened as new ABC childcare centres.



Assuming that all of the above opportunities proceed to contract and are completed by 30 June 2008, the Trust would be holding approximately 490 centres (allowing for disposals), an increase of approximately 26%.

### **Lease Expiry Profile**

As at 31 December 2007, the Trust's Weighted Average Lease Expiry was approximately 13 years. The Trust continues to have no vacancy with all properties producing their expected income levels, including development sites that also return a site rental.

The first lease expiry for the Trust is not scheduled until 2014. That potential vacancy is equivalent to approximately 1.1% of the portfolio. The next major potential vacancy is not expected until 2019.

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