

Media Release

4 September 2008

Prime Trust announces a proportional scrip offer for Babcock & Brown Communities

Prime Trust today announce a 40% proportional scrip offer for BBC on the basis of one Prime Trust unit for each BBC security

Australian Property Custodian Holdings Ltd ("APCH"), the Responsible Entity of the Prime Retirement and Aged Care Property Trust (ASX:PTN), today announced that it was making a 40% proportional offer for Babcock & Brown Communities Group (ASX:BBC) Securities with one PTN unit being offered for each BBC security accepted under the Offer. The offer represents a premium of 25% on the weighted average trading for BBC for the two months prior to yesterday's close.

Prime Trust will be lodging its Bidder's Statement today with ASIC, the ASX and BBC.

Prime Trust will seek approval from BBC for the early release of the Bidder's Statement to BBC Security holders.

BBC is a listed entity with a large number of retirement and aged care facilities throughout Australia and New Zealand. It is currently managed by Babcock & Brown Ltd under a long term management agreement.

Mr Philip Powell, Managing Director of Prime Trust, said today, "The purpose of the Offer is for Prime Trust to achieve a strategic stake in BBC as Directors believe that it will encourage the creation of Australia's largest senior living asset class with consequential efficiencies and capital market advantages."

"The Directors of Prime Trust believe that if they can secure a strategic holding in BBC, they will then pursue a full merger, probably by way of a Scheme of Arrangement which staples Prime Trust and BBC securities," Mr Powell said.

"The recent decision by Babcock & Brown Ltd to sell their management rights to BBC has encouraged Prime Trust to offer for a strategic stake. We see the offer as being an attractive option for BBC Security

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holders who are awaiting the outcome of the ‘price discovery process’ currently in progress”, Mr Powell said.

Prime Trust and BBC have a number of long term management agreements in respect of 25 facilities which Prime Trust either leases to BBC or are managed by BBC. Prime Trust has a number of concerns and issues about how these agreements are being interpreted and managed by BBC. Merging the assets and operations together will assist in removing such concerns and provide improved operational outcomes. Some of the Management Agreements are subject to assignment conditions in the event that BBC is acquired by a third party. Prime Trust is reserving its position if the BBC price discovery process results in a third party seeking to acquire BBC.

The offer by Prime Trust represents a premium of 25% on the weighted average trading for the two months prior to yesterday’s close. On 28 August 2008 BBC announced a price discovery process and this appears to have resulted in a takeover premium being built into the BBC price. The weighted average price for the last 5 days up to the close of trading yesterday is 47.5c for PTN and 45.5c for BBC.

The timing of the despatch of the offer to BBC security holders will be in 14 days time; however, Prime Trust will request that BBC approves an early despatch. The offer will be open for one month, however can be extended at Prime Trust’s option. Prime Trust will continue to provide market updates on a regular basis.

The Offer is subject to a number of conditions which are listed in Annexure A.

Media Queries: Chris Oldfield 0419 309 303

Annexure A

Bid Conditions

The Offer and any contract resulting from acceptance of this Offer are subject to the fulfilment of the following conditions.

(a) Change of Control

No third party which has a “change of control” clause in an agreement with BBC deems the acquisition by Prime Trust of an interest up to and including 40% of BBC Securities as a change of control and seeks to exercise its rights and such an exercise would have a material impact on BBC’s business and assets.

(b) No actions by Government Agencies adversely affecting the Offer

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by Prime Trust) or commenced by a Government Agency,

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of ASIC or the Takeovers Panel made for the purposes, or in exercise of a discretion conferred on it by the Corporations Act), which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of BBC Securities under the Offer or the rights of Prime Trust in respect of its capacity as a Unitholder in respect of BBC and the BBC Securities to be acquired under the Offer or otherwise, or seeks to require the divestiture by Prime Trust of any BBC Securities, or the divestiture of any assets of BBC or by Prime Trust or any of its subsidiaries.

(c) No material acquisitions, disposals or changes in the conduct of business

Between the Announcement Date and the end of the Offer Period (each inclusive), neither BBC nor any subsidiary of BBC:

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- (i) acquires, offers to acquire, enters into an option to acquire, or agrees to acquire one or more Units, companies or capital assets (or an interest in one or more Units, companies or capital assets);
- (ii) disposes, offers to dispose, enters into an option to dispose, or agrees to dispose of one or more Units, companies or capital assets (or an interest in one or more Units, companies or capital assets);
- (iii) enters into, or offers to enter into any joint venture, partnership or merger;
- (iv) incurs, commits to or brings forward the time for incurring, or grants to another person a right the exercise of which would involve BBC incurring or committing to, any capital expenditure or liability, or foregoes any revenue, in respect of one or more related items of greater than \$10,000,000; or
- (v) discloses (without having disclosed to ASIC before the Announcement Date) the existence of any matter described in sub-paragraphs (i) to (iv) above, or announces an intention or proposal to do anything described in sub-paragraphs (i) to (iv) above.

(d) Early dispatch of offers

By no later than 5 pm (Melbourne time) on 9 September 2008, BBC agrees in writing and in accordance with the Corporations Act that Prime Trust may forthwith commence sending this Bidder's Statement and the Offer to BBC Security holders.

(e) No prescribed occurrences

During the Bid Period, none of the following occurrences (being the prescribed occurrences listed in section 652C of the Corporations Act) happens:

- (i) BBC converts all or any of its Securities into a larger or smaller number of Units under section 254H of the Corporations Act;
- (ii) BBC or a subsidiary of BBC resolves to reduce its Security capital in any way;
- (iii) BBC or a subsidiary of BBC enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) BBC issues Securities or grants an option over its Securities, or agrees to make such an issue or grant such an option,

- (v) BBC issues, or agrees to issue, convertible notes;
- (vi) BBC or a subsidiary of BBC disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) BBC or a subsidiary of BBC charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) BBC or a subsidiary of BBC resolves to be wound up;
- (ix) a liquidator or provisional liquidator of BBC or a subsidiary of BBC is appointed;
- (x) a court makes an order for the winding up of BBC or a subsidiary of BBC ;
- (xi) an administrator of BBC or a subsidiary of BBC is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) BBC or a subsidiary of BBC executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of BBC or a subsidiary of BBC,

provided that notice is given by Prime Trust to BBC Security holders not later than 3 Business Days after the end of the Offer Period.

(f) No material adverse change

Between the Announcement Date and the end of the Offer Period (each inclusive) there is no occurrence or matter, including (without limitation):

- (A) any liability for duty or tax;
- (B) any liability resulting, or any rights of any person arising, from a change of control of BBC;
- (C) any change in the law (whether retrospective or not); or
- (D) any actual or threatened dispute, litigation or arbitration (or other proceeding of any kind) involving BBC or any judgment, decision, finding or other award of any kind, against BBC,

that (individually or together with others) has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial or trading position, profitability, production or prospects of BBC.

Bidder's Statement

ACCEPT

**This Offer from
The Prime Retirement & Aged Care
Property Trust
to acquire 40% of your securities in
Babcock & Brown Communities
Group**

If you have any questions in relation to the Offer,
please call 1 800 134 068

This is an important document and requires your immediate attention

If you are in any doubt as to how to act, please consult
your stockbroker or financial or legal adviser immediately

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Important Information

BIDDER'S STATEMENT

This Bidder's Statement is given by Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS licence no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746 to BBC under Part 6.5 of the Corporations Act, and in compliance with sections 636 and 637 of the Corporations Act, and relates to the Offer. You should read this Bidder's Statement in its entirety. This Bidder's Statement is dated 4 September 2008 and includes an Offer dated [day & month] 2008 in Section 10.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

A copy of this Bidder's Statement was lodged with ASIC on 4 September 2008. Neither ASIC nor any of its officers take any responsibility for the contents of this Bidder's Statement.

NOTICES IN RELATION TO JURISDICTIONS OTHER THAN AUSTRALIA, ITS EXTERNAL TERRITORIES OR NEW ZEALAND

As a result of Section 10.6(f), this Bidder's Statement does not constitute an offer to sell, nor the solicitation of an offer to buy, any Prime Trust Units in any jurisdiction other than Australia, its external territories and New Zealand unless Prime Trust determines to the contrary.

BBC Security holders resident in places other than Australia, its external territories or New Zealand should note that the Offer is being proposed and will be conducted in accordance with the laws in force in Australia and with the Listing Rules. The disclosure requirements in relation to the Offer applicable in Australia will differ from those applying in other jurisdictions. The financial statements included in this Bidder's Statement have been prepared in accordance with Australian equivalents to International Financial Reporting Standards that will differ from those in other jurisdictions. Because substantially all of the directors and assets of Prime Trust are located in Australia, investors resident in places other than Australia, its external territories and New Zealand may have difficulties in enforcing their rights and any claims they may have arising under the laws of the jurisdiction in which they are resident against Prime Trust and its officers and directors. It may be difficult to compel Prime Trust and its affiliates to subject themselves to a judgment of a court outside Australia.

The Prime Trust Units to be issued pursuant to the Offer have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**) or the securities laws of any United

States state or other jurisdiction and therefore may not be offered or sold to persons resident in or located in the United States without registration or an applicable exemption from the registration requirements of the Securities Act. This Bidder's Statement has not been filed with or reviewed by any other state securities commission or United States regulatory authority and none of the foregoing authorities have passed upon or endorsed the merits of the Offer or the accuracy, adequacy or completeness of this Bidder's Statement. Any representation to the contrary is a criminal offence.

The Offer to New Zealand resident BBC Security holders will be made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002. Therefore, Prime Trust is not required to register a New Zealand prospectus or prepare and distribute a New Zealand investment statement to New Zealand resident BBC Security holders in respect of the Offer. This Bidder's Statement does not constitute an offer to issue or sell or the solicitation of any offer to buy any such securities or any securities issuable in exchange for such securities in any jurisdiction in which the issue of Units under the Offer would be unlawful.

Prime Trust and APCH do not assume any liability for any violation by any person of these restrictions.

DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Bidder's Statement contains certain forward looking statements which have not been based solely on historical facts, but are rather based on Prime Trust's current expectations about future events and results. These forward looking statements are, however, subject to risks, uncertainties and assumptions which could cause actual events or results to differ materially from the expectations described in such forward looking statements. These factors include, amongst other things, the risks identified in Section 8, as well as other matters not yet known to Prime Trust or not currently considered material by Prime Trust. While Prime Trust believes that the expectations reflected in the forward looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. The past performance of Prime Trust is not a guarantee of future performance.

INVESTMENT DECISIONS

Nothing contained in this Bidder's Statement constitutes investment, legal, accounting, business, tax or other advice. This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

PRIVACY STATEMENT

APCH will collect personal information about BBC security holders' holdings of BBC Securities in accordance with the Corporations Act. APCH will share that personal information with its advisers and service providers only to the extent necessary for purposes relating to the Offer. BBC Security holders can contact BBC's registry, Link Market Services Limited, on 1 800 134 068 or +61 2 8280 7732 if they have questions about their personal information.

NO INTERNET SITE IS PART OF THIS BIDDER'S STATEMENT

Prime Trust maintains an internet site at www.primetrust.com.au. Information contained in or otherwise accessible through this internet site is not a part of this Bidder's Statement. Any references in this Bidder's Statement to Prime Trust's internet site are textual references for your information only.

DEFINED TERMS AND INTERPRETATION

A number of defined terms are used in this Bidder's Statement. These terms are explained in Section 12, along with certain rules of interpretation which apply to this Bidder's Statement.

MAPS AND DIAGRAMS

Diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps and graphs and tables is based on information available at the date of this Bidder's Statement.

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Table of Contents

Important Dates	2
Chairman's Letter	3
Why you should accept the Offer	6
Summary of the Offer	8

Bidder's Statement

1. Profile of Prime Trust	11
2. Information about Prime Trust's Units	19
3. Profile of the BBC Group	22
4. Intentions	26
5. Effect of the Offer on Prime Trust	28
6. Sources of Consideration	31
7. Australian Tax Considerations	32
8. Investment Risks	34
9. Fees	39
10. The Offer	43
11. Other	59
12. Definitions and Interpretation	67
13. Approval of Bidder's Statement	72

Annexures

A. ASX Announcements in relation to Prime Trust since 30 June 2007	
B. Rights attaching to Prime Trust Units	
C. Corporate Governance arrangements of Prime Trust	
D. Sections of the Prime Trust 26 June 2007 PDS incorporated by reference	

Important dates

Bidder's Statement lodged with ASIC	4 September 2008
Date of the Offer	[date] [month] 2008
Offer scheduled to close (unless extended)	7.00pm (Melbourne time) on [date] 2008

Note: The closing date for the Offer may change as permitted by the Corporations Act.

Dear BBC Security holder,

On behalf of Australian Property Custodian Holdings Limited ("APCH"), in its role as the Responsible Entity of The Prime Retirement & Aged Care Property Trust ("Prime Trust"), I encourage you to accept this Offer to acquire 40% of your securities in BBC.

THE OFFER

Under the Offer, you will receive one Prime Trust Unit for each BBC Security you transfer to Prime Trust by accepting this Offer.

The Offer is subject to a number of conditions (see **Section 10** for full details).

ABOUT PRIME TRUST

Prime Trust was established in 2001 as the first public property trust dedicated to the senior living asset class. As a leader in this class, it has grown to be one of Australia's leading owners of retirement resort and aged care assets. It currently owns a portfolio of over 4,600 retirement resort units and 770 aged care beds spread across nearly 40 locations. In addition, there is a pipeline of at least another 2,900 units and beds to come into Prime Trust's ownership over the next 5 years, which will increase the number of locations to over 50. Thirteen of our facilities are on long term lease to BBC and a further twelve are subject to management agreements with BBC.

WHY WE ARE MAKING THIS OFFER

The Directors envisage that in time a merger between Prime Trust and BBC would generate a number of efficiencies between the two groups and create Australia's largest senior living asset class owner. The size and scale of a merged business as well as the synergy and operational benefits should see a re-rating of Prime Trust.

This Bidder's Statement does not propose a full merger. Prime Trust is a passive trust, and therefore Prime Trust cannot control an active business such as BBC (because the tax status of Prime Trust would change). The bid is also structured so as not to trigger any change of control provisions in BBC's banking arrangements.

The Board believes that a full merger (probably by way of a Scheme of Arrangement which staples Prime Trust and BBC securities) can be negotiated in time; but this offer does not promote that at this time nor promise it for the future. The recent decision by Babcock & Brown Ltd to sell their BBC management rights for \$17.5m to BBC has encouraged Prime Trust to offer for a strategic stake.

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This Offer is a first step to enable Prime Trust to achieve a strategic investment in BBC and a platform to be able to work with BBC and its manager toward a merger. At this stage there is no guarantee that a merger will occur.

The Offer allows you to receive a premium for part of your BBC holding and to take a holding in Prime Trust.

THE CURRENT BBC PRICE REVIEW PROCESS

We see our offer as being a meaningful option for BBC Security holders who are awaiting the outcome of the “price discovery process” currently in train.

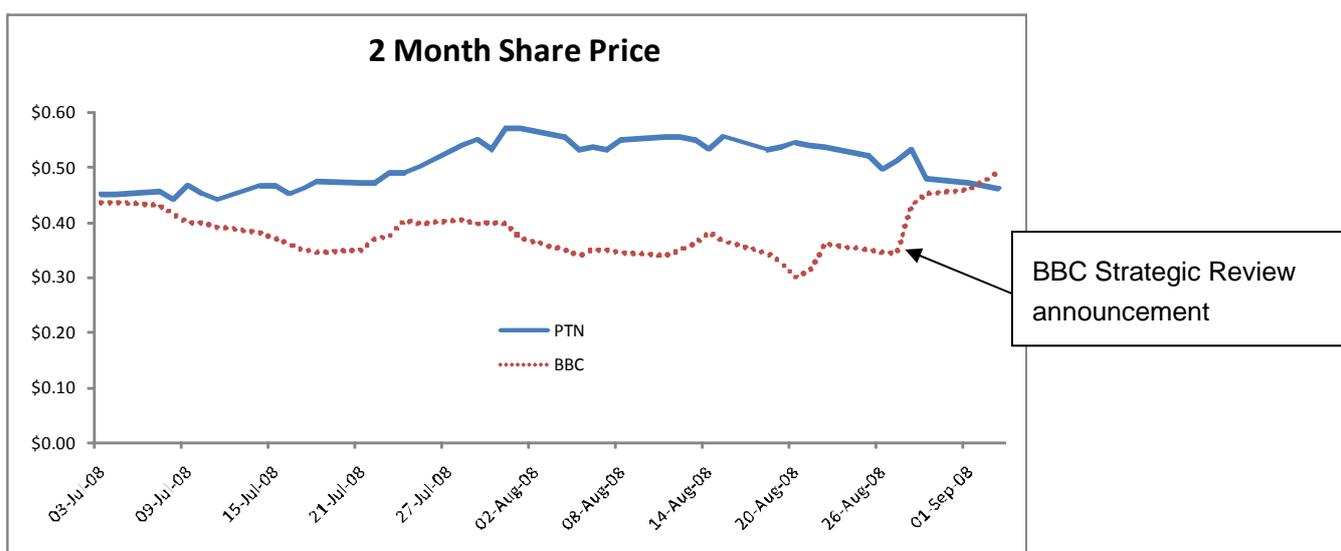
We will respond as required to any developments from this process.

Prime Trust and BBC have a number of long term management agreements in respect of a number of 25 facilities which Prime Trust either leases to BBC or are managed by BBC. Prime Trust has a number of concerns and issues about how these agreements are being interpreted and managed by BBC. Merging the assets and operations together should such concerns; provide improved operational outcome; improve cash flows and valuations. Some of the Agreements are subject to assignment conditions in the event that BBC is acquired by a third party. Prime Trust is reserving its position if the BBC price discovery process results in a third party acquiring BBC.

BENEFITS OF THE OFFER

Prime Trust's Offer represents value for your investment in BBC. If you accept the Offer this will result in you immediately receiving benefits from the 25% premium implied in our offer based on the one month value weighted average share price of BBC Securities prior to the Announcement Date as well as participating in the further benefits if a merger can ultimately be consummated.

Since the announcement of the BBC Strategic Review on 28 August 2008, the BBC security price has increased from being in the low 30 cents per unit range to high 40 cent range reflecting the “takeover” premium in its value as a result of the company announcement.



HOW TO ACCEPT THE OFFER

This Bidder's Statement sets out details of the Offer including the conditions of the Offer. I encourage you to read it carefully and seek independent advice before deciding whether to accept. You can accept the Offer by following the instructions on the accompanying Acceptance Form. The Offer is open for acceptance until its scheduled close on [date] 2008. Please call the Prime Trust Offer information line on 1 800 134 068 (toll-free within Australia) or on +61 2 8280 7732 (from outside Australia) if you have any questions.

I look forward to your acceptance and to welcoming you as a unitholder of Prime Trust.

