

7 May 2009

The Prime Retirement and Aged Care Property Trust (Prime Trust) announces that it has signed a termsheet/heads of agreement with Fig Tree Developments Ltd which allows for an efficient and smooth transition of the management of the twelve Fig Tree Developments Ltd ("Fig Tree") managed complexes owned by Prime Trust to a new manager to be nominated by Prime Trust.

As a result of this agreement Fig Tree will not appeal the Federal Court's decision of 23 April 2009 and a cash settlement of Prime Trust's legal costs has been agreed.

In the period commencing at midnight tonight to 30 June 2009, Fig Tree will continue to provide all aspects of the Village Life System to residents and will work with the new manager to facilitate a smooth transition by 30 June 2009. Fig Tree will be entitled to retain normal manager fees in that period as well as a small additional fee to ensure their costs are covered.

Mr Philip Powell, CEO of Prime Trust, said "This agreement is in the best interests of all parties, especially the 500 plus residents who can be assured that during the transition period there will be no significant change in the services they currently receive."

END

Media enquiries
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