

Explanatory Memorandum and Notice of Meeting

in relation to a members' resolution to be considered at a meeting of members of BrisConnections Investment Trust and BrisConnections Holding Trust on 9 April 2009

**YOUR DIRECTORS RECOMMEND THAT YOU
VOTE AGAINST
THE RESOLUTION PROPOSED BY
AUSTRALIAN STYLE INVESTMENTS PTY
LTD**

**PROTECT YOUR INVESTMENT BY
VOTING AGAINST THE RESOLUTION**

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)

Important Notice

Key dates and times

10.00am (AEST) 7 April 2009	Cut off date and time for receipt of proxies
7.00pm (AEST) 7 April 2009	Cut off date and time for establishing entitlement to vote at the Meeting
10.00am (AEST) 9 April 2009	BCS meeting of members

The Explanatory Memorandum has been prepared by the RE. Defined terms used in this Explanatory Memorandum are explained in the Glossary.

This Explanatory Memorandum contains the Notice of Meeting and important information in relation to the Resolution to wind up BCS to be put to members at a meeting of members to be held at the registered office of BCS, Kedron Brook Building, 1 Gympie Road, Kedron, Queensland on 9 April 2009 at 10.00am (AEST).

In accordance with the Constitutions of BCS, the meetings of BCIT and BCHT will be held simultaneously, subject to the discretion of the Chairman of the Meeting to postpone, reconvene or cancel the Meeting.

This Explanatory Memorandum does not constitute financial product advice. In preparing this Explanatory Memorandum, the RE has not taken into account the investment objectives, financial situation or particular needs of any particular person. You should read and consider the entire Explanatory Memorandum carefully, having regard to your objectives, financial situation and needs, before making any decision on how to vote on the Resolution. You should also consider consulting a professional adviser before voting on the Resolution.

What you need to do:

- 1 Carefully read the Explanatory Memorandum including the Notice of Meeting and Explanatory Statement and if necessary, consult your professional adviser;
- 2 If you wish, you can:
 - a. Attend the Meeting at BrisConnections' office at Kedron Brook Building, 1 Gympie Road, Kedron, Brisbane on Thursday 9 April 2009 at 10.00am (AEST) and vote on the Resolution; or
 - b. Complete the enclosed proxy form and return it to the Registry. Your proxy form must be received by the Registry by no later than 10.00am (AEST) on Tuesday 7 April 2009; or
 - c. Do nothing (however the Directors strongly recommend that you exercise your vote by either attending the Meeting or returning the enclosed proxy form).

If you have any questions please do not hesitate to contact BCS' Secretary, Ms Tamira Herbst, on +617 3170 1900

Documents accompanying this Explanatory Memorandum

- Letter from the Chairman of BrisConnections
- Notice of meeting
- Explanatory Statement
- Glossary
- Annexures - A : Statement
B : Directions for attending the Meeting
- Proxy form for the meeting

Letter from the Chairman of BrisConnections

5 March 2009

Dear fellow unitholder

BRISCONNECTIONS – NOTICE OF MEETING

BrisConnections Management Company Limited (**BCMCL**), the Responsible Entity (**RE**) of the BrisConnections Investment Trust and BrisConnections Holding Trust (**BCS**) has been requested by Australian Style Investments Pty Ltd (**ASI**) to hold a meeting of BCS' members to consider and vote on a resolution to wind up BCS. ASI, as a holder of more than 5% of BCS units, is entitled under the Corporations Act to request such a meeting, with the entire cost of calling and convening the meeting to be at the expense of the RE. The RE is legally entitled to meet such costs from the scheme's assets. This means that the meeting will ultimately be at unitholders' expense.

THE BOARD OF BCS' RE DOES NOT CONSIDER THAT THE PROPOSED RESOLUTION IS IN THE BEST INTERESTS OF UNITHOLDERS AND RECOMMENDS UNITHOLDERS VOTE AGAINST THE RESOLUTION.

Even though it is recommended that you vote AGAINST the Resolution, the RE is obliged under the Corporations Act to put the Resolution to unitholders and has convened a meeting for 9 April, 2009 for this purpose. The Board of the RE has revised the date for holding the meeting from 30 March as a result of the RE commencing proceedings before the Victorian Supreme Court seeking declarations as to the validity of ASI's request. By proposing to hold the meeting on 9 April, the RE will still be in compliance with its obligations under the Corporations Act and will have maximised the court's opportunity to consider the declarations being sought by the RE. Unitholders should refer to ASX announcements by the RE for further information regarding these proceedings.

