

Australian Executor Trustees Limited
ABN 84 007 869 794 AFSL No. 240023 RSEL No. L0002554
Australian Executor Trustees (NSW) Limited
ABN 70 000 329 706
Australian Executor Trustees (SA) Limited
ABN 23 007 870 644
AET Structured Finance Services Pty Ltd
ABN 12 106 424 088 AFSL No. 258829
AET SPV Management Pty Ltd
ABN 67 088 261 349 AFSL No. 279157
www.aetlimited.com.au



A member of the Australian Wealth Management Group

2 December 2008

Dear Holder,

**A.B.C. LEARNING CENTRES LIMITED (RECEIVERS AND MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED) (“ABC”)**

I refer to my letter dated 7 November 2008 and the ongoing administration and receivership of ABC.

Terms defined in the Trust Deed dated 30 May 2007 as amended on 8 June 2007 (“Trust Deed”) have the same meaning when used in this letter.

On 18 November 2008, representatives of Australian Executor Trustees Limited (“AET”) attended the first meeting of ABC’s creditors and I attach the minutes of this meeting.

Philip Joseph, CEO Corporate Trust, has been appointed as a member of the ABC creditors’ committee, to represent the Holders, and I will be his alternate representative.

To date, the administrator of ABC has not advised us of the publication of an Acceleration Event Notice. As such, the last date by which Holders have the ability to lodge Holder Redemption Notices has not been determined. My letter of 7 November 2008 contains more detailed information on the Acceleration Event provisions of the Trust Deed.

We understand that the administrator intends to apply to court to extend the period in which the second meeting of ABC creditors must be called, to early 2009. Prior to this meeting, we will require a direction from Holders as to how they wish us to vote. We will write to Holders once we have details of the resolutions to be put to the meeting.

We will endeavour to post any relevant information on the AET website - www.aetlimited.com.au/CorporateTrustServices/Announcements. Holders should also check the administrator’s website for information - www.ferrierhodgson.com.au.

Should you have any questions with respect to this matter, please do not hesitate to contact me on (02) 9028 5908 or stuart.howard@aetlimited.com.au.

Yours faithfully,

Stuart Howard
Senior Relationship Manager
Corporate Trust

**Minutes of the Combined Meeting of Creditors of
A.B.C. Learning Centres Limited
ACN: 079 736 664
and each company listed in the Attached Schedule
(All Administrators Appointed)
(All Receivers and Managers Appointed)
collectively ("the A.B.C. Group" or "the Companies")**

**Held at Gianni At Portside, Level 2 Portside,
Remora Road, Hamilton, Brisbane, Queensland
On 18 November 2008 at 11:15am**

1. Present

Gregory Moloney - Ferrier Hodgson
Peter Walker – Ferrier Hodgson
Matthew Jesse - Ferrier Hodgson
Scott Hedge – Kemp Strang

2. Chairman

Gregory Moloney, one of the Administrators of the company, opened the meeting and advised that he would act as Chairman of the meeting in accordance with Regulation 5.6.17(1) of the Corporations Regulations.

The Chairman advised that on Thursday 13 November 2008, following an application by the Voluntary Administrators, Justice Emmett of the Federal Court of Australia made certain orders in respect of the conduct of today's meetings. These orders are as follows:

1. The Voluntary Administrators may conduct the meetings of creditors of each of the 39 companies convened pursuant to Section 436E of the Corporations Act as a combined and concurrent meeting, without the requirement for a resolution to that effect;
2. The voluntary administrators may treat all proofs of debt of any creditor of any of the 39 companies, admitted for voting at this meeting only, so as to permit all such creditors to vote as if they were a creditor of each of the 39 companies, and to vote once in respect of a resolution to be put in relation to forming a Group Committee of Creditors; and
3. The meeting may by resolution determine:
 - (a) whether to appoint a committee of creditors for the ABC Group Companies; and
 - (b) if so, appoint up to a maximum of ten persons to be members of such committee.

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4. The last order in respect of forming a Group Committee shall not apply to a company if the creditors of that company pass a contrary resolution.

