

## Notice to Unitholders

### Supplementary Explanatory Memorandum

in relation to resolutions to be considered at a meeting of members of BrisConnections Investment Trust and BrisConnections Holding Trust in Brisbane on 14 April 2009

**NOTE TO UNITHOLDERS:**

**THIS SUPPLEMENTARY EXPLANATORY MEMORANDUM CONTAINS IMPORTANT FINANCIAL INFORMATION WHICH HAS NOT PREVIOUSLY BEEN PROVIDED TO UNITHOLDERS.**

**INFORMATION INCLUDED IN THIS SUPPLEMENTARY EXPLANATORY MEMORANDUM MAY IMPACT ON UNITHOLDERS' DECISION TO VOTE "FOR" OR "AGAINST" THE RESOLUTION TO WIND UP BRISCONNECTIONS INVESTMENT TRUST AND BRISCONNECTIONS HOLDING TRUST WHICH RESOLUTION IS TO BE CONSIDERED BY MEMBERS AT THE MEMBERS MEETING ON 14 APRIL.**

**UNITHOLDERS SHOULD READ THIS SUPPLEMENTARY EXPLANATORY MEMORANDUM CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN BY YOU, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

Issued by BrisConnections Management Company Limited (ACN 128 614 291) as Responsible Entity of BrisConnections Holding Trust (ARSN 131 125 025) and BrisConnections Investment Trust (ARSN 131 124 813)

## Purpose of this Supplementary Explanatory Memorandum

Unitholders would be aware that a meeting of members of BrisConnections Investment Trust and BrisConnections Holding Trust (collectively the "Head Trusts") has, in accordance with an order of the Victorian Supreme Court, been called by BrisConnections Management Company Limited ("BMCL") as responsible entity ("RE") of the Head Trusts. This meeting will be held on **14 April 2009 at 10.00am at the Brisbane Convention Centre, cnr Merivale and Glenelg Streets, South Bank ("14 April Brisbane Meeting")**. A notice of meeting setting out further details regarding the 14 April Brisbane Meeting has been despatched by BCML on 7 April 2009 as a matter of urgency.

At the 14 April Brisbane Meeting, unitholders will be asked to vote on:

- A special resolution to wind up the Head Trusts (**Winding Up Resolution**); and
- A series of special and ordinary resolutions which seek to amend the Constitutions of the Head Trusts, postpone payment of the second instalment and remove and replace BMCL as RE of the Head Trusts.

The purpose of this document is to provide unitholders with important information which may help them to make a better informed decision on whether to vote "for" or "against" the Winding Up Resolution at the 14 April Brisbane Meeting. Accordingly this document sets out an explanation of:

- i) the grounds upon which Directors have formed the view that it is reasonable to consider that there is a long term positive value in the Head Trusts and that accordingly it is in the interests of unitholders to vote against the proposal to wind up the Head Trusts. These grounds are summarised in the section of this supplementary explanatory memorandum headed "Going Concern Value" and set out in more detail in Attachment 1; and
- ii) the likely financial position of the Head Trusts, in the opinion of the Directors, in the event the Winding Up Resolution is passed by members and the implications this could have on unitholders in respect of their obligation to pay the second and third instalment. This is summarised in the section of this supplementary explanatory memorandum headed "Position in the event of the winding up of the Head Trusts" and set out in more detail in Attachment 2.

The Directors believe that having been provided with this information unitholders may be able to better determine for themselves whether it is in their own best interests to vote for or against a winding up of the Head Trusts. The Directors appreciate that much of the information provided in this supplementary explanatory memorandum is of a detailed financial nature and strongly urges unitholders to seek professional advice as appropriate.

### Going Concern Value

The Directors of BMCL as RE of the Head Trusts stated in the Notice of Meeting and Explanatory Memorandum issued by BMCL on 5 March ("EM"), that they believed that it is reasonable to expect that there will be real economic value in the Project and therefore in the Head Trusts' securities following payment of the next two instalments. Your Board continues to believe unitholder value will be maximised by completing the Airport Link tollroad and retaining access to the long term cash-flows of the project.

As stated in the EM, BrisConnections has re-run the Base Case Financial Model with changes to the original assumptions appropriate in the context of the ongoing and changing financial conditions in Australia and worldwide. These changes are set out in Attachment 1. Unitholders should note that the Base Case Financial Model is a financial model that was used for BrisConnections' bid to obtain the Airport Link concession from the State of Queensland ("State") and was annexed to the Project Deed with the State. It was fully described in the Product Disclosure Statement issued by BMCL and dated 24 June 2008 ("PDS"), a copy of which remains available on the BrisConnections website ([www.brisconnections.com.au](http://www.brisconnections.com.au)).