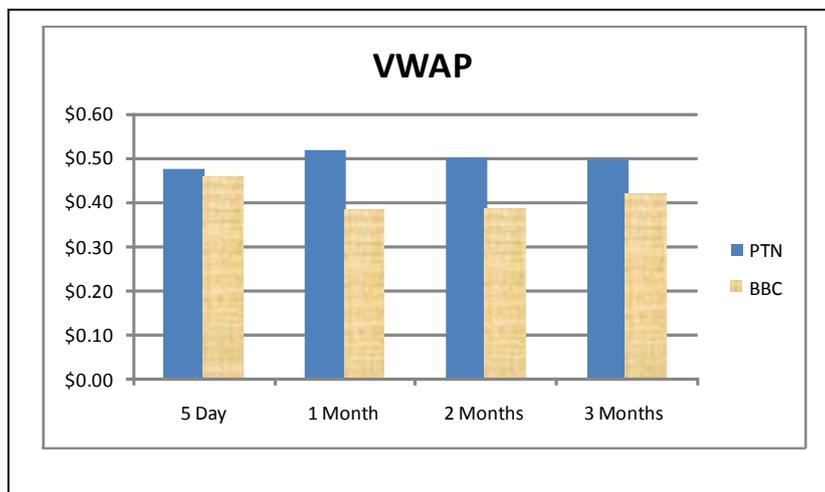
Yours faithfully

The Hon Dr Michael Wooldridge
Chairman

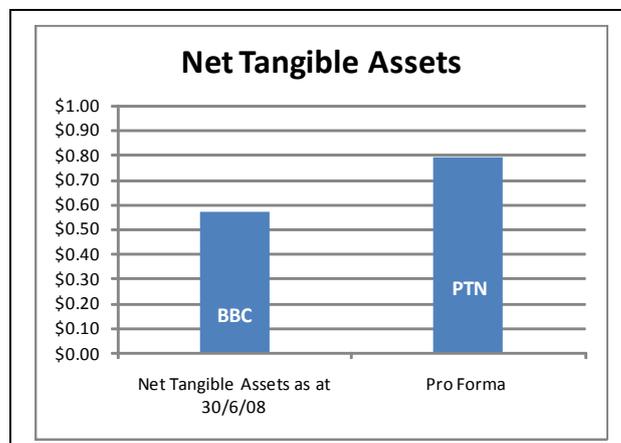
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Why you should accept the Offer

1. The Offer values each BBC Security at \$0.475. You will receive a 25% premium to the one month volume weighted average price of the BBC Security price prior to announcement¹



2. You will have the opportunity to become a unit holder of Prime Trust which has a higher net asset backing than a BBC Security



3. You will have holding of both Prime Trust Units and BBC Securities and may reasonably expect to benefit if ultimate merger of the entities is able to be achieved.

At the date of this Bidder's Statement there is no agreement to merge BBC and Prime Trust. While Prime Trust is prepared to

¹ Based on the 5 day volume weighted average price of Prime Trust Units prior to announcement (ie \$0.50)

negotiate in good faith, there can be no guarantee that an acceptable merger proposal can be negotiated and put to respective security holders. However, if a merger of Prime Trust and BBC is achieved, Prime Trust expects that it would have the following benefits:

- It would create Australia's largest senior living asset class business with the following features:
 - 10,500 living units (circa 12% of market)
 - 2,300 aged care beds
 - 5,500 living units in the pipeline for completion in the next 5 years
- Geographic diversity
 - presence in all mainland Australian States
 - five villages with nearly 1,000 living units in New Zealand
- Total assets of \$4.3bn
- Net assets of circa \$1.1bn
- Annual pre interest earnings of circa \$170m
- Removal of common property management costs
- Synergies in marketing and administration costs
- Benefits flowing from a wider portfolio of over 100 facilities to underpin the certainty of cash flow from living unit roll-overs

Summary of the Offer

The following is a summary only of the Offer and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your BBC Securities.

The terms of the Offer are contained in **Section 10**.

Who is making the Offer?	The Offer is being made by APCH as responsible entity of Prime Trust.
What is the Offer?	<p>You are being offered:</p> <p>1 Prime Trust Unit for each Eligible BBC Security for which you accept the Offer on the terms and conditions set out in Section 10.</p> <p>The Offer is for 40% of your BBC Securities.</p> <p>The Offer implies an offer price of \$0.475 per BBC Security based on the five day weighted average closing price of Prime Trust Units on prior to 4 September 2008.</p> <p>If you are a Foreign Unitholder and you accept the Offer in respect of Eligible BBC Securities you will not receive Prime Trust Units; instead you will receive cash as outlined in Section 10.6(g). Persons with registered addresses in Australia, its external territories or New Zealand are not Foreign Unitholders.</p> <p>The Offer may only be accepted in respect of Eligible BBC Securities.</p>
Offer Period	The Offer commences on [date] 2008 and closes at 7.00 pm (Melbourne time) on [date] 2008, subject to any extension in accordance with the Corporations Act.
How do I accept the Offer?	Read the section on the inside front cover of this Bidder's Statement, and follow the instructions on the enclosed Acceptance Form.
If I accept, when will the consideration be provided?	<p>If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form, and you provide any additional documents required to be given with your Acceptance Form, in general you will receive your, Offer Consideration on or before the date which is the earlier of:</p> <ul style="list-style-type: none">• one month after you accept the Offer or, if the Offer is subject to conditions when accepted, within one month after the Offer becomes unconditional; and• 21 days after the Offer Period. <p>If you are a Foreign Unitholder you will not receive Prime Trust Units (see Sections 10.6(g) and 11.8).</p>
What happens if I accept?	If the Offer becomes or is declared unconditional, you will receive the Offer Consideration for each of your Eligible BBC Securities for which you accept the

Offer.

Once you accept the Offer (even while it remains subject to any defeating conditions) you will not be able to accept any other offer or otherwise deal with those of your Eligible BBC Securities in respect of which you accept the Offer, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

You may only withdraw your acceptance of the Offer if the Offer is varied in such a way as to delay the time by which you would receive payment by more than one month. This may occur if the Offer Period is extended by more than one month and the Offer is still subject to any defeating conditions at that time. A notice will be sent to you at the time explaining your rights in this regard.

You should also note that once the Offer becomes or is declared unconditional, you will confer upon Prime Trust the voting rights of the proportion of your Eligible BBC Securities that you have agreed to sell by accepting the Offer – see Section 10.5.

What will the tax consequences be?	Section 7 describes the major tax implications for BBC Security holders who accept the Offer and are resident in Australia. In addition to referring to Section 7 , you should seek your own independent advice as to how your own personal taxation situation may be affected by accepting the Offer.
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Do I pay brokerage if I accept?	No brokerage will be payable by you on acceptance of the Offer, unless you are a Foreign Unitholder.
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Conditions of the Offer	<p>The Offer is subject to the defeating conditions which are set out in full in Section 10 and to statutory conditions required by the Corporations Act. In summary, those conditions include (among others) requirements that:</p> <ul style="list-style-type: none"> • No third party with a change in control clause in any agreement with BBC asserts that these rights are triggered by Prime Trust acquiring up to and including 40% of BBC such that if the assertion is correct it would have a material impact on the BBC business. • No material acquisitions or disposals or agreements to acquire or dispose of any assets following the announcement of the Offer. • Certain actions by Governmental Agencies are not taken to restrain, prohibit or impede the Offer. • No material adverse change occurs in relation to BBC between the Announcement Date and the end of the Offer Period. • No 'prescribed occurrence' happens between the Announcement Date and the end of the Offer Period.
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The status of certain of the defeating conditions as at the date of this Bidder's Statement is discussed in **Section 10.7**.

The Offer is also subject to statutory conditions required by the Corporations Act (see **Section 10.7(e)**).

Prime Trust has the right to waive any or all of the defeating conditions in

	accordance with the terms of the Offer and the Corporations Act. If the conditions are not satisfied or waived then the Offer will not proceed.
What happens if I do not accept?	You will remain a BBC Security holder and will not be paid the Offer Consideration by Prime Trust.
What is my distribution entitlement?	The distribution to be paid by BBC on 25 September 2008 will be retained by BBC Security holders. Any additional units issued under BBC's DRP can be included as part of the 40% Offer entitlement.
Further information	If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call Prime Trust's Offer information line on 1 800 134 068 (toll-free within Australia) or +612 8280 7732 (from outside Australia).

1. Profile of Prime Trust

1.1 Overview

Prime Trust invests only in retirement and aged care facilities (sometimes referred to as senior living asset class). Since 2001 it has acquired nearly 40 such facilities resulting in a property holding in excess of \$1 billion in gross asset value. Prime Trust properties are operated by entities that pay lease/rental payments to Prime Trust. The quantum of some payments is variable depending on occupancy levels and property unit roll-overs.

Prime Trust is also an investor in several greenfield developments and has contractual rights to acquire these developments on completion. Presently the Trust has 52 locations either completed or in development.



1.2 Portfolio

A split of Prime Trust's portfolio by State is shown below.

Property Summary Table

State	Current	Pipeline	Current	Pipeline
	Retirement Resorts Units	Retirement Resort Units	Aged Care Beds	Aged Care Beds
QLD	3,249	706	-	210
NSW	705	832	131	-
VIC	228	1,080	577	124
SA	447	-	62	-
	4,629	2,618	770	334

The "pipeline" in the above table refers to units/facilities which Prime Trust expects to own in the next 5 years either by acquisition or construction at existing locations. The pipeline in relation to retirement resorts is strong and as can be seen in the graph below, is expected to deliver, on average 375 new units annually over the next five years.

Development Pipeline

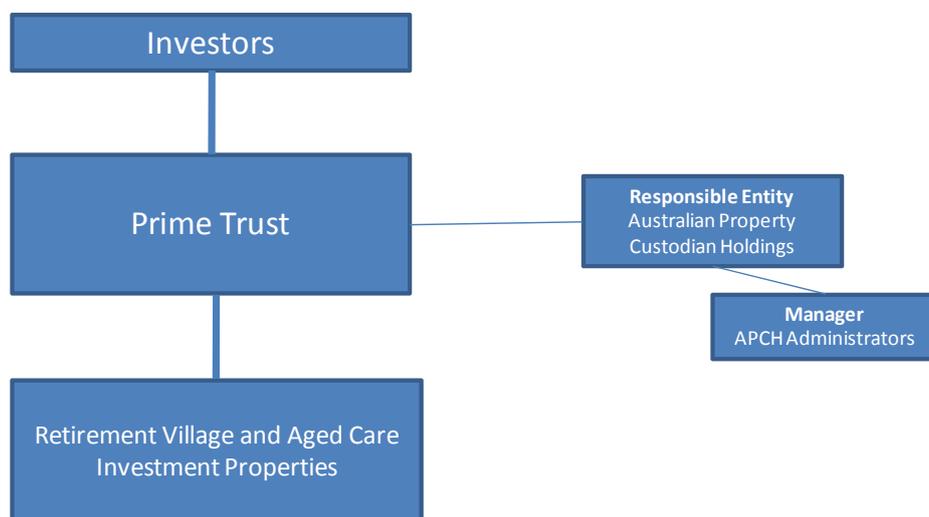


Prime Trust's properties are operated by third party operators including BBC.

A summary of Prime Trust's properties is in the Prime Trust June 2007 PDS. To obtain a free of charge copy of the Prime Trust June 2007 PDS during the Offer Period, interested persons may telephone the Prime Trust Offer information line on 1 800 134 068 (toll-free within Australia) or on +612 8280 7732 (from outside Australia) or alternatively obtain this information from Prime Trust's website (www.primetrust.com.au).

1.3 Structure

The ownership and management structure of Prime Trust is illustrated in the following diagram:



The Responsible Entity of Prime Trust is Australian Property Custodian Holdings Ltd (“APCH”), which is owned by Kidder Communities, a fully-owned subsidiary of Melbourne-based boutique financial services firm, Kidder Williams Ltd. The Responsible Entity holds the assets of Prime Trust and is required to operate Prime Trust in accordance with the Corporations Act and the Prime Trust Constitution. A summary of key features of the Prime Trust Constitution and the rights attaching to the Prime Trust Units are set out in Annexure B. In addition, a summary of the fees payable to the Responsible Entity are summarised in **Section 9**.

While the Responsible Entity retains the overall responsibility for the management of Prime Trust, it has also engaged the Prime Trust Manager to assist Prime Trust in discharging Prime Trust’s responsibilities.

The relationship between the Responsible Entity and the Prime Trust Manager is governed by a long term management agreement (“Management Agreement”).

Under the Management Agreement, the Prime Trust Manager is granted broad discretion to manage both the Responsible Entity and Prime Trust on behalf of the Responsible Entity. The key responsibilities of the Prime Trust Manager in relation to its management of Prime Trust include:

- managing Prime Trust’s property assets on behalf of the Responsible Entity;
- reporting to Unitholders;
- arranging the acquisition of assets that satisfy Prime Trust’s investment criteria;
- accounting, secretarial and treasury services;
- managing relationships with external suppliers to the Responsible Entity; and

- any additional services requested by the Responsible Entity and agreed by the Prime Trust Manager.

Both the Responsible Entity and the Prime Trust Manager are owned by Kidder Communities, a fully-owned subsidiary of Melbourne-based boutique financial services firm, Kidder Williams. The Prime Trust Manager receives remuneration from the fees that the Responsible Entity receives from Prime Trust, although it can be directly reimbursed for out-of-pocket expenses that the Responsible Entity is entitled to recover from Prime Trust under the Prime Trust Constitution. For further information on these fees and expenses, refer to **Section 9**.

While the Management Agreement is for a 25 year term, it can be terminated in the event that APCH ceases to be or is removed as the Responsible Entity of Prime Trust.

Prime Trust does not have any direct management employees, the management function being provided by the Prime Trust Manager. The Prime Trust Manager is responsible for contracting with individuals as to their employment conditions including remuneration (both fixed and bonuses). However, as noted in **Section 1.4**, four of the key management executives are also Board members of the Responsible Entity.

1.4 Board

At the date of this Bidder Statement, the Board comprises seven persons. Brief profiles of the directors of the Board are set out below.

Michael Richard Lewis Wooldridge Non-executive Chairman

The Honourable Dr Michael Wooldridge was appointed Chairman of Prime Trust in July 2006. He is currently also a director of Australian Pharmaceutical Industries Ltd. He was Commonwealth Government Minister for Health and Family Services (1996 – 1998) and Minister for Health and Aged Care (1998 – 2001).

Michael is a qualified Medical Practitioner and holds professorial positions with both Monash University and University of Melbourne, as well as a number of government appointed positions, including Chairman of the Health Services Advisory Committee. Michael also holds a post-graduate MBA from Monash University.

Philip Powell

Managing Director

Philip is the Managing Director of the Responsible Entity and of Kidder Williams Limited. Philip commenced working in financial services in 1996 at Hambros Corporate Finance following 10 years' industry experience with a listed public company, primarily in finance and administration roles. Previously, he worked for 9 years with the Financial Consulting Division of Arthur Andersen in Melbourne, Sydney and Los Angeles. Philip has worked on a number of successful corporate finance assignments across a diverse range of sectors including utilities, IT, financial services, food and agriculture. In addition he has been involved in numerous IPO engagements, valuations and venture capital related raisings. Philip led the IPO of Prime Trust in 2007 and up until his appointment as Managing Director of APCH, provided ongoing advisory service to Prime Trust. Philip holds a Bachelor of Commerce degree (Honours) from the University of Melbourne, is a Chartered

Accountant and a Fellow of the Financial Services Institute of Australasia. Philip is also an independent director of Clever Communications Australia Limited.

Anthony Charles Hancy

Non-executive Director

Tony Hancy gained extensive experience in healthcare and technology at Accenture (previously Andersen Consulting) as the Managing Partner for the healthcare practice in the Asia Pacific Region for 12 years, followed by 2 years overseeing Accenture Technology Ventures' operations in Australia and Accenture's Corporate Development in Australia and New Zealand.

Tony is a member of the Australian Institute of Company Directors, the CPA and the Australian Institute of Management. He has been actively involved in serving on the board of a number of not for profit organisations in Australia. He is currently a member of the Strategy Committee of Sinclair Knight Merz, the largest private engineering consulting firm in Asia Pacific.

Neil Rodaway

Non-executive Director

Neil Rodaway is Chief Executive Officer of Vision Group Holdings Ltd.

Neil has extensive experience in health care, logistics and finance having worked at Symbion Health/Mayne for over 13 years, in the finance, logistics and diagnostics divisions. The majority of Neil's time at Mayne was in senior management roles ranging from divisional CFO to Group General Manager. Prior to his employment at Mayne, Neil was an auditor at KPMG, based in the UK and Australia.

Neil is a Chartered Accountant (UK qualified), a fellow of The Institute of Chartered Secretaries and has an Honours degree in Business Studies.

Kim Samuel Jaques

Executive Director

Kim Jaques has had extensive experience in commercial and retail property management.

Kim's experience in property commenced in 1970 as the manager of a suburban real estate office. He subsequently moved into commercial and industrial property sales and leasing and in 1983, began specialising in commercial property investment.

Kim held the position of Victorian Development Manager for 7 Eleven stores for ten years, with responsibility for the identification, purchase and leasing of the 7 Eleven convenience stores, and for a period of over two years was also the Franchising Manager.

Subsequently, he was National Development Manager of Urbis T-Property (formerly AT Cocks Consulting).

Kim is responsible for the management of the resorts owned by Prime Trust ensuring that resort staff are properly trained and able to look after the best interest of both residents and Unitholders. He has overall responsibility for the renovation of the units as they become available to ensure that they meet the exacting standards of our potential residents.

Kim has held a Victorian Real Estate Agent's licence since 1974.

Mark Fredrick Butler

Executive Director

Mark Butler has been involved in planning and implementing numerous commercial and residential property acquisitions and has extensive experience in managing commercial and residential properties.

Mark has extensive project marketing experience including the “Royal Domain Tower” in St Kilda Road Melbourne, “Flinders Wharf” in Docklands Victoria and “Hidden Valley” situated near Wallan in Victoria. He has undertaken project marketing overseas in Singapore, Malaysia and China.

Mark is responsible for the marketing and sales management of the directly managed and developing Prime Trust retirement resorts. This task includes the establishment, training and ongoing development and management of sales personnel in Prime Trust’s retirement resorts, and the development and implementation of the marketing strategy for individual resorts.

Mark has held a Victorian Real Estate Agent’s licence since 1991.

Peter Clarke

Executive Director

Peter has considerable experience in aged care and has practised for many years as an architect.

Peter was an executive director of the Royal Australian Institute of Architects (Victoria), executive director of the Property Council of Australia (Victoria), a Senior Executive of Lend Lease in Victoria and most recently managing director of Urban Alliance Corporation, a consultancy specialising in senior living projects. Peter has held many government and community positions, including as a board member of the Austin Hospital and is currently a Councillor of the City of Melbourne.

Peter is responsible for overseeing and co-ordinating the development of new Prime Trust facilities and units within existing facilities.

Peter has a degree in architecture from the Royal Melbourne Institute of Technology and completed his thesis on conversion of “not for profit” buildings, often church owned buildings and their sites, into aged care accommodation.

1.5 History of APCH

APCH was established by Mr Bill Lewski in 2000 to act as the Responsible Entity of Prime Trust and has remained the Responsible Entity since Prime Trust’s inception. In July 2008 a restructure of APCH was completed under which Mr Lewski resigned as a director of APCH and sold his interest in APCH to Kidder Communities. Mr Lewski continues to act as a consultant to Prime Trust and retains a substantial holding in Prime Trust which is subject to escrow (see **Section 2.2**).

1.6 Current Interests of Philip Powell and Kidder Williams

Kidder Williams acted as corporate adviser to Prime Trust on its ASX Listing and has subsequently provided, and continues to provide corporate advisory services to Prime

Trust under a Consultancy Agreement including preparation and advice regarding this Offer.

