Australian
Education Trust
ARSN 102 955 939

ASX Announcement

25 February 2010

Results for the Half Year Ended 31 December 2009

The Directors of the Responsible Entity, Austock Property Management Limited ("APML") provide the results of the Australian Education Trust (AET) for the half year ended 31 December 2009. AET is a property trust investing in childcare property assets.

(a) Key Summary

a. Operating revenue of $19.9 million for the half year.
b. Operating income of $3.3 million, impacted by the ongoing ABC Receivership.
c. NTA per unit of $1.29 (30 June 2009: $1.33).
d. First debt amortisation target of $35 million exceeded at 31 December 2009.
e. $42 million paid of second debt amortisation target of $80 million due at 30 June 2010 with asset sales of $10.1 million already contracted.
f. Gearing reduced to 54% through repayment of borrowings by $45.3 million[1].
g. Further reductions in gearing possible post a successful asset sales program.

The table below provides a summary of AET's December 2009 financial position compared to June 2009:

	Dec 2009	June 2009
Total Assets[2]	$397.8m	$461.5m
Investment Property	$385.7m	$407.7m
Borrowings (based on conversion of foreign currency borrowings at hedged exchange rates)	$217.5m	$259.8m
Net Assets	$174.7m	$179.7m
Units on Issue as at End of Period	134.9m	134.9m
Number of Childcare Properties	395	415
Gearing[3]	54.0%	56.7%
NTA per unit	$1.29	$1.33

[1] $3.3 million excluded from debt amortisation targets.
[2] Includes $22.6 million relating to fair value of derivative financial instruments at 30 June 2009.
[3] Gearing is calculated by net borrowings (borrowings less cash) / investment properties.

(b) Property Summary

AET's childcare property portfolio as at 31 December 2009 is categorised as follows:

	No of Properties	Carrying Value $000's	Current Rent (pa) $000's
Operating Properties			
ABC1 (subject to Receivership)	202	226,342	21,550
ABC New Zealand (not in administration)	58	39,557	3,523[1]
Other Tenants	100	102,949	9,951
	360	368,848	35,024
Development Sites			
Australia Available For Sale	8	4,370	
Australia Contracted / Settled subsequent to 31 December 2009	2	1,600	
New Zealand Available For Sale	3	524	
New Zealand Contracted / Settled subsequent to 31 December 2009	7	2,222	
Closed Properties			
Available for Sale/Lease	12	7,035	
Contracted/Settled subsequent to 31 December 2009	3	1,125	
Total Properties as at 31 December 2009	395	385,724	

1. Based on NZD rent of $4,368,000 at an exchange rate of 1.24

Property Analysis	
Total Properties as at 30 June 2009	415
Properties settled in 6 months to 31 December 2009	(20)
Total Properties as at 31 December 2009	395
Development Sites/Closed Properties contracted to be sold	(12)
Other Operating Properties contracted to be sold	(6)
Total AET Properties excluding properties contracted to be sold	377

ABC1: ABC1 properties remain under the control of McGrath Nicol (ABC Receiver). The 202 ABC1 properties (inclusive of the 9 NELC operated properties the leases of which are proposed to be assigned to another party) owned by AET form part of 704 properties that continue to be operated by the ABC Receiver. On 22 December 2009, McGrath Nicol announced they had signed a conditional Contract of Sale with the GoodStart syndicate as the purchaser of the assets of the ABC1 business. AET are continuing negotiations with both the ABC Receiver and the GoodStart syndicate with respect to the assignment of 193 of AET's ABC1 property leases. Should the assignment be approved by Management of AET, it is expected the assignment will occur over the following two months. It should be noted that the ABC trade sale is conditional upon a contract of sale unrelated to AET and which is not in AET's control. These terms could see the GoodStart transaction terminate independently of its discussions with AET.

New Zealand: ABC is not in administration in New Zealand, however, ABC Learning Centres Limited owns the shares in the New Zealand subsidiary and as shareholder, McGrath Nicol is handling the sale of the NZ business. A receivership regime is not applicable to the New Zealand operations and AET's leases and rights as landlord remain unaffected. A formal sales process for the business and leasehold interests was conducted and the Receiver advised on 10 February 2010 that their negotiations with the preferred purchaser had terminated. They have indicated they are considering other proposals for the sale of this business and will re-commence the sales process. The Receiver advises that this business continues to perform well and has maintained a strong occupancy level during its management.

Closed Properties: These properties were closed as a result of ABC being placed into receivership on 6 November 2008. Currently, 12 properties remain to be sold/leased with a book value of $7.0 million. The properties continue to be marketed, with the majority of these properties to be auctioned shortly and the net proceeds used to reduce debt.

Development Sites: These sites were purchased under contractual obligations, including a formal agreement to lease with ABC, to develop new properties in both Australia and New Zealand. They are currently being marketed with the majority to be auctioned shortly and the proceeds used to reduce debt. The combined book value is $4.9 million.

(c) Debt Funding

AET entered into new debt funding arrangements with its debt providers, National Australia Bank ("NAB") and Senior Secured Notes ("Notes") in September 2009 resulting in revised facilities with a maturity date of July 2011.

AET has undertaken to make base debt repayments to ensure compliance with its new funding agreements with the following amortisation targets:

31 December 2009	AUD$35 million (paid)
30 June 2010	AUD$80 million (of which $42 million has been paid - $38 million remaining to be paid by 30 June 2010)
31 December 2010	AUD$89 million (a further $9 million is payable in addition to the 30 June 2010 target)

The debt repayments will be funded through a combination of sales of remaining development sites (approximately $8 million), sales of remaining closed centres (approximately $8 million) and operating cash flows. In addition, AET has commenced a marketing campaign to sell 39 operating properties. This campaign has already resulted in contracts of sale for 6 properties with a value of $5.2 million. This sales process will be selective and only properties that produce suitable returns to AET will be sold.

As at the date of this report, sales contracts to the value of $10.1 million have been executed from all campaigns initiated.

AET has satisfied all of its covenants under its debt facility and confirms that it has met all of its funding obligations that are due and payable. AET's gearing ratio has been reduced to 54% through the repayment of borrowings by $45 million and intends to further reduce its gearing level by 30 June 2010. Management is confident that AET will be able to meet its debt repayments.