The output of the revised model with the updated assumptions set out in Attachment 1 demonstrates that the Airport Link project produces positive cash-flows and should meet its current debt covenants and debt financing obligations and make distributions to unitholders from completion of construction. Specifically key outputs from the revised model were:-

- For an investor who invested at the time of the initial public offering (“IPO”) pursuant to the PDS, subsequently paid the additional \$2.00 in instalments and remained in the Distribution Reinvestment Plan (“DRP”), the pre- investor tax Internal Rate of Return (“IRR”) is 15.5% (previously 17% as per PDS)
- For an investor who invested at the time of the IPO pursuant to the PDS, subsequently paid the additional \$2.00 in instalments and opted out of the DRP, the pre-investor tax IRR is 15.21%
- For an investor who acquired units at \$0.001, subsequently paid the additional \$2.00 in instalments and also opted out of the DRP , the pre- investor tax IRR is anticipated to be 19.56%
- At a discount rate of 20%, the total distributions pre-investor tax are anticipated to be \$1.77. At that discount rate, the Net Present Value (“NPV”) of the distributions for various periods for the 45 year concession term are:-

Period	NPV of distributions (\$’)
1 April 2009 to 30 June 2012	\$0.00
1 July 2012 to 30 June 2020	\$1.11
1 July 2020 to 30 June 2030	\$0.56
1 July 2030 to 30 June 2040	\$0.08
1 July 2040 to 30 September 2053	\$0.02
Total Period	\$1.77

Note:

- Unitholders should read Attachment 1 for full details in respect of the assumption changes and relevant definitions.
- ***The provision of this information is based on best estimate assumptions prepared or received by BMCL. While these best estimate assumptions are considered reasonable at the time of preparing this supplementary explanatory memorandum, you should appreciate that many factors that may affect the results of the investment are outside the control of the Directors or may not be capable of being foreseen or accurately predicted. The uncertainties are particularly relevant for BrisConnections as the Airport Link project is in its construction phase and will generate income only after construction is completed and tolling commences. This is not expected to occur until June 2012.***
- ***Actual net cash-flows may vary materially from those output from the model with resultant changes to actual IRR’s and NPVs. Further explanation as to what an “IRR” or “NPV” is is included in Attachment 1 below.***
- Unitholders should note that the IRR and NPV calculation will not directly determine the return received by unitholders on their investment. The actual return to unitholders will depend on the amount which the unitholder will obtain on the eventual sale of their units, together with any distributions received by unitholders during the period of ownership. The market value of units at any given time cannot be predicted, however it is reasonable to assume that over the longer term, the market value may have reference to the IRR and the NPV generated by the project.
- Unitholders should also note and carefully consider that the current market value of comparable ASX listed toll roads which have reached completion is presently less than their disclosed net assets. The IRR and NPV calculations give an indication of long term value and this will not necessarily be reflected in the market value of units in the Head Trusts at any given time.
- Directors have determined to disclose the outcome of the re-run of the model to demonstrate to unitholders the basis under which the Directors remain confident of the ability of the Airport Link project to generate long term returns for unitholders. Unitholders should note that the nature of the information provided is inherently uncertain as the IRR and related calculations are based on assumptions over the life of the Airport Link project which is some 45 years. **Unitholders should also be aware that this data does not constitute the provision of financial product advice. Unitholders are strongly encouraged to consult a professional adviser if they are unclear as to this information.**

## Position in the event of the winding up of the Head Trusts (but excluding its subsidiaries)

The Directors believe, as stated in the EM, that on a consolidated basis, that there would be a net deficiency of assets on a winding up. However, in the event of a winding up the legal position of the Head Trusts requires particular consideration, and the Directors have therefore sought to obtain and provide to unitholders additional information in respect of the financial position of the winding up of the Head Trusts on a standalone basis.

A detailed analysis of the assets and liabilities of the Head Trusts is set out in Attachment 2. This analysis has been undertaken in conjunction with Deloitte Touche Tohmatsu who have issued a report to the Directors detailing the assumptions utilised to arrive at the estimated deficiency after receipt of the second instalment. That analysis estimates that as at 9 April 2009:

- a) the total assets of the Head Trusts will be \$48.7 million (excluding the Second Instalment and the Third Instalment).
- b) the total liabilities of the Head Trusts will be \$488.8 million.
- c) accordingly, the deficiency in the Head Trusts (before the Second Instalment and the Third Instalment have been paid) will be \$440.1 million or between \$1.12 to \$1.13 per partly paid stapled unit.
- d) Following the receipt of the Second Instalment of \$390.167 million, there would on this basis be a deficiency in the Head Trusts (before the payment of the Third Instalment has been paid and prior to additional costs being incurred) of a nominal \$49.9 million or between \$0.12 to \$0.13 per partly paid stapled unit before other claims and costs are considered

Although these figures were calculated as of 9<sup>th</sup> April, no material changes are expected to take place between then and the 15<sup>th</sup> April which is the first business day following the 14 April Brisbane Meeting at which the Winding Up Resolution is to be put to and voted on by members.

That estimate for liabilities of \$488.8 million does not account for the potential liabilities of the Head Trusts to counterparties of the project documents such as the major lenders under the Syndicated Facilities Agreement, the design and construction contractor and the State of Queensland, or certain members of the BrisConnections Group (in particular, BrisConnections Operations Pty Ltd and BrisConnections Finance Pty Ltd) in respect of claims which might be made by those entities for losses suffered as a consequence of the winding up of the Head Trusts. There are no means of assessing whether any such claims, which the Directors believe could exceed several hundred million dollars, would be successful or what the quantum of the exposure arising from those causes of action will be.

