



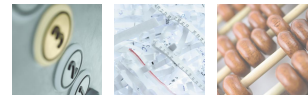
**ABC Learning Centres Ltd and 38 Related Companies
(All Administrators Appointed)
(All Receivers and Managers Appointed)**

First Meeting of Creditors

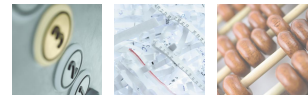
18 November 2008

**Greg Moloney
Administrator**

Purpose of First Meeting of Creditors

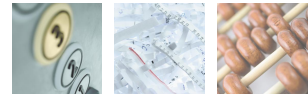


- Consideration by Creditors of other nominations for Administrator
- Appointment of a Committee of Creditors
- Directions were obtained from the Federal Court to allow:
 - The holding of the meetings for the 39 companies in administration as one concurrent meeting
 - The formation of one Group Committee of Creditors in respect of the 39 administrations



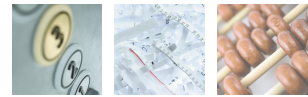
- Appointment of Administrations 6 November 2008 by Boards of Directors
- Appointment of Receivers and Managers – 6 November 2008 by Secured Creditors
- Receivers and Managers are in control of the Group's assets, business and undertakings
- Purpose of Voluntary Administrators in context of the Receivership:
 - Report to Creditors to allow decision on:
 - Winding-up of Group Companies; or
 - Deed of Company Arrangement.





- First Meeting of Creditors – 8 business days following appointment – 18 November 2008
- Convening Second Meeting of Creditors – by 4 December 2008
- Holding of Second Meeting of Creditors – by 11 December 2008
- The Administrators anticipate an approach to Court to extend convening period to February/March 2009
 - If approved by Court, Second Meeting would be held late March/early April 2009





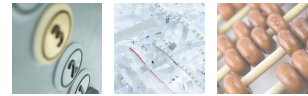
■ Receivers

- Allows more time to address sale of ABC's business/centres
- Allows potential purchasers option of acquisition by Deed of Company Arrangement
- Acts to preserve ongoing use of Third Party Property (leases)

■ Administrators

- Allows more time to investigate prior to reporting to creditors

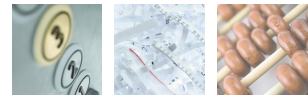
Group Assets and Operations



- Estimation as to likely realisable value of assets is currently not available
 - Certain estimations are in the process of being completed
 - Certain estimations are “price sensitive” due to Receivers’ sale process

- The Group:
 - Operates approximately 1,040 Child Care Centres in Australia
 - Operates and owns certain Child Care Centres in the UK
 - Operates and owns certain Child Care Centres in NZ
 - Retains a 40% JV with Morgan Stanley in the USA
 - Employs approximately 16,000 permanent staff in Australia; 1,400 permanent staff in NZ

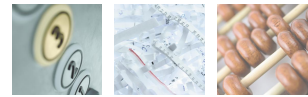
Group Creditors 6 November 2008



- Creditor claims as at 6 November 2008 are currently being ascertained
- Estimated unrelated party liabilities as at 6 November 2008 for Australia:

	\$M
Secured Creditors	955
Employee Claims (before any redundancy provision)	31
Unsecured Creditors	80
Convertible Notes	600
	\$1,666
Contingent Liabilities, Unearned Income Etc	\$Unknown

- Excludes US, UK and NZ liabilities



■ Secured Creditors

- Syndicated Facility agreement, secured by Fixed and Floating Charges over assets of the Group. Charges created 25 June 2008, 10 July 2008 and 27 October 2008

■ Employees

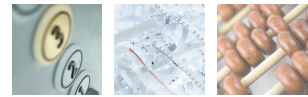
- Employee claims may increase through redundancy provisions. Claims hold priority ahead of Secured Creditor over Floating Charge assets

■ Receiver/Administrator Borrowings

- A “new” facility agreement has been entered into with the syndicated facility providers
- The purpose of the new facility is to provide the Receiver with funding to maintain the ABC business
- The facility provided is afforded a priority in the Receivership and Voluntary Administration



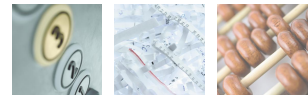
Contingent Creditors



- May include:

	\$M's Claims
Bank guarantees provided in respect of operating leases on premises	Unknown
Claims arising from termination of any operating leases on premises	Unknown
Guarantees in respect of franchise lease commitments (US)	Unknown
Morgan Stanley and Noteholders- potential claim for alleged misleading and deceptive conduct	Unknown
Shareholder action – potential claims for alleged misleading and deceptive conduct and breach of continuous disclosure obligations	Unknown





■ Receivers

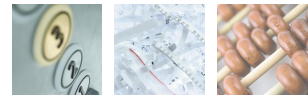
- Focus is on the operating businesses and potential realisations

■ Administrators

- Focus is on investigations and Report to Creditors on options

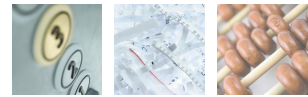


Committee of Creditors



Name	Representing
Phillip Joseph/Stuart Howard	Australian Executor Trustees
Craig Thompson	Austock Property
David Hoskins/Stuart Terry	Challenger Managed Investments
Neal Swancott/John Payne	Liquor, Hospitality & Miscellaneous Union
Vaughan Stibbard	Tripoint Corporation
Jonathan Yellowley/Raeleen Wren	ABC Employees
Jennifer Ball	Morgan Stanley
Henry Carr	DEWR
Leigh Hall	Lazard
Stephen Mayne	Himself
Aongus O'Grady	Commonwealth Bank of Australian
Don Jones	123 Group (Subsequently Withdrawn)

Committee of Creditors



Name	Representing
Brian Sayers	OfficeMax
Eleanor Scacco	Judius Pty Ltd
Ian Wunderlich/Gwyn Morgan/Matthew Gugerly	Banking Syndicate