As set out in **Section 11.13**, Kidder Williams holds 1,952,856 Prime Trust Units. Philip Powell, by virtue of being a Director of Kidder Williams has a non-beneficial interest in these Units. His superannuation fund (of which he is a joint trustee) holds 30,000 Prime Trust Units.

1.7 Historical financial information – Prime Trust

The preliminary financial report for Prime Trust for the year ended 30 June 2008 was lodged with ASX on 28 August 2008.

In summary the Prime Trust's financial position at 30 June 2008 can be summarised as below:

- Total assets of \$1,639,863,000
- Net assets of \$530,760,000
- Net debt of \$338,748,000

For the year to 30 June 2008, the following results were recorded:

- Net profit after tax of \$57,337,000
- Distributions to Unit holders of \$47,396,000

1.8 Additional information regarding Prime Trust

(a) Publicly available information

Prime Trust is a 'disclosing entity' for the purposes of the Corporations Act and it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Prime Trust to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the financial market operated by ASX. In particular, Prime Trust has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it becomes aware concerning Prime Trust which a reasonable person would expect to have a material effect on the price or value of Prime Trust Units.

Prime Trust has been listed on ASX since 3 August 2007.

This Bidder's Statement incorporates by reference some of the content of the Prime Trust June 2007 PDS (**see Annexure D**) and the preliminary final financial report for the year ended 30 June 2008 (**see Annexure E**).

A summary of the ASX announcements made in relation to Prime Trust between 30 June 2007 and the date of this Bidder's Statement is set out in **Annexure A**. Copies of all announcements made by Prime Trust to ASX are available from the ASX website at www.asx.com.au.

(b) Copies of available information

Copies of documents lodged with ASIC in relation to Prime Trust may be obtained from, or inspected at, an ASIC office.

In addition, Prime Trust will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer Period:

- Prime Trust Constitution;
- Prime Trust June 2007 PDS;
- financial report of Prime Trust for the year ended 30 June 2007; and
- preliminary final financial report for Prime Trust for the year ended 30 June 2008.

To obtain a copy of any of the above documents during the Offer Period, interested persons may telephone the Prime Trust Offer information line on 1 800 134 068 (toll-free within Australia) or on +612 8280 7732 (from outside Australia) or alternatively obtain this information from Prime Trust's website (www.primetrust.com.au).

2. Information about Prime Trust's Units

2.1 Issued securities

At the date of this Bidder's Statement, there are on issue:

- 567,430,348 Prime Trust Units; and
- 27,500,000 Prime Trust Options.

2.2 Substantial holders

At the date of this Bidder's Statement, based on notices received by Prime Trust, the substantial holders in Prime Trust are:

Substantial holder	Interest	Voting power
Halcagni Pty Ltd	39,700,000 Prime Trust Units	7.15%
William Lionel Lewski	31,289,673 Prime Trust Units and 9,300,000 Prime Trust Options	7.13% (assuming options are exercised)

2.3 Distributions

Prime Trust's recent history of cash distributions are:

	FY05	FY06	FY07	FY08
Distribution per unit (c)	9.7c	9.4c	9.4c	8.5c
Tax Deferred Component	100%	100%	100%	100%

Distributions are presently being paid on a quarterly basis and this frequency is expected to remain for the 2008 calendar year. The Responsible Entity will review the frequency of ongoing payment from this time.

2.4 Unit performance

The weighted average sale price of Prime Trust Units on ASX for the three months before the date of this Bidder's Statement was \$0.50.

The closing price of Prime Trust Units on ASX on 4 September 2008 (being the last Trading Day prior to the date of this Bidder's Statement) was \$0.46.

The highest recorded sale price of Prime Trust Units on ASX in the four months before the date this Bidder's Statement was lodged with ASIC was \$0.62 on 19 May 2008.

The lowest recorded sale price of Prime Trust Units on ASX in the four months before this Bidder's Statement was lodged with ASIC was \$0.435 on 30 June 2008.

2.5 Rights and liabilities attaching to the Prime Trust Units offered

The Prime Trust Units received as consideration under the Offer will be fully paid and rank equally with existing Prime Trust Units from the date of their issue.

Prime Trust Units are quoted on ASX under the code "PTN".

An application will be made within seven days after the start of the Bid Period to ASX for official quotation of the Prime Trust Units issued pursuant to the Offer. Quotation is not

guaranteed or automatic on such an application to ASX. Nothing in this Bidder's Statement will be taken to state or imply that the Prime Trust Units issued under this Offer will be quoted on ASX, but quotation is expected in the ordinary course as Prime Trust is already admitted to the Official List of ASX.

The rights and restrictions attaching to the Prime Trust Units which will be issued as the consideration, or part of the consideration, under the Offer are primarily set out in the Prime Trust Constitution and in the Corporations Act and are subject to statutory, common law and ASX Listing Rule requirements. The main rights and liabilities attaching to the Prime Trust Units are summarised in Annexure B.

2.6 Distribution Reinvestment Plan (DRP)

Under the terms of the Prime Trust Constitution a Distribution Reinvestment Plan (DRP) has been established to allow a convenient and cost effective method of increasing Unitholders interest in the Trust by reinvesting all or part of income distributions in the form of additional Units in the Trust.

The Responsible Entity, or a related party of the Responsible Entity, may act as an underwriter or sub-underwriter to the DRP.

The principal terms of the DRP are:

- at or about the distribution payment date, the cash distribution in relation to the Units participating in the DRP will be automatically reinvested into new Units in the Trust;
- the price at which Units will be issued under the DRP will be the volume weighted average market price of the Prime Trust Units traded on the ASX during the pricing period determined by the Responsible Entity or, if the Responsible Entity does not consider this amount to represent the then fair market value, the amount determined by the Responsible Entity as the then fair market value of the Units, less a discount (if any), as determined by the Responsible Entity from time to time;
- participants in the DRP do not have to pay brokerage, commission or any other transaction costs on the Units issued under the DRP;
- the number of Units received will be calculated as the amount of the distribution a Unitholder is entitled to receive, divided by the price of the DRP Units, rounded up to the nearest whole Unit;
- the DRP does not contain a limit on Unitholder participation and a Unitholder may join, vary participation or withdraw from the DRP at any time as provided under the terms of the DRP; and
- the Responsible Entity has the power to amend the terms of the DRP at any time.

2.7 Prime Trust Options

In March 2006, options over 16,000,000 units in Prime Trust were issued and subsequently allocated to directors and employees of the Responsible Entity and their related entities.

The terms of the options are an exercise price of \$1.00 per Unit and can be exercised up to the close of business on 31 December 2010.

In June 2007, options over 5,000,000 units in Prime Trust were issued and subsequently allocated to the wholesale distributors of Prime Trust units. These options have an exercise price of \$1.00 each and can be exercised in the period commencing one week after the announcement of the audited financial results for Prime Trust for FY07 and expire at 5pm (Melbourne time) on the close of business on 31 December 2010.

Also in June 2007, options over 6,500,000 units in Prime Trust were issued and subsequently allocated to directors and senior executives of the Responsible Entity in three classes: Class A, Class B and Class C. Class A options may be exercised any time from the date of the ASX Listing, Class B options may be exercised anytime from the first anniversary of the ASX Listing and Class C options may be exercised anytime from the second anniversary of the ASX Listing. All of the Class A, Class B and Class C options expire on the earlier of the third anniversary of the ASX Listing or the date on which the person ceases to be a director or officer of the Responsible Entity, subject to the director having 90 days to exercise options that were vested at the time of him/her ceasing to act as a director. The exercise price will be \$1.00 per Unit and the options will expire on the third anniversary of listing.

No Prime Trust Options have yet been exercised.

3. Profile of the BBC Group

3.1 Disclaimer

The information in this Section 3 concerning BBC has been prepared based on a review of publicly available information (which has not been independently verified). To the extent permitted by law, Prime Trust does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The primary source of information about BBC's business were as follows:

- BBC PDS;
- BBC ASX release regarding the outcome of Strategic Review and results for the 12 months ended 30 June 2008 dated 28 August 2008;
- BBC's website; and
- other publicly disclosed releases to ASIC and the ASX.

The information contained in this Bidder's Statement about BBC should not be considered comprehensive. Further information relating to BBC's business and securities may be included in BBC's target statement in relation to the Offer.

3.2 Introduction

BBC is an integrated owner, operator and developer of senior living communities. This group was formed as the result of the mid-2007 consolidation of three significant senior living businesses, Primelife Corporation Ltd, the PrimeLiving Trust and the Fini Group.

The Conform Health Care Group Pty Ltd was acquired by BBC in November 2007.

BBC owns and manages a portfolio of 56 retirement villages and 29 aged care facilities across Australia and New Zealand comprising circa 9,930 retirement units and 2,210 residential aged care beds. Within the retirement portfolio, BBC has full exposure to the deferred management fees of circa 7,000 units and receives management fees in relation to the remaining units.

BBC's growth is supported by its development pipeline of 2,225 retirement units and 347 aged care beds which are expected to be delivered over the next six years.

3.3 Contractual relationships with BBC

Prime Trust has several long term agreements with BBC in respect to the operation and management of a number of its senior living class facilities. The relationship between BBC and Prime Trust falls into two key contract types:

- (a) Lease and Management Agreements of 12 Prime Trust owned villages. BBC entities are tenants under the lease agreements and until 31 December 2008 these villages are sub-managed by Retirement Guide Pty Ltd, a company associated with the former manager of the properties. After that date they are expected to be directly managed by BBC. These Agreements contain rights of approval in the event of change of control of BBC and/or Babcock & Brown Limited.

- (b) Lease or Management Agreements of 13 Aged Care and Retirement Villages which are operated by BBC. Prime Trust receives a commercial lease for making these facilities available. In some cases Prime Trust has the right to acquire the business conducted at these premises at the termination of these leases.

A number of issues related to these agreements have arisen which are subject to negotiation, and while not presently in formal dispute, both parties are reserving their rights while they seek commercial resolution.

As part of a settlement in respect of the acquisition of the Glendale Nursing home in Werribee, Victoria, Prime Trust and BBC are parties to an Implementation Agreement; a variation to which is currently being negotiated. There is also about \$450,000 from the settlement still due to Prime Trust.

Prime Trust has an interest in the outcome of legal proceedings against BBC which seek specific performance following BBC's failure to deliver the Princeton View Facility under a contract of sale to an entity which Prime Trust is the beneficial owner. The legal proceedings are continuing.

3.4 Management arrangements in respect of BBC

BBC is managed by entities owned by Babcock & Brown Limited ("B&B"). B&B is also a cornerstone investor holding approximately 10% of the BBC Securities.

The B&B management agreements are for a 10 year period, subject to BBC Security holder extensions. The B&B management agreements continue if there is a change of control of BBC or the responsible entity is replaced. As the BBC PDS dated 15 June 2007 states "*This is likely to act as a disincentive to any future takeover, as any new owner would not necessarily be able to appoint their own manager or manage BBC's assets themselves.*"

BBC has limited rights, as summarised below, to terminate the management agreements:

- For unremedied material breach;
- Loss of any required licence by B&B;
- If the manager is insolvent; or
- If B&B ceases to hold 50% of B&B management entity.

B&B can terminate the management agreements on the following (summarised basis):

- If BBC ceases to be listed on the ASX;
- For unremedied material breach;
- If BBC is insolvent; or
- A person other than B&B hold more than 30% of BBC.

This B&B management agreement puts B&B in a strong position. Under the B&B management agreement, all matters to be approved by the BBC Board must be recommended by the manager.

In addition, there is a separate preferred financial advisory agreement whereby B&B may provide financial advisory or investment banking services on a fee for service basis.

3.5 Proposed Internalisation and Price Discovery Process

On 28 August 2008, BBC announced that following a Strategic Review a committee of Independent Directors had been established with the authority to implement the following initiatives to be run in parallel with each other:

- (a) **Price discovery process for the whole of BBC.** Certain parties who have expressed an interest in acquiring the whole of BBC will be given the opportunity to make a takeover offer following a short period in a dataroom.
- (b) **Internalisation of the B&B Management Rights.** BBC has entered into an agreement with B&B to acquire the management agreements described in the section above for a price of \$17.5m. This will be funded at the option of BBC through cash or scrip issued to B&B. Under the proposal the core management team who are currently employed by B&B will transfer to BBC. The internalisation is conditional on BBC security holder approval and that a recommended takeover bid from the successful participant in the process for the sale of the whole of BBC not becoming unconditional by the date of the security holder meeting. This means that the successful acquirer can acquire B&B's rights under the existing management agreement for cash at the sale price as agreed for the internalisation as part of its offer for the whole of BBC.

3.6 Information about BBC Securities

- (a) **BBC securities on issue**

According to BBC's Annual Report, as at 30 June 2008, there were 651,727,936 BBC Securities on issue.
- (b) **BBC option holdings**

According to BBC's Annual Report, as at 30 June 2008, there were 1,600,000 options over BBC Securities issued to key management personnel.
- (c) **Offer extends to new BBC Securities**

The Offer extends to BBC Securities that come into existence during the period from Announcement Date to the end of the Offer Period due to the issue of units under BBC's distribution re-investment plan. This Offer also covers any unexercised options in respect of BBC Securities on issue at Announcement Date.
- (d) **Interests in BBC securities**
 - (i) **Prime Trust's relevant interest in BBC Securities**

As at the date of this Bidder's Statement and immediately before the first Offer was sent, Prime Trust had a relevant interest in 2,831,084 BBC Securities but did not have a relevant interest in any BBC Options.

As at the date of this Bidder's Statement and immediately before the first Offer was sent, Prime Trust's voting power in BBC was 0.434%.
 - (ii) **Acquisitions of BBC Securities by Prime Trust or its associates**

Neither Prime Trust nor any of its associates has provided (or agreed to provide) consideration for a BBC Security under a purchase or agreement to purchase during the four months before the date of this Bidder's Statement and the date of the Offer other than 2,831,084 BBC Securities acquired in the period 6 August 2008 to 22 August 2008. The maximum price paid was \$0.35 per BBC Security.

4. Intentions

4.1 Introduction

This **Section 4** sets out Prime Trust's intentions in relation to the conduct of BBC's business going forward.

These intentions are based on facts and information concerning BBC, its business and the general business environment that are known to Prime Trust at the time of preparing this Bidder's Statement, which is limited to publicly available information.

These are Prime Trust's current intentions only, which may change as new information becomes available or as circumstances change. Final decisions regarding these matters will only be made by Prime Trust after the review of all material information and circumstances at the relevant time.

Prime Trust has not had access to, nor has it reviewed, any of the contracts and other relevant agreements relating to the assets, investments and business of BBC. In relation to these matters, Prime Trust has relied on publicly available information.

4.2 Intentions upon acquiring BBC securities

Section 3.3 describes the current management agreements and **Section 3.5** notes the intent that either BBC will acquire the management rights following security holder approval in November 2008 or a party, who is prepared to make an offer for all BBC securities which is recommended by the BBC Board, will be able to acquire the B&B management rights.

Prime Trust's intention is to eventually effect a merger of Prime Trust with BBC.

The Board believes that there are a number of advantages in merging the Prime Trust and BBC entities. These include the potential to:

- Create the largest senior living class owner in Australia;
- Improve certainty of cash flow on roll-overs;
- Enhance geographic exposure;
- Rationalise common properties and management; and
- Generate synergies in administration, marketing and management.

If discussions do not result in a merger proposal, Prime Trust's position will depend primarily on whether any other party makes a takeover offer for the whole of BBC.

Prime Trust will treat its holding of BBC Securities acquired under the Offer as an investment and will work actively with the management of BBC to enhance investment value for all BBC Security holders.

4.3 Other intentions

Other than as set out in this Section 4, it is the present intention of Prime Trust to procure that BBC will:

- preserve the ASX Listing of BBC Securities;

- generally continue the business of BBC;
- not make any major changes to the business of BBC or redeploy any of the fixed assets of BBC;
- continue the employment of BBC's present employees.

4.4 Limitations on intentions

Prime Trust will only make a decision on the courses of action discussed above after it receives legal and financial advice and the intentions and statements of future conduct set out in this Section 4 must be read as being subject to:

- the Corporations Act, the Listing Rules, and any other applicable laws in relation to conflicts of interest and 'related party' transactions given that, if Prime Trust acquires up to and including 40% of the BBC Securities, BBC and Prime Trust may be treated as a related party of BBC for these purposes; and
- the legal obligation of the BBC directors at the time, including any nominees of Prime Trust, to act in good faith in the best interests of BBC and for proper purposes and to have regard to the interests of all BBC Security holders.

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5. Effect of the Offer on Prime Trust

5.1 Capital structure

The impact on Prime Trust's capital structure will depend on the number of acceptances of the Offer.

The following table shows the effect on Prime Trust's capital structure assuming two possible scenarios following the conclusion of the Offer whereby Prime Trust holds a relevant interest in either 40% or 25% of BBC Securities.

Scenario	Prime Trust Units on issue	New Prime Trust Units	Number of Prime Trust Units post Offer	% of Prime Trust Units held by existing Prime Trust Unitholders	% of Prime Trust Units held by BBCG Security holders
40% scrip	567,430,348	260,691,174	828,121,522	69%	31%
25% scrip	567,430,348	162,931,984	730,362,332	78%	22%

5.2 Management of Prime Trust

It is not envisaged that the proposed investment in BBC will have any material effect on the management of Prime Trust.

5.3 Board representation

APCH presently intends that it will retain its existing Board.

5.4 Future earnings and distributions

BBC has announced that it will pay a full year distribution of 6.3 cents per BBC Security for FY08. As the distribution is for the period from about 1 August 2007 to 30 June 2008, Prime Trust infers that a pro-rated full year BBC distribution would be 6.87 cents per security. Prime Trust's FY08 distribution is 8.5c per unit.

Prime Trust does not give any assurance in respect of future earnings or distributions. Prime Trust pays a quarterly distribution and will announce its next quarterly rate in late September. The Board has indicated that given market conditions the distribution rate may be below previous quarterly rates.

5.5 Statements of Financial Position

(a) Abridged pro forma consolidated balance sheet of Prime Trust

For the purpose of considering the financial position of Prime Trust following the conclusion of the Offer, an abridged pro forma consolidated balance sheet of Prime Trust as at 30 June 2008 based on the assumption that Prime Trust obtains 40% of BBC Securities is set out below.

The information in respect of the 30 June 2008 position of Prime Trust is extracted from its preliminary yearly report to the ASX.

	Prime Trust \$'000	40% Interest \$'000	Pro Forma \$'000
Assets			
Cash assets	82,575	0	82,575
Receivables	21,683		21,683
Capitalised borrowing costs	1,537		1,537
Investment property	1,451,268		1,451,268
Plant and equipment	977		977
Village works in progress	30,674		30,674
Acquisitions in progress and associated costs	48,404		48,404
Investment in Associate	0	123,828	123,828
Related party loans	2,745		2,745
TOTAL ASSETS	1,639,863	123,828	1,763,691
Liabilities			
Payables	10,306		10,306
Distributions	12,436		12,436
Loans	421,323		421,323
Payables to residents	661,638		661,638
Deferred tax assets	3,400		3,400
TOTAL LIABILITIES	1,109,103	0	1,109,103
NET ASSETS	530,760	123,828	654,588
UNITHOLDERS' FUND			
Unit capital	530,760	123,828	654,588
TOTAL UNITHOLDERS' FUNDS	530,760	123,828	654,588
Number of units on issue	567,430,348	260,691,174	828,121,522
Net assets per unit	\$ 0.94		\$ 0.79
Gearing	39.0%		34.1%

Principles of the pro forma calculation

The pro-forma calculation has been computed using Prime Trust's 30 June 2008 financial statements. The only amendment is to account for the issue of new units to BBC Security holders on the assumption that Prime Trust obtains 40% of their holding of BBC Securities. The value of each Prime Trust unit has been estimated as \$0.50 per unit. The holding by Prime Trust in BBC will be treated as an investment in an associated entity.

