

Rivercity Motorway Asset Nominee 2 Pty Limited ACN 117 406 158
Rivercity Motorway Asset Nominee Pty Limited ACN 117 139 714
Rivercity Motorway Finance Pty Limited ACN 117 139 303
Rivercity Motorway Holdings Pty Limited ACN 117 279 188
Rivercity Motorway Pty Limited ACN 116 665 304
Rivercity Motorway Construction Pty Limited ACN 117 139 554
Flow Tolling Pty Ltd ACN 134 967 356
Rivercity Motorway Services Pty Limited ACN 117 139 992
(all Administrators appointed) (all Receivers & Managers appointed)
(together referred to as the 'Obligors')

Rivercity Motorway Management Limited ACN 117 343 361
Rivercity Motorway Re Holdings Pty Ltd ACN 133 419 637
(all Administrators appointed)
(together with the Obligors, referred to as the 'Group')

Rivercity Motorway Holding Trust ARSN 119 128 193
Rivercity Motorway Investment Trust ARSN 119 128 326
(together referred to as the 'Schemes')

We refer to the appointment of Michael Owen, Stephen Parbery and Christopher Hill on 25 February 2011 as the joint and several administrators appointed to the Group pursuant to section 436A of the *Corporations Act 2001* (Cwth).

Since their appointment, the administrators have received various enquiries from interested parties regarding the Group and the Schemes. Whilst the administrators will continue to consider and respond to all enquiries on an individual basis (where appropriate), the administrators have compiled and set out below their responses to a number of frequently asked questions. If your query is not dealt with in this document, or, if you would like further information, please contact Mahala Hazell of our Brisbane office on +61 7 3222 6800.

We will endeavour to keep creditors and unitholders informed of the status and progress of the administration of the Group generally by posting details, information and copies of relevant documents and circulars to the 'Creditor Information' section of our website (<http://www.ppbadvisory.com/creditor-information>).

As receivers and managers are currently in control of the Obligors and are operating the CLEM7 Tunnel and given the complexity of the Group's affairs, creditors, unitholders and other interested parties will need to make their own enquiries and seek independent advice as to their individual circumstances prior to relying upon any information provided by the administrators.

Frequently asked questions

As a unitholder in the Schemes, what is the nature of my investment in the Schemes?

In May 2006, the Brisbane City Council granted to the Obligors the right to finance, design, construct and operate the tunnel known as the North-South Bypass Tunnel or the 'CLEM7' ('Tunnel') and subsequently charge a toll for vehicular use of the Tunnel.

The Tunnel cost approximately \$2B to commission, design and construct and funds came from two sources:

- approximately \$1.3B of secured 'debt' financing from a number of participating financiers ('Banking Syndicate'); and

- “equity” as follows:
 - approximately \$684M from the sale to the public (“**unitholders**”) of stapled units in the Schemes at a price of \$1 each on the basis of the public offering set out in the product disclosure statement (“**PDS**”); and
 - approximately \$155M by way of a ‘deferred equity tranche’ which involved Leighton Motorway Investments Pty Limited and Bilfinger Berger BOT GmbH agreeing to subscribe to \$80M and \$75M of stapled units respectively, at \$1 each, after completion of the Tunnel.

As a unitholder, you hold ‘equity’ in the Schemes in proportion to the size of your unitholdings relative to the other unitholders. As a holder of equity, the return on your investment is never guaranteed or fixed and it is entirely dependent on the profitability (or otherwise) of the Obligors and the realisable value of their underlying assets.

The Banking Syndicate on the other hand, holds secured ‘debt’. The Banking Syndicate does not hold any ownership or equity interest in the Group or the Schemes. The Banking Syndicate loaned moneys to the Obligors which was to be repaid on certain agreed dates and terms. To secure the obligation to repay the borrowed moneys, the Obligors (being the companies within the Group that own the Group’s assets and are responsible for operating the business of the Group including the Tunnel) granted first ranking securities over all their assets to the Banking Syndicate. The Banking Syndicate’s securities allow it to exercise a variety of rights over the assets of the Obligors in the event of failure to comply with the terms of the loan. On 25 February 2011, the board of the RCM Group entities appointed Administrators to all companies in the Group. In response to the appointment of Administrators, the Banking Syndicate exercised its secured rights and appointed receivers and managers over all the assets of the Obligors. The receivers and managers currently control the business of the Obligors including the Tunnel.

As a unitholder, your entitlement to receive a return, dividend or distribution from your ‘equity’ is subordinated in the first instance, to the rights of the Banking Syndicate, who are secured creditors, and in the next instance, to the rights of the Scheme’s unsecured creditors.

We discuss our preliminary assessment of the likelihood of an ‘equity’ return to unitholders below.

At this stage, what is the likely timing and outcome for unitholders of the administration of the Group?