The Chairman tabled a copy of this Court Order.

The Chairman advised that this meeting has been called in accordance with the notice of meeting dated 7 November 2008 contained in a circular to Creditors and Employees, and the meeting was advertised in The Australian newspaper on Monday, 10 November 2008.

The Chairman also advised that, in accordance with Regulation 5.6.16(2) of the Corporations Regulations that a quorum is present and, in accordance with Regulation 5.6.14, declared that the meetings are held at a date, time and place convenient to the majority of persons entitled to receive notice of the meetings.

The Chairman advised that the purpose of the meetings is to determine:

- Whether to appoint a Group Committee of Creditors and, if so, who are to be the committee members.
- Confirm the appointment of the Administrators.
- Any other business.

3. Minutes Secretary

IT WAS RESOLVED

"That Matthew Jesse of Ferrier Hodgson be appointed as minutes secretary."

Moved: Jennifer Ball on behalf of Morgan Stanley

Seconded: John Walker on behalf of various shareholders

Voting: Carried on the Voices

4. Notice of Meeting

The Chairman tabled the Notice of Meeting.

IT WAS RESOLVED:

"That the Notice of Meeting be taken as read".

Moved: Vaughan Stiddard on behalf of Tripoint Corporation

Seconded: Stephen Mayne

Voting: Carried on the Voices



5. Resolutions

Pursuant to Regulation 5.6.19 of the Corporation Regulations, the Chairman advised that a resolution put to the vote of this meeting must be decided on the voices unless a poll is demanded. A poll can be demanded before, or on the declaration of the result of the voices by:

- (a) the Chairperson; or
- (b) at least two persons present in person, by proxy or by attorney that are entitled to vote at the meeting; or
- (c) a person present in person, by proxy or by attorney representing not less than 10% of the total voting rights of all the persons entitled to vote at the meeting.

Where a poll is demanded, a resolution will be carried when:

- A majority of creditors voting (whether in person, by attorney or by proxy) vote in favour; and
- The value of the debts owed by those creditors voting in favour is more than half the total debts owed to all creditors voting.

6. Other Voting Issues

The Chairman noted that he may exercise a “casting vote” if no result is reached for or against (Regulation 5.6.21). The Chairman’s decision to exercise this vote is subject to review by the Court upon application by a creditor (Section 600B and Section 600C).

He also noted that:

- Pursuant to Regulation 5.6.24 a secured creditor may vote with respect to the whole of its debt or claim, without being required to estimate the value of its security; and
- That a related party is permitted to vote as a creditor at the meeting, provided its claim has been admitted by the Administrators for the purposes of voting.

7. Declaration of Independence, Relevant Relationships and Indemnities

The Chairman tabled the Administrators' Declaration of Independence, Relevant Relationships and Indemnities dated 6 November 2008 and noted that:

- (i) A copy of the declaration has been provided to creditors with the notice of meeting; and
- (ii) There has been no change to the declaration since the date the Administrators signed it.

8. Report by Directors About the Companies Business, Property, Affairs and Financial Circumstances

The Chairman advised that he has written to the directors to prepare a Report by them as to each of the companies' affairs as at the date of the appointment of the Voluntary Administrators on 6 November 2008.



The directors have sought an extension of time to complete the Report and the Administrators are currently considering this extension request.

9. Progress Report by the Receivers

The Chairman invited one of the Receivers and Managers, Mr Chris Honey from McGrath Nicol, to provide a brief statement to the meeting by way of an update on the progress of the receivership.

Mr Honey addressed the meeting.

10. Report by the Administrators

The Chairman provided a brief update by way of a PowerPoint presentation regarding the background to their appointment, statutory information with respect to the timing of the first and second meetings of creditors, and A.B.C. Group asset and liability position.

Various questions were asked by creditors attending the meeting of the Voluntary Administrators with respect to the status of their investigations of the A.B.C. Group's affairs.