(d) Distribution

A condition of the amended debt funding arrangements with both the NAB and the US Noteholders is that no distributions are to be made without the prior consent of both parties. Critical to the commencement of distributions is the successful assignment of AET's property leases to a new tenant and Management's confidence in meeting the set amortisation targets.

Based on the above, Management advises there will be an ongoing suspension of distributions until further notice.

(e) Financial Summary

The table below provides a comparison of the results for the half year ended 31 December 2009 and the previous corresponding half year:

Half year ending 31 December ($m's)	Notes	2009	2008
Revenue			
Property Income	1	17.4	19.1
Property Outgoings Recoverable	2	2.2	0.1
Other Income		0.3	0.4
		19.9	19.6
Expenses			
Finance Costs	3	10.3	11.1
Property Expenses	2	2.9	0.6
Legal Expenses	4	1.0	0.2
Other Expenses	5	2.4	2.2
Impairment of Receivables		-	1.7
		16.6	15.8
Operating Income		3.3	3.8
Change in fair value of cross currency interest rate swaps		-	53.4
Change in fair value of forward exchange contracts	6	(4.9)	-
Change in fair value of interest rate swaps		-	(21.3)
Net revaluation decrement of investment properties	7	(5.9)	(25.1)
Realised gains / (losses) on sale of investment properties		(0.4)	1.2
Realised foreign exchange gain / (losses)	8	1.7	0.1
Realised losses on early termination of derivative contracts	9	(5.5)	-
Unrealised foreign exchange gain / (losses)	8	9.4	(34.2)
Waiver / Consent Fee on Debt Refinancing	10	(2.6)	-
Other		(0.1)	0.1
Loss for the period		(5.0)	(22.0)

Notes

1. Lease income has decreased to $17.4 million for the half year ending 31 December 2009 from $19.1 million in the comparative period ending 31 December 2008. This is due to reduced lease income from development sites ($1.0 million) and closed/sold centres ($1.7 million) partially offset by increased lease income due to both CPI lease increases ($0.7 million) and a full six months of income for centres which opened during the previous half ($0.2m).

2. AET receives property outgoings from its tenants on a monthly basis which is then used for paying all of the property outgoings in relation to these properties. This property outgoings revenue of $2.2 million is fully offset by a corresponding expense of $2.2 million. Historically, the tenant paid all of the property outgoings directly to the relevant authority.

3. Finance costs decreased to $10.3 million for the half ending 31 December 2009 compared with $11.1 million in the prior comparative period. This was primarily due to lower levels of borrowings in this period (weighted average of $241.4 million compared with $259.8 million). The weighted average interest rate at 31 December 2009 was 8.8% pa.

4. Legal expenses for AET increased significantly by $0.8 million to $1.0 million in the half ending 31 December 2009. This is attributable to significant cost in relation to the amended debt facilities and as a result AET was responsible for the legal expenses of all parties in addition to on-going legal advice with respect to the ABC Receivership.

5. Other expenses comprise Responsible Entity's Remuneration of $1.2 million, rent on leasehold properties of $0.6 million and other AET expenses of $0.6 million. In addition, significant legal and corporate advisory expenses have been incurred in relation to the ABC Receivership which Management is seeking recovery from the ABC Receiver, McGrath Nicol. No agreement for the recovery of these expenses has yet been reached. Austock Corporate Finance, a related party, has been retained as corporate advisor to Management in relation to the assignment of the ABC1 leases.

6. New forward exchange contracts have been entered into to fully hedge AET's exposure to foreign currency fluctuation risk with both the United States Dollar (USD) and Canadian Dollar (CAD) principal and interest obligations. The forward exchange contracts have been entered into with a range of 0.81 – 0.87 for the USD exposure and 0.87 - 0.92 for the CAD exposure.

   At 31 December 2009, due to a higher AUD currency against both USD and CAD currencies than when the forward exchange contracts were entered into, the fair value of the forward exchange contracts were out of the money by $4.9 million.

7. Based on an assessment of the fair value of the investment property portfolio as at 31 December 2009, AET made revaluation decrements totaling $5.9 million. The decrement comprises Australian development sites of $1.3 million, Australian closed centres of $2.6 million and New Zealand development sites of $2.0 million. There was no change made to the value of the operating centre investment property portfolio. Refer to the Investment Property Note (No. 3) in the Half-Year Financial Report for further detail.

8. As a result of AET holding foreign currency denominated Senior Secured Notes, it is required to recognise movements in the AUD to the USD and CAD by adjusting the balance of the borrowings liability in the balance sheet. At 31 December 2009, the value of the foreign currency denominated Senior Secured Notes at the prevailing spot rates resulted in an unrealised foreign exchange gain and a reduction in borrowings of $9.4 million. In addition, during the half year AET made debt repayments of its Notes which resulted in realised foreign exchange gains of $1.7 million.

9. As part of the amended debt facility arrangements, AET closed out both its cross-currency interest rate swaps and its interest rate swaps as they ceased to be effective in managing AET's exposure to both interest rate and foreign currency risk. AET received net cash proceeds of $8.7 million from the close out of these derivatives, however due to movements in exchange rates and interest rates, AET recorded a loss of $5.5 million, which reflects the movement between the net fair value position of these derivatives at 30 June 2009 of $14.2 million ($22.6 million - $8.4 million) and the final proceeds of $8.7 million.

10. As outlined in AET's ASX announcement dated 2 October 2009, AET was required to pay a waiver/consent fee to its lenders of $2.6 million as a result of its amended debt facilities which equated to 1% of total borrowings.

