

14 January 2009

Dear valued employee,

We are writing to provide you with an update on the current status of the ABC2 Group centres.

The ABC2 Group, of which your centre is part of, comprises 228 child care centres which were previously under the control of ABC Learning Centre's Receiver, McGrathNicol, and which were judged unviable under the ABC business model. It also includes 13 centres that were labelled as ABC centres and were previously operated by 123 Operations.

On 18 December we wrote to you to explain that our firm, PPB, is now the Court Appointed Receiver for your centre.

On 14 January 2009, we will commence a new Expression of Interest (EOI) process for parties interested in obtaining ABC2 Group child care centres.

There has already been considerable interest in these centres and we are confident that the EOI process will result in a number of parties registering with us.

PPB will be examining all options to ensure, as far as possible, that sustainable, high-quality child care is available for families using ABC2 Group centres.

Be assured that we will be applying a rigorous selection criteria against which we will assess all EOIs. This means expected buyers must demonstrate they are able to meet appropriate accreditation and licensing requirement, that they can provide quality, long-term childcare in a safe environment, and show a commitment to leading-practice employment.

As well as commencing the Expression of Interest process, we will continue to work closely with Government, landlords and centre staff to resolve the future for each and every centre.

Please note that the ABC2 Group centres will continue to operate as normal through until 31 March 2009 where necessary, and that long term solutions for all the affected families are being sought. You will continue to be employed under your normal terms and conditions and you continue to be employed by ABC Learning.

It is our intention to ensure you are kept informed at all times, and we will send you regular updates as information becomes available.

In the meantime, if you have any questions please speak to your Centre Director.

**Stephen Parbery and Daniel Bryant
Court Appointed Receivers
PPB Corporate Recovery**

Offices throughout Australia.

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