What will happen if the Resolution is passed?

If the Resolution proposed by ASI is passed, the RE will commence the process of winding up BCS. Practically, this will require the RE to sell, if possible, the assets of BCS. Any proceeds from the sale (net of transaction costs and expenses) will be used to pay creditors and cover any outstanding liabilities. Given this order of payment, it is highly unlikely that upon a winding up there would be any excess cash or assets to distribute to unitholders.

The exact consequences of winding up on BCS' principal asset, the Airport Link tollroad, are uncertain, however it is probable that the winding up will result in contractual breaches, which may mean that the asset cannot be realised and significant damages may be payable to the parties of those contracts. This will likely lead to the destruction of all future value for unitholders, regardless of the size of their holding or the date or price at which they acquired their holding.

In addition, it is very likely that the winding up of BCS will result in events of default arising in respect of BrisConnections Group's debt facilities which will require immediate repayment of all amounts drawn down under these facilities and the closing out of interest rate hedge arrangements at that time.

The Directors consider that because of these consequences, the liabilities of BrisConnections Group will exceed the assets of the Group if BCS is wound up and the unitholders will, therefore, be highly unlikely to receive any distribution on completion of a winding up process.

Your Directors also note that even if the Resolution proposed by ASI is passed, this will in no way extinguish unitholders' obligation to pay the outstanding instalments on the partly paid stapled units, including the upcoming second instalment due on 29 April 2009. That is, unitholders would still be required to pay all outstanding instalments, yet most likely receive no benefit in return. Outstanding instalments would be treated as a debt to BCS. For the RE to properly discharge its duties upon winding up, the RE would need to recover any unpaid instalments from unitholders (along with recovering debts owed by other debtors).

After payment by unitholders of their two remaining instalment obligations, there is very little likelihood of any residual proceeds being available for unitholders, following a winding up of BCS.

If BCS is wound up unitholders would lose their ability to trade or accept any potential offer for their units. This could have a significant adverse impact on unitholders who may be seeking to trade their units prior to or following the second instalment payment date.

Reasons why you should vote AGAINST the Resolution

In the opinion of the Directors, the Resolution proposed by ASI is detrimental to all unitholders, regardless of the size of their holding or the date or price at which they acquired the holding, for the following key reasons:

1. The winding up of BCS will not extinguish or remove the obligation on unitholders to pay the outstanding instalments on their units including the second \$1.00 instalment, called on 2 March 2009, and payable on 29 April 2009.
2. On a winding up, any unpaid instalments will be treated as a debt owed to BCS. As with other debts of BCS, action will be taken against unitholders to recover this debt.
3. Unitholders would likely not receive any distribution of cash or other assets from BCS as all assets and moneys of BCS (including those moneys collected from the instalment payments) would first be applied to pay creditors and the costs and expenses incurred in the winding up.
4. Winding up BCS may mean that the BrisConnections Group will not be able to continue operating. Unitholders would then never gain benefits from their interest in the assets of, or future income from, the Airport Link project.
5. If the Resolution is passed, unitholders could not trade or accept any offer for their units, should such an offer arise.

Your Directors remain confident that over the longer term unitholders will be rewarded as, once completed, Airport Link will be an essential component of road transport infrastructure in Brisbane and is expected to generate substantial revenue over the course of the 45 year concession.

While a request to convene this unsolicited and ill-conceived meeting may have ordinarily served as a distraction, BrisConnections has continued its strong momentum in constructing Airport Link. Raising the funds needed to complete the project so that Airport Link will be open for traffic in 2012 to generate income is the only way to ensure that value to unitholders is protected and maximised.

Construction of the Airport Link project is well underway with major tunnelling equipment arriving and site clearances occurring. Approximately 1,200 workers are now employed on building this vital missing link in Brisbane's road network. In total we expect up to 10,000 people across South East Queensland and elsewhere to be employed as a result of this project. The project remains on track to be completed on time and on budget.

For these reasons, the Board recommends that you vote AGAINST the Resolution.