The RE of the Head Trusts would defend any claims that arise and would obviously incur legal costs in doing so. Although the risk of such claims cannot be stated with any certainty, the Board does consider that there is a genuine possibility of such claims arising.

In respect of the position of unitholders, the Directors believe that if the Winding Up Resolution is passed, unitholders remain legally obliged to meet calls made in respect of the two outstanding instalments. Directors believe that unitholders will be required to pay the full \$1.00 second instalment and that following the application of that payment to the liabilities of the Head Trusts there will remain a deficiency in the net assets of the Head Trusts. Current estimates indicate that this deficiency will correspond to between \$0.12 to \$0.13 per partly paid stapled unit. This deficiency will increase by the likely substantial costs of winding up, the defence of any claims against the Head Trusts (including potentially claims brought by debt financiers, the design and construction Contractor and/or the State of Queensland), and any payment in respect of such claims should they ultimately be successful. As BMCL is not able to determine the nature or quantum of claims that may be brought against the Head Trusts it is not in a position to conclusively state whether more than \$0.12 to \$0.13 per partly paid stapled unit will be required from unitholders. The manner in which unitholders may be required to make contributions in respect of the third instalment is also unclear. That is, it is uncertain whether BMCL would need to call the full third instalment of \$1.00 and then refund any excess to unitholders, or whether BMCL would be able to make a call of between \$0.12 to \$0.13 per partly paid stapled unit and then make subsequent call(s) if the liabilities of the Head Trusts were to increase as such claims were made and settled.

Unitholders should be aware that if the Winding-Up Resolution is passed, BMCL as RE of the Head Trusts will likely be the party responsible for the process of terminating and winding-up the Head Trusts in accordance with the procedures set out in the Corporations Act and the Head Trusts' Constitutions. Practically this will require BMCL to sell, if possible, the assets of the Head Trusts and pay any outstanding liabilities of Head Trusts. However, it is unlikely that BMCL would be able to sell the assets of the Head Trusts, which primarily consist of investment in subsidiary entities that hold the concession from the State to build and operate the Airport Link toll road, to any other party. This outcome is because if the Winding Up Resolution is passed, it will lead to various adverse consequences with the result that the Head Trusts and various contracting entities such as BrisConnections Operations Pty. Ltd and BrisConnections Finance Pty. Ltd will be in breach of the Project documents and likely cause the termination of the concession.

## Other Matters

### a) Hedge Exposures

BrisConnections has prudently fixed 100% of its interest rate exposure during the construction period. In addition, it has fixed 80% of its term debt until 2018. The purpose of fixing its interest rates was to ensure that it minimised the risk, particularly during the construction period, when it was reliant on fixed drawdown amounts from its lenders and from the second and third instalments.

The hedge transactions were fully disclosed in the PDS (see for example page 94) and were also a requirement of the borrowings undertaken by the Head Trusts and relevant operating entities.

The mechanism for fixing the interest rates was through a derivative transaction called a swap or hedge.

These derivative transactions are re-valued on a regular basis and the revaluation amount is effectively the net present value of the benefit received or foregone as a result of movements in interest rates up (benefit) or down (cost). As at 31 December 2008, the benefit foregone as a result of the decline in interest rates was \$476 million. This amount was stated in the Interim Financial Report for the period ended 31 December as disclosed to the market on 3 February 2009.

As at 31 March 2009, this foregone benefit had reduced to \$357.2 million due to an upward shift in the interest rate yield curve over the term of the swaps.

This is not a loss to BrisConnections, nor has BrisConnections made a "bet" in the interest rate markets. An actual loss would only occur should BrisConnections default on its loan or swap obligations. The profit and loss account of BrisConnections is not impacted by these revaluations. There is no cash impact associated with the revaluation – BrisConnections purely meets its total fixed interest obligation on each interest payment date.

Because BrisConnections has loans equal to or greater than derivative transactions, the hedges are treated as effective hedges. While revaluations will occur regularly, at the completion of each hedge, the revaluation will have reversed out to zero.

***Should the winding up of the Head Trusts proceed, the hedge transactions would be terminated and the revaluation would then crystallise as losses owing to the relevant counterparty banks at both the Head Trust level and at the relevant operating entity level.***

***If the winding up of the Head Trusts does not proceed, and construction of the Project is completed as anticipated in June 2012, there will be no loss to either the Head Trusts or the relevant operating entities.***

### b) Solvency

The Head Trusts are and remain solvent. As is appropriate, the Directors make regular considered determinations to consider and confirm that the Head Trusts can meet their debts as and when they fall due.