The following table provides a range of possible key financial outcomes based on two possible scenarios (of which the first is detailed above)

Scenarios	Gearing	Net Assets \$'000	Pro Forma Net Assets per unit
40% scrip	34.1%	654,588	\$ 0.79
25% scrip	35.8%	608,153	\$ 0.83

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Accounting Policies

The accounting policies disclosed by Prime Trust in its 31 December 2007 Half-Year Report and the 2008 Preliminary Financial Report have been applied in preparing the financial information set out in the pro forma financial information included above.

6. Sources of Consideration

6.1 Consideration under the Offer

The total consideration for the acquisition of the BBC Securities to which the Offer relates will be satisfied by the issue of Prime Trust Units.

6.2 Units consideration

If Prime Trust acquires 40% of the BBC Securities, the number of Prime Trust Units to be issued to BBC Security holders would be 260,691,174 Prime Trust Units, subject to any additional increase in securities arising from BBC's DRP.

Prime Trust has the capacity to issue the maximum number of Prime Trust Units which may be required to be issued under the Offer.

6.3 Provision of consideration

On the basis of the arrangements described in this **Section 6** the directors of APCH are of the opinion that they have a reasonable basis for holding the view, and hold the view, that Prime Trust will be able to provide the consideration offered under the Offer.

Prime Trust notes that the Offer is subject to the conditions set out in **Section 10.7** and to the Listing Rules and Corporations Act.

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7. Australian Tax Considerations

7.1 Introduction

The following is a general description of the Australian income and CGT consequences for BBC Security holders of their acceptance of the Offer. The comments set out below are relevant only to those BBC Security holders who hold their BBC Securities as capital assets for the purpose of investment and not in connection with the conduct of a business (and only to that extent).

Certain BBC Security holders (such as those engaged in a business of trading or investment, those who acquired their BBC Securities for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, superannuation funds, or persons who acquired their BBC Securities in respect of their employment with the BBC Group) will or may be subject to special or different tax consequences peculiar to their circumstances, and they should accordingly seek specialist advice tailored to those circumstances.

BBC Security holders who are not resident in Australia for tax purposes should also take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer. The following summary is intended only for Australian resident BBC Security holders. The following description is based upon the law in effect as at the date of this Bidder's Statement, but it is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every BBC Security holder. BBC Security holders should seek independent professional advice about their own particular circumstances.

7.2 Acceptance of Offer and disposal of BBC Securities

(a) Capital gains tax

(i) Acceptance of the Offer and disposal of BBC Securities

Acceptance of the Offer will involve the disposal by BBC Security holders of their BBC Securities by way of transfer to Prime Trust. This change in the ownership of the BBC Securities will generally constitute a CGT event for Australian CGT purposes. Australian resident BBC Security holders may make a capital gain or capital loss on the transfer of their BBC Securities, depending on whether their capital proceeds from the disposal are more than the relevant cost base of those BBC Securities.

The capital proceeds of the CGT event will be the value of the Prime Trust Units received by the BBC Security holders in respect of the disposal of their BBC Securities pursuant to the Offer. For these purposes, the value of the Prime Trust Units will be their market value on the date when the contract for their disposal is entered into.

The cost base of the BBC Securities is generally their cost of acquisition. Certain other amounts associated with acquisition and disposal (such as brokerage) may be added to the cost base. Security Holders may be

required to reduce their cost base by the amount of certain non-assessable distributions from BBC.

Capital gains realised and capital losses incurred by a BBC Security holder in a year of income are aggregated to determine whether there is a net capital gain. BBC Security holders who have held their securities for more than 12 months may be entitled to the benefit of the 50% CGT discount. Any remaining net capital gain may be further reduced by any unused capital losses carried forward by a BBC Security holder from a prior year. The resulting net capital gain is included in assessable income and is subject to income tax.

BBC Security holders who incur net capital losses will not be able to set off that loss against other income for income tax purposes. Rather, that net capital loss must be carried forward to be offset against future capital gains.

BBC Security holders who accept the Offer will not be entitled to scrip for scrip or any other rollover relief from the capital gains tax implications arising from their acceptance as outlined above.

(b) Ownership of Prime Trust Units

The Australian tax consequences of ownership of Prime Trust Units are essentially the same as the Australian tax consequences of ownership of that part of the BBC Security that comprises an interest in BBCT. Division 6 of Part III of the ITAA 1936 provides that a trust's taxable income (defined to be the "net income" for tax purposes) is the total assessable income of the trust calculated on the assumption that the trustee is a resident taxpayer, less deductions allowable from that income other than certain specified amounts. The net income of a trust includes all income and capital gains, whether derived from sources in Australia or another country. In broad terms, responsibility for paying the tax due on the net income of the unit trust will fall on the Unit Holders and in proportion to their unit holding rather than the trust itself.

(c) Stamp duty

BBC Security holders who accept the Offer will not be required to pay any stamp duty on the disposal of their BBC Securities under the Offer, or on the acquisition of Prime Trust Units under the Offer.

(d) GST

None of the following transactions is subject to GST:

- the transfer of BBC Securities pursuant to the Offer (except brokerage, if applicable); or
- a subsequent disposal of Prime Trust Units (except brokerage, if applicable).

8. Investment Risks

8.1 Introduction

There are many factors specific to Prime Trust, the Offer and of a more general nature that may affect the future operating and financial performance of Prime Trust and the value of Prime Trust Units including factors that:

- apply to investments generally;
- apply, and will continue to apply, specifically to the business of the BBC Group;
- apply, and will continue to apply, specifically to the business of the Prime Trust Group; and
- arise, or may arise, from a combination of the Prime Trust Group and BBC.

Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of Prime Trust, are dependent on the policies adopted and approaches taken by Government Agencies, or otherwise cannot be mitigated. This section describes some risks associated with Prime Trust, the Offer and risks of a more general nature although these are not the only risks facing Prime Trust.

Additional risks and uncertainties not presently known to Prime Trust, or that the directors believe are not currently material, may also affect Prime Trust's business operations and financial performance or the operations and financial performance of the Merged Group.

You should consider carefully the following factors, as well as the other information contained in this Bidder's Statement, and should consider seeking professional advice from an accountant, stockbroker, lawyer or other independent professional adviser.

8.2 General Equity Market Risks

(a) Stock Market Risks

The price of Units may rise or fall due to a number of different factors, which include:

- general economic conditions, including inflation and interest rates;
- variations in the local and/or global market for stock market investments, and for stock market investments in property securities in particular; and
- general operational and business risks.

In particular, the unit prices of property trusts are subject to fluctuations. These fluctuations may reflect a wide range of general influences, such as global hostilities, acts of terrorism, and the general state of the economy. Such market fluctuations may have a significant impact on the Unit price.

No assurances can be given that the market price of Units will not be adversely impacted by any such market fluctuations or factors. Neither the Responsible Entity, the Board nor any other person guarantees the performance of the Units.

(b) Interest Rates

A general increase in interest rates will have an adverse effect on the amount of income available because funds will be used to pay the interest on Prime Trust's borrowings. If Prime Trust's lenders increase the interest rate charged on borrowings, then the financial performance of Prime Trust may decline. If there are insufficient funds for Prime Trust to meet its interest payments, Prime Trust's lenders may want to enforce their security and sell Prime Trust's properties. However, Prime Trust's lenders will not be able to ask Unitholders to contribute any more than their initial investment. The Responsible Entity manages this interest rate risk by monitoring the interest rate on Prime Trust's loans and determining when and if the interest rate should be variable or fixed.

(c) Changes in Law, Regulatory and Government Policy

Changes in government legislation, regulation and policy may adversely impact Prime Trust's future earnings, value of its investment properties and the market value of Units.

(d) Taxation

The public trading trust provisions of taxation legislation is not considered to be applicable to Prime Trust. In the event that the taxation authorities assessed that the public trading trust provisions applied to Prime Trust and this was upheld by the courts, then the Trust would be subject to tax and Unitholders would receive franked dividends rather than unit distributions.

Changes in general taxation law and, in particular income tax, GST or stamp duty legislation, may adversely affect returns to Unitholders. Tax considerations may differ between Unitholders; therefore prospective investors are encouraged to seek professional tax advice in connection with any investment in Units.

8.3 Business Risks

(a) Distributions may vary

Distributions to Unitholders may vary due to variations in cash flows due to material fluctuations in unit roll-overs at the Retirement Villages. Except for a relatively small fixed rent payment, cash is only received when a unit is vacated and re-leased to a new resident.

Also some distributions will be sourced from new unit construction and external development returns which may not be as great as expected or may not occur in the expected time frame.

(b) Performance of the Property Operators

If the performance of a Property Operator is in some way deficient, including if payment of rent and outgoings are not made in a timely fashion, the returns to Unitholders may be adversely impacted and Unitholders may not receive their returns, or may not receive them on time. The Responsible Entity is not required to distribute money to Unitholders if there is insufficient cash available in the bank account to make distributions. However, if Property Operators default under their agreements, the Responsible Entity can take over the benefit of the Resident Agreements and the Residents of the properties will be bound to pay all requisite amounts directly to the Responsible Entity rather than the Property Operator.

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(c) Property Management Agreements have limited terms

The Property Management Agreements will expire after 20 or 25 years from commencement. Upon expiry, Prime Trust's income may decrease and the value of the properties might be affected. The Responsible Entity might have to pay commissions to agents who introduce prospective Property Operators or provide incentives. All of these expenses would be payable from Prime Trust's funds. When the Property Management Agreements ends, the benefit of the income derived under the Resident Agreements reverts to the Responsible Entity.

(d) Occupancy Rates

The occupancy rates achieved at Prime Trust's properties will have a direct impact on Prime Trust's financial performance. If the occupancy rate declines, the financial performance of Prime Trust can be expected to be adversely impacted.

(e) Reliance on Responsible Entity and Prime Trust Manager, including key individuals

Unitholders rely on the Responsible Entity and Prime Trust Manager for the day-to-day operations and investment decisions of Prime Trust. Prime Trust's success will be influenced by the performance of the Prime Trust Manager. The loss of key personnel of the Prime Trust Manager could have an adverse effect on performance of Prime Trust.

(f) Property Acquisitions

Prime Trust's future strategy includes identifying and acquiring additional properties. There is a risk that Prime Trust will be unable to find property assets that are available for investment and which meet its investment criteria, thus potentially limiting Prime Trust's future growth.

There is also a risk that potential problems associated with properties that are acquired by Prime Trust are not discovered during the due diligence process, or that risks cannot be fully mitigated by any of the warranties and indemnities included in the purchase agreements for these acquisitions. In the event that an unforeseen liability arises that Prime Trust is not able to be indemnified against, returns to Unitholders may be adversely affected.

(g) Dilution

Unitholders' interest in Prime Trust may be diluted by future capital raisings by the Responsible Entity on behalf of Prime Trust. The Responsible Entity may issue Units to finance future acquisitions. This may dilute the value of Unitholders' interests if the asset value received in the acquisition is less than the value given up by issuing Units to finance acquisitions.

(h) Property Market Fluctuations

The value of properties owned by Prime Trust may fluctuate from time to time due to market and other conditions. Factors relevant to determining value include supply and demand dynamics in a particular market, rental, occupancy levels and expected yield, and these may change significantly over time for a variety of reasons. Valuations represent only the analysis and opinion of qualified experts at a certain date – they are not guarantees of present or future values. The valuation of a property may be materially

higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distressed or liquidation sale.

(i) Insurance Premiums

Any significant deterioration in the way that Prime Trust's properties are being operated, or in insurance markets in general, may lead to a rise in insurance premiums or result in Prime Trust not being able to obtain adequate coverage at acceptable prices.

Any uninsured losses, or losses being in excess of the insured amounts, may adversely impact on the financial performance and financial position of Prime Trust.

(j) Environmental

Unforeseen environmental issues may affect any of Prime Trust's properties. These liabilities may be imposed irrespective of whether or not Prime Trust is responsible for the circumstances in which they relate.

Prime Trust may also be required to remediate sites with environmental problems. The cost of remediation of sites could be substantial. In addition, if Prime Trust is not able to remediate the site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for debt.

(k) Force Majeure Risks

Force majeure events, which are events beyond the control of a party, including fire, flood, earthquake and other acts of God, terrorist attacks and war may affect Property Operators from performing their contractual obligations or may lead to a capital loss or a reduction in income, and Prime Trust's insurance may not cover these acts or events.

(l) No Guarantee of Income or Capital

Prime Trust is an investment trust which has as its primary assets investments in real estate. The Responsible Entity does not warrant or guarantee the income or the repayment of capital by investing in Prime Trust. The Responsible Entity does not warrant or guarantee that there will be a capital gain or that the Prime Trust's properties will not decrease in value.

(m) Funding Risk

Prime Trust is reliant on equity and debt capital markets to fund future capital expenditure and acquisitions, as well as to refinance existing debt facilities. If Prime Trust is unable to obtain the necessary funding, or is only able to obtain it at a higher cost, its financial position and performance may be adversely affected.

Furthermore, Prime Trust's debt facilities are likely to contain various financial covenants which, if breached, could lead to Prime Trust having to pay a higher rate of interest or being required to repay its loans at short notice. Alternative funding sources may be on less favourable terms, and if no alternative source is available, Prime Trust may be forced to sell its properties, which could lead to significant losses.

8.4 Specific Transactional Risks

(a) Less than 100% ownership

If Prime Trust acquires 40% of BBC Securities it will, together with its existing holding of BBC Securities, still be a minority holder. Due to the nature of the B&B management agreements, being a minority BBC Security holder could have an impact on the implementation of Prime Trust's intentions set out in **Section 4** of this Bidder's Statement.

(b) Achieving forecast distributions

Future distributions by Prime Trust will depend in part on the performance of BBC.

(c) Use of assumed financial information for BBC

In preparing its Offer, Prime Trust has not conducted a due diligence of BBC with access to internal BBC information. Prime Trust has relied only on publicly available information in making this Offer. There is a risk that assumed financial information for BBC is not correct and in particular, that the assumed financial forecasts will not be realised.

(d) Existence of adverse consequences arising upon a change of control or proposed change of control of BBC

Prime Trust has relied on publicly available information concerning BBC in preparing this Bidder's Statement. Although Prime Trust is not aware of any publicly available information to this effect, it is possible that BBC is party to one or more contracts which contain adverse consequences arising from a change of control or proposed change of control of BBC, despite Prime Trust's belief that the Offer should not effect a change of control of BBC.

9. Fees

Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees & costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

9.1 Fees and Other Costs

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from Prime Trust assets as a whole.

None of the fees or other costs set out below are negotiable.

You should read all of the information about fees and costs because it is important to understand their impact on your investment in Prime Trust.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount you contribute to your investment	Not applicable	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Termination fee The fee to close your investment	Not applicable	Not applicable

Type of fee or cost	Amount	How and when paid
Management Costs		
On-going management fees and other costs		
The fees and costs for operating the Trust	<p>“Responsible Entity’s fees” In accordance with the Prime Trust Constitution, the Responsible Entity is entitled to receive from the Trust: a management fee calculated as the aggregate of:</p> <ul style="list-style-type: none"> • 4.0% per annum calculated on a daily basis of the gross income of the Trust as at the last day of each month; and • 0.25% per annum calculated on a daily basis of the gross asset value of the Trust; 	Payable monthly in arrears
	<p>an exit fee of:</p> <ul style="list-style-type: none"> • 2.5% of the net sale proceeds of the sale of the main assets and undertaking of the Trust; or • 2.5% of the gross asset value of the Trust calculated as at the date of Trust determination; 	Payable on the earlier of the disposal of the main assets and undertaking of the Trust and the determination of the Trust
	<p>except where the Responsible Entity is entitled to receive an exit fee, a sale fee of 2.5% of the net sale proceeds of the sale of any main asset of the Trust; and</p>	Payable on the completion of the sale of any main asset of the Trust
	<p>a takeover fee in the event of any acquisition of Units by an acquirer that:</p> <p>(a) is subject to the takeover provisions in Chapter 6 of the Corporations Act; or</p> <p>(b) increases the acquirer’s voting power in the Trust from:</p> <p>(i) 20% or below to more than 20%; or</p> <p>(ii) a starting point that is above 20% and below 90%;</p> <p>the fee being 2.5% of the gross price paid by the acquirer for the said acquisition of those Units.</p>	Payable at the time of registration of the transfer of the units out of the Trust

Type of fee or cost	Amount	How and when paid
	<p>a removal fee of two and a half per centum (2.5%) of the gross asset value of the Trust calculated as at the date that the Responsible Entity is removed in the event that the Responsible Entity is removed as the registered responsible entity of the Trust:</p> <ul style="list-style-type: none"> at the instigation of the Unitholders or ASIC in circumstances other than the proven fraud, wilful negligence or cancellation of the Australian financial services licence of the Responsible Entity; and the removed Responsible Entity has not previously received a takeover fee within six (6) months prior to being removed. <p>The Prime Trust Constitution allows the Responsible Entity in its discretion to determine a lesser payment of the above fees and/or to waive or defer the payment to it.</p>	<p>Payable on the date of removal of the Responsible Entity.</p>
	<p>The Responsible Entity is entitled to recover expenses from the Trust.</p>	<p>Repayable to the Responsible Entity as they are incurred from the assets and income of the Trust.</p>
Investment Costs		
Property Procurement Fee	Not applicable	Not applicable
Additional Service Fees		
Investment Switching Fee The fee for changing investment options	Not applicable	Not applicable
Custodian Fee The fee for providing custodian services	0.15% per annum calculated on a daily basis of the gross asset value of the Trust	Payable monthly in arrears

9.2 Additional information on fees and costs

Trust Expenses

Expenses that are properly incurred by the Responsible Entity, including those incurred by the Manager, APCH Administrators in relation to the Trust (but not the usual overhead expenses of the Responsible Entity) are paid for by the Trust. These expenses include but are not limited to the costs incurred in acquiring, holding and selling assets including but not limited to stamp duty, custodian fees and brokerage, commissions and marketing costs, advisory and issue arranging fees, unit registry fees, fees paid to the auditor and fees paid for taxation and legal advice, the costs of printing, postage, couriers and

stationery, expenses incurred in maintaining accounting and registry records, borrowing costs and bank charges including interest, documentation expenses and account and transaction fees including the cost of direct electronic payments, the costs associated with the preparation and registration of the Prime Trust Constitution, Compliance Plan, the Prime Trust June 2007 PDS and this Bidder's Statement, the costs associated with the convening and conducting of Unitholder meetings and costs of registering the Trust as a Managed Investment Scheme. If the cost is incurred by APCH Administrators, Prime Trust pays the cost incurred plus a margin of up to 15%.

Example of fees and costs

It is a requirement of the law that an example of the kind that follows be shown in this document. This table gives an example of how fees and costs on this product for an account balance of \$50,000 and contributions of \$5,000 can affect your investment over a 1 year period. You should use this table to compare this product with other products.