11. Proofs of Debt and Proxies

The Chairman tabled Proofs of Debt and Proxies received for the meeting and advised that he has examined the Proofs of Debt and declared to the meeting that they are in order and are admitted for the amounts shown thereon for voting purposes at this meeting only.

The Chairman also advised that he has examined the proxies tabled and these are in order and are accepted for voting purposes at this meeting only.

The Chairman advised the meeting that there were 2,243 creditors represented at the meeting in person or by proxy with a total value of \$1,629,138,444.57.

The Chairman noted the following creditors that have lodged Proofs of Debt have only been admitted for \$1 for this meeting as they are contingent claims:

- Commonwealth Bank of Australia as an ABC noteholder
- Challenger Bank as an ABC noteholder
- ABC shareholders
- Morgan Stanley as a shareholder

The Chairman noted that the trustee of the noteholders, Australian Executor Trustees, has been admitted to vote for its full amount of \$600,000,000.

12. Appointment of Alternate Administrators

The Chairman noted that pursuant to Instruments of Appointment dated 6 November 2008, Peter Walker and he were appointed Administrators to the companies.



Pursuant to Section 436E(4) of the Corporations Act 2001, creditors may, by resolution, appoint someone else as Administrators to the companies. The Chairman asked if there were any proposed resolutions in this respect?

As there were no other nominations for Administrator, the Chairman announced that the company's appointments stand and accordingly, Greg Moloney and Peter Walker remain as Administrators.

13. Committee of Creditors

The Chairman advised that pursuant to Section 436F of the Corporations Act 2001, the functions of a Committee of Creditors are:

- To consult with the Administrators about matters relating to the administration; and
- To receive and consider reports by the Administrators.

Pursuant to the Court's Orders of 13 November 2008, allowing a Group Committee of Creditors to be formed unless creditors of an individual company vote to have their own Committee, the Chairman asked if any creditor wanted a resolution seeking to appoint a committee for any one company as opposed to a Group Committee. There was no such interest.

The Chairman proposed the resolution "that the creditors of this meeting require a Group Committee to be formed":

Moved: Jennifer Ball on behalf of Morgan Stanley

Seconded: Vaughan Stiddard of Tripoint Corporation

Voting: Carried on the voices.

The Chairman then sought nominations, and after receiving more than ten nominations, then sought a resolution "that the creditors wish the ABC Group Committee (as defined in the Federal Court Order of 13 November 2008) comprise 15 members and directs the Administrators to approach the Federal Court to seek to vary its Order such as to increase the maximum number of creditors on the ABC Group Committee to 15".

Moved: John Payne on behalf of Kim Tritten

Seconded: Phillip Joseph on behalf of Australian Executor Trustees

Voting: Carried on the voices.

The Chairman then sought a resolution that "upon the Federal Court varying its Order of 13 November 2008 to permit the ABC Group Committee to comprise 15 Creditors, the following Creditors shall be members of the ABC Group Committee, but until then, the first ten names will comprise the Committee".



Name	Representing
Phillip Joseph/Stuart Howard	Australian Executor Trustees
Craig Thompson	Austock
David Hoskins/Stuart Terry	Challenger Managed Investments
Neal Swancott/John Payne	LHMU
Vaughan Stiddard	Tripoint Corporation
Jonathan Yellowley/Raeleen Wren	ABC Employees
Jennifer Ball	Morgan Stanley
Henry Carr	DEWR
Leigh Hall	Lazard
Stephen Mayne	Himself
Angus O'Grady	Commonwealth Bank of Australia
Don Jones	123 Group
Brian Sayers	OfficeMax
Eleanor Scacco	Judius Pty Ltd
Ian Wunderlich/Gwyn Morgan/Matthew Gugerly	Banking Syndicate

Moved: Phillip Joseph of Australian Executor Trustees

Seconded: John Walker representing shareholders

Voting: Carried on the voices.

15. Closure of Meeting

There being no further business, the Chairman thanked those present for attending and advised that a further meeting will be held in the future to receive the Administrators' report as to the companies business, property, affairs and financial circumstances, in order to resolve:

- Whether a Deed of Company Arrangement shall be entered into; or
- Whether the administrations should come to an end; or
- Whether the companies should be wound up.