**c) Clarification of statements made in letter to unitholders dated 27 March 2009**

- i) Statement regarding the likely breaches and defaults in the event of winding up and their significance for unitholders

In page 3 of this letter to unitholders the Directors of BMCL made the following statement:

*“However taking a conservative approach, the probable outcome of member’s passing the winding up resolution is that the Trusts would be in breach of, or in default under, various project documents and debt financing facilities. These breaches / defaults would then give rise to grounds on which the counterparties to these documents could bring actions against the Trusts (and/or other BrisConnections’ entities) and terminate the key project documents, including the Project Deed under which the State of Queensland grants the Airport Link concession.”*

This statement was intended to highlight to unitholders that a consequence of a winding up of the Head Trusts would be that as well as the Head Trusts being in breach of or in default under certain project documents such as the IPO Equity Bridge Facility and the Underwriting Agreement (which each form an essential basis of the funding of the Airport Link project), certain other entities within the BrisConnections group would also be in breach of or in default under the various project documents to which they are parties. Significantly these entities would include BrisConnections Nominee Company Pty Ltd (as trustee for BrisConnections Asset Trust) and BrisConnections Operations Pty Ltd who are the parties to the Project Deed pursuant to which the State of Queensland granted the concession to design, construct, operate, maintain and finance the Airport Link tollroad. These same entities (as well as BrisConnections Contracting Pty Limited and Northern Busway Contracting Pty Limited) are also parties to the design and construction contract pursuant to which Thiess Pty and John Holland Pty Ltd were engaged to design and construct the Airport Link tollroad and the senior debt facilities.

Breach of or default under these documents is relevant to unitholders of the Head Trusts as the likely consequence of these breaches and/or defaults is a termination of the project documents by the relevant counterparties. This in turn would mean that these subsidiary entities would be of little economic value in the event of the winding up, for as the Airport Link project is still in its construction phase, such contracts are these entities’ main assets. This position is reflected in the “Estimated Statement of Aggregated Assets and Liabilities of the Head Trusts” set out in Attachment 1 which, as unitholders will see, attributed no value to the investments in controlled entities. As such the only likely asset of the Head Trusts in the event of a winding up is the cash reserves held by the Head Trusts.

- ii) Statement regarding the likely position of Leighton Holding Limited and Mirvac Limited on a winding up

On page 8 of this letter an explanation is given as to the relationship between Leighton Holdings Limited (Leightons), Mirvac Limited (Mircac) and BrisConnections. As specified in the letter to unitholders and in the PDS, Leighton subsidiaries will design and construct the Airport Link tollroad. A winding up of the Head Trusts is expected to be detrimental to these subsidiaries (and in turn Leightons) as it is contemplated that a winding up may lead to the termination of the concession and the design and construction contract. In these circumstances it would be expected that Leightons would suffer loss of revenue and or profits. BMCL is not in a position to quantify these amounts but they are likely to be substantial. Mirvac does not have a direct investment in the project.

Leightons and Mirvac are the ultimate joint owners of BMCL and would likely also incur losses in the event that BMCL is removed or replaced as RE of the Head Trusts as management fees that these entities were otherwise be entitled to as the ultimate owners of BMCL would not longer be available.

Your Board continues to believe unitholder value will be maximised by completing the Airport Link tollroad and retaining access to the long term cash-flows of the project. The prospects and attractions of your investment in BrisConnections remain

- Airport Link is located in the fastest growing city in Australia
- Brisbane is suffering from critical transport capacity constraints
- The project remains fully funded with all funding requirements underwritten
- Construction is on schedule to meet its contractual completion date and is on budget

By order of the Board

Nick Lattimore  
Chief Financial Officer

8 April 2009

## Attachment 1

### GOING CONCERN FINANCIAL PROJECTIONS

#### 1. Ongoing value.

The Directors believe that it is reasonable to expect that there will be real economic value in the Project and therefore the securities in the Head Trusts following payment of the next two instalments.

In the Product Disclosure Statement issued by BMCL on 24 June 2008 ("PDS"), reference was made to a "Base Case Equity Return". This was defined as a nominal internal rate of return ("IRR") of 17% (post BrisConnections tax, pre-investor tax for an investor ("Investor") who invested in the Initial Public Offering ("IPO"), made the subsequent two \$1.00 instalment payments on the due dates (29 April 2009 and 29 January 2010), participated in the Distribution Reinvestment Plan ("DRP") and held the stapled units until the end of the 45 year Concession Period. The figure of 17% was sourced from a Base Case Financial Model which was incorporated in the Project Deed between the State of Queensland, BrisConnections Operations Pty Limited (a subsidiary of BrisConnections Holding Trust ), and BC Trustee (being BrisConnections Nominee Company Pty Limited as Trustee for the BrisConnections Asset Trust which is a subsidiary of BrisConnections Investment Trust ).

Section 9.6 of the PDS was headed "Key assumptions in Base Case Financial Model" and stated the following:

***BrisConnections has made a number of key assumptions in formulating its bid for Airport Link and in building its Base Case Financial Model. While BrisConnections obtained advice from experts in various fields, actual outcomes may be different from the assumptions and in many cases the actual outcomes may be beyond the control of BMCL, the Board of BMCL and the management of BrisConnections.***

*The key assumptions made by BrisConnections relate to:*

- *Traffic outcomes*
- *Ramp-up*
- *Inflation*
- *Interest costs and hedging*
- *Refinancing and re-gearing; and*
- *Operating, administration, maintenance and capital expenditure.*

BrisConnections have re-run the Base Case Financial Model as defined in the PDS issued by BMCL in June 2008 with changes to the assumptions as set out below. After these adjustments the Base Case Equity Return to the Investor is 15.50% ("Revised Base Case Equity Return") which was previously 17% as per the PDS. For an investor who acquired units in BrisConnection post the IPO at a price lower than \$1.00 the nominal internal rate of return is higher. For example, for an investor who paid \$0.001 for their units but subsequently paid the remaining two \$1.00 instalments on the due dates, the adjusted IRR would rise from 15.5% to 19.9%.