Fees	Balance of \$50,000 with contributions of \$5,000 during the year
Contribution Fees - Nil	For every \$5,000 you put in you will be charged \$Nil
PLUS Management Costs: 0.4% (being Responsible Entity Fee and Custody Fee) (assuming no income is derived by the Trust)	And, for the \$50,000 you have in the fund on 1 July and the \$5,000 you invest on 1 July, for the 1 year period to the following 30 June you would be charged \$200.00.
EQUALS Cost of Fund	If you put in \$5,000 on 1 July and your balance was \$55,000 after that investment, then for that year to 30 June you would be charged fees of \$200.

10. The Offer

10.1 The Offer

- (a) Prime Trust offers to acquire 40% of your Eligible BBC Securities on the terms and subject to the conditions set out in this **Section 10.1**. Your Eligible BBC Securities do not include BBC Securities previously held by a person who has already accepted the Offer.
- (b) Subject to the terms of this Offer, the consideration offered by Prime Trust is 1 Prime Trust Unit for each BBC Security you sell by accepting the Offer.
- (c) The Offer is based on a value of:
 - (i) \$0.475 per Prime Trust Unit being the volume weighted average market price for the five Business Days immediately prior to the date of this Bidder's Statement; and
 - (ii) \$0.35 per BBC Security being the highest price paid by Prime Trust for the acquisition of BBC Securities as outlined in **Section 3.4(d)(ii)**, and in compliance with sections 621(3) and 621(4) of the Corporations Act.
- (d) If you accept this Offer, Prime Trust will be entitled to all Rights in respect of those of your Eligible BBC Securities which it acquires under this Offer, as well as those Eligible BBC Securities themselves.
- (e) An offer in this form and bearing the same date is being made to each person registered as the holder of BBC Securities in the register of BBC Security holders as at close of business on the Register Date.
- (f) If at the time this Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of your Eligible BBC Securities then:
 - (i) a corresponding offer will be deemed to have been made to that other person in respect of those Eligible BBC Securities;
 - (ii) a corresponding offer will be deemed to have been made to you in respect of any other Eligible BBC Securities you hold to which this Offer relates; and
 - (iii) this Offer will be deemed to have been withdrawn immediately after that time.
- (g) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Eligible BBC Securities as trustee or Nominee for, or otherwise on account of, another person, you may accept as if a separate offer on the same terms as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the offer for all of a parcel, you must comply

with the procedure in Section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and the Acceptance Form, please call the Prime Trust Offer information line on 1 800 134 068 (toll-free within Australia) or on +612 8280 7732 (from outside Australia) to request those additional copies.

- (h) If on the date of acceptance of this Offer a BBC Security holder's remaining Eligible BBC Securities are worth less than \$500, this Offer extends to the remaining holding of Eligible BBC Securities. BBC Security holders must indicate their intention to accept this Offer for their unmarketable parcel of BBC Securities on the Transfer and Acceptance Form.
- (i) Beneficial owners whose BBC Securities are registered in the name of a broker, investment dealer, bank, trust company or other Nominee should contact that Nominee for assistance in accepting this Offer.
- (j) This Offer is dated [date] 2008.

10.2 Offer Period

- (a) This Offer will remain open for acceptance during the period commencing on the date the Offer is made and ending at 7.00 pm on [date] 2008 being the end of the Offer Period, unless it is withdrawn or extended in accordance with the Corporations Act.
- (b) Prime Trust may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.

10.3 Official quotation of Prime Trust Units

- (a) The consideration offered by Prime Trust under the Offer comprises Prime Trust Units. The Units offered as consideration will be issued by Prime Trust and will be fully paid and will rank equally with existing Prime Trust Units from the date of issue.
- (b) Prime Trust has been admitted to the Official List of ASX. Units of the same class as those to be issued as consideration under this Offer have been granted official quotation by ASX.
- (c) This Offer and any contract that results from your acceptance of this Offer are subject to the condition set out in section 625(3) of the Corporations Act. If that condition is not fulfilled, any contract that results from your acceptance of this Offer will be automatically void.
- (d) The condition set out in section 625(3) of the Corporations Act is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in **Section 10.7**. Section 625(3) of the Corporations Act provides that this Offer cannot be freed of the condition prescribed in that section, and consequently no statement made by Prime Trust, or any other member of the Prime Trust Group, can be taken to be a waiver of that condition.

- (e) An application will be made within seven days after the start of the Bid Period to ASX for official quotation of the Prime Trust Units to be issued pursuant to the Offer. However, official quotation of securities by ASX is not granted automatically on application.

10.4 How to accept this Offer

(a) General

- (i) You may **only** accept this Offer for **40%** of your Eligible BBC Securities.
- (ii) You may accept this Offer at any time during the Offer Period.
- (iii) The Acceptance Form sent to you with this Bidder's Statement must be used in relation to your BBC Securities.

(b) Accepting the Offer

To accept this Offer in respect of your BBC Securities you must:

- (i) **complete** and **sign** the enclosed Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (ii) **return** the Acceptance Form (using the enclosed reply paid envelope), together with all other documents required by the terms of the Offer and the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at one of the addresses indicated on the Acceptance Form.

(c) Status and receipt of the Acceptance Form

- (i) The Acceptance Form which accompanies this Bidder's Statement forms part of this Offer.
- (ii) To accept this Offer using the Acceptance Form, you should complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, and return the Acceptance Form (using the enclosed reply paid envelope), together with all other documents required by the terms of the Offer and the instructions on the Acceptance Form, so that they are **received** before the end of the Offer Period at one of the relevant addresses indicated on the Acceptance Form.
- (iii) Notwithstanding **Sections 10.4(b)** and **10.4(c)(ii)** Prime Trust may, at its discretion and without further communication with you, treat any Acceptance Form received before the end of the Offer Period at one of the addresses indicated on the Acceptance Form, or such other address as may be acceptable to Prime Trust, as valid, even if one or more of the requirements for acceptance have not been complied with (other than the requirement for your acceptance to be received prior to the end of the Offer Period).

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- (iv) The transmission of the Acceptance Form and other documents is at your own risk.

(d) Issuer sponsored and CHESSE Holdings

If your BBC Securities are on an issuer sponsored sub register:

Return a completed and signed Acceptance Form in accordance with the instructions set out in the Acceptance Form to the address indicated in the form before the end of the Offer Period.

If your BBC Securities are in a CHESSE Holding:

Either:

- Return a completed and signed Acceptance Form in accordance with the instructions set out in the Acceptance Form to the address indicated in the form; or
- Instruct your broker or Controlling Participant to accept the Offer on your behalf,

before the end of the Offer Period

If you are a Participant:

Initiate acceptance of the Offer in accordance with the ASTC Settlement Rules before the end of the Offer Period.

10.5 Effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance of this Offer will be binding on you, except as follows:
- (i) if, by the relevant times specified in **Section 10.5(b)**, the conditions in **Section 10.7** have not been satisfied or waived in accordance with **Section 10.9**, the Offer will automatically terminate and your BBC Securities will be returned to you; or
 - (ii) if the Offer is varied with the result that Prime Trust does not have to meet its obligations under the Offer for more than one month and the Offer is subject to one or more of the conditions in Section 10.7, you may be able to withdraw your acceptance and have your BBC Securities returned to you under Section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purpose of **Section 10.5(a)(i)** are:
- (i) in the case of the conditions in **Section 10.7(e)** – three business days after the end of the Offer Period; and

- (ii) in the case of the other conditions in **Section 10.7** – the end of the Offer Period.
- (c) By accepting this Offer in accordance with **Section 10.4**, you will, or will be deemed to, have:
 - (i) subject to the Offer becoming or being declared free from the conditions set out in **Section 10.7**, agreed to transfer your Eligible BBC Securities which you agreed to sell to Prime Trust in accordance with this Offer;
 - (ii) represented and warranted to Prime Trust that, at the time of acceptance and at the time the transfer of your Eligible BBC Securities to Prime Trust is registered, 40% of your Eligible BBC Securities are and will be fully paid, and Prime Trust will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in your Eligible BBC Securities;
 - (iii) appointed Prime Trust and each of its directors, secretaries and officers severally as your true and lawful attorney, with effect from the later of the acceptance of this Offer and the date that any contract resulting from acceptance of this Offer becomes, or is declared, free from its defeating conditions and becomes unconditional, with power to do all things which you could lawfully do concerning your Eligible BBC Securities by accepting the Offer or in exercise of any right derived from the holding of those BBC Securities, including (without limiting the generality of the foregoing):
 - (A) attending and voting at any meeting of BBC;
 - (B) demanding a poll for any vote to be taken at any meeting of BBC;
 - (C) proposing or seconding any resolution to be considered at any meeting of BBC;
 - (D) requisitioning the convening of any meeting of BBC and convening a meeting pursuant to any such requisition;
 - (E) signing any form, notice or instrument relating to those BBC Securities; and
 - (F) doing all things incidental or ancillary to any of the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Prime

Trust as the intended registered holder and beneficial holder of those BBC Securities. This appointment is irrevocable and terminates upon registration of a transfer to Prime Trust of those BBC Securities. Prime Trust will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this paragraph;

- (iv) subject to **Section 10.5(c)(v)**, agreed not to attend or vote in person or by proxy at any meeting of BBC, or to exercise or purport to exercise any of the powers conferred on Prime Trust or its Nominee in **Section 10.5(c)(v)**, from the later of your acceptance of this Offer and the date that any contract resulting from acceptance of this Offer becomes, or is declared, free from its defeating conditions, to the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act and the end of the Offer Period or, if all defeating conditions of the Offer have been satisfied or waived, the registration of Prime Trust as the holder of those BBC Securities;
- (v) appointed Prime Trust and each of its directors, secretaries and officers severally as your true and lawful attorney, with effect from your acceptance of this Offer, with power to attend, vote and do all other things which you could lawfully do at any meeting of BBC in respect of those BBC Securities or to appoint a proxy or proxies to attend, vote and do all other things which you could lawfully do at any meeting of BBC in respect of those BBC Securities, and for this purpose, without limiting the foregoing, to sign and deliver any form, notice or instrument relating to those BBC Securities and to do all things incidental or ancillary to any of the foregoing. Prime Trust will ensure that the powers conferred under this section are not exercised in respect of any meeting of BBC unless:
 - (A) the notice of the meeting includes business which, if dealt with in a particular manner, might adversely affect the likelihood of the Offer succeeding; and
 - (B) prior to the meeting, Prime Trust has given notice to the ASX and BBC that it proposes to exercise any of the powers conferred by this paragraph in respect of the meeting.

Where the powers conferred under this section are to be exercised at a meeting of BBC, Prime Trust will ensure that the voting rights in respect of your BBC Securities are exercised:

- (C) only in relation to resolutions the passing or defeat of which might adversely affect the likelihood of the Offer succeeding; and

- (D) in a manner which, in Prime Trust's view, would be least likely to adversely affect the likelihood of the Offer succeeding.

This appointment is irrevocable and terminates upon the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act and the end of the Offer Period or, if this Offer becomes, or is declared, free from its defeating conditions, the registration of a transfer to Prime Trust of your BBC Securities. Prime Trust will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this section;

- (vi) subject to **Section 10.5(c)(v)** and during the term of the appointment specified in that section, agreed not to attend or vote in person or by proxy or attorney at any meeting of BBC in respect of which Prime Trust is not required to ensure that the powers conferred by **Section 10.5(c)(v)** are not exercised;
- (vii) represented and warranted to Prime Trust that you are not a Foreign Unitholder, unless otherwise indicated on the Acceptance Form;
- (viii) acknowledged and agreed that if your postal address is that of a Foreign Unitholder as at the date of the Register List being run, Prime Trust will arrange for any Prime Trust Units otherwise issuable to you to be issued and sold, and for the net proceeds to be remitted to you;
- (ix) ;
- (x) if you are a Foreign Unitholder, irrevocably appointed Prime Trust as your agent to receive any notice, including a financial services guide (if any) (and any update of that document), that the Nominee and/or its broker may provide under the Corporations Act. Any such document will be made available by Prime Trust on Prime Trust's website (www.primetrust.com.au);
- (xi) irrevocably authorised Prime Trust (or any Nominee or Nominees of Prime Trust) to alter the Acceptance Form by rectifying any errors in or omissions from the Acceptance Form as may be necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of those BBC Securities to Prime Trust;
- (xii) irrevocably authorised and directed BBC to pay to Prime Trust, or to account to Prime Trust for, all Rights in respect of those BBC Securities subject, however, to any such Rights received by Prime Trust being accounted for by Prime Trust to you if this Offer is

- withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (xiii) with effect from the later of your acceptance of this Offer and the date that any contract resulting from acceptance of this Offer becomes, or is declared, free from its defeating conditions, irrevocably authorised Prime Trust (and any Nominee or Nominees of Prime Trust) to notify BBC on your behalf that the address for the purpose of serving notices upon you in respect of those BBC Securities is the address specified by Prime Trust in the notification;
 - (xiv) with effect from the later of your acceptance of this Offer and the date that any contract resulting from acceptance of this Offer becomes, or is declared, free from its defeating conditions, irrevocably authorised Prime Trust (and any Nominee or Nominees of Prime Trust) to do all things necessary to transfer your BBC Securities to Prime Trust, regardless of whether Prime Trust has at that time paid the consideration due to you under this Offer;
 - (xv) authorised Prime Trust to issue to you the Prime Trust Units you are entitled to receive under this Offer and to register your name in the Prime Trust register of members in respect of those Prime Trust Units, and agreed that you will be bound by the Prime Trust Constitution; and
 - (xvi) agreed, subject to the conditions in **Section 10.7** being satisfied or waived, to execute all documents, transfers and assurances as may be necessary or desirable to convey those BBC Securities and Rights to Prime Trust.
- (d) If you accept this Offer, no one else may accept this Offer in respect of any of your BBC Securities which you do not transfer by your acceptance. These retained BBC Securities will not be eligible to be acquired under the Offer.

Deferred Settlement Ex Offer Market

A deferred settlement "Ex Offer" market will be established in BBC Securities. This market should only be used by BBC Security holders who have accepted the Offer and wish to trade the remainder of their BBC Securities on-market. This Ex Offer market will continue for the duration of Prime Trust's proportional takeover bid. Settlement of trades conducted in the Ex Offer market will be deferred until after the completion of Prime Trust's Offer. Prime Trust's Offer takeover bid has an expiry date of [insert date] 2008, but this is subject to extension by Prime Trust.

The following market quotations and protection procedures will apply in respect of Prime Trust's Offer:

- (i) As from the commencement of trading on [insert date], BBC Securities will be quoted as follows:

Cum Offer (ASX code: [insert]) – in respect of BBC Securities capable of acceptance into the Prime Trust bid (Eligible BBC Securities). The Cum Offer market trades on a normal T + 3 settlement basis.

Deferred Ex Offer (ASX code: [insert]) – in respect of BBC Securities not capable of acceptance into the Prime Trust bid.

The Ex Offer market trades on a deferred settlement basis.

The following timetable will apply in relation to these quotations:

[insert date]	BBC Securities quoted on both Cum Offer and Ex Offer bases
[insert date]	Prime Trust's proportional takeover bid closes
[insert date]	"Dispatch date" Processing of acceptances of Prime Trust's proportional takeover bid expected to be finalised. Final day of deferred settlement trading in the Ex Offer market
[insert date]	Settlement of trades conducted in the Ex Offer market.

NB : The closing date of Prime Trust's Offer bid is subject to extension by Prime Trust. No trades conducted in the Ex Offer market can be settled until after the conclusion of Prime Trust's proportional takeover bid. If the proportional takeover bid is extended, then the settlement date for trades conducted in the Ex Offer market will also be extended. Persons who trade in the Ex Offer market should be aware that the settlement date is subject to the possibility of extension in this manner.

- (ii) Where an ASX Market Participant receives a selling order for BBC Securities on a Cum Offer basis during the Bid Period, it is the responsibility of that Participant to ensure that the BBC Securities are Eligible BBC Securities in respect of which the Prime Trust Offer can be accepted. If it should be subsequently proved that the BBC Securities were Ex Offer BBC Securities, the Participating Organisation will be required to make good delivery by supplying Cum Offer (ie, Eligible) BBC Securities.
- (iii) It is the responsibility of the buying Market Participant to contact those clients who have purchased BBC Securities on or before [insert date], on a Cum Offer basis after [insert date], and who

have not been registered by that date to ascertain whether those clients may wish to accept the Prime Trust Offer.

10.6 Provision of consideration by Prime Trust

- (a) Subject to this section and the Corporations Act, if you accept this Offer and the conditions of the Offer and of any contract resulting from acceptance of this Offer are satisfied or waived, Prime Trust will provide the consideration to you on or before the earlier of:
 - (i) one month after the date of your acceptance or, if at the time of your acceptance this Offer is subject to a defeating condition, within one month after the contract resulting from your acceptance of this Offer becomes, or is declared, unconditional; and
 - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional necessary transfer document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is received with your acceptance, Prime Trust will provide the consideration in accordance with Section 10.6(a);
 - (ii) if that document is received after your acceptance and before the end of the Offer Period and the Offer is subject to a defeating condition at the time the document is received, Prime Trust will provide the consideration to you by the earlier of:
 - (E) one month after the contract resulting from your acceptance of this Offer becomes, or is declared, unconditional; and
 - (F) 21 days after the end of the Offer Period;
 - (iii) if that document is received after acceptance and before the end of the Offer Period, and the Offer is not subject to a defeating condition at the time the document is received, Prime Trust will provide the consideration to you by the earlier of:
 - (A) one month after that document is received; and
 - (B) 21 days after the end of the Offer Period; and
 - (iv) if that document is received after the acceptance and after the end of the Offer Period, Prime Trust will provide the consideration within 21 days after that document is received provided that the Offer is not subject to a defeating condition. However, if, at the time that document is received, the contract resulting from acceptance of this Offer is still subject to a defeating condition that relates to a circumstance or event specified in Section 10.7(e), Prime Trust will provide the consideration within 21 days after the contract becomes, or is declared, unconditional.
- (c) If you accept this Offer, Prime Trust is entitled to all Rights in respect of those Eligible BBC Securities you agree to sell to Prime Trust by accepting

the Offer. Prime Trust may require you to provide all documents necessary to vest title to those Rights in Prime Trust, or otherwise to give Prime Trust the benefit or value of those Rights. If you do not do so, or if you have received the benefit of those Rights, Prime Trust will be entitled to deduct from the consideration payable in accordance with the terms of this Offer the amount (or an amount equal to the value, as reasonably assessed by Prime Trust) of those Rights.

- (d) The obligation of Prime Trust to allot and issue any Prime Trust Units to which you are entitled under this Offer will be satisfied:
- (i) by Prime Trust entering your name on the register of members of Prime Trust; and
 - (ii) if your name is entered into the issuer sponsored subregister of Prime Trust, by Prime Trust no later than five Business Days after your name is entered in the register of members of Prime Trust, despatching or procuring the despatch to you, by pre-paid post to your address as shown on the Acceptance Form or such other address as you may notify to Prime Trust in writing before despatch, a holding statement in accordance with the Listing Rules. If your BBC Securities are held in joint names and those names are entered into the issuer sponsored sub-register of Prime Trust, the holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in BBC's register of members.
- (e) If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia or of the Australian Taxation Office is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:
- (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
 - (iii) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
 - (iv) the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001* (Cth);
 - (v) the *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth);
 - (vi) the *Charter of the United Nations (Sanctions Liberia) Amendment Regulations 2005 (No. 1)*; or
 - (vii) any other law of Australia that would make it unlawful for Prime Trust to provide consideration for your BBC Securities,

applies then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been

obtained by Prime Trust. See **Section 11.7** for information as to whether this restriction applies to you.