What you need to do

- 1 Carefully read the Explanatory Memorandum, including the Notice of Meeting and Explanatory Statement, and if necessary, consult your professional adviser.
- 2 If you agree with the Directors and do not support the Resolution requested by ASI to wind up BCS, you should vote AGAINST the Resolution by:
 - a. attending the Meeting at BrisConnections' office at Kedron Brook Building, 1 Gympie Road, Kedron, Brisbane on Thursday 9 April 2009 at 10.00am (AEST) to cast your votes AGAINST the Resolution; or
 - b. completing the enclosed proxy form, directing the proxy to vote AGAINST the Resolution, and return your completed form to Link Market Services Pty Limited by no later than 10.00am (AEST) on Tuesday 7 April 2009.

The Chairman of the Meeting will vote all undirected proxies AGAINST the Resolution.

Further information regarding why unitholders should VOTE AGAINST THE RESOLUTION is articulated in the accompanying Explanatory Statement. Should you require further information, please contact:

- Registry on 1800 236 994; or
- BCS' Secretary, Ms Tamira Herbst, on (07) 3170 1900.

The Board would like to take this opportunity to confirm to unitholders that it is firmly committed to acting in **all** unitholders' best interests and in ensuring that the Airport Link project is a success.

As Board members and fellow unitholders, the Directors urge you not to jeopardise the future value of your investment in BCS and the prospects of the Airport Link project.

The Board categorically encourages you to vote **AGAINST** the Resolution requested by ASI as set out in the Notice of Meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Trevor C. Rowe', with a stylized flourish at the end.

Trevor C. Rowe, AM
Chairman

NOTICE OF MEETING

This notice of meeting is issued by BrisConnections Management Company Limited (ACN 128 614 291) as Responsible Entity (**RE**) of BrisConnections Holding Trust (ARSN 131 125 025) and BrisConnections Investment Trust (ARSN 131 124 813).

Notice is given that a meeting of unitholders of BrisConnections Holding Trust and BrisConnections Investment Trust will be held at:

Place: BrisConnections' office, Kedron Brook Building, 1 Gympie Road, Kedron, Queensland 4031

Date: Thursday, 9 April 2009

Time: 10:00am (AEST).

The Meeting has been requested pursuant to section 252B of the Corporations Act, by Australian Style Investments Pty Ltd (**ASI**), being a member of BCS with at least 5% of the votes that may be cast on the Resolution.

BUSINESS OF THE MEETING

Resolution

To consider and, if thought fit, pass the following Resolution as a special resolution:

"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."

(Note: this Resolution has been requested by ASI and is put to members by the RE as required under section 252B of the Corporations Act. The Board does NOT support or recommend the passing of this Resolution).

By order of the Board, in accordance with its legal obligations following a request by ASI pursuant to section 252B of the Corporations Act.



Tamira D Herbst
Company Secretary
5 March 2009

Explanatory Notes

Chairman of the Meeting

In accordance with section 252S(1) of the Corporations Act, the RE appoints Trevor Rowe AM as the Chairman of the Meeting.

Joint Meeting

In accordance with the Constitutions of BCS, the meetings of BCIT and BCHT will be held simultaneously, subject to the discretion of the Chairman of the Meeting to postpone, reconvene or cancel the Meeting.

Requisite Majority

As the Resolution is put to members as a special resolution, the Resolution will only be passed if at least 75% of the total votes cast by unitholders entitled to vote on the Resolution are in favour of the Resolution.

Entitlement to Attend and Vote

A person is only entitled to vote at the Meeting if they are an eligible Member or are voting as the proxy, attorney or representative of a Member. In accordance with Reg 7.11.37 of the Corporations Regulations, the Board has determined that persons who are registered holders of Units as at 7:00pm (AEST) on 7 April 2009 will be entitled to attend and vote at the Meeting as a Member. Accordingly, unit transfers registered after this eligibility date will be disregarded in determining entitlements to attend and vote at the Meeting.

Jointly Held Units

If more than one joint holder of Units is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting in Person

To vote in person, you should attend the Meeting at:

Place: BrisConnections' office, Kedron Brook Building, 1 Gympie Road, Kedron, Queensland 4031

Date: Thursday 9 April 2009

Time: 10:00am (AEST).