The Chairman noted that he anticipated making an application to the Court to extend the convening period for the second meeting of creditors. If successful, the meeting would be held in approximately March 2009.

He noted that a circular will be forwarded to creditors advising them of a date and place for that second meeting of creditors.

No objection was raised by creditors to the foreshadowed application.

The Chairman declared the meeting closed at 12:35pm.

DATED this 21st day of November 2008.

Gregory Moloney
Chairman

**A.B.C. Learning Centres Limited ACN 079 736 664
and Associated Companies ("ABC Group")
(Administrators Appointed) (Receivers & Manager Appointed)**

	Company Name	ACN	Date of Appointment
1	A.B.C. Learning Centres Limited	079 736 664	6/11/2008
2	Child Care Centres Australia Limited	100 250 646	6/11/2008
3	Hutchinson's Child Care Services Limited	100 493 874	6/11/2008
4	Kids Campus Limited	099 815 472	6/11/2008
5	Peppercorn Management Group Limited	087 155 860	6/11/2008
6	A.B.C. Canadian Holdings Pty Limited	126 839 941	6/11/2008
7	A.B.C. Corporate Care Pty Limited	098 738 928	6/11/2008
8	A.B.C. Developmental Learning Centres Pty Limited	010 788 502	6/11/2008
9	A.B.C. Early Childhood Training College Pty Limited	069 159 566	6/11/2008
10	A.B.C. Education Services Pty Limited	107 310 743	6/11/2008
11	A.B.C. Employment Services Pty Limited	130 442 394	6/11/2008
12	A.B.C. European Holdings No.1 Pty Limited	122 710 123	6/11/2008
13	A.B.C. European Holdings No.2 Pty Limited	122 710 132	6/11/2008
14	A.B.C. European Holdings No.3 Pty Limited	128 132 829	6/11/2008
15	A.B.C. Land Holdings Pty Limited	108 964 227	6/11/2008
16	A.B.C. Learning Centres Finance Pty Limited	125 820 395	6/11/2008
17	A.B.C. New Ideas Pty Limited	112 237 377	6/11/2008
18	A.B.C. Queensland Pty Limited	129 029 769	6/11/2008
19	A.B.C. USA Holdings Pty Limited	121 360 147	6/11/2008
20	A.B.C. USA Property Holdings No.1 Pty Limited	126 641 665	6/11/2008
21	A.B.C. USA Property Holdings No.2 Pty Limited	126 641 674	6/11/2008
22	Childcare Development Solutions Pty Limited ATF the Childcare Development Solutions Unity Trust	107 241 181	6/11/2008
23	DPPA Pty Limited	114 743 092	6/11/2008
24	Flel Pty Limited	096 172 075	6/11/2008
25	FutureOne Pty Limited	009 221 470	6/11/2008
26	HCCS Operations Pty Limited	097 846 707	6/11/2008
27	Kids Campus (W.A.) Pty Limited	112 150 099	6/11/2008
28	Kids Campus Australia Pty Limited	104 407 187	6/11/2008
29	Kids Campus Holdings Pty Limited	107 379 751	6/11/2008
30	Klendo Pty Limited	098 366 968	6/11/2008
31	Marshen Pty Limited	101 400 104	6/11/2008
32	Peppercorn Holdings No.1 Pty Limited	095 599 250	6/11/2008
33	Peppercorn Holdings No.2 Pty Limited	099 074 781	6/11/2008
34	Peppercorn Holdings No.3 Pty Limited	100 679 374	6/11/2008
35	Peppercorn Holdings No.4 Pty Limited	101 236 766	6/11/2008
36	Peppercorn Holdings No.5 Pty Limited	103 201 136	6/11/2008
37	Peppercorn Holdings No.6 Pty Limited	103 210 751	6/11/2008
38	Premier Early Learning Centres Pty Limited	100 831 856	6/11/2008
39	Select Child Care Management Pty Limited	093 925 056	6/11/2008