- (f) If you are a Foreign Unitholder, you will not be entitled to receive Prime Trust Units as the consideration for those of your Eligible BBC Securities you agree to sell to Prime Trust by accepting the Offer as a result of acceptance of this Offer. Instead, Prime Trust will:
- (i) arrange for the issue to the Nominee of the number of Prime Trust Units to which you and all other Foreign Unitholders would have been entitled but for this **Section 10.6(g)** and the equivalent provision in each other offer under the Offer;
 - (ii) cause the Prime Trust Units so issued to be offered for sale by the Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
 - (iii) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\frac{P \times N}{T}$$

where:

- P** is the amount (if any) remaining after deducting the expenses of sale (including brokerage and any costs of appointing the Nominee) from the proceeds of sale of the Prime Trust Units issued to the Nominee under this section and the equivalent provision in each other offer under the Offer;
- N** is the number of Prime Trust Units which would, but for this section, otherwise have been issued to you under this Offer; and
- T** is the total number of Prime Trust Units issued to the Nominee under this section and the equivalent provision in each other offer under the Offer.

Payment of the amount referred to in this section will be made by cheque in Australian dollars. Under no circumstances will any interest be paid on or in relation to that amount, regardless of any delay in the remittance of the amount to you.

- (g) If any amount (the **withholding amount**) is required under any Australian law to be:
- (i) withheld from any consideration payable to you under this Offer and paid by Prime Trust to a public authority; or
 - (ii) retained by Prime Trust,

the payment or retention by Prime Trust of the withholding amount will constitute full discharge of Prime Trust's obligation to pay the consideration to you to the extent of that withholding amount.

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- (h) There is no cooling off regime for the Prime Trust Units that are issued to the BBC Security holder.

10.7 Conditions

Subject to this **Section 10.7**, this Offer and any contract resulting from acceptance of this Offer are subject to the fulfilment of the following conditions.

(a) Change of Control

No third party which has a “change of control” clause in an agreement with BBC deems the acquisition by Prime Trust of an interest up to and including 40% of BBC Securities as a change of control and seeks to exercise its rights and such an exercise would have a material impact on BBC’s business and assets.

(b) No actions by Government Agencies adversely affecting the Offer

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by Prime Trust) or commenced by a Government Agency,

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of ASIC or the Takeovers Panel made for the purposes, or in exercise, of a discretion conferred on it by the Corporations Act), which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of BBC Securities under the Offer or the rights of Prime Trust in respect of its capacity as a Unitholder in respect of BBC and the BBC Securities to be acquired under the Offer or otherwise, or seeks to require the divestiture by Prime Trust of any BBC Securities, or the divestiture of any assets of BBC or by Prime Trust or any of its subsidiaries.

(c) No material acquisitions, disposals or changes in the conduct of business

Between the Announcement Date and the end of the Offer Period (each inclusive), neither BBC nor any subsidiary of BBC:

- (i) acquires, offers to acquire, enters into an option to acquire, or agrees to acquire one or more Units, companies or capital assets (or an interest in one or more Units, companies or capital assets);
- (ii) disposes, offers to dispose, enters into an option to dispose, or agrees to dispose of one or more Units, companies or capital assets (or an interest in one or more Units, companies or capital assets);
- (iii) enters into, or offers to enter into any joint venture, partnership or merger;

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- (iv) incurs, commits to or brings forward the time for incurring, or grants to another person a right the exercise of which would involve BBC incurring or committing to, any capital expenditure or liability, or foregoes any revenue, in respect of one or more related items of greater than \$10,000,000; or
- (v) discloses (without having disclosed to ASIC before the Announcement Date) the existence of any matter described in sub-paragraphs (i) to (iv) above, or announces an intention or proposal to do anything described in sub-paragraphs (i) to (iv) above.

(d) Early dispatch of offers

By no later than 5 pm (Melbourne time) on 9 September 2008, BBC agrees in writing and in accordance with the Corporations Act that Prime Trust may forthwith commence sending this Bidder's Statement and the Offer to BBC Security holders.

(e) No prescribed occurrences

During the Bid Period, none of the following occurrences (being the prescribed occurrences listed in section 652C of the Corporations Act) happens:

- (i) BBC converts all or any of its Securities into a larger or smaller number of Units under section 254H of the Corporations Act;
- (ii) BBC or a subsidiary of BBC resolves to reduce its Security capital in any way;
- (iii) BBC or a subsidiary of BBC enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) BBC issues Securities or grants an option over its Securities, or agrees to make such an issue or grant such an option;
- (v) BBC issues, or agrees to issue, convertible notes;
- (vi) BBC or a subsidiary of BBC disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) BBC or a subsidiary of BBC charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) BBC or a subsidiary of BBC resolves to be wound up;
- (ix) a liquidator or provisional liquidator of BBC or a subsidiary of BBC is appointed;
- (x) a court makes an order for the winding up of BBC or a subsidiary of BBC ;
- (xi) an administrator of BBC or a subsidiary of BBC is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) BBC or a subsidiary of BBC executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of BBC or a subsidiary of BBC,

provided that notice is given by Prime Trust to BBC Security holders not later than 3 Business Days after the end of the Offer Period.

(f) No material adverse change

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (vi) there is no occurrence or matter, including (without limitation):
- (A) any liability for duty or tax;
 - (B) any liability resulting, or any rights of any person arising, from a change of control of BBC;
 - (C) any change in the law (whether retrospective or not); or
 - (D) any actual or threatened dispute, litigation or arbitration (or other proceeding of any kind) involving BBC or any judgment, decision, finding or other award of any kind, against BBC,

that (individually or together with others) has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial or trading position, profitability, production or prospects of BBC.

10.8 Nature and benefit of conditions

- (a) Each of the conditions in **Section 10.7** is a condition subsequent to the formation of a binding contract upon acceptance of this Offer. The non-fulfilment of any of those conditions will not, until the end of the Offer Period (or in the case of the conditions in **Section 10.7(e)**, until three Business Days after the end of the Offer Period), prevent a contract to sell your BBC Securities resulting from the acceptance of this Offer from arising, but any such non-fulfilment at the end of the Offer Period will entitle Prime Trust, by notice in writing to you, to rescind a contract that results from your acceptance of this Offer as if that contract had not been formed.
- (b) Each of the conditions in each paragraph and each sub-paragraph of **Section 10.7** constitutes, and is to be construed as, a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.
- (c) Subject to the Corporations Act, Prime Trust alone is entitled to the benefit of the conditions in **Section 10.7** and to rely on non-fulfilment of, or to waive compliance with, any of those conditions.

10.9 Waiver of conditions

- (a) Subject to the Corporations Act, Prime Trust may free the Offer and any contract resulting from acceptance of the Offer from all or any of the conditions in **Section 10.7** generally or in relation to a specific occurrence by giving notice in writing to BBC and to ASIC in accordance with Section 650F of the Corporations Act, and by making an announcement to ASX. Any such notice may be given:
 - (i) in the case of the conditions in **Section 10.7(e)** – not later than three Business Days after the end of the Offer Period; and

- (ii) in the case of the other conditions in **Section 10.7** – not less than seven days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or, in the case of the conditions in **Section 10.7(e)**, within three Business Days after the end of the Offer Period), the conditions in **Section 10.7** have not been fulfilled and Prime Trust has not declared the Offer (or the Offer has not become) free from those conditions, all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts will be automatically void.

10.10 Notice on status of conditions

The date for giving the notice as to the status of the conditions in **Section 10.7** required by section 630(1) of the Corporations Act is [date] 2008 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

10.11 Variation

Prime Trust may vary this Offer in accordance with the Corporations Act.

10.12 Withdrawal

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If so, Prime Trust will give notice of the withdrawal to ASX and to BBC and will comply with any other conditions imposed by ASIC.
- (b) If Prime Trust withdraws this Offer, any contract resulting from its acceptance will automatically be void.

10.13 Stamp duty and brokerage

You will not be liable to pay any stamp duty on the transfer of those of your Eligible BBC Securities you agree to sell to Prime Trust by accepting the Offer as a result of acceptance of this Offer. As long as those BBC Securities are registered in your name and you deliver them directly to Prime Trust, you will not incur any brokerage in connection with your acceptance of this Offer (unless you are a Foreign Unitholder). If you are a beneficial owner whose BBC Securities are registered in the name of a broker, investment dealer, bank, trust company or other Nominee, you should ask that Nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer for the relevant BBC Securities.

10.14 Governing law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Victoria, Australia.

11. Other

11.1 ASIC Class Orders

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including Prime Trust, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, Prime Trust has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 01/1543 'Takeover Bids' to include in this Bidder's Statement references to certain statements made by BBC without obtaining the consent of BBC. The relevant statements were taken from the BBC PDS and other public statements.

As required by Class Order 01/1543, Prime Trust will make available a copy of the BBC PDS and the Prime Trust June 2007 PDS (or of relevant extracts from it), free of charge, to BBC Security holders who request it during the Bid Period. To obtain a copy of the Prime Trust June 2007 PDS (or the relevant extracts), BBC Security holders may telephone the Prime Trust Offer information line on 1 800 134 068 (toll-free within Australia) or on +612 8280 7732 (from outside Australia).

11.2 Potential for waiver of conditions - General

The Offer is subject to a number of defeating conditions set out in **Section 10.7**. Under the terms of the Offer and the Corporations Act, any or all of those defeating conditions may be waived by Prime Trust.

If an event occurs which results in the non-fulfilment of a defeating condition in **Section 10.7**, Prime Trust might not make a decision as to whether it will either rely on that non-fulfilment, or waive the defeating condition, until the date for giving notice as to the status of the conditions of the Offer under section 630(3) of the Corporations Act (see **Section 10.11**). If Prime Trust decides that it will waive a defeating condition it will lodge a notice stating that it will waive the relevant defeating condition with ASIC in accordance with section 650F of the Corporations Act, and announce that decision to ASX.

If there is a non-fulfilment of any of the defeating conditions set out in **Section 10.7**, or those defeating conditions are otherwise not satisfied, and Prime Trust decides to rely on that occurrence, then any contract resulting from acceptance of the Offer will become void at the end of the Offer Period, and the relevant BBC Securities will be returned to the holder.

11.3 Status and effect of other conditions

In relation to the conditions in **Sections 10.7** Prime Trust is not aware, as at the date of this Bidder's Statement, of any decision, order, decree, action or investigation which would result in a breach of those conditions. Nor has Prime Trust identified, as at the date of this Bidder's Statement, any particular regulatory actions or Approvals which could lead to those conditions being triggered or not satisfied.

As at the date of this Bidder's Statement, Prime Trust is not aware of any events or circumstances which would result in the non-fulfilment of any of the conditions in **Section 10.7.**

11.4 Broker commission

Prime Trust may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, but has made no final decision in relation to the matter at this stage.

11.5 Social security and superannuation implications of the Offer

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, BBC Security holders should seek specialist advice before accepting the Offer.

11.6 Approvals for payment of consideration

Prime Trust is not aware of any BBC Security holders who require any approval in order to be entitled to receive any consideration under the Offer.

So far as Prime Trust is aware, unless the Reserve Bank of Australia has given specific approval under the *Banking (Foreign Exchange) Regulations 1959* (Cth), payments or transfers to or for the order of prescribed governments (and their statutory authorities, agencies and entities) and, in certain cases, nationals of prescribed countries are subject to certain limited exceptions, restrictions or prohibitions. The places to which, and persons to whom, the *Charter of the United Nations Act 1945* (Cth) currently apply include the Kurdistan People's Congress, the People's Congress of Kurdistan, Kongra-Gel, and any person or entity listed as a terrorist by the Australian Minister for Foreign Affairs in the Commonwealth of Australia Gazette.

The places to which, and persons to whom, the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth) currently apply include the Taliban, Usama bin Laden (also known as Osama bin Laden), a member of the Al-Qaida organisation (also known as the Al-Qaeda organisation), and any person named on the list maintained pursuant to United Nations Resolution 1390 (2002) by the Committee of the United Nations Security Council established pursuant to United Nations Resolution 1267 (1999).

The places to which and persons to whom the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001* (Cth) currently apply include a bin Laden Entity and a Taliban Entity (as those terms are defined in those regulations).

The *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth) apply in respect of assets of the previous government of Iraq, and assets removed from Iraq or acquired by a senior official of the previous government of Iraq or their immediate families. Transactions with such assets (including, if relevant, BBC Securities) require Ministerial approval.

The persons to whom the *Charter of the United Nations (Sanctions Liberia) Amendment Regulations 2005 (No. 1)* currently apply include former Liberian President Charles Taylor, his immediate family members (in particular Jewell Howard Taylor and Charles Taylor,

Jnr.) senior officials of the former Taylor regime, or other close allies or associates as designated by the Sanctions Committee (within the meaning of the Regulations).

11.7 Withholding amounts

Prime Trust is not currently aware of any amounts that are to be treated as withholding amounts. However, it is possible that Prime Trust may become aware of an obligation in this regard after the date of this Bidder's Statement. For example, under section 255 of the *Income Tax Assessment Act 1936* (Cth), the ATO may notify Prime Trust that all or part of the consideration payable under the Offer to one or more BBC Security holders is to be retained by Prime Trust, or paid to the ATO, instead of being paid to the BBC Security holder.

11.8 Foreign Unitholders

BBC Security holders who are Foreign Unitholders will not be entitled to receive Prime Trust Units as part of the consideration for their BBC Securities pursuant to the Offer, unless Prime Trust otherwise determines.

A BBC Security holder is a Foreign Unitholder for the purposes of the Offer if their address as shown in the register of members of BBC is in a jurisdiction other than Australia or its external Territories, or New Zealand. However, such a person will not be a Foreign Unitholder if Prime Trust is satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a BBC Security holder in the relevant jurisdiction and to issue Prime Trust Units to such a BBC Security holder on acceptance of the Offer, and that it is lawful for such a BBC Security holder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else contained in this Bidder's Statement, Prime Trust is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The Prime Trust Units which would otherwise have been issued to Foreign Unitholders will instead be issued to the Nominee, who will sell those Prime Trust Units. The net proceeds of the sale of such Units will then be remitted to the relevant Foreign Unitholders. Payment will be made by cheque in Australian currency drawn on an Australian bank, which will be posted to the Foreign Unitholder at their risk to their address as shown on the Register at the Register Date. Foreign Unitholders will not be paid interest on the net proceeds of sale, regardless of any delay in remitting these net proceeds.

11.9 No collateral benefits

Neither Prime Trust nor any of its associates has in the four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered to give or agreed to give a benefit which is not offered to all BBC Security holders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of BBC Securities.

11.10 No escalation agreements

Neither Prime Trust nor any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

11.11 Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement no:

- director or proposed director of Prime Trust;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Prime Trust; or
- broker or underwriter to the issue of Prime Trust Units,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of Prime Trust;
- property acquired or proposed to be acquired by Prime Trust in connection with its formation or promotion, or the offer of Prime Trust Units under the Offer; or
- the offer of Prime Trust Units under the Offer.

11.12 Disclosure of fees and benefits received by certain persons

Other than as elsewhere disclosed in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a director or proposed director of Prime Trust to induce them to become, or to qualify as, a director of Prime Trust; or
- for services provided by any Interested Person in connection with the formation or promotion of Prime Trust or the offer of Prime Trust Units under the Offer.

11.13 Disclosure of interests of directors

(a) Interests in Prime Trust Units

The directors of Prime Trust have relevant interests in the following Prime Trust securities at the date of this Bidder's Statement:

Directors' interests in Prime Trust securities

Director	Number of Prime Trust Units	Number of Prime Trust Options
Michael Wooldridge	53,393	2,450,000
Philip Powell	1,982,856 ⁽¹⁾	-
Mark Butler	20,000	3,000,000
Peter Clarke	20,000	1,200,000
Tony Hancy	50,000	450,000
Kim Jaques	1,676,252	4,500,000
Neil Rodaway	-	450,000

⁽¹⁾ 1,952,856 Prime Trust Units are held by Kidder Williams of which Philip Powell is a Director.

(b) Directors' interests in BBC Securities

No director of Prime Trust has a relevant interest in BBC Securities at the date of this Bidder's Statement.

No such director has acquired or disposed of BBC Securities in the four months preceding the date of this Bidder's Statement.

(c) Indemnity, insurance and access

Prime Trust has executed a Director's Deed or a Deed of Indemnity with each director of Prime Trust. The Prime Trust Constitution provides for the entry into these Deeds. In summary, each director is entitled to be indemnified by Prime Trust:

- against certain liabilities incurred by the director in or arising out of the conduct of the business of Prime Trust or the discharge of the duties of the director, except where the liability arises out of conduct involving a lack of good faith on the part of the director; and
- for costs incurred in defending legal proceedings in which judgement is given in their favour or in which they are acquitted, or the claim is withdrawn. Directors may be loaned money to defend proceedings pending an outcome favourable to them.

(d) Directors' insurance

Prime Trust maintains an insurance policy for the benefit of the directors of Prime Trust which insures them against liability for their conduct as directors of Prime Trust and as directors of any subsidiary of Prime Trust to the extent permitted by law. This insurance policy also may insure the directors on the terms and subject to the conditions of the policy against civil liabilities which they may incur in relation to the Offer.

11.14 Consents

(a) Consents provided

None of the firms and companies named in this **Section 11.14 (a)** have caused or authorised the issue of this Bidder's Statement or have in any way been involved in the making of the Offer. The Offer is made by Prime Trust. Each of the firms and companies named in this **Section 11.14 (a)**:

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than as specified in this Section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and a statement or report which has been included in this Bidder's Statement with the consent of that firm or company as specified in this Section.

Link Market Services Limited has given, and has not at the date of this Bidder's Statement withdrawn, its written consent to being named in this Bidder's Statement in the form and context in which it is named.

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Madgwicks has given, and has not at the date of this Bidder's Statement withdrawn, its written consent to being named in this Bidder's Statement in the form and context in which it is named.

Kidder Williams has given, and has not at the date of this Bidder's Statement withdrawn, its written consent to being named in this Bidder's Statement in the form and context in which it is named.

(b) Statements for which consent is not required

Section 11.1 contains details of certain statements included in this Bidder's Statement in relation to which consent is not required and has not been obtained.

11.15 Other material information

Except as disclosed in this Bidder's Statement, there is no other information that:

- is material to the making of the decision by a BBC Security holder whether or not to accept the Offer; and
- is known to Prime Trust,

which has not previously been disclosed to BBC Security holders.

11.16 Anti-Money Laundering Requirements

New anti-money laundering laws in Australia may require the Responsible Entity to obtain additional information to verify the identity of a BBC Security holder and any underlying beneficial owner of BBC Security holder prior to issuing any Prime Trust Units to the BBC Security holder. Where we request such information from you, processing of your Acceptance Form or withdrawals may be delayed or halted until the requested information in a satisfactory form to the Responsible Entity is provided.

11.17 Labour Standards, Social, Ethical And Environmental Considerations

The Responsible Entity does not, in making decisions relating to Prime Trust, take into account labour standards or environmental, social or ethical considerations, except to the extent that the Responsible Entity considers these issues have the potential to materially impact on the merits of decisions in relation to Prime Trust.