You should arrive at the Meeting at least 45 minutes before the time designated for the Meeting to ensure you are properly registered to vote at the Meeting. As the Meeting will be held at the registered office of BCS, which is also one of the key development sites for the Airport Link project, it will be necessary to first register for access to the site and then register for the Meeting. A map detailing how to access the site and available car parking is contained in Annexure B.

As this is a construction site, in the interests of your safety, strictly designated access routes will be provided. Security personnel will be on hand to guide and assist you as appropriate.

Voting by Proxy

If you are a unitholder entitled to attend and vote at the Meeting but do not intend or are unable to attend the Meeting, you may appoint an individual or a body corporate as a proxy by completing the proxy form included with this Explanatory Memorandum. The proxy form contains voting instructions and other important information you should read carefully.

A proxy need not be a unitholder of BCS. The Chairman of the Meeting will act as your proxy unless you specify a person or body corporate on the proxy form to act as your proxy. If you wish to appoint another person or a body corporate to act as your proxy, please write the full name of the individual or body corporate or the name of the office held by the proxy in the space provided in the proxy form. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. The Chairman of the Meeting will vote as you direct in your proxy form, and will vote all undirected proxies **AGAINST** the Resolution.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 253B of the Corporations Act to exercise its powers as proxy at the Meeting. (Refer also to instructions below under "Voting by Corporate Representatives").

A unitholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the unitholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the unitholder's votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Registry or you may make a copy of the proxy form included with this Explanatory Memorandum.

To be effective, the proxy must be received no later than 10:00am (AEST) on 7 April 2009. Proxies received after this time will not be accepted.

Proxies must be received before the above time through one of the following methods:

BrisConnections Unit Trust

Explanatory Memorandum and Notice of Meeting

By post: BrisConnections' Security Registry,
Link Market Services Pty Limited, using the enclosed pre-addressed envelope
or
BrisConnections' Security Registry,
Link Market Services Pty Limited
Locked Bag A14
Sydney South NSW 1235

By facsimile: +612 9287 0309
or
+617 3170 1911 (Attention: Company Secretary)

By delivery: BrisConnections' Security Registry,
Link Market Services Pty Limited,
Level 12, 680 George Street,
Sydney, NSW 2000
or
BrisConnections
Level 2, Kedron Brook Building
1 Gympie Road
Kedron QLD 4031
Attention: Company Secretary

Appointment of proxy by Attorney

If a proxy form is signed by an attorney of the unitholders, the original power of attorney under which the proxy form is signed (or a certified copy of that power of attorney) must be received by the Registry no later than 10:00am (AEST) on 7 April 2009.

Voting by Corporate Representatives

A body corporate which is a unitholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 253B of the Corporations Act. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as a body corporate's representative. A form of "Certificate of Appointment of Corporate Representative" may be obtained from the Registry by calling 1800 236 994 or at www.linkmarketservices.com.au.

Poll

As the Resolution is to be passed as a special resolution, the Resolution will be decided by way of a poll. On a poll, each member has one vote for each dollar of the value of partly paid units held by the member and each person present as proxy, attorney or representative of a member has one vote for each dollar of the value of units held by the member that person represents.

Unitholder Queries

If you have any questions in relation to the Meeting, please contact BCS' Secretary, Tamira Herbst by:

Email: investors@brisconnections.com.au

Phone: (07) 3170 1900 / +617 3170 1900

In writing: BCS' Secretary, Tamira Herbst, BrisConnections, Level 2, Kedron Brook Building, 1 Gympie Road, Kedron Qld 4031

Fax: +617 3170 1911

Explanatory Statement

This Explanatory Statement has been prepared by the Board of the RE for the information of unitholders of BCS in relation to the business to be conducted at the Meeting of BCS to be held at Kedron Brook Building, 1 Gympie Road, Kedron, Brisbane on Thursday 9 April 2009 at 10.00am (AEST).

The Directors recommend that unitholders read this Explanatory Statement before determining whether to vote against, for, or abstain from voting on, the Resolution. The purpose of this Explanatory Statement is to provide unitholders with information that is reasonably required by unitholders to decide how to vote on the Resolution.

SECTION 1. THE PROPOSAL

Background

BCS is a stapled structure and comprises the following entities:

- BrisConnections Holding Trust; and
- BrisConnections Investment Trust.

