

## Media Release

### NSW Supreme Court Appoints PPB to Manage 249 Childcare Centres

**18 December 2008:** The New South Wales Supreme Court has appointed, effective 31 December 2008, Stephen Parbery and Daniel Bryant of PPB Corporate Recovery (PPB) as the Court Appointed Receivers over:

- 228 childcare centres that were previously under the control of ABC Learning Centres Receiver, McGrathNicol.
- 21 centres owned and leased by the Department of Defence. These centres will continue to operate with Government support while new management arrangements are determined.

The Australian Government sought a Court Appointed Receiver for these childcare centres after McGrathNicol announced the findings of its operational review last week.

McGrathNicol will transfer the 249 childcare centres to the control of a fully owned subsidiary to be known as **ABC2 Group** effective from 31 December 2008.

McGrathNicol will remain in control of 720 childcare centres.

In addition, a further application is expected to be made by the Australian Government to have the 13 ABC Learning branded child care centres, owned by 123 Operations, transferred to be under the control of this Receivership. These 13 centres were included in the group of 241 centres identified as unviable in McGrathNicol's announcement of 10 December 2008.

The childcare centres in ABC2 Group will continue to operate with financial assistance from the Government into the New Year and, if necessary, until 31 March 2009.

Mr Parbery said PPB will look at a range of sustainable options for ABC2 Group childcare centres, including their sale to new owners or, in some cases, the transfer of children to suitable alternative arrangements.

"We agree with the Government that a number of these centres could be viable under different arrangements," he said.

"PPB will write to all parties who have expressed an interest so far in ABC Learning childcare centres and review their submissions to date.

"Meanwhile, PPB will liaise with major stakeholders including landlords and staff.

"We will then initiate a second round of expressions of interest so parties can gain a better understanding of the centres and if necessary provide additional information or new parties can make a submission.

"In addition, we will write to ABC2 Group parents and guardians, employees and centre directors outlining our plans. We will ensure that all affected parties are kept up to date with new information as it becomes available," Mr Parbery said.

The Receivers of ABC Learning Centres, McGrathNicol, have confirmed there is currently no sale process for its 720 childcare centres, which will continue to trade as normal. Interested parties will be notified if and/or when that position changes.

A hotline 1800 222 543 can answer queries from ABC2 Group parents and staff members.

#### Further information:

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**Six Degrees Media**

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