ASX Announcement

20 August 2008

Revised 2008 final result guidance

In its announcement to ASX on 2 May 2008, Austock gave guidance to the market on its underlying financial performance with potential for the impairment of some assets. The purpose of this update is to provide further information to the market, however the final results are subject to the completion of the audit.

Trading Update

Austock now believes that the underlying trading performance will be better than anticipated at the beginning of May. The underlying profit (excluding impairment costs, discontinued operations and life company benefit funds) reported by the Company for the full financial year to 30 June 2008 is expected to be about 15% below the profit before tax for the year ended 30 June 2007 and about 30% down on an after tax basis. This is a solid result given the present difficult financial environment.

The Directors have reviewed the carrying value of assets in light of the prevailing markets and propose to write down the following investments based on an assessment of recoverable amounts: -

- Australia Pacific Exchange Limited ("APX"): APX holds a financial market licence. Whilst Austock believes this licence has value which may be realised in the future, APX's recent performance and outlook does not support Austock's investment to date of $1.6 million which it now proposes to write off.

- Global Education Trust ("GET"): Austock has expended considerable resources in establishing intellectual property in the development of a substantial international property fund, which can be activated in the future. However, Directors consider that it would be very difficult to activate such a fund with the contagion currently affecting domestic and international markets and have written off the full amount of the investment. As a result, the Company will recognise a total loss from discontinued operations of $5.3 million, which includes an impairment loss of $2.5 million and provision for business closure costs of $0.9 million.

- Austock has two legacy investments:

    - Units in the API Fund (ASX:APR) from its acquisition of Ceramic Funds Management Ltd (now Austock Funds Management Ltd) in March 2007, and;

    - Shares in ABC Learning Centres Ltd (ASX:ABS) acquired in lieu of fees in March 2001.

  As a result of the decline in market value of these investments, the Company will recognise a further impairment loss of $1.1 million.

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The net profit after tax reported by the Company for the full financial year to 30 June 2008, after allowing for impairment losses and discontinued operations of $8 million, is likely to be about break-even. The write-downs will have little impact on Austock's cash position.

Outlook

With the recent market turbulence, Austock began a restructuring program earlier this calendar year. Our restructure is well advanced and we are now focusing on our growth strategies.

Austock will continue to be leveraged to on-going market conditions. Whilst this makes organic growth difficult, it does provide merger and acquisition opportunities that Austock is well placed to take advantage of, as it has strong cash reserves and solid underlying businesses.

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