The issued units in BCIT and the issued units in the BCS are stapled together and quoted on the ASX. As a result, those stapled units cannot be traded separately. The ASX code of BCS is "BCS" however the units, as they are partly paid, have the trading code "BCSCA".

ASI's request and Resolution

On 13 February 2009, ASI delivered a request under section 252B of the *Corporations Act* to the RE's head office, calling for a meeting of members of BCS to be held. ASI, as a holder of more than 5% of the units issued in BCS, is entitled under the *Corporations Act* to request such a meeting, with the entire cost of calling and convening the meeting at the RE's costs. As the RE is legally entitled to meet these costs from the scheme's assets, this means that the costs of the meeting ASI has requested will ultimately be at unitholders' expense.

In its request, ASI requested that at the Meeting, a special resolution be put to members of BCS that each of BCIT and BCS be wound up.

Therefore, unitholders should note that the Meeting is **not** being convened voluntarily by the Board and the Resolution set out in the Notice of Meeting has **not** been proposed by your Board. The Board does not support the Resolution and strongly urges that unitholders vote **AGAINST** it.

ASI's Statement

ASI's statement to unitholders is set out in Annexure A. Unitholders should note that the statement in Annexure A has been prepared by ASI and that it does **not** reflect the views of the Board.

The RE has distributed this statement to BCS' unitholders as it is required to do so in accordance with its obligations under section 252B(7) of the *Corporations Act*.

The statements and information in ASI's statement in Annexure A have **NOT** been verified by the RE and may contain significant inaccuracies and misrepresentations. The Board's response to the various assertions made in the Statement is set out in section 4.

Who pays for this Meeting?

The cost of calling and convening the Meeting as requested by ASI is to be met by the RE and ultimately unitholders as, in accordance with the *Corporations Act*, the RE will recover these costs from the assets of BCS.

The cost of calling and convening this Meeting, taking into consideration all imposts (including but not limited to fees for professional advice, printing, mailing, security registry and venue hire) are expected to be approximately

\$400,000. In addition, the calling and convening of the Meeting has consumed a significant portion of management's time.

About the requisitioning unitholder, ASI

As disclosed to the ASX on 25 November 2008, ASI initially acquired relevant interests in 47,643,166 units, giving ASI a relevant interest in BCS of 12.21%. This acquisition was almost a month after an ASX announcement had been made regarding the deferment of distributions and following wide media and market commentary regarding the deferral of distributions.

From that date until 3 March 2009, ASI, through a series of transactions with unitholders, acquired a further 24,207,827 units as well as an additional 1,300,000 stapled units with the clear knowledge and understanding of both the instalment structure and the distribution arrangements. From an updated "notice of change of interests of substantial holder" form lodged with the ASX by ASI on 25 February 2009 and a further "notice of change of interests of substantial holder" form lodged with the ASX by ASI on 26 February 2009, it would seem that the majority of these transfers were purportedly effected by "Deed of Gifts of Shares". Pursuant to these deeds, "shares" were transferred to ASI for no consideration, save for an "administration fee" of \$1,305 charged by ASI per transfer. The basis for this administration fee is not apparent from the face of the documents. The RE is concerned that in entering into these deeds ASI may have made representations to unitholders which are untrue or inaccurate.

As at 3 March 2009, ASI has a relevant interest in 73,150,993 Units of BCS, comprising 18.74% of BCS' issued Units.

We are aware that ASI has spent only \$47,643 to acquire its initial interest on 24 November 2008 and its actual commitment to BrisConnections is net of the "administration fees" described above.

The sole Director of ASI is Mr Nick Bolton, of Melbourne, Victoria.

Court proceeding regarding the Meeting

The Board of the RE has commenced proceedings in the Victorian Supreme Court seeking declarations as to the validity of ASI's request for the Meeting. Unitholders should refer to ASX announcements by the RE for further information regarding these proceedings.

Requisite Majority

The Resolution is put to members as a special resolution. The Resolution will only be passed if at least 75% of the total votes cast by unitholders entitled to vote on the Resolution are in favour of the Resolution.

In order to defeat the Resolution and avoid losing all future value in the Units, unitholders must vote **against** the Resolution by at least 25% of votes cast.

Please refer to the Notice of Meeting for further details of the Resolution.