BrisConnections is aware that the capping of its DRP, the reduction in the first distribution in respect of the period ended 31 December, 2008 and the current low unit price is likely to result in the typical investor being one who has opted out of the DRP to avoid payment of an additional instalment on the first and second distributions.

For this type of IPO investor the original Base Case Equity Return was 16.15% and under the revised Base Case incorporating the assumptions below, the Equity Return is 15.21%.

The output of the model demonstrates that the Project produces positive cash-flows and would meet its debt covenants and debt financing obligations post project completion.

In re-running the Base Case Financial Model, a detailed review of the key assumptions of the Project following the impact of the global financial crisis on financial markets and the flow on to the real economy was undertaken.

The assumption changes for the period up to 31 July 2018 were:-

- That there is no debt refinancing or re-leveraging of the Project debt during the tenor of the existing debt facilities (which expire in July 2018) and that the existing debt facilities remain in place until their respective maturity dates up to July 2018. The PDS had assumed that the existing debt facilities were refinanced on completion of construction in 2012 on an interest only basis at a credit margin of 0.90%. All other refinancing and re-leveraging assumptions as per PDS were left unchanged as the Directors believed that the credit markets would reasonably have moved back into a more normal situation by that time.

- That the Australian and Brisbane CPI assumptions are:-

Australian CPI assumption	Brisbane CPI Assumption	Period
1.75%	2.01%	1/01/09 to 30/06/09
2.50%	2.88%	1/07/09 to 31/12/09
2.75%	3.16%	1/01/10 to 30/06/10
2.50%	2.88%	1/07/10 to 31/12/10
2.00%	2.30%	1/01/11 to 30/06/11
2.50%	3.00%	1/07/11 to 31/12/13
3.00%	3.30%	1/01/14 to 31/12/18

In addition, the model was updated to include actual CPI movements from Financial Close to 31 December, 2008. The PDS had assumed that Brisbane CPI, (upon which the revenues and costs are escalated) would be 3.50% until 31 December, 2013 then declining to 3.30% for the period 1 January, 2014 to 31 December 2018. CPI assumptions post 2018 remain unchanged from the PDS.

- The interest rates from Completion of Construction are as per the following table:-

Facility	Facility Amount \$ million	Percent Hedged (%)	Hedged Base Rate (%)	Credit Margin (%)	Total Interest Rate (%)	Period
Term Debt Facility	2,928	80	7.454	2.25	9.704	1/07/12 to 30/6/14
				2.30	9.754	1/07/14 to 30/6/16
				2.35	9.804	1/07/16 to 31/7/18
Equity Bridge Facility	200	100	7.454	0.65	8.104	1/07/12 to 30/6/14

The revised model assumed un-hedged base rates for each of the calendar years from construction completion to 2018 as follows:

Year	Base Rate (%)
2012	5.16
2013	4.92
2014	5.24
2015	5.67
2016	5.47
2017	5.60
2018	5.79

This compared to the PDS assumption of a long term unhedged base rate of 5.95% for the same period.

- That a distribution of \$0.0005 is made for the period ended 31 December, 2008 and that a 2<sup>nd</sup> Distribution not exceeding 3.5% of the then market capitalisation is made for the period ended 30 June, 2009 and that participation in the Distribution Reinvestment Plan (“DRP”) is zero and that pursuant to the DRP Underwriting Agreement this results in 13.69 million units being issued in respect of the 2<sup>nd</sup> Distribution. No further distributions were assumed for the remainder of the Fixed Distribution Period. The term “Fixed Distribution Period” was used in the PDS to refer to the period during which BMCL intended to pay distributions at a fixed rate, namely until payment of the 12th distribution in relation to the semi-annual period ending 30 June 2014. (*Unitholders should note that however no decision or determination of distributions for the period ended 30 June 2009 or otherwise has been made by the Board and there is no guarantee that a decision or determination will be so made*).
- No change was made to the Ramp-Up or operating, administration, maintenance and capital expenditure as it was felt that these assumptions related to period more than three years from the re-run, and in respect of the costs, most were contractually fixed during construction and for a period of 5 years beyond completion.
- In respect of Traffic Outcomes, the PDS noted a number of factors which were taken into consideration in developing the traffic forecasts for the Project. These included the level of toll, population, employment and economic growth, road network capacity improvements, public transport mode share, lane capacities, traffic on Project feeder roads (including the Airport) and ramp-up profile.
- It is the Directors belief that Traffic Outcomes are a major risk in achieving revenue forecasts. Traffic Outcomes may be impacted by events and circumstances of the last nine months including the “global financial crisis”, lower cost of fuel, lower interest rates, higher unemployment rates, lower population growth, lower CPI movement and changes in inflation. Some of these factors are likely to have a positive impact on traffic outcomes while others a negative impact. Accordingly the Directors do not consider that there is sufficient conclusive evidence for them to make an assessment of the effect of these factors on traffic outcomes.