Balance Sheet

	Notes	31 Dec 2009 $'000	30 Jun 2009 $'000
Current assets			
Cash and cash equivalents	1	9,056	28,731
Trade and other receivables		933	808
Other current assets	2	56,973	33,881
Total current assets		66,962	63,420
Non-current assets			
Investment properties	3	330,828	375,482
Derivative financial instruments	4	-	22,626
Total non-current assets		330,828	398,108
Total assets		397,790	461,528
Current liabilities			
Trade and other payables	5	5,120	7,006
Accrued Interest	6	4,500	2,371
Distribution payable		14	18
Borrowings	7	47,000	261,889
Derivative financial instruments	8	1,020	-
Other current liabilities	9	2,625	2,119
Total current liabilities		60,279	273,403
Non-current liabilities			
Borrowings	7	158,864	-
Derivative financial instruments	8	3,907	8,418
Total non-current liabilities		162,771	8,418
Total liabilities		223,050	281,821
Net assets		174,740	179,707
Equity			
Contributed equity		166,315	166,315
Undistributed profit		8,425	13,392
Total equity		174,740	179,707

Notes:

1. The cash balance as at 30 June 2009 which was unusually high due to proceeds from asset sales, decreased from $28.7 million to $9.1 million at 31 December 2009. In addition proceeds from further asset sales ($16.9 million) and closing out of derivative positions ($8.7 million) were used to make debt repayments of $45.3 million during the period.

2. Other current assets of $57.0 million comprise $54.9 million of investment properties to be sold within the next twelve months which include the surplus assets (closed centres and development sites) and also includes the sale of the 39 operating properties.

   In addition, the balance includes $1.1 million of lease incentive assets relating to the provision of rent-free periods to new tenants as part of the ABC2 process. This asset is to be amortised over the remaining 12 year term of these leases. Prepayments of $0.9 million primarily relate to land tax and insurance prepayments.

3. The movement in investment properties of $44.7 million is the aggregate of disposals of investment properties (20 properties were settled during the period) of $16.1 million, the movement in investment properties to be sold within 12 months of $22.6 million and a revaluation decrement of $5.9 million was made in relation to the fair value of the Australian and New Zealand development sites and the Australian closed centres. The value of the operating investment property portfolio is consistent with the value as at 30 June 2009.

4. As part of the amended debt facility arrangements, AET closed out both its cross-currency interest rate swaps and its interest rate swaps as they ceased to be effective in managing AET's exposure to both interest rate and foreign currency risk.

5. Trade and other payables of $5.1 million is comprised of accruals of $2.5 million relating to outstanding construction payments and responsible entity's remuneration, GST payables of $1.3 million, trade creditors of $1.0 million and lease incentive liability of $0.2 million.

6. Accrued interest has increased by $2.1 million during the period which reflects both higher interest on borrowings and change in frequency of payments to the US Noteholders from quarterly to semi-annually as part of the revised funding arrangements.

7. The reduction in borrowings of $56.0 million during the period is primarily due to the debt repayment of $45.3 million made during the period. In addition, realised and unrealised gains relating to the foreign currency borrowings have reduced the amount of borrowings by $11.1 million. This movement is not reflective of the outstanding amount to be repaid as both the principal and interest on these Notes are fully hedged through forward exchange contracts.

8. New forward exchange contracts have been entered into to fully hedge AET's exposure to foreign currency fluctuation risk with both the United States Dollar (USD) and Canadian Dollar (CAD) principal and interest obligations. The forward exchange contracts have been entered into with a range of 0.81 – 0.87 for the USD exposure and 0.87 - 0.92 for the CAD exposure.

   At 31 December 2009, due to a higher AUD currency against both USD and CAD currencies than when the forward exchange contracts were entered into, the fair value of the forward exchange contracts were out of the money by $4.9 million.

9. Other current liabilities of $2.6 million at 31 December 2009 relates to January rent received in advance.

(f) Outlook

Management continues to take a proactive position and is focusing on its assessment of the ABC1 portfolio's proposed new operator, GoodStart. The assignment process remains incomplete with AET and its financiers yet to approve the assignment to GoodStart. Discussions with the ABC Receiver, GoodStart's advisors, its banker and the Federal Government continue. As indicated, should the assignment of AET's leases proceed, these will be completed over the next two months. Management will keep unitholders updated with respect to the GoodStart outcome.

Management is confident a successful asset sales program should provide the remaining funds required to meet the next debt amortisation target due in June 2010. As previously noted, of the remaining $38 million required, approximately $10.1 million in asset sales has already been contracted.

In the last three months management has marketed and sold a small number of leased investment properties that have returned in-excess of book value on a pre-impairment basis. Based on existing rental and value levels, the leased operating portfolio in Australia provides an average property yield of approximately 9.5%. A number of valuations were undertaken during the half year and results supported the value of the investment property portfolio as adopted in the 30 June 2009 accounts.

Emphasis is placed on the sale/lease of AET's properties that are currently on the market and resolution of assignment of AET's ABC1portfolio to a new tenant. On successful completion of these two immediate priorities, Management will focus on AET's long-term objectives and investment strategy with a view to returning to a sustainable distribution model in the second half of 2010.

A successful asset sales campaign and repayment of debt by June 2010 should improve AET's balance sheet and could reduce gearing levels below 50%.

On completion of the above, Management believes AET will be well positioned, after what has been a challenging period since the collapse of ABC combined with the difficulties created by the general economic environment.

(The documents attached to this release comprise the information required by ASX Listing Rule 4.2A and should be read in conjunction with the most recent annual financial report)

Nick Anagnostou
Chief Operating Officer/Fund Manager
Australian Education Trust

For further information contact:
Lula Liossi
Investor Relations Manager
61 3 8601 2668

Appendix 4D

Half Year Report
For the Period Ended 31 December 2009

Name of entity:

Australian Education Trust

ABN:

58 102 955 939

1. Details of the reporting period

This report details the results of Australian Education Trust (the "Trust") for the half year ended 31 December 2009 (previous corresponding period: half year ended 31 December 2008).

2. Results for announcement to the market

			$A'000			$A'000
2.1	Revenue from ordinary activities	Down	43,294	58.3 %	to	31,012
2.2	Profit (loss) from ordinary activities after tax attributable to members	Down	17,069	77.4%	to	(4,967)
2.3	Net profit (loss) for the period attributable to members	Down	17,069	77.4%	to	(4,967)
2.4	Interim Distributions – Not Applicable					
2.5	Record date – Not Applicable					
2.6	Brief explanation of the figures reported above: Refer to Directors Report in Half Year Financial Report					

2.7	**Earnings Per Unit (EPU)**	**Dec 2009**	**Dec 2008**	
	Basic earnings per unit	(3.68)	(16.33)	11.03
	Diluted earnings per unit	(3.68)	(16.33)	11.03

3. Net tangible assets per unit

	Dec 2009	**Jun 2009**
Net tangible asset backing per ordinary unit	$1.29	$1.33

4. Details of entities over which control has been gained or lost during the period

None.