11.18 Disputes

Other than as set out below, on the date of this Bidder's Statement, the Responsible Entity is not aware of any litigation brought or threatened involving Prime Trust or the Responsible Entity.

(a) Stamp duty assessment

In 2007 a dispute as to a decision of the Commissioner of State Revenue in respect of the stamp duty assessed on the transfer of the property at Lot 1, Townsend Road, St Albans Park, Geelong (described in Certificate of Title Volume 10665 Folio 953) was determined in the Victorian Civil and Administrative Tribunal ("VCAT"). Deputy President McNamara of VCAT upheld the decision of the Commissioner of State Revenue.

The VCAT Decision is now on appeal to the Supreme Court and has been set down for a hearing to commence on 1 October 2008.

(b) Brighton RV Syndication Pty Ltd and Brighton RV Holdings Pty Ltd

Brighton RV Syndication Pty Ltd, Australian Commercial Property Syndications Pty Ltd and Brighton RV Holdings Pty Ltd are the Fourth, Fifth and Sixth named Defendants respectively to proceedings issued out of the Federal Court of Australia, Victorian District Registry by ASIC as Plaintiff against Primelife (First Defendant) in respect of an unregistered Managed Investment Scheme. Brighton RV Holdings Pty Ltd is the Trustee of the BACH Unit Trust. At present APCH holds all of the units in that trust. William Lionel Lewski is a Director of the Fourth, Fifth and Sixth named Defendants. Settlement negotiations with ASIC resulted in confidential terms of settlement being executed. Consent Orders were made by the Federal Court on 25 September 2007.

(c) Commercial and Consumer Tribunal (Retirement Village List)

Residents as occupants of a Retirement Village have rights pursuant to each State's Retirement Village Act to refer matters in dispute with the landlord/owner to a relevant Tribunal. Each Tribunal has jurisdiction to hear claims up to \$250,000. Presently there are 3 matters before the Queensland Commercial and Consumer Tribunal as follows:

- (i) Similar claims have been made by 2 Residents from the Hibiscus Oasis Retirement Village which claims have been joined into one matter before the Tribunal. The first limb of the claims is for a pro-rating of deferred management fees where a Resident has been in a Village for only part of a year. The second limb of the claims is an objection to payment of the Termination Fee (\$5,145 in each case) under the Resident Agreement. The claims are scheduled for hearing by the Tribunal on 10 and 11 September 2008.
- (ii) An application by 2 Residents of the Buderim Gardens Retirement Village to clarify an order made by the Tribunal in December 2004 against the previous Operator. The issue involves the manner in which the accounts are presented. It does not involve a claim for money as such. The application was recently adjourned to the Registry as a result of technical / jurisdictional arguments. The applicants have not taken any further steps in the proceedings to date.
- (iii) Galletly Claim - Carlyle Gardens Mackay: Moray Galletly for MB and AL Galletly (Residents) lodged a dispute in the Queensland Commercial and Consumer Tribunal. The dispute is personal to the Residents as to whether or not they entered into a participating or non-participating lease with respect to an entitlement to share in the capital gain on a sale of their residence right. A direction hearing was held in March 2008 but no hearing date has yet been set.

(d) Carlyle Gardens Townsville

A claim by a Resident of Carlyle Gardens Townsville. The central issue is the characterisation of the 'right to reside' that the Retirement Villages Act speaks of and whether that Act effectively creates a new proprietary interest or not. This claim is scheduled for hearing before the Supreme Court in Brisbane on 6 November 2008.

(e) Fig Tree Dispute

Fig Tree Developments Ltd (formerly Village Life Ltd) had sought to assign the management rights of certain villages owned by Prime Trust to SCV Ltd in mid 2007. Prime Trust believes this action has repudiated the management contracts. The matter was heard in the Federal Court in July 2008 and judgement is now pending.

(f) Princeton Views

In December 2007, Brighton RV Syndication Pty Ltd commenced action against certain entities in the Babcock & Brown Communities Group seeking to enforce certain contractual rights in relation to the delivery of this project. This proceeding is being managed before Middleton J in the Federal Court and is listed for a hearing on the enforceability of the agreements on 28 October 2008.

(g) Australian Property Custodian Holdings Limited - Dispute as to determination from Commission of State Revenue

In February 2008, APCH has requested the Commissioner of State Revenue to refer to the Supreme Court a dispute over the determination made by the Commissioner of State Revenue dated 27 December 2007 over a transfer of the property described in Certificates of Title Volume 10797 Folio 693 and 694. To date, the matter has not been referred to the Supreme Court.

(h) Lilydale Aged Care

The State Revenue Office has requested production of documents relating to the acquisition by APCH in 1993 of an aged care facility in Anderson Street, Lilydale being the land described in Certificates of Title Volume 10221 Folio 035, Volume 10307 Folio 738 and Volume 10183 Folio 706 to investigate the duty paid on the transfer documentation.

12. Definitions and Interpretation

12.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise:

\$ means Australian currency, unless stated otherwise

Acceptance Form means the acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Prime Trust.

AFSL means Australian Financial Services Licence.

Aged Care Facilities means a property providing accommodation and care to a person according to the provisions of the Aged Care Act 1997 (Cth).

Announcement Date means 4 September 2008.

APCH means Australian Property Custodian Holdings Limited (ABN 74 095 474 436) as responsible entity of Prime Trust.

APCH Administrators means APCH Administrators Pty Ltd (ABN 66 120 977 228).

Approvals means all regulatory approvals or consents which are required by law or by any Government Authority.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

ASTC Settlement Rules means the operating rules of the settlement facility provided by ASTC.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

ASX Listing means the listing of the Prime Trust on the ASX, which occurred on 3 August 2007.

ATO means the Australian Taxation Office.

B&B means any entity owned and/or controlled by Babcock and Brown Limited ABN 53 108 614 955 but excluding BBC Group.

BBC means BBCL and BBCT operating as Babcock & Brown Communities Group.

BBC Group means BBC and its Related Entities as at the date of this Bidder's Statement.

BBCL means Babcock & Brown Communities Limited ABN 16 010 622 901.

BBC PDS means the product disclosure statement lodged with ASIC by BBC dated 15 June 2007.

BBC Securities means one BBCL fully paid ordinary share and one BBCT fully paid unit in their legal capacity as separate securities but which are listed for quotation on ASX and

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traded together in accordance with the BBCL constitution, the BBCT constitution and a stapling deed.

BBC Security holder means a person registered in the register of members of BBC as a holder of BBC Securities.

BBCT means Babcock & Brown Communities Trust ARSN 124 896 733.

Bid Period means the day on which this Bidder's Statement was first given to ASIC, ASX and BBC and ending:

- one month later if no offers are made under the bid; and
- the end of the Offer Period.

Bidder's Statement means this document, being the statement of Prime Trust under Part 6.5 of the Corporations Act relating to the Offer.

Board means the board of directors of the Responsible Entity of Prime Trust.

Business Day means a date that is not a Saturday, a Sunday or a public holiday or bank holiday in the place concerned.

CGT means capital gains tax as defined in the *Income Tax Assessment Act 1997* (Cth).

CHESS means the clearing house electronic sub-register system.

CHESS Holding means a number of BBC Securities which are registered on the BBC Securities register, being a register administrated by the Securities Clearing House and which records uncertified holdings of BBC Securities.

Compliance Plan means Prime Trust's compliance plan.

Controlling Participant means in respect of BBC Securities in a CHESS Holding, the Participant with whom the holder has a sponsorship agreement (as defined in the ASTC Settlement Rules).

Corporations Act means the *Corporations Act 2001* (Cth).

DRP means Prime Trust's Distribution Reinvestment Plan.

Eligible BBC Securities means BBC Securities eligible to be accepted into the Offer including BBC Securities traded 'Cum Offer' as described in Section 10.5(d) but do not include BBC Securities:

- (a) held by a person who accepts the Offer; and
- (b) which the person does not agree to sell by accepting the Offer.

Foreign Unitholder means a BBC Security holder whose address as shown in the register of members of BBC is in a jurisdiction other than Australia or its external territories or New Zealand, unless Prime Trust otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a BBC Security holder in the relevant jurisdiction and to issue Prime Trust Units to such a BBC Security holder on acceptance of the Offer, and that it is not unlawful for such a BBC Security holder to accept the Offer in such circumstances in the relevant jurisdiction.

FY means a financial year.

Government Agency means any government or any governmental, semi-governmental, statutory or judicial entity or authority, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

Kidder Communities means Kidder Communities Pty Ltd (ABN 130 631 891) of Level 35, 101 Collins Street, Melbourne, Victoria.

Kidder Williams means Kidder Williams Limited (ABN 81 117 667 204) of Level 35, 101 Collins Street, Melbourne, Victoria.

Listing Rules means the official Listing Rules of the ASX.

Managed Investment Scheme means an ASIC registered managed investment scheme

Nominee means a nominee to be appointed by Prime Trust and approved by ASIC.

Offer means, as the context requires, the offer for BBC Securities contained in this Bidder's Statement, or the off-market takeover bid constituted by that offer and each other offer by Prime Trust for BBC Securities in the form of that offer.

Offer Consideration means the consideration described in **Section 10**.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with **Section 10.2**.

Official List means the official list of ASX.

Participant means an entity admitted to participate in the Clearing House Electronic Sub-register System under rules 4.3.1, 4.4.1 and 4.5.1 of the ASTC Settlement Rules.

Prime Trust means The Prime Retirement & Aged Care Property Trust (ARSN 097 514 746).

Prime Trust Constitution means the constitution of Prime Trust as amended from time to time.

Prime Trust Group means Prime Trust and its Related Entities as at the date of this Bidder's Statement.

Prime Trust June 2007 PDS means the product disclosure statement lodged with ASIC by APCH and dated 26 June 2007.

Prime Trust Manager means APCH Administrators.

Prime Trust Options means the options issued by Prime Trust giving the holder the right, in respect of each option, to subscribe for, or have transferred to it, one Prime Trust Unit.

Prime Trust Units means fully paid ordinary Units in Prime Trust.

Property Management Agreement means the agreement between Prime Trust and a Property Operator for the management of Prime Trust's Retirement Villages, Aged Care Facilities and other senior living accommodation.

Property Operator means an entity that manages Prime Trust's Retirement Villages, Aged Care Facilities and other senior living accommodation under Property Management Agreements.

Register Date means the date set by Prime Trust under section 633(2) of the Corporations Act.

Registry means the registry responsible for maintaining the Prime Trust Unit register, currently Link Market Services Limited.

Related Entities has the meaning given to the term in section 9 of the Corporations Act.

Resident means a person who has entered into a Resident Agreement and which has not been terminated at the Allotment Date.

Resident Agreement means the agreement between the resident of a Prime Trust property and the Responsible Entity or its Nominee.

Responsible Entity means APCH.

Retirement Village means a property comprising a group of accommodation units with associated community facilities occupied or intended to be occupied by retired persons.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the BBC Securities directly or indirectly at or after the date of this Bidder's Statement (including all dividends and all rights to receive them and rights to receive or subscribe for Units, notes, bonds, options or other securities or entitlements declared, paid or issued by BBC or any subsidiary of BBC).

Section means a section in this Bidder's Statement.

Takeovers Panel means the Takeovers Panel as defined in the Corporations Act.

Tax Deferred Component means the amount by which the Unitholder's cash distribution from Prime Trust exceeds the Unitholder's share of the net taxable income of Prime Trust.

Trading Day has the meaning given in the Listing Rules.

Unit means one unit in Prime Trust.

Unitholder means the holder of a Unit.

your BBC Securities means, subject to **Sections 10.1(f)** and **10.1(g)**, the BBC Securities:

- (a) in respect of which you are registered or entitled to be registered as a holder in the register of members of BBC as at close of business on the Register Date; and
- (b) to which you are able to give good title at the time you accept the Offer during the Offer Period.

12.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The singular includes the plural and conversely.

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- (c) A reference to a section or Annexure is to a section of, or annexure to, this Bidder's Statement.
- (d) A gender includes all genders.
- (e) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (f) A reference to a person, corporation, trust, partnership, unincorporated body or association or other entity includes any of them.
- (g) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
- (h) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (i) A reference to any instrument or document includes any variation or replacement of it.
- (j) A term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act or the ASTC Settlement Rules, as the case may be.
- (k) A reference to time is a reference to Melbourne time.
- (l) Mentioning anything after **includes, including, for example**, or similar expressions, does not limit what else might be included.
- (m) A reference to **\$** is a reference to the lawful currency of Australia.
- (n) A reference to **you** is to a person to whom the Offer under Section 0 is made.

13. Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution of all of the directors of APCH as the responsible entity of Prime Trust.

Dated 4 September 2008.

Signed on behalf of APCH as the responsible entity of Prime Trust:

Director

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Annexure A

ASX Announcements in relation to Prime Trust since 30 June 2007

Date	Heading
11/07/2007	Disclosure Document
02/08/2007	Terms of DRP
02/08/2007	Terms of options
02/08/2007	Pro forma balance sheet
02/08/2007	Media Release
02/08/2007	Statement by directors
02/08/2007	Constitution
02/08/2007	Top 20 shareholders
02/08/2007	Appendix 1A - ASX Listing application and agreement
02/08/2007	Distribution schedule
02/08/2007	ASX Circular - Commencement of Official Quotation
02/08/2007	Pre quotation disclosure
02/08/2007	Admission to Official List
03/08/2007	Pre-ASX Listing presentation - August 2007
06/08/2007	Initial Director's Interest Notice
06/08/2007	Becoming a substantial holder
31/08/2007	Preliminary Final Report
03/09/2007	Brentwood Acquisition and Settlement
05/09/2007	Exercise by BBC of Call Option
07/09/2007	Change of Director's Interest Notice
14/09/2007	Change of Director's Interest Notice
14/09/2007	Distribution declaration and DRP implementation
01/10/2007	New Acquisitions of Retirement Villages
01/10/2007	Full Year Statutory Accounts
04/10/2007	Village Life/SCV Group Management arrangement
04/10/2007	DRP Price and Distribution Payment Date
09/10/2007	Change in substantial holding
24/10/2007	Appendix 3B

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Date	Heading
26/10/2007	Change of Director's Interest Notice
01/11/2007	Change of Director's Interest Notice
28/11/2007	Change in substantial holding
07/12/2007	Distribution Declaration
22/01/2008	Letter to Unitholders with distribution
08/02/2008	Appendix 3B
26/02/2008	Half Yearly Report and Accounts
5/03/2008	Lodgement of Open Briefing
20/03/08	March quarter distribution details
23/04/2008	Change of Share Registry Address
29/04/2008	Prime Trust Responsible Entity Restructure
01/05/2008	Open Briefing - Prime Trust MD-elect on RE Restructure
06/05/2008	Appendix 3B
17/06/2008	Distribution Declaration
30/06/2008	Prime Trust Management Restructure and Appendix 3B
02/07/2008	Changes to Director's Interest and Substantial Shareholder
09/07/2008	FY09 Guidance
25/07/2008	Appendix 3B
28/08/08	Preliminary Final Report

Annexure B

Rights attaching to Prime Trust Units

Prime Trust is governed by the Prime Trust Constitution and has been registered with ASIC as a Managed Investment Scheme under Chapter 5C of the Corporations Act.

APCH is the trustee and Responsible Entity of Prime Trust. The respective rights and obligations of the Responsible Entity and the Unitholders of Prime Trust are determined by the Prime Trust Constitution, the Corporations Act, the Listing Rules and the general law.

A copy of the Prime Trust Constitution is available to BBCH Security holders free of charge.

Unitholder rights and obligations

The beneficial interests in Prime Trust are divided into Units. Each fully paid Unit confers an equal undivided beneficial interest in Prime Trust. A partly paid Unit confers an interest of the same nature proportionate to the part of the issue price that has been paid. A Unit confers an interest in Prime Trust's property as a whole; it does not confer an interest in any particular asset.

Transfers

Units may be transferred in any manner permitted by the operating rules of a clearing and settlement facility.

Income

A person registered as a Unitholder at the distribution record date is entitled to the distributable income of for the relevant period in proportion to their Unit holding. Distributions will be made to Unitholders within 90 days after the relevant distribution record date. The Responsible Entity may deduct from distributions amounts of tax payable by the Responsible Entity for the Unitholder, or any other amount required by law. The Responsible Entity may also permit Unitholders to reinvest some or all of any distribution to acquire Units.

Withdrawals and redemption of Units

While Prime Trust is listed, Unitholders do not have a right to withdraw from Prime Trust nor have their Units redeemed. Instead, a Unitholder may sell their Units on ASX.

Price for Units

While the Units are Officially Quoted, the Responsible Entity may issue new securities at Market Price, being the weighted average traded price for a Unit or (Option) for sales on ASX for the period of 5 Business Days after the relevant Business Day (whether or not a sale was recorded on any particular day) or, if the Responsible Entity believes that this does not provide a fair reflection of the market price, an amount determined by an independent valuer as being the fair market price of the Unit or Option.

Unitholder liability

The Prime Trust Constitution limits the liability of a Unitholder to the issue price of each Unit. While it is generally considered that such provisions will be effective, this has not been definitely determined by the courts. The Responsible Entity is entitled to be indemnified by a Unitholder for tax or costs, charges and expenses (including stamp duty) incurred as a result of the Unitholder's action or inaction with respect to their investments. Joint Unitholders are jointly and severally liable in respect of all payments.

Responsible Entity liability and indemnity

The Responsible Entity is not liable to Unitholders for any loss suffered in any way relating to Prime Trust, unless the Corporations Act imposes such liability. Subject to the Corporations Act, the liability of the Responsible Entity to any person other than a Unitholder in respect of Prime Trust is limited to the Responsible Entity's ability to be indemnified out of the assets of Prime Trust. In addition to any other indemnities allowed by law, the Responsible Entity is entitled to be indemnified out of the assets of Prime Trust for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to Prime Trust. This indemnity continues to apply after the Responsible Entity retires or is removed from office.

Powers of the Responsible Entity

Subject to the Prime Trust Constitution, the Responsible Entity has all the powers in respect of Prime Trust that it is possible to confer on a trustee under the law, as though it was the absolute owner of the assets of Prime Trust, acting in its personal capacity. This includes entering into contracts, incurring liabilities, investing in, disposing of and otherwise dealing with property and rights, and authorising persons to act as its agent or attorney in respect of its powers as responsible entity.

Fees and expenses

Fees and expenses payable to the Responsible Entity are described in **Section 9**. Subject to section 601FG of the Corporations Act, the Responsible Entity is entitled to issue Units or Options to itself in lieu of the payment of fees or exercise of rights to an indemnity. Where the Trust is Listed, the number of Units or Options and aggregate Application Price for Units or Options to be issued in lieu must be calculated by reference to the current Market Price of the Units on a date not more than 5 Business Days prior to the date of issue and must equate to the monetary value of the fees or exercise of rights to an indemnity for which the Units or Options are to be issued in lieu.

Retirement or removal of the Responsible Entity

The Responsible Entity may voluntarily retire as the Responsible Entity of Prime Trust in accordance with section 601FL of the Corporations Act. The Responsible Entity may be removed as responsible entity of Prime Trust in accordance with section 601FM of the Corporations Act. The Responsible Entity is released from all further obligations in relation to Prime Trust from the date that a new responsible entity is appointed.