The receivers and managers, who are in control of the business of the Obligors, have yet to confirm the timing of any sale. However the timing may be influenced by the opening of Airportlink. Airportlink is a 6.7km, multi-lane, electronic free-flow toll road currently in construction, which connects the CLEM7 to other arterial roads in Brisbane, Queensland. If this timing eventuates, it may not be until late 2012 or 2013 before a sale of the Obligor’s assets occurs. Depending on a variety of factors (many of which are out of the control of the administrators and the receivers and managers), it could be even longer than current estimates before a final outcome for unitholders is known.

For these reasons, the administrators are not currently in a position to form a definitive view as to the future of the Schemes or the return, if any, to unitholders. On the basis of the information currently available to the administrators, given the size of the secured debt, it appears that a return to unitholders is unlikely. However, the final outcome will ultimately depend upon the outcome of the receivership and the terms of any sale. At this time, if not sooner, the administrators will also be able to determine whether it is in the best interests of unitholders to wind up the Schemes.

Who is responsible for keeping me informed about the affairs of the Group and the Schemes?

The structure and affairs of the Group are complex with numerous transactions and loans between the entities in the Group and the Schemes. The appointment of both Administrators throughout the group and Receivers and Managers to the Obligor group adds to the complexity.

The receivers and managers have only been appointed to the Obligors, who are responsible for operating and realising or restructuring the Tunnel and other secured assets. The receivers and managers owe no obligation to report to unitholders or unsecured creditors but must lodge half yearly accounts of their receipts and payments with the Australian Securities and Investments Commission ("ASIC"). Interested parties can obtain copies of the lodged accounts from ASIC.

The administrators have an obligation to lodge half yearly accounts of their receipts and payments with ASIC as well. The administrators must also prepare a report to the creditors as to the affairs of each company in the Group together with recommendations as to the future of those companies. By order made on 18 March 2011, the Federal Court of Australia has extended the time for the issue of the administrators' reports to creditors up to and including 18 December 2012, for the reasons set out above.

The unitholders are not creditors of the Group for their 'equity' claims. The 'equity' claims of unitholders are principally governed by the constitution of each Scheme and sit outside the administration of the Group and receivership of the Obligors. To ensure that you are kept informed about the status and progress of the administration of the Group we suggest you periodically visit the 'Creditor Information' section of our website (<http://www.ppbadvisory.com/creditor-information>). We will endeavour to post details and information concerning material developments in the administration of the Group and Schemes to this website as they occur.

I recently received correspondence from 'CHESS' advising me that I no longer have any unitholding on the subregister maintained by CHESS. What does this mean?

CHESS (Clearing House Electronic Subregister System) is the electronic system for trading paperless securities, such as the stapled units in the Schemes. As you may be aware, on 25 February 2011 the stapled units in the Schemes were suspended from quotation on the Australian Securities Exchange ("ASX"), and to date, the suspension from quotation remains in place. Since the stapled units in the Schemes have not been traded for more than 60 days, we understand that CHESS may have written to unitholders advising them that the unitholders no longer have any unitholding recorded on the subregister maintained by CHESS.

This **does not** mean that you no longer have a unitholding in the Schemes. Your unitholding in the Schemes remains unaffected and we, as administrators of the responsible entity for the Schemes, continue to maintain an electronic subregister of unitholders. The administrators have engaged Link Market Services to maintain the subregister on behalf of the responsible entity. All unitholdings on the CHESS subregister at the time of its closure are recorded in the subregister maintained on behalf of the responsible entity.

Although suspended, the units are still "quoted securities" and remain subject to the ASX Listing Rules.

I have read in the newspaper that IMF is planning on funding a class action on behalf of unitholders in the Schemes against the traffic forecasters. Is this true?

As we understand it, IMF (Australia) Limited ("IMF") (a public listed company providing litigation funding and other associated services) has told the media that it plans to fund a class action on behalf of unitholders in the Schemes against Aecom Australia Pty Ltd (formerly Maunsell Australia

Pty Ltd) ("Aecom"). Aecom prepared the traffic forecasts for the Tunnel, a summary of which was included in the PDS.

At this stage, we are not aware of any actual litigation being commenced by or on behalf of unitholders in the Schemes, except to the extent that IMF has commented on it in the media.

The administrators do not have any affiliation with IMF or the foreshadowed class action. For these reasons, the administrators are not in a position to comment on the basis or prospects of any such claim or class action.

What loss (if any) can I realise for tax purposes in respect of my stapled units in the Schemes?

The administrators are not currently in a position to form a final view on the equity return to unitholders or advise unitholders on their individual tax position. For these reasons, the administrators urge unitholders to seek their own legal and financial advice about their tax position and the other matters raised in this circular.

DATED this *1st* day of September 2011



Michael Owen, Stephen Parbery and Christopher Hill
Joint and Several Administrators
Rivercity Motorway Group