5. Details of distributions

Not applicable.

6. Distribution Reinvestment Plan

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

None.

9. Disputes with auditors or qualifications

Nil

Victor David Cottren
Chairman
Austock Property Management Limited
Melbourne, 25 February 2010

AUSTRALIAN EDUCATION TRUST
AND CONTROLLED ENTITY

ARSN: 102 955 939
ASX Code: AEU
ABN: 58 102 955 939

Half-Year Financial Report
31 December 2009

CONTENTS

The Directors of Austock Property Management Limited, the Responsible Entity of the Australian Education Trust and its controlled entities ("AET"), present their report together with the financial report of AET for the half-year ended 31 December 2009.

Directors of the Responsibility Entity

The Directors of the Responsibility Entity during the period or since the end of the half year:
- Victor David Cottren (Chairman)
- Michael Francis Johnstone
- Nicholas James Anagnostou

Principal Activities

AET is a specialist education property owner which as at 31 December 2009 owns a total of 395 child care properties (415 properties as at 30 June 2009) in locations around Australia and New Zealand. AET's properties are categorised as follows:

	No of Properties	Carrying Value $000's	Current Rent (pa) $000's
Operating Properties			
ABC 1 (under the control of McGrath Nicol)	202	226,342	21,550
ABC New Zealand (not in administration)	58	39,557	3,523[1]
Other	100	102,949	9,951
	360	368,848	35,024
Development Sites			
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Australia Contracted / Settled subsequent to 31 December 2009	2	1,600	
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Closed Properties			
Available for Sale/Lease	12	7,035	
Contracted/Settled subsequent to 31 December 2009	3	1,125	
Total Properties as at 31 December 2009	**395**	**385,724**	

[1] Based on NZD rent of $4,368,000 at an exchange rate of 1.24

Property Analysis

Total Properties as at 30 June 2009	**415**
Properties settled in 6 months to 31 December 2009	(20)
Total Properties as at 31 December 2009	**395**
Development Sites/Closed Properties contracted to be sold as at date of this report	(12)
Other Operating Properties contracted to be sold as at date of this report	(6)
Total Properties excluding properties contracted to be sold	**377**

ABC1: ABC1 properties remain under the control of McGrath Nicol (ABC Receiver). The 202 ABC1 properties (inclusive of the 9 NELC operated properties the leases of which are proposed to be assigned to another party) owned by AET form part of 704 properties that continue to be operated by the ABC Receiver. On 22 December 2009, McGrath Nicol announced they had signed a conditional Contract of Sale with the GoodStart syndicate as the purchaser of the assets of the ABC1 business. AET are continuing negotiations with both the ABC Receiver and the GoodStart syndicate with respect to the assignment of 193 of AET's ABC1 property leases. Should the assignment be approved by Management of AET, it is expected the assignment will occur over the following two months. It should be noted that the ABC trade sale is conditional

upon a contract of sale unrelated to AET and which is not in AET's control. These terms could see the GoodStart transaction terminate independently of its discussions with AET.

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Closed Properties: These properties were closed as a result of ABC being placed into receivership on 6 November 2008. Currently, 12 properties remain to be sold/leased with a book value of $7.0 million. The properties continue to be marketed, with the majority of these properties to be auctioned shortly and the net proceeds used to reduce debt.

Development Sites: These sites were purchased under contractual obligations, including a formal agreement to lease with ABC, to develop new properties in both Australia and New Zealand. They are currently being marketed with the majority to be auctioned shortly and the proceeds used to reduce debt. The combined book value is $4.9 million.

Review and Results of Operations

The result for the half year to 31 December 2009 was a loss of $5.0 million, equivalent to 3.7 cents per unit ("cpu"). Excluding the impact of non-recurring and non-cash amounts, AET produced operating income of $3.3 million or earnings per unit of 2.4 cents. For the corresponding period in 2008 AET produced operating income of $3.8 million, equivalent to earnings of 2.8 cents per unit.

Half year ending 31 December ($m's)	2009	2008
Revenue		
Property Income	17.4	19.1
Property Outgoings Recoverable	2.2	0.1
Other Income	0.3	0.4
	19.9	19.6
Expenses		
Finance Costs	10.3	11.1
Property Expenses	2.9	0.6
Legal Expenses	1.0	0.2
Other Expenses	2.4	2.2
Impairment of Receivables	-	1.7
	16.6	15.8
Operating Income	3.3	3.8
Change in fair value of cross currency interest rate swaps	-	53.4
Change in fair value of forward exchange contracts	(4.9)	-
Change in fair value of interest rate swaps	-	(21.3)
Net revaluation decrement of investment properties	(5.9)	(25.1)
Realised gains / (losses) on sale of investment properties	(0.4)	1.2
Realised foreign exchange gain / (losses)	1.7	0.1
Realised losses on early termination of derivative contracts	(5.5)	-
Unrealised foreign exchange gain / (losses)	9.4	(34.2)
Waiver / Consent Fee on Debt Refinancing	(2.6)	-
Other	(0.1)	0.1
Loss for the period	(5.0)	(22.0)

Distribution

A condition of the amended debt funding arrangements with both the NAB and the US Noteholders is that no distributions are to be made without the prior consent of both parties. Critical to the commencement of distributions is the successful assignment of AET's property leases to a new tenant and Management's confidence in meeting the set amortisation targets.

Based on the above, Management advises there will be an ongoing suspension of distributions until further notice.

Distribution Reinvestment Plan

The Distribution Reinvestment Plan ("DRP") was temporarily suspended on 17 December 2004. The Responsible Entity intends to re-introduce the DRP as and when it is considered appropriate.