Amendment to the Prime Trust Constitution

The Corporations Act permits the Prime Trust Constitution to be amended by special resolution of the Unitholders or by deed executed by the Responsible Entity (where the Responsible Entity reasonably considers that the change will not adversely affect Unitholders' rights).

Duration of the Trust

Prime Trust continues indefinitely until the Vesting Day. The Vesting Day shall be the date determined by the Responsible Entity with the consent of the Unitholders by special majority or as otherwise determined by law.

On winding up, the proceeds of sale (after deducting any liabilities or expenses of the Responsible Entity) will be distributed to the Unitholders pro rata in accordance with the number of Units they hold.

Partly Paid Units

The Responsible Entity may issue partly paid Units. If a call has been validly made on partly paid Units but is unpaid, the Responsible Entity may dispose of those Units. The holder of a partly paid Unit remains personally liable to pay any outstanding balance, including interest and costs, notwithstanding that the Responsible Entity has disposed of the Units by reason of an unpaid call.

Small Holdings

While the Units are Officially Quoted, the Responsible Entity may in its discretion sell or redeem any Units held by a Unitholder which comprise less than a marketable parcel (as that term is defined in the Listing Rules) without request by the Unitholder.

Annexure C

Corporate Governance arrangements of Prime Trust

The following outlines the main corporate governance practices in place for APCH in its role as Responsible Entity of Prime Trust. The Responsible Entity must ensure it acts in the best interests of Unitholders and that the activities of Prime Trust are conducted in a proper and efficient manner.

Prime Trust is a Managed Investment Scheme whose activities are governed by the Prime Trust Constitution as well as requirements set out in the Corporations Act 2001 and the Listing Rules. The latter requires listed entities to address the recommendations of the ASX Corporate Governance Council and to disclose the extent of compliance with these recommendations.

The overall goals of the corporate governance process are to:

- Deliver corporate and operational performance against set objectives;
- Assure a prudential and ethical base to Prime Trust's conduct and activities; and
- Ensure compliance with Prime Trust's legal and regulatory obligations.

(a) Functions and Responsibilities of APCH's Board of Directors

The Board will, in conjunction with the Prime Trust Manager, guide the development of strategies for Prime Trust, set and review Prime Trust's strategic objectives and monitor the performance of Prime Trust against those objectives.

The Board has established a Board Charter. This includes the following responsibilities:

- Review the performance of the Prime Trust Manager;
- Provide input as to the Prime Trust Manager's strategy;
- Review and if appropriate approve significant functions;
- Oversee the operations of APCH, especially in respect of risk management and compliance; and
- Review all established policies and maintain required committees established under those policies.

Directors are able to seek independent professional advice on matters relating to Prime Trust, including matters relating to the discharge of its obligations, the cost of which may be borne by APCH, or where permitted, Prime Trust.

The remuneration of APCH in its capacity as Responsible Entity is regulated by the Prime Trust Constitution. The fees of the non-executive directors are not paid by Prime Trust. Executive directors are employed by entities associated with the owner of APCH, with their

services provided by contractual agreements. For these reasons no Remuneration Committee has been established.

(b) Composition of APCH's Board of Directors

APCH commits to the following principles:

- A Board comprising directors with a blend of skills, experience and attributes appropriate for APCH and its business; and
- The principal criterion for the appointment of new directors being their ability to add value to the business.

The Board will be headed by an independent non-executive director.

Since 1 July 2007 the current Board has comprised 7 persons being 3 non-executives and 4 executives. The four executives have been responsible for the successful development of Prime Trust and their knowledge and skills are vital for the on-going growth of Prime Trust. At this time, it is felt that appointment of sufficient numbers of non-executive directors to result in a majority would not be cost effective or efficient. It is a long term objective to have a Board with a majority of independent non-executives, to comply with ASX Corporate Governance recommendations.

At the appropriate time, the Board will consider establishing a nomination committee comprising of non-executive Board members to consider new appointments.

As required by the Corporations Act, the Board has in place a Compliance Plan with a Committee of independents to oversee the operations of the Trust. This is described in the next section

(c) Compliance Plan and Compliance Committee

The Responsible Entity has prepared, and ASIC has registered, a Compliance Plan which sets out procedures that the Responsible Entity will apply in operating Prime Trust to ensure compliance with the Corporations Act and the Prime Trust Constitution. A summary of the principal terms of the Compliance Plan is set out below.

The Responsible Entity is required to adhere to the Compliance Plan that seeks to ensure compliance by the Responsible Entity with the Corporations Act and the Prime Trust Constitution by prescribing principles and procedures for the Responsible Entity to adopt in the management of Prime Trust.

The Compliance Plan identifies the personnel, the structure and the duties of the Responsible Entity as a whole as well as the duties of each officer. It also describes procedures and systems for the Responsible Entity to implement concerning various aspects of the management function.

These aspects include:

- meetings and reports of the Compliance Committee;
- the safekeeping and inspection of records;
- valuation of Prime Trust's properties;
- engagement of external service providers;

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- payment of fees;
- receipt of subscription money and its use to purchase properties;
- maintenance and audit of books of account;
- reporting to Unitholders;
- handling, collecting and dealing with money received for the Trust;
- the requirement that all staff of the Responsible Entity are to become familiar with, and comply with, the Compliance Plan; and
- the requirement that the Responsible Entity is to maintain an appropriate level of professional indemnity and fidelity insurances in respect of its operations.

A Compliance Committee has been established to monitor compliance by the Responsible Entity with the Compliance Plan and report any breaches to the Responsible Entity and otherwise report to the Responsible Entity on a regular basis.

The Compliance Committee is to report to ASIC if the Responsible Entity does not address any issues raised in an adverse report issued by the Compliance Committee to the Responsible Entity. The Compliance Committee members must disclose all their interests (if any) relating to the Trust. The Compliance Committee will assess the Compliance Plan at least quarterly to determine whether it is adequate, report to the Responsible Entity on the assessment and make recommendations to the Responsible Entity about any changes to the Compliance Plan.

(d) Complaints Resolution

APCH seeks to resolve potential and actual complaints over the management of the Prime Trust to the satisfaction of unitholders. If an investor wishes to discuss any aspect of the management of Prime Trust or wishes to lodge a formal complaint, please write or telephone APCH:

Australian Property Custodian Holdings Limited

Level 2, 613 St Kilda Road

Melbourne VIC 3004

Email: penny@primetrust.com.au

Phone: (+61) 2 8280 7732

Contact Person: Penny Berkshire

The Responsible Entity will promptly acknowledge any complaint received from a Unitholder, investigate it and decide in a timely manner any action that needs to be taken. If APCH is unable to resolve your complaint, the Responsible Entity has established a formal complaints resolution process using the services of the:

Financial Industry Complaints Service Limited (FICS)
PO Box 579
Collins Street West
Melbourne VIC 8007
Telephone: 1300 780 808
Fax: (03) 9621 2291
Email: fics@fics.asn.au

Please include the Australian Property Custodian Holdings Ltd FICS membership number with your enquiry: F1682.

FICS may, at its discretion, decide that it will not deal with complaints by certain investors because they are wholesale clients for the purposes of the Corporations Act.

(e) Audit and Risk Management Committee

The Audit and Risk Management Committee meetings will be held periodically throughout the year. It is the policy of the Board that where possible the members of the Audit and Risk Management Committee shall be non-executive directors, with the majority being independent.

The Audit and Risk Management Committee will co-ordinate its functions with the Compliance Committee to minimise duplication of activities. It is the intention that the two Committees meet jointly at least twice a year.

The Audit and Risk Management Committee will comprise at least two members, with at least one member qualified in accounting or finance. The Chairman of APCH will not be the chairman of the Audit and Risk Management Committee. The Chairman, Company Secretary, Chief Financial Officer and Auditors may attend the Audit and Risk Management Committee meetings by invitation.

The main functions of the Audit and Risk Management Committee will be to:

- Assess the appropriateness of accounting policies, practices and disclosures and whether the quality of financial reporting is adequate and in accordance with all statutory compliance requirements;
- Ensure financial information provided to the Board and Unitholders is accurate and reliable;
- Review the scope and results of internal, external and compliance audits;
- Maintain open lines of communication between the Board and external auditors;
- Review annually the relationship between the external auditor and Prime Trust to ensure auditor independence is maintained;
- Review and report to the Board on the annual report and financial statements;
- Regularly review its own performance, processes and composition;
- Assess the adequacy of internal controls and make informed decisions regarding compliance policies, practices and disclosures; and
- Nominate the external auditor.

(f) Continuous Disclosure

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Prime Trust has a policy that all Unitholders have equal access to Prime Trust's information and procedures to ensure all price sensitive information is disclosed to Unitholders in accordance with the continuous disclosure requirements of the Corporations Act. All disclosures will be immediately posted on Prime Trust's website.

(g) Communications with Unitholders

The Board aims to ensure that Unitholders are informed of all major developments affecting Prime Trust in a timely fashion. Information will be communicated in a variety of ways as follows:

- The full Annual Report will be distributed to each Unitholder (unless there is a specific request from a Unitholder not to do so);
- A half-yearly report containing summarised information and a review of operations will be lodged with ASIC;
- Notices of all Unitholder meetings will be provided to all Unitholders;
- Regular updates will be undertaken and provided to Unitholders; and
- All documents released publicly will be made available on Prime Trust's website.

The Responsible Entity, as a disclosing entity, will be subject to regular reporting and disclosure obligations. The Responsible Entity must also comply with all laws and the Listing Rules as they relate to information or documents to be provided to Unitholders. Copies of documents lodged with ASIC in relation to Prime Trust may be obtained from, or inspected at, an ASIC office.

Unitholders also have the right to obtain a copy of each annual report, half yearly report, and any continuous disclosure notice from Prime Trust free of charge. Documents will be provided within five (5) days of the Responsible Entity receiving a request from the Unitholder.

(h) Conflicts of Interest

The Responsible Entity has adopted a conflicts policy which sets out how any conflicts are to be managed and dealt with to ensure that the interests of Unitholders are protected in the event that a potential conflict of interest arises between Prime Trust and the Responsible Entity, its directors or others involved in the management of Prime Trust.

The conflicts policy defines a "conflict of interest" as a circumstance where some or all of the interests of the members of Prime Trust to whom APCH has fiduciary obligations are inconsistent with, or diverge from, some or all of the interests of APCH or its directors. This would include actual, apparent and potential conflicts of interest.

If any director of APCH is aware of any actual or potential conflict of interest between that director's interest as a director of APCH, and that director's interests personally or through any other entity, the director must forthwith disclose the circumstances of that conflict to the Board of APCH. The Board will consider the disclosed conflict and, if appropriate, may request that consideration of the matter be made in the absence of the director that has disclosed the conflict. The remaining directors must deal with the conflict in a manner that satisfies the interests of the members of Prime Trust. If the Board is unable to effectively

determine the action to be taken, it shall refer the matter to the external Compliance Committee for assistance.

A copy of the Conflicts Policy may be inspected at the office of the Responsible Entity.

(i) Securities Trading

The Responsible Entity has adopted a securities trading policy that applies to trading in Units by any director or officer of the Responsible Entity or their associates.

The securities trading policy imposes restrictions on directors, officers and their associates in respect of dealing in any Prime Trust Units at a time they possess information which is price sensitive in relation to Prime Trust Units. The policy allows trading within specific periods of time after the release of financial information under periodic reporting requirements to ASX.

A copy of the Securities Trading Policy may be inspected at the office of the Responsible Entity.

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Annexure D

Sections of the Prime Trust June 2007 PDS incorporated by reference

Pursuant to section 636(1)(ga) of the Corporations Act, APCH is required to disclose in the Bidder's Statement all material that is required to be included in a product disclosure statement. Pursuant to regulation 7.9.15DA of the *Corporations Regulations 2001* (Cth), this Bidder's Statement incorporates by reference provisions of the Prime Trust June 2007 PDS set out in the table below. Please refer to the Prime Trust June 2007 PDS for such references.

Section of Prime Trust June 2007 PDS that is incorporated	Page(s) of Prime Trust June 2007 PDS where section located	Qualification on incorporated information
Section 2.4 - Potential Significant Benefits of Investing	10	
Section 2.5 - Potential Significant Risks of Investing	10	
Section 2.6 - Borrowings	10	
Section 4 (entire section) - Risk Factors	16 - 19	Excluding section entitled Third Party Call Option as that option was exercised
Section 5 (entire section) - Industry Overview	20 - 25	
Section 6.1 to 6.7- Prime Trust's Property Portfolio	26-39	<p>Section 6.2: Primelife Corporation Ltd is now called Babcock & Brown Communities Ltd.</p> <p>Section 6.3: SCV is no longer involved in the management of these properties as the proposed sale of management rights to Village Life did not proceed. Village Life Ltd has changed its name to Fig Tree Developments Ltd.</p> <p>Section 6.4: The put and call options described in this section were exercised.</p> <p>Brentwood property was acquired with effect from 1 September 2007.</p> <p>Section 6.5: Contracts have been executed to acquire two additional properties. Tarneit Skies at Hoppers Crossing (159 units due for completion in 2009) and Seabreeze at Phillip Island (212 units to be constructed).</p>
Section 10 - Taxation Report	84 - 89	
Section 12.1.2. – Management Agreement	95-97	

Section of Prime Trust June 2007 PDS that is incorporated	Page(s) of Prime Trust June 2007 PDS where section located	Qualification on incorporated information
Section 12.1.5 - Retirement Guide Operating Agreements	97	The Responsible Entity exercised its option under the Call Option as a result of which the management arrangements at certain Prime Trust Retirement Villages were restructured with effect from 30 July 2007 putting into effect the documents referred to in clause 6.4 of the Prime Trust June 2007 PDS. Retirement Guide Management Pty Ltd (in the Prime Trust June 2007 PDS referred to as Retirement Management Pty Ltd or "RM") exercised call options, entered into a Purchase Agreement with Retirement Guide and acquired the operating subsidiaries on 11 September 2007. RM then appointed Retirement Guide Pty Ltd as Sub-Manager for an initial term to 30 June 2008 which has now been extended to 31 December 2008.
Section 12.1.6 Primelife Corporation Lease	100-101	Primelife Corporation Ltd is now called Babcock & Brown Communities Ltd
Section 12.1.7 – SCV Group Management Agreements	101	SCV is no longer involved in the management of these properties as the proposed sale of management rights to Village Life did not proceed. Village Life Ltd has changed its name to Fig Tree Developments Ltd.
Section 12.1.8 – Deed of Appointment of Approved Provider	102	
Section 12.1.9 - Voluntary Restriction Deed	103	
Section 12.2 - ASX Waivers	103 - 104	
Section 12.5 – Information about Prime Trust	105	
Section 12.5 – Privacy	108	

To obtain a copy of the Prime Trust June 2007 PDS during the Offer Period interested persons may telephone the Prime Trust Offer information line on 1 800 134 068 (toll-free within Australia) or on +612 8280 7732 (from outside Australia) or alternatively obtain this information from Prime Trust's website (www.primetrust.com.au).

Corporate Directory

Responsible Entity of Prime Trust

Australian Property Custodian Holdings
Limited

(ABN 74 095 474 436) (AFSL 226692)

Level 2
613 St Kilda Rd
Melbourne VIC 3004

Telephone: (03) 9533 7888

Facsimile: (03) 9533 7921

Directors of the Responsible Entity

The Honourable Dr Michael Wooldridge
(Chairman)

Philip Powell (Managing Director)

Mark Butler

Peter Clarke

Anthony Hancy

Kim Jaques

Neil Rodaway

Company Secretary

Mahanthran Krishnan

Manager

APCH Administrators Pty Ltd

Level 2
613 St Kilda Rd
Melbourne VIC 3004

Lawyers to the Responsible Entity

Madgwicks

Level 33
140 William Street
Melbourne VIC 3000

Telephone: (03) 9242 4744

Facsimile: (03) 9242 4777

Auditors

Pitcher Partners

Chartered Accountants

Level 19

15 William Street

Melbourne VIC 3000

Telephone: (03) 8610 5000

Facsimile: (03) 8610 5999

Corporate Adviser

Kidder Williams Limited

Level 35

101 Collins Street

Melbourne Victoria 3000

Telephone: (03) 9246 4200

Fax: (03) 9246 4201

Registry

Link Market Services Limited

Level 1, 333 Collins Street

Melbourne Vic 3000

Information line:

1800 134 068 (Australian callers)

(02) 8280 7732 (overseas callers)

Website

www.primetrust.com.au

Need help?

Contact Prime Trust Offer Information Line
Phone 1800 134 068 (from within Australia)
Phone +61 2 8280 7732 (from outside Australia)

The Prime Retirement & Aged Care Property Trust
("Prime Trust")
ARSN 097 514 746

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910

Babcock & Brown Communities Group Shares
held as at 15/09/2008 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Controlling Participant's Name *Broker's Name printed here*

Advisor Name:	Contact Number:
---------------	-----------------

Transfer and Acceptance Form – CHES Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your controlling participant to accept the Offer

Mark this box to accept the Offer

Full number of your Babcock & Brown Communities Group Shares the subject of acceptance of the offer

[number of Shares]

As a result of this acceptance this number of my Babcock & Brown Communities Group Shares would be transferred

[calc of 40%]

Being 40% of all my holding

C Contact details

Write the business hours telephone (mobile) number and the name of the person to contact about this Acceptance Form.

Telephone Number where you can be contacted during business hours

() | | | | | | | | | |

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Babcock & Brown Communities Group Shares and hereby agree to transfer to Prime Trust 40% of our Babcock & Brown Communities Group Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN/HIN



Broker PID



Holding

BBCT TKO004



For personal use only

Further Important Instructions

Your Babcock & Brown Communities Group Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither [Bidder], nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated 04/09/2008 which accompanies this Acceptance Form. Terms are defined in Section 10 of the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
 - **Please note** your consideration will be issued in the names as they appear on the Babcock & Brown Communities Group register.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
 - **Joint shareholders:** If your Babcock & Brown Communities Group Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Information you supply on this Acceptance Form will be used by Prime Trust and Link Market Services Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Prime Trust's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you fail to supply this information, your acceptance may not be processed and you may not receive the consideration payable. You have rights to obtain access to the personal information which you have supplied. Please see Link Market Services Limited's privacy policy on its website www.linkmarketservices.com.au.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mail to:	or	Deliver in person to:
Link Market Services Limited		Link Market Services Limited
Babcock & Brown Communities Group Takeover		Babcock & Brown Communities Group Takeover
Locked Bag A14		Level 12, 680 George Street
SYDNEY SOUTH NSW 1235		SYDNEY NEW SOUTH WALES
- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Prime Trust Offer Information Line on the following numbers:

**within Australia: 1800 134 068
outside Australia: +61 2 8280 7732**

Further Important Instructions

Your Babcock & Brown Communities Group Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated 04/09/2008 which accompanies this Acceptance Form. Terms are defined in Section 10 of the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Babcock & Brown Communities Group Share Registry.
 - **Please note** your consideration will be issued in the names as they appear on the Babcock & Brown Communities Group register.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
 - **Joint shareholders:** If your Babcock & Brown Communities Group Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
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Mail to:

Link Market Services Limited
Babcock & Brown Communities Group Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Deliver in person to:

Link Market Services Limited
Babcock & Brown Communities Group Takeover
Level 12, 680 George Street
SYDNEY NEW SOUTH WALES

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm on the last day of the Offer Period.

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