DIRECTORS' RECOMMENDATION

THE DIRECTORS CONSIDER THAT THERE ARE NO ADVANTAGES IN THE RESOLUTION BEING PASSED AND THE DISADVANTAGES OF THE RESOLUTION BEING PASSED ARE SIGNIFICANT. DIRECTORS ACCORDINGLY UNANIMOUSLY RECOMMEND THAT UNITHOLDERS VOTE AGAINST THE RESOLUTION TO WIND UP BCS.

Voting Against the Resolution

If you are unable to attend the Meeting, the Board encourages you to exercise your rights as a unitholder and participate by appointing a proxy who can vote on your behalf at the Meeting.

SECTION 2. IMPACT OF THE PROPOSED RESOLUTIONS

Winding up of BCS

If the Resolution is passed, the RE of BCS will be responsible for the process of terminating and winding-up BCS in accordance with the procedure set out in the Corporations Act and the Constitutions. Practically this will require the RE to sell, if possible, the assets of BCS and pay any outstanding liabilities of BCS. However, it is unlikely that the RE would be able to sell the assets of BCS, which primarily consist of the concession from the State to build and operate the Airport Link tollroad, to any other party. This is because if the Resolution is passed, it will likely lead to various adverse consequences which will result in BrisConnections Group being in breach of the Project documents and the termination of the concession.

Advantages of winding-up BCS

The Directors believe there are no advantages for unitholders of winding up BCS.

Disadvantages of winding-up BCS

There are significant disadvantages for unitholders as:

- **Winding up may cause total destruction of value:** The exact consequences of winding up will depend on the attitude of other stake holders including the project debt financiers, equity underwriters and the State. It is probable however that if the Resolution is passed, the BrisConnections group would not be able to continue operating. Further, it is very likely that the winding up of BCS will result in events of default arising in respect of BrisConnections Group's debt facilities which will require immediate repayment of all amounts drawdown under these facilities and the closing out of interest rate hedge arrangements at that time. It is likely that this will result in complete destruction of any unitholder value, as the BrisConnections Group will not realise any value from its principal asset, being the concession to build and operate the Airport Link toll road. More detail on the future value is contained in section 3.
- **Unitholders remain contractually obliged to pay instalments;** The Resolution if passed will not extinguish unitholders' obligations to meet the two \$1.00 instalment payments payable in April 2009 and January 2010.
- **Recovery action will be bought against unitholders:** If BCS is wound up, unpaid instalments will be treated as debts owed to BCS. For the RE to properly discharge its duties to members on winding up, recovery action will need to be bought against unitholders (as with any other debtors) for all remaining instalment payments owing;
- **Future trading opportunities denied:** if the Resolution is passed, there will be no chance whatsoever for unitholders to trade or accept any future offer for their Units, should such an offer arise in the future. This would significantly adversely impact unitholders seeking to trade their Units prior to or following the second instalment payment date.
- **Payment to unitholders upon winding up highly unlikely:** It is highly unlikely that after applying both monies collected from unitholders in respect of the upcoming instalment payments and from the sale of BCS' assets to the payment of secured creditors and costs there would be any excess cash or assets to distribute to unitholders on a winding up. As such there are no "salvageable" assets as suggested by ASI. Instead the Directors consider that because of these possible consequences of winding up as mentioned above, the liabilities of BCS will exceed the assets of BCS if BCS is wound up and the unitholders will, therefore, not receive any distribution on completion of a winding up process.

Ill-considered resolution

The Resolution is ill-considered and will provide no commercial benefit to unitholders, regardless of the size of their holdings, or the date or price at which they acquired their holding.

Tax Impact

On a winding up, the benefit of any accumulated tax losses in BCS - which would otherwise have been available to shelter future income - will be lost. Depending on the circumstances, there may be adverse implications under the capital gains tax regime for BCS, and unitholders as beneficiaries of BCS, if the project documents with the State and other parties were to terminate or in the event that BCS are resettled as a consequence of changes to their activities or Constitutions. There may also be capital gains tax implications for unitholders in the (unlikely) event

that distributions are received in the course of winding up, or upon final redemption of their Units, particularly where Units have been acquired on market and have a low cost base. Further, if BCS cease to be listed and do not satisfy the requirements to qualify as widely held trusts, stamp duty may become payable in Queensland on any dealings in Units, including a surrender of those Units. In the event that unitholders do not pay all instalments that are due, there may be adverse consequences under the debt forgiveness rules, which can operate to reduce tax losses or the cost base in other assets held by unitholders.