Funding

As at 31 December 2009 the total assets of AET were $397.8 million, borrowings (based on conversion of foreign currency borrowings at 31 December 2009 exchange rates) were $205.9 million and net assets were $174.7 million. The NTA per unit is $1.29 (30 June 2009: $1.33). Based on the hedged rates which AET has entered into through forward exchange contracts, AET has borrowings at 31 December 2009 of $217.5m and gearing (Net Borrowings / Investment Properties) of 54%.

AET has 134,973,383 units on issue as at 31 December 2009. No units have been issued in this period.

AET entered into new debt funding arrangements with its debt providers in September 2009. The NAB facilities were combined into one facility with an extended maturity date of 31 July 2011. The total margin charged on this facility is 4% pa compared to 1.5% pa under the previous facilities.

The Senior Secured Notes ("Notes") maturity dates have been shortened to 31 July 2011, consistent with the NAB maturity date. This brings the maturity date of three series of Notes forward three years with the other series being brought forward six years. Details of the Notes are as follows:

Series	Principal Amount	Coupon Rate (pa)
Series A	USD$18m	9.84%
Series B	USD$30m	9.84%
Series C	CAD$19m	9.40%
Series D	USD$59m	9.99%

AET has undertaken to make base debt repayments to ensure compliance with the new banking agreements. These are cumulative targets with repayments as follows:

- 31 December 2009 AUD$35 million (paid)
- 30 June 2010 AUD$80 million (includes the $35 million repayment at 31 December 2009)
- 31 December 2010 AUD$89 million (includes the $80 million repayment at 30 June 2010)

In regards to the 30 June 2010 debt repayment of $80 million, $42 million has already been repaid. An amount of $38 million remains to be paid by 30 June 2010.

In addition, there are target debt repayment levels which are designed to incentivise AET to reduce its debt levels through the period until 31 December 2010. In the event that AET is unsuccessful in achieving a target, an additional 0.5% pa will be payable by AET to both NAB and the Noteholders.

A one-off consent fee of 1% of amounts borrowed was paid by AET at the time of execution of the funding arrangements. This payment amounted to approximately $2.6 million.

No unitholder distributions are to be made without the prior approval of NAB and the Noteholders.

Hedging Arrangements

- As part of the amended debt facility arrangements, AET has closed out both its cross-currency interest rate swaps and its interest rate swaps as they ceased to be effective in managing AET's exposure to both interest rate and foreign currency risk. AET received net cash proceeds of $8.7 million from the close out of these derivatives, however, due to movements in exchange rates and interest rates, AET recorded a loss of $5.5 million, which reflects the movement between the net fair values of these derivatives at 30 June 2009 of $14.2 million ($22.6 million - $8.4 million) and the final proceeds of $8.7 million.

- New forward exchange contracts have been entered into to fully hedge AET's exposure to foreign currency fluctuation risk with both the United States Dollar (USD) and Canadian Dollar (CAD) principal and interest obligations. The forward exchange contracts have been entered into with a range of 0.81 – 0.87 for the USD exposure and 0.87 – 0.92 for the CAD exposure.

- As the Notes coupon rates are fixed, AET is only exposed to variable interest rate exposure on the NAB debt facility which comprises 43% of AET's overall debt funding.

- As at 31 December 2009, AET has a weighted average cost of debt funding of 8.8% pa.

Debt Amortisation

- As at 31 December 2009, AET had made debt repayments of $45.3 million, however an amount of $3.3 million which resulted from one of the Noteholders closing out their derivative position is not included in the debt amortisation targets. AET has complied with both the first base and target amortisation payment due on 31 December 2009 of $35 million. A further $7 million has been repaid towards the 30 June 2010 base amortisation level at 31 December 2009, leaving an additional $38 million to be repaid by 30 June 2010.

- This will be funded through a combination of sales of remaining development sites (approximately $8 million), sales of remaining closed centres (approximately $8 million) and operating cash flows during the half.

- In addition, AET has commenced a marketing campaign to sell 39 operating properties. This campaign has already resulted in 6 sales contracts to the value of $5.2 million. This will be a selective process with only properties that produce suitable returns to AET being sold.

- As at the date of this report from all marketing campaigns, sales contracts totalling $10.1 million have already been contracted.

Rounding of Amounts

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the Directors' report have been rounded off to the nearest $1,000.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 370C of the Corporations Act 2001 is set out on page 5 for the half year ended 31 December 2009.

This report is signed in accordance with a resolution of the Board of Directors of the responsibility entity.

Victor David Cottren	Nick Anagnostou
Chairman	Executive Director / Fund Manager
Austock Property Management Limited	Austock Property Management Limited
Melbourne, 25 February 2010	Melbourne, 25 February 2010

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Auditor's Independence Declaration

As lead auditor for the review of Australian Education Trust for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of the Australian Education Trust and the entities it controlled during the period.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
25/02/10

	Note	Consolidated Group 31 Dec 2009 $'000	31 Dec 2008 $'000
Revenue			
Lease income		17,439	19,139
Property outgoings recoveries		2,184	54
Interest income		302	384
Unrealised foreign exchange gains		9,414	-
Realised foreign exchange gains		1,673	124
Gain on sale of investment properties		-	1,172
Change in the fair value of cross currency interest rate swaps		-	53,433
Total revenue		31,012	74,306
Expenses			
Borrowing costs		2,949	376
Interest expense		9,904	10,747
Legal expenses		1,047	230
Other expenses		648	357
Property outgoings - recoverable		2,184	54
Property outgoings – non-recoverable		703	585
Rent on leasehold properties		576	491
Responsible entity's remuneration		1,187	1,253
Change in fair value of interest rate swaps		-	21,266
Change in fair value of forward exchange contracts	4	4,927	-
Impairment of receivables		-	1,658
Loss on sale of investment properties		395	-
Net revaluation decrement of investment properties		5,926	25,137
Realised losses on early termination of derivative contracts		5,533	-
Unrealised foreign exchange losses		-	34,188
Total expenses		35,979	96,342
Loss attributable to unitholders		(4,967)	(22,036)
Other comprehensive income		-	-
Total comprehensive loss		(4,967)	(22,036)
Earnings per unit		Cents	Cents
Basic earnings per unit		(3.68)	(16.33)
Diluted earnings per unit		(3.68)	(16.33)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes

	Note	Consolidated Group 31 Dec 2009 $'000	30 Jun 2009 $'000
Current assets			
Cash and cash equivalents		9,056	28,731
Trade and other receivables		933	808
Other current assets	2	56,973	33,881
Total current assets		66,962	63,420
Non-current assets			
Investment properties	3	330,828	375,482
Derivative financial instruments	4(a)	-	22,626
Total non-current assets		330,828	398,108
Total assets		397,790	461,528
Current liabilities			
Trade and other payables		5,120	7,006
Accrued Interest		4,500	2,371
Distribution payable		14	18
Borrowings	5(a)	47,000	261,889
Derivative financial instruments	4(b)	1,020	-
Other current liabilities		2,625	2,119
Total current liabilities		60,279	273,403
Non-current liabilities			
Borrowings	5(b)	158,864	-
Derivative financial instruments	4(c)	3,907	8,418
Total non-current liabilities		162,771	8,418
Total liabilities		223,050	281,821
Net assets		174,740	179,707
Equity			
Contributed equity	6	166,315	166,315
Undistributed profit		8,425	13,392
Total equity		174,740	179,707

The Consolidated Balance Sheet is to be read in conjunction with the accompanying notes

	Consolidated Group	
	31 Dec 2009 $'000	31 Dec 2008 $'000
Cash flows from operating activities		
Lease income received	21,179	27,237
Cash payments in the course of operations	(11,048)	(4,564)
Interest received	302	384
Net cash provided by operating activities	10,433	23,057
Cash flows from investing activities		
Proceeds from sale of investment properties	16,943	7,366
Repayment of deposits on properties not proceeding	-	5,125
Payments for construction costs of investment properties	(36)	(6,187)
Proceeds from early termination of derivative instruments	8,675	-
Net cash provided by investing activities	25,582	6,304
Cash flows from financing activities		
Finance costs paid	(10,386)	(11,833)
Repayment of borrowings	(45,300)	-
Distributions paid	(4)	(6,681)
Net cash (used in) financing activities	(55,690)	(18,514)
Net increase in cash held	(19,675)	10,847
Cash at 1 July	28,731	4,423
Cash at 31 December	9,056	15,270

The Consolidated Cash Flow is to be read in conjunction with the accompanying notes

	Consolidated Group		
	Units on issue	Undistributed Profit	Total
	$'000	$'000	$'000
Balance at 1 July 2008	166,315	47,810	214,125
(Loss) attributable to unitholders	-	(22,036)	(22,036)
Distribution paid or provided for	-	(5,399)	(5,399)
Balance at 31 December 2008	166,315	20,375	186,690
Balance at 1 July 2009	166,315	13,392	179,707
(Loss) attributable to unitholders	-	(4,967)	4,967
Distribution paid or provided for	-	-	-
Balance at 31 December 2009	166,315	8,425	174,740

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes

1. Statement of significant accounting policies

The half year consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and with any public announcements issued during the half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Stock Exchange.

The accounting policies have been consistently applied by AET and are consistent with those applied in the 30 June 2009 Annual Report.

Correction of error in measurement of cross currency interest rate swap in the previous financial year

For the half year ended 31 December 2008, the fair value measurement of the cross currency interest rate swap was incorrectly calculated. The change in fair value of cross currency interest rate swaps revenue has been increased from $34,188,000 to $53,433,000. Loss for the period decreased from $41,281,000 to $22,036,000 at 31 December 2008. Undistributed profits as at 1 July 2008 have been increased by $13,497,000 to $47,810,000.

This error had the effect of increasing derivative financial assets in the balance sheet from $21,915,000 to $54,658,000.

The error has been corrected by restating each of the affected financial statement line items for the prior half, as described above.

Basic and diluted earnings per unit for the prior half year have also been restated. Both basic and diluted earnings per unit have increased from a loss of 30.58 cents per unit to a loss of 16.33 cents per unit. There is no change to distributable earnings per unit.

Going Concern

The Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of business activities, through the realisation of assets and settlement of liabilities in the normal course of business.

The going concern basis is appropriate for AET based upon the following factors:

a) the likely successful assignment of all ABC1 leases to a new tenant;
b) renegotiation of amended debt facilities with a maturity date of 31 July 2011 with AET in full compliance with its undertaking under these facilities;
c) significant progress towards the debt amortisation targets with further repayments to be made primarily through asset sales (refer Note 5); and
d) stabilisation of market conditions and property yields.

Debt/Equity

AET applied the following pronouncements to the annual reporting period beginning 1 July 2009:

AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation.*
This standard is applicable for reporting periods beginning on or after 1 January 2009. AET has adopted the amendments on 1 July 2009. Previously, AET classified unitholders' funds, being their initial contribution plus accumulated reserves, as a financial liability called "net assets attributable to unitholders" Following the application of the amended standard, all unitholders' funds will be shown in equity and any distributions to unitholders will be reflected as distributions from equity rather than as a finance cost. All unitholders' funds have been classified as equity as the responsible entity considers all the criteria under the new accounting standard have been met. The amendment has been applied retrospectively. As a result of the adoption of the amendment, AET's equity as at 30 June 2009 increased by $179.7 million and financial liabilities as at 30 June 2009 have decreased by $179.7 million.

	Consolidated Group	
	31 Dec 2009 $'000	30 Jun 2009 $'000

2. Other current assets

Deposits	17	36
Lease Incentive Asset	1,120	1,174
Prepayments	940	420
Investment properties to be sold within 12 months	54,896	32,251
	56,973	33,881

3. Investment properties

Movement in investment properties:		
Balance at the beginning of the period	375,482	438,484
Acquisition of properties	36	7,201
Disposal of properties	(16,119)	(20,919)
Investment properties to be sold in 12 months	(22,645)	(21,094)
Net revaluation decrement	(5,926)	(28,190)
Carrying amount at the end period	330,828	375,482

3. Investment properties (continued)

Investment properties are measured at fair value and revalued on a regular basis to ensure the carrying amount of each property does not differ materially from its fair value at the balance date. Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. A full independent valuation of a property is carried out at least once every three years.

