



Early Learning Services Limited
ACN 123 828 553
Committed to Child Care

Market Update

14 October 2008

Early Learning Services – Market Update

Early Learning Services (ELY) is pleased to announce the following update to the market.

As at the 30 September 2008 debt remained at \$18.1 million, with the Company's cash position strong at \$1.7 million. The Company's bankers remain supportive with ELY continuing to seek out acquisitions of child care centres that meet its investment criteria.

The Company has also been able to reduce costs by streamlining the number of staff employed at its head office from 37 staff members in January 2008 to 25 staff members at present.

All centres within Early Learning Services' portfolio have transitioned to the Federal Government's new Child Care Management System (CCMS). This improves the Company's cash flow as Federal Government funding is now received on a weekly basis.

Finally, the Company's outstanding parent debt remains low for the quarter averaging at eight days (1.3 weeks). Early Learning Services' competitor analysis has identified that outstanding parent debt can be as high as five weeks for the industry.

Chris Sacre
Chief Financial Officer and Joint Company Secretary
Early Learning Services Limited

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