It may be useful for investors to understand what IRR means. Put simply, it is the discount rate applied to all of the cash-flows of an investment which results in the net present value of those cash-flows, including the investment itself, to be zero. A very simple example is to assume an investment of \$100 today and a return of \$117 in 1 year’s time. This investment has an IRR of 17%. It may also be helpful to introduce at this point the perspective of net present value (“NPV”). This is the current value of an investment discounting all of the cash-flows at a given discount rate. As per the previous example, if that discount rate was 17%, the NPV would be zero. If however, the discount rate was zero, then the NPV would be \$17.00. If the discount rate was 10%, then the NPV would be \$5.80.

Each investor is likely to have a different view as to what an appropriate discount rate is, based on their personal views in respect of the Project and its associated risks and benefits. The Directors consider the range of outcomes illustrated in the table below are appropriate in the current market.

The table below is included to assist investors to assess at different discount rates, what the NPV of the cash-flows to investors at the time of the IPO was and what it is based on the revised Base Case Financial Model.

PDS Base Case Financial Model for \$3.00 IPO Investor on a pre tax basis			Revised Base Case Financial Model for \$3.00 IPO Investor on a pre tax basis		
Discount Rate	Net Present Value of Equity Distributions as at 31 March, 2009	Net Present Value of Equity Distributions per Unit as at 31 March, 2009	Discount Rate	Net Present Value of Equity Distributions as at 31 March, 2009	Net Present Value of Equity Distributions per Unit as at 31 March, 2009
% per annum	\$ million		% per annum	\$ million	
25.0	\$955	\$1.67	25.0	\$495	\$1.10
20.0	\$1,327	\$2.24	20.0	\$795	\$1.77
15.0	\$2,008	\$3.27	15.0	\$1,378	\$3.05

Investors should note that these values may not be representative of the price at which the securities trade or are valued.

Unitholders should also refer to the full PDS for further disclosure information.

## Attachment 2

### ESTIMATED AGGREGATED ASSETS AND LIABILITIES OF THE HEAD TRUSTS IN THE EVENT OF WINDING UP

#### Introduction

The Directors of the BMCL have prepared an Estimated Statement of Aggregated Assets and Liabilities of the Head Trusts as at 9 April 2009 (the Financial Information). This information is set out in Figure 1 below based on the assumption that the following special resolution is passed by unitholders:

*that the BrisConnections Holding Trust and the BrisConnections Investment Trust commence to be wound up on the next business day following the date this resolution is passed*

Although these figures were calculated as of 9<sup>th</sup> April, no material changes are expected to take place between then and the 15<sup>th</sup> April which is the first business day following the 14 April Brisbane Meeting.

**Figure 1: Estimated Statement of Aggregated Assets and Liabilities of the Head Trusts on a winding up basis and excluding Contingent Liabilities, the cost of Winding Up and Claims as at 9 April 2009**

\$'m	Note	09 April 2009 Estimated \$'million	09 April 2009 Estimated cents per unit
<b>Liabilities</b>			
Accruals	2 (a)	(9.6)	
IPO Equity Bridge	2 (b)	(325.4)	
IPO Equity Bridge Hedging Exposure	2 (c)	(12.4)	
Loans from Asset Entities	2 (d)	(141.4)	
<b>Total Liabilities</b>		<b>(488.8)</b>	
Cash	2 (e)	48.7	
<b>Deficiency</b>		<b>(440.1)</b>	<b>(112.80)</b>
Second equity instalment receivable	2 (f)	390.2	
<b>Deficiency after second equity instalment receivable</b>		<b>(49.9)</b>	<b>(12.80)</b>
Third equity instalment receivable	2 (g)	390.2	
Investments in controlled entities	2 (h)	-	
<b>Net Assets before contingent liabilities, costs of winding up and claims</b>		<b>340.3</b>	<b>87.20</b>

1. The Net Asset position excludes the impact of costs and claims as set out in Note 3 below
2. The Audited Consolidated Accounts on a going concern basis for the period ended 31 December 2008 were published on 3 February, 2009 and are available on the BrisConnections website. A summary Consolidated balance sheet is set out in Note 4

#### Note 1: Basis of Preparation and Accounting Principles

The Financial Information set out in Figure 1 represents the aggregated estimated assets and liabilities of the Head Trusts.

The Financial Information assumes that the Head Trusts will be wound up as at 9 April 2009 and has been prepared on a liquidation basis. The assets and liabilities have been recorded on the basis of the estimated cash amounts that will either be realised or payable on liquidation in accordance with the constitution of

the Head Trusts and their contractual commitments (excluding contingent liabilities, costs of winding up and claims).

