

13 March 2009

Dear Parent/Guardian,

We are writing to provide you with an update on the current status of the ABC2 Group centres of which your child's centre is part.

On 26 February, we wrote to let you know that we had received offers from over 180 parties for one or more centres and that we were working progressively through each offer to determine the best outcome for your child.

Today we announced that we have requested that the Australian Government approach the NSW Supreme Court to seek a continuation of our appointment until 15 May 2009.

This short extension is being sought due to the unique nature of the process - we are currently assessing offers from a large and diverse number of parties and negotiating with a range of stakeholders.

While we are satisfied with the progress made to date and the quality of offers, a short extension will provide us with additional time to finalise negotiations with all parties. As we are in confidential negotiations, unfortunately we are unable to provide you with guidance on your specific centre at this stage. Funding is in place to ensure continuity of care for your child while this process is conducted.

However, as an indication of our progress, we are in the process of exchanging contracts for the sale of the first 65 centres. Pleasingly, there is also strong interest in most of the remaining centres and we are negotiating with landlords to reach agreement with the suitable parties.

While we expect a significant majority of centres to be sold, there is a risk that suitable operators cannot be identified for all centres. In these circumstances, we will work with the Australian Government to identify alternative childcare solutions at neighbouring centres where possible.

We are very mindful this is an unsettling time for you and your family, and following the Court's ruling in respect to the extension, we will advise you of the future of your centre by no later than 15 April 2009.

If you have any questions, you can contact our call centre – 1800 222 543. Further information is also available at www.ppb.com.au/site/abc or you can email abc2.parents@ppb.com.au.

We thank you for your continued support and please be assured we are working hard to secure quality and ongoing care for your child.

Stephen Parbery and Daniel Bryant
Court Appointed Receivers
PPB Corporate Recovery

Offices throughout Australia.

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