The fair value of investment property has been updated to reflect market conditions at the end of the reporting period. This represents best estimates as at the balance sheet date, and if investment property is sold in future, the price achieved may be higher or lower than the most recent valuation.

The Directors have given considerable attention to the fair value of investment properties at 31 December 2009. The Directors have considered:

(a) The Receivers of ABC have announced that they have signed a sales contract with the GoodStart syndicate to purchase the ABC business subject to a number of terms being satisfied.
(b) Recent sales for operating properties owned by AET indicate that sales are being achieved above recent valuations.
(c) Stabilisation of market conditions and property yields.
(d) The leases are long term and not subject to any substantial market fluctuations in rent as found in more traditional commercial markets where rents maybe subject to drastic movements.
(e) The average carrying value per property is around $1.1 million and AET operates within a market place that remains relatively liquid with continued purchase activity.

Furthermore, during the half year ended 31 December 2009, 19 operating properties were valued in Australia and 10 operating properties were valued in New Zealand. These valuations were performed to assess whether there was any evidence of further valuation reductions across the portfolio. The outcomes of the independent valuations performed at 31 December 2009 showed no significant decreases in values of these properties.

The Directors have made the decision to keep the value of the operating investment property portfolio consistent with the value as at 30 June 2009.

Following the ABC1 and New Zealand assignment process which we anticipate will be completed during the second half of this financial year, independent valuations will be conducted on these properties which will result in the fair value of investment properties at 30 June 2010 to be based on independent valuations performed within the previous 12 months based on the new tenant and lease arrangements.

With respect to the remaining closed centres and development sites (both Australia and New Zealand), based on additional market testing and contracts entered into at 31 December 2009, a further decrement of $5.9 million was recognised against the closed centres and development sites.

	Consolidated Group	
	31 Dec 2009 $'000	30 Jun 2009 $'000

4 (a). Derivative financial instruments - Non – Current Assets

Derivative financial instruments – cross currency interest rate swap	-	22,626
	-	22,626

4 (b). Derivative financial instruments – Current Liabilities

Derivative financial instruments – forward exchange contracts	1,020	-
	1,020	-

4 (c). Derivative financial instruments – Non-current Liabilities

Derivative financial instruments – interest rate swap	-	8,418
Derivative financial instruments – forward exchange contracts	3,907	-
	3,907	8,418

Prior to refinancing its debt arrangements in September 2009, AET used derivative financial instruments (comprising cross currency interest rate swaps and interest rate swaps) to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

As part of the amended debt facility arrangements, AET closed out both its cross-currency interest rate swaps and its interest rate swaps as they ceased to be effective in managing AET's exposure to both interest rate and foreign currency risk. AET received net cash proceeds of $8.7 million from the close out of these derivatives, however due to movements in exchange rates and interest rates, AET recorded a loss of $5.5 million, which reflects the movement between the net fair value position of these derivatives at 30 June 2009 of $14.2 million ($22.6 million - $8.4 million) and the final proceeds of $8.7 million.

New forward exchange contracts have been entered into to fully hedge AET's exposure to foreign currency fluctuation risk with both the United States Dollar (USD) and Canadian Dollar (CAD) principal and interest obligations. The forward exchange contracts have been entered into with a range of 0.81 – 0.87 for the USD exposure and 0.87 - 0.92 for the CAD exposure.

At 31 December 2009, due to a higher AUD currency against both USD and CAD currencies than when the forward exchange contracts were entered into, the fair value of the forward exchange contracts is $4.9 million out of the money. The fair value adjustment on the forward exchange contracts resulted in a loss of $4.9 million and is recorded in the Statement of Comprehensive Income.

	Consolidated Group	
	31 Dec 2009 $'000	30 Jun 2009 $'000

5 (a). Borrowings – Current

Bank loans	20,280	112,110
Senior Secured Notes	26,720	151,693
Less: up front transaction costs	-	(3,403)
Plus: amortised up front transaction costs	-	1,489
	47,000	261,889

5 (b). Borrowings – Non-Current

Bank loans	72,283	-
Senior Secured Notes	88,158	-
Less: up front transaction costs	(3,403)	-
Plus: amortised up front transaction costs	1,826	-
	158,864	-

AET has undertaken to make base debt repayments to ensure compliance with the revised banking agreements. These cumulative targets with repayments are as follows:

- 31 December 2009 AUD$35 million (paid)
- 30 June 2010 AUD$80 million (of which $42 million has been paid - $38 million remaining to be paid by 30 June 2010)
- 31 December 2010 AUD$89 million (a further $9 million is payable in addition to the 30 June 2010 target)

In addition, there are target debt repayment levels which are designed to incentivise AET to reduce its debt levels through the period until 31 December 2010. In the event that AET is unsuccessful in achieving a target, an additional 0.5% pa will be payable by AET to both NAB and the Notes holders. These targets are also cumulative and are as follows:

- 31 December 2009 AUD$35 million (includes $35 million base debt repayment) (paid)
- 30 June 2010 AUD$104 million (includes $80 million base debt repayment)
- 31 December 2010 AUD$115.7 million (includes $89 million base debt repayment)

AET has complied with both the first base and target amortisation payment due on 31 December 2009 of $35 million. A further $7 million has been repaid towards the 30 June 2010 base amortisation level at 31 December 2009, leaving an additional $38 million to be repaid by 30 June 2010. A further $9 million is required to be repaid by 31 December 2010 in order for AET to be in compliance with its debt agreements. These repayments have been shown as a current liability in the balance sheet.

These repayments will be funded through a combination of sales of remaining development sites (approximately $8 million), sales of remaining closed centres (approximately $8 million) and operating cash flows generated during the second half of the year. In addition, AET has commenced a marketing campaign to sell 39 operating properties. This campaign has already resulted in 6 sales contracts to the value of $5.2 million. This will be a selective process with only properties that produce suitable returns to AET being sold.

The Financial Charges Ratio ("FCR") has been amended to the following levels:

- 6 month period ending 31 December 2009 1.20x
- 12 month period ending 30 June 2010 1.25x

AET is in compliance with its FCR as at 31 December 2009 (1.32x) and all other covenants as required by its debt agreements.

The weighted average cost of all borrowings as at 31 December 2009 was 8.8% p.a. including margins and fees.