The assets and liabilities presented in the BrisConnections Consolidated Interim Balance Sheet as at 31 December 2008 included in the interim financial report released to the ASX on 3 February 2009 (Interim Financial Report) were in respect of the consolidated group incorporating the Head Trusts and the Asset Entities and were prepared on a going concern basis.

As a result of the difference in the basis of preparation, the value and nature of the assets and liabilities included in the Estimated Statement of Aggregated Assets and Liabilities presented in Figure 1 are not directly comparable to those reported in the Consolidated Interim Balance Sheet included in the Interim Financial Report. In addition, intangible assets, deferred tax assets and other items such as capitalised borrowing costs included in the Consolidated Interim Balance Sheet within the Interim Financial Report have not been included in the Estimated Statement of Aggregated Assets and Liabilities as they have no realisable value should the Head Trusts be wound up at 9 April 2009.

Assets and liabilities of the Asset Entities (being the subsidiary trusts and companies of the Head Trusts) are not included in the Estimated Statement of Aggregated Assets and Liabilities of the Head Trusts. As disclosed in the Interim Financial Report, Thiess Infrastructure Nominees Pty Ltd as Trustee for the Thiess Infrastructure Trust and John Holland Infrastructure Nominees Pty Ltd as Trustee for the John Holland Infrastructure Trust have each agreed to subscribe for \$100 million in stapled units in the Head Trusts, but these units have not yet been issued. In a winding up situation the Head Trusts are unable to issue new equity under section 601NE(3) of the Corporations Act and as such, balances relating to these units are not included in the Estimated Statement of Aggregated Assets and Liabilities.

If the Head Trusts were wound up at 9 April 2009, the actual assets and liabilities of the Head Trusts are likely to be different from the Financial Information provided in this report, since anticipated events frequently do not occur as expected and such variations may be significant.

**Note 2: Commentary on assumptions used to estimate the assets and liabilities included in Figure 1**

*2(a) Accruals*

Accruals includes items such as the estimated costs to be incurred by the Head Trusts in relation to the 14 April Brisbane Meeting, estimated legal expenses in relation to legal proceedings relating to the 14 April Brisbane Meeting and the resolutions to be considered at this meeting and the amount payable upon termination of the management agreement with the Company in relation to its contract to act as the Responsible Entity of the Head Trusts.

*2(b) IPO Equity Bridge Facility*

The IPO Equity Bridge Facility has been drawn down to \$324.7 million and fees and interest of \$0.7 million have been capitalised into the estimated facility balance of \$325.4 million as at 9 April 2009. The IPO Equity Bridge Facility was established to provide funding to the Project and is a revolving facility which may be drawn down to the limits of the facility throughout its term prior to the collection of the second and third instalment from unitholders. The proceeds from the instalments must be utilised to repay this facility.

*2(c) IPO Equity Bridge hedging exposure*

The Head Trusts have hedged the interest rate exposure on the IPO Equity Bridge Facility. Subsequent to the hedges being executed interest rates have declined, resulting in a liability if the hedges were to be terminated on winding up the Head Trusts. Should the hedges be closed prior to scheduled repayment of the IPO Equity Bridge Facility, the Head Trusts will be required to settle the outstanding liability on the hedges. The estimated liability of \$12.4 million included in the Financial Information presented in Figure 1 has been calculated on the forward interest rate curve as at 31 March 2009

2(d) *Loans from the Asset Entities*

As at 9 April 2009 the Head Trusts are estimated to owe \$141.4 million to the Asset Entities. This balance arises from cash advances made to the Head Trusts to fund the operating costs of the Head Trusts, including fees incurred in relation to the IPO and to provide a cash contingency for the Head Trusts.

In the event of a winding up of the Head Trusts, it is likely that the Asset Entities would require payment of the \$141.4 million in order to settle the external liabilities of the Asset Entities.

2(e) *Cash*

The cash balance of \$48.7 million is based on bank statements at 30 March 2009 and this balance has been included on the basis that the net movement is expected to be immaterial in the period to 9 April 2009.

2(f) *Second equity instalment receivable*

390,166,667 units were issued at the time of the Initial Public Offering on a partly paid basis. Two further instalments of \$1 per unit each are due on 29 April 2009 and 29 January 2010. The payment of these instalments has been underwritten by Macquarie Capital Advisors Limited and Deutsche Bank AG, Sydney Branch.

The second instalment was called on 2 March 2009.

2(g) *Third equity instalment receivable*

Based on the deficiency of the Head Trusts after the receipt of the second equity instalment, it is likely that the third equity instalment will be called when due to settle the remaining liabilities of the Head Trusts. The third equity instalment is due on 29 January 2010. Any surplus remaining after the settlement of any claims made against the Head Trusts will be available for distribution to unitholders.

2(h) *Investment in Asset Entities*

The Head Trusts have applied the initial equity instalment of \$390 million from the IPO to capitalise the Asset Entities and enable them to fund the Project. The debt drawn down under the IPO Equity Bridge Facility of \$320 million has also been used to subscribe for equity in the Asset Entities.

There is no cross guarantees between the Head Trusts and the Asset Entities and there is no security provided in respect of the Head Trusts' liabilities by the Asset Entities, nor is there any security provided by the Head Trusts in respect of the Asset Entities liabilities.

