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Monday, 2 March 2009
ASI MEDIA STATEMENT RE: BRISCONNECTIONS (ASX: BCSCA); Additional Resolutions

ASI has requisitioned additional resolutions for vote at the March 30 meeting. BCMCL has, unreasonably, not yet agreed to add these resolutions to the meeting agenda.

ASI firmly believes a wind-up of the trusts is still in the best interests of unit holders and this will remain a priority.

In the event that the wind-up resolution is not passed, ASI has proposed additional resolutions in the interests of unit holders. Passing these resolutions would result in the payment of a 5.95c distribution, and the deferral of the April instalment to January 2010.

If these are not passed, as last resort, ASI has proposed to replace the manager. Replacing the manager is an ordinary resolution, requiring just 50.1% of the vote on the day to pass.

As the responsible entity and manager, BCMCL is either owned or controlled by Leighton which has contracts worth \$4 billion riding on the airport link project. Because of this, BCMCL's board has a conflict in balancing the interests of its owner against unit holders' interests in seeking a wind-up or distribution payment.

ASI refutes BCMCL's claim that it is "highly unlikely" that there will be any excess value on a winding up of the trusts. ASI has requested that BCMCL support this statement with an independent expert valuation report.

Payment of the 5.95c distribution is in the best interests of all current unit holders. BCMCL has the funds presently available to make this payment.

Deferral of the 2nd instalment to January 2010 allows more time for unit holders to consider and negotiate an alternative capital structure.

ASI believes that, if successful, the additional resolutions will reduce the level of unit holder defaults.

ASI encourages unit holders to visit its website, www.bcsunitholders.com.au for further information.

On 24 February 2009, BCMCL made a statement to unit holders advising them to vote against our 1st resolution to wind-up the trusts. ASI awaits with interest the detailed reasons why BCMCL believe the proposed resolution to wind up the Trusts is not in the best interests of current unit holders in the Trusts. In ASI's view, it is unacceptable for BCMCL to simply state that it is "highly unlikely" that there will be any excess on a winding up without providing reasons to substantiate that view.

What is the true value on a winding up?

ASI says it is reasonable to expect that BCMCL's negative recommendation be supported by an **independent** expert valuation of the Trusts on a winding up basis. This independent valuation must show the value to unit holders if the project is terminated today, compared to a likely valuation of the units today if the project continues, having regard to current market conditions.

There is a potential conflict of interest

ASI is concerned that BCMCL's motives in seeking to avoid a wind-up may be conflicted, as Leighton owns or controls at least 50% of BCMCL. Since Mirvac announced its proposed sale of interests in JF Infrastructure (the owner of all the shares in BCMCL), neither the unit holders nor the market knows the true owners of BCMCL. Until told otherwise, ASI assumes Leighton owns and controls BCMCL. Leighton would stand to lose contracts worth \$4 billion if the Trusts were wound up.

The 5.95c distribution to unit holders

ASI has requested an additional resolution that adjusts the Trusts' constitutions in order to require BCMCL to put any change to the marketed Fixed Distribution Period in the Product Disclosure Statement (PDS), to a vote of members. The passing of this resolution would likely result in **the immediate payment of the 5.95c December distribution to unit holders.**

It is ASI's belief that BCMCL's decision on 30 October to cancel the December 2008 5.95c distribution was not made in the best interests of unit holders. ASI considers that:

- It was against the stated intention in the PDS and inconsistent with the qualifications set out in the PDS
- The Trusts had and continue to have sufficient funds to make the 5.95c distribution in full
- Paying the distribution will improve unit holder's capacity to meet the remaining calls
- BCMCL's modification of the distribution from 5.95c to 0.05c per unit, and subsequent deferral to beyond the 1st call, is farcical. \$0.0005 per unit equates to a \$195,000 distribution to members, it is hardly worth the administrative effort, and indicates a disregard for unit holders.

The April \$1 instalment should be deferred

ASI has requested additional resolutions to defer the April Instalment payment date to January 2010, if the wind-up resolution does not pass.

Unit holders will lose their capacity to vote on matters that are vital to them if they do not pay the instalment on April 29, 2009. This restricted timeline will limit the capacity to present a viable alternative to unit holders who wish to exit their investment, or who wish to see a restructuring of the Trusts. Unit holders must be given more time - the changed financial climate and market conditions suggest strongly that further equity investment will inevitably be destroyed by the payment of the 2nd instalment.

It is ASI's view that unit holders' interests will be served by the deferral of the 2nd instalment payment date to 29 January 2010 for the following reasons:

- To allow unit holders more time to ascertain the viability of their investment in a changed financial climate, and potential alternatives that may be available to them, and
- Deferral of the payment obligation will also afford BCMCL more time to provide a solution to unit holders wishing to exit their remaining instalment obligations, in circumstances where there is currently no ability to do so. BCMCL has informed the market that it has retained Goldman Sachs JBWere to advise on alternative strategies.

If all fails, ASI proposes that BCMCL be replaced as responsible entity

ASI has requested a resolution, if all other resolutions fail, to replace BCMCL as the responsible entity of the Trusts. Unlike the other resolutions that require a 75% vote, this resolution requires a 50.1% vote to pass.

ASI believes that BCMCL has not always acted in the best interests of unit holders. In the event that the Trusts are not wound-up, ASI considers that BCMCL should be removed and replaced with a responsible entity whose interests are better aligned with that of unit holders.

- In ASI's view, BCMCL made a decision to withhold a PDS marketed distribution without a clear benefit to unit holders. In fact, this decision was directly against the interests of unit holders.
- BCMCL has yet to provide a solution to unit holders who will suffer significant and immediate value destruction upon payment of the instalments as a result of the changed financial climate. It is not clear what role Goldman Sachs JBWere will play.
- BCMCL has not given compelling reasons why deferring the 2nd instalment is not in the best interests of unit holders. BCMCL keeps repeating that the project is fully funded and underwritten but at the same time dismisses the financial impact on unit holders.
- BCMCL appears to have a conflict of interest, in that its ultimate shareholder Leighton is also the construction partner to the project, with \$4 billion in contracted interests to protect. Leighton has also received a significant fee to take up a deferred equity obligation. Arguably it will need to return that fee if the project is wound up. It is reasonable to assume that BCMCL's interests align more closely with the delivery of contracts with third parties ahead of the interests of unit holders. Leighton's financial interest in BCMCL was not disclosed to unit holders in the product disclosure statement.

Letters to ex-unit holders from BCMCL

ASI is aware that certain ex-unit holders have received a letter from BCMCL effectively saying (using clever legal wording) that BCMCL thinks that they will still be liable for the instalments **even though they have transferred their units**. Not only is this sort of intimidatory tactic outrageous, it is legally suspect.

ASI also doubts that these letters were sent to the sponsoring institutions that sought to exit their obligations by selling their units on market to unsuspecting buyers.

Summary

ASI looks forward to support from other unit holders and will be willing to accept proxies to vote at the meeting on 30 March 2009 or any other meeting convened to consider ASI's resolutions.

ASI urges unit holders to vote in favour of ALL its proposed resolutions.

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