6. Contributed Equity

	Consolidated Group	
	Units on issue	Units on issue
	No '000	$'000
Balance at 1 July 2008	134,974	166,315
Units issued	-	-
Balance at 31 December 2008	134,974	166,315
Balance at 1 July 2009	134,974	166,315
Units issued	-	-
Balance at 31 December 2009	134,974	166,315

7. Segment information

(a) Primary reporting - geographical segments

	Australia		New Zealand		Eliminations		Consolidated Group	
	31 Dec 2009 $'000	31 Dec 2008 $'000	31 Dec 2009 $'000	31 Dec 2008 $'000	31 Dec 2009 $'000	31 Dec 2008 $'000	31 Dec 2009 $'000	31 Dec 2008 $'000
Revenue								
External sales	17,888	18,507	1,735	1,982	-	-	19,623	20,489
Unallocated revenue							302	384
Unrealised foreign exchange gains							9,414	-
Realised foreign exchange gains							1,673	-
Change in fair value of cross currency interest rate swaps							-	53,433
Total revenue							31,012	74,306
Result								
Segment result	235	6,420	(205)	(24)	-	-	30	6,396
Unallocated expenses net of unallocated revenue							302	384
Change in fair value of foreign exchange contracts							-	53,433
Unrealised foreign exchange gains / (losses)							9,414	(34,188)
Realised foreign exchange gains							1,673	-
Impairment of receivables							-	(1,658)
Net revaluation decrement of investment properties							(5,926)	(25,137)
Change in fair value of interest rate swaps							-	(21,266)
Change in fair value of forward exchange contracts							(4,927)	-
Realised losses on early termination of derivative contracts							(5,533)	-
Profit / (Loss)							(4,967)	(22,036)
Assets								
Segment assets	370,404	459,788	43,242	49,402	(15,856)	(15,569)	397,790	493,621
Total assets							397,790	493,621
Liabilities								
Segment liabilities	222,625	306,381	33,700	34,302	(33,275)	(33,753)	223.050	306,930
Total liabilities							223,050	306,930
Other								
Acquisitions of non-current segment assets	36	3,204	-	3,827	-	-	36	7,031
Disposals of non-current segment assets	16,119	6,134	-	3,173	-	-	16,119	9,307

7. Segment information (continued)

(b) Secondary reporting - business segments

AET operates in one business segment being the ownership of childcare properties.

8. Capital and lease commitments

(a) Capital commitments

AET has no capital commitments at reporting date (Nil at 30 June 2009)

(b) Lease revenue commitments

Details of non-cancellable operating leases contracted but not capitalised in the financial statements are shown below:

Lease terms are non-cancellable with a fifteen year term and rent is reviewed annually in accordance with CPI movements. Further, two five year options exist to renew the leases for further terms.

	Consolidated Group	
	31 Dec 2009 $'000	31 Dec 2008 $'000
Receivable:		
not later than 1 year	35,349	34,632
later than 1 year but no later than 5 years	150,535	147,447
later than 5 years	258,928	299,323
	444,812	481,402

Only leases with operating properties are shown above. These revenue commitments shown are dependent on existing leases being assigned to new tenants through the ABC receivership process.

(c) Leasehold property commitments

Details of non-cancellable property leases contracted for but not capitalised in the financial statements are shown below:

The property leases are non-cancellable leases, with rent payable quarterly or monthly in advance. Contingent rental provisions within the lease agreements require the minimum lease payments shall be increased by the minimum of CPI to a maximum of 5% per annum. A right or option exists to renew the leases for a further term. The lease allows for subletting of all lease areas.

	Consolidated Group	
	31 Dec 2009 $'000	31 Dec 2008 $'000
Payable:		
not later than 1 year	1,006	895
later than 1 year but no later than 5 years	4,426	3,941
later than 5 years	16,124	18,085
	21,556	22,921

9. Contingent liabilities

No contingent liabilities to AET exist of which the Responsible Entity is aware (nil at 30 June 2009).

10. Subsequent events

No matter or circumstance has arisen since 31 December 2009 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future years.

In the opinion of the Directors of Austock Property Management Limited, the responsible entity of Australian Education Trust and its controlled entities ("AET"):

(a) the financial statements and notes, set out on pages 6 to 18 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that AET will be able to pay its debts as and when they become due and payable.

(c) AET has operated during the half year ended 31 December 2009 in accordance with the provisions of AET's Constitution.

This declaration is made in accordance with a resolution of the directors.

Dated at Melbourne this 25th day of February 2010.

Victor David Cottren
Chairman
Austock Property Management Limited

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Independent auditor's review report to the unitholders of Australian Education Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Australian Education Trust, which comprise the balance sheet as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Australian Education Trust Group (the consolidated entity). The consolidated entity comprises both Australian Education Trust (the trust) and the entities it controlled during the half year.

Directors' responsibility for the half-year financial report

The directors of Austock Property Management Limited (the Responsible Entity of the trust) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Group*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australian Education Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian Education Trust is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated group's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
25/02/10

Responsible Entity and principal place of business of AET	Austock Property Management Limited Level 1 350 Collins Street Melbourne VIC 3000
Directors of the Responsible Entity	Victor David Cottren (Chairman) Michael Francis Johnstone Nicholas James Anagnostou
Solicitors	Macrossans Lawyers Level 23 AMP Place 10 Eagle Street Brisbane Qld 4000
Auditor	PricewaterhouseCoopers Freshwater Place 2 Southbank Boulevard Southbank Vic 3006
Taxation Advisors	Moore Stephens Level 14 607 Bourke Street Melbourne Vic 3000
Bank	National Australia Bank Level 24, 500 Bourke Street Melbourne VIC 3000
Custodian	Trust Company Limited 213-217 St Pauls Terrace Spring Hill Qld 4006
Secretary of the Responsible Entity	Amanda Gawne Level 1 350 Collins Street Melbourne VIC 3000
Share Registry	Registries Limited GPO Box 3993 Sydney NSW 2001 Ph: 1300 653 459
Investor Relations	Lula Liossi Austock Property Management Limited Level 1 350 Collins Street Melbourne VIC 3000 Ph: (03) 8601 2000