Given the extent of the liabilities of the Asset Entities, including the secured \$345 million interest rate hedge exposure, it is likely that there will be no cash remaining in the Asset Entities after settlement of these liabilities. Accordingly it is unlikely that the Head Trusts will realise any of their investment in the Asset Entities.

**Note 3: Other considerations and contingent liabilities**

3 (a) *The Asset Entities would be in default of the terms of the Project Deed if they could not meet their funding obligations*

Should the Head Trusts be wound up and insufficient funds are available to fund the Project, then the Asset Entities would be in default under the terms of the Project Deed granted by the Queensland State Government. This would entitle the Queensland State Government to terminate the Project Deed and take control of the construction of the Airport Link.

No compensation is payable to the Asset Entities by the Queensland State Government under the terms of the Project Deed for costs incurred by the Asset Entities up to the date of termination.

3 (b) *Senior finance agreement commitments*

The Asset Entities have entered into agreements to borrow approximately \$3,128 million in senior bank debt over the period of construction of the Airport Link. These entities have hedged approximately 80% of the total amount of senior debt scheduled to be drawn down over the period from the completion of construction to 31 July 2018. Should these hedges be closed prior to 31 July 2018, the Asset Entities will be liable to settle the outstanding liability on the hedges.

Subsequent to the hedges being executed interest rates have declined, resulting in an estimated liability if the hedges were terminated on winding up the Head Trusts at 9 April 2009 of \$345 million. The estimated liability has been calculated based information supplied by the hedge issuer on 31 March 2009.

3 (c) *Significant costs would likely be incurred in winding up the Head Trusts*

Significant costs would likely be incurred if the Head Trusts were wound up. Such costs would include fees payable to any advisors or other external parties, claims likely to be made against the Head Trusts in respect of the matters discussed in 3(d), collection costs for the second instalment and costs of operating the Head Trusts during the winding up process. No estimate of these liabilities can be reliably made at this time.

No estimate of these liabilities is included in the Financial Information presented in Figure 1.

3 (d) *The Asset Entities controlled by the Head Trusts have commitments of approximately \$3,615 million*  
**Construction Contract**

The Asset Entities have entered into a construction contract with an unincorporated joint venture established by John Holland Pty Ltd and Thiess Pty Ltd to undertake the required construction activities to complete the Airport Link, Northern Busway and upgrade of the Airport roundabout over the expected period of 47 months from July 2008. The remaining commitment under the terms of that contract is estimated to amount to be \$3,476 million as at 9 April 2009.

**Maintenance Contract**

The Asset Entities have entered into a maintenance contract with Thiess Services Pty Limited and John Holland Services Pty Ltd, with a term that ends on the expiration of five years after the completion of construction of the Airport Link unless terminated or extended in accordance with the contract. The total commitments under the terms of the maintenance contract are expected to amount to be \$139 million as at 9 April 2009.

Although the Head Trusts are not parties to those contracts under which claims could be made, the Directors of the Company believe that the Head Trusts may be subject to claims from other parties to these contracts seeking to bring proceedings against the Head Trusts for related claims, including implied terms that the Head Trusts would support these obligations and/or the Head Trusts have been misleading and deceptive in respect of their conduct in relation to the contracts.

Whilst no amount in respect of these contingent liabilities has been included in the Estimated Statement of Aggregated Assets and Liabilities, the Directors of the Company have indicated that the Company would conduct a defence of such claims. There are no means for assessing whether any such claims, which the Directors believe could exceed several hundred million dollars, would be successful or what the quantum arising from the causes of action would be.

#### Note 4: Summary Consolidated Interim Balance Sheet – 31 December 2008

Table 2 below sets out a summary of the audited Consolidated Interim Balance Sheet for the BrisConnections Group as at 31 December 2008. The detailed accounts, including the notes thereto, are available to unitholders on the BrisConnections web site.

	\$'000
<b>ASSETS</b>	
Current Assets	
Cash	63,812
Receivables and Other	413,161
<b>Total Current Assets</b>	<b>476,973</b>
<b>Non-Current Assets</b>	
Receivables	529,084
Intangible Assets	446,224
Capital Work in Progress	28,079
Deferred Tax Asset	144,713
Other	14,635
<b>Total Non-Current Assets</b>	<b>1,162,735</b>
<b>Total Assets</b>	<b>1,639,708</b>
<b>LIABILITIES</b>	
Current Liabilities	
Trade and Other Payables	55,960
Other Financial Liabilities and Provisions	20,149
<b>Total Current Liabilities</b>	<b>76,109</b>
<b>Non-Current Liabilities</b>	
Other Financial Liabilities	455,879
Borrowings	219,798
<b>Total Non-Current Liabilities</b>	<b>675,677</b>
<b>Total Liabilities</b>	<b>751,786</b>
<b>Net Assets</b>	<b>887,922</b>
<b>EQUITY</b>	
Issued capital/units	1,089,100
Deferred capital/unit Contribution	121,504
Hedging Reserve	(333,210)
Current Year Earnings/Losses	10,528
<b>Total Equity</b>	<b>887,922</b>