These comments are necessarily general in nature. In the event the Resolution is passed, it is strongly recommended that unitholders speak to their personal tax advisor for advice as to any tax implications arising from a winding up, having regard to their individual circumstances.

Statement regarding the Project and the Board

The Board would like to take this opportunity to confirm to unitholders that it is firmly committed to acting in **all** unitholders' best interests and ensuring that the Airport Link project is a success. The Board is of the view that it is both appropriately skilled to manage the project and that the project itself remains a pertinent and viable commercial venture.

Well managed and experienced Board

The Board are intimately familiar with BCS' operations, the documents which govern the Airport Link project and future prospects of the BrisConnections Group.

The Board acknowledges that the structure of BrisConnections is a complex one. The Board together with its advisors, Goldman Sachs JB Were, are actively reviewing if there are alternative strategies available which will simplify the structure and still preserve the funding for this crucial project, which remains fully funded, both in debt and equity terms.

Airport Link is a crucial project with long term value

Airport Link has substantial long term value and is expected to produce significant income during its 45 year concession.

Your Directors acknowledge that, in the current adverse global financial environment, the price performance of BCS' units has been very disappointing. Your Directors remain confident however that over the longer term unitholders will be rewarded once the project is completed and generating income. The Board encourages all unitholders to consider the long term prospects of the project which include the construction of the largest tollroad infrastructure project in Australia and a 45 year concession in which to recover tolls and other income as traffic congestion increases.

Airport Link remains an essential component of road transport infrastructure in Brisbane and is a critical link between the City, the Airport and the Tradecoast area. If the proposed Resolution is passed, the future operation of the Project may be in jeopardy and may remove all chance of unitholders receiving any of those benefits from their interest in the assets of, or future income from, the Airport Link project. Your Board urges you not to allow this to happen.

Construction of the Airport Link project is well underway with major tunnelling equipment now in operation and site development progressing. The Airport Link project remains on track to be completed on time and on budget. Approximately 1,200 workers are now employed on building this vital missing link in Brisbane's road network. In total the BrisConnections Group expects up to 10,000 people across South East Queensland and elsewhere to be employed as a result of this project.

More detail of the future value of the project is contained in section 3.

SECTION 3. FINANCIAL INFORMATION

1. Ongoing value of BrisConnections.

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

BrisConnections have re-run the Base Case Financial Model with changes to the assumptions as set out below. (The Base Case Financial Model is a financial model used for BrisConnections' bid to obtain the Airport Link concession and was extracted from the Project Deed with the State.)

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

The changes in the assumptions for the period up to 31 July 2018 from those disclosed in the PDS are as follows:-

- 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).
- 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 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 model assumes 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

- That a distribution of \$0.0005 is made for the period ended 31 December, 2008 and that a 2nd Distribution not exceeding 3.5% of the then market capitalisation is made for the period ended 30 June, 2009 and that participation in the DRP is zero and that the MBL DRP Underwrite results in 13.7 million units being issued in respect of the 2nd Distribution. No decision or determination of distributions for the period ended 30 June 2009

has been made by the Board of BCS and there is no guarantee that a decision or determination will be so made. No further distributions are assumed during the Fixed Distribution Period.

This assumption has been made to allow the model to be calculated.

2. Market Value of BrisConnections Units after payment of next instalment.

Since the BrisConnections units commenced trading on ASX at \$0.001 in October 2008, there have been three broker reports issued, the most recent on 29 January 2009.

The average fully paid target price of the three reports is \$1.28 and the average DCF valuation is \$1.80.

While the Directors recognise that broker valuations and targets are not necessarily met by the market, all three show a significant positive trading price target.

**Accordingly, your Board recommends that you
VOTE AGAINST the Resolution.**

SECTION 4. COMMENTS IN RELATION TO THE SECTION 252B STATEMENT

The section 252B statement as provided by ASI is set out in Annexure A.

Your Board notes the five reasons given by ASI to wind up BCS and responds to each proposition in turn.

Your Board also notes that ASI failed to provide any detailed substantiation for any of its reasons to wind up BCS, and that it is of the view that each of the reasons and assertions made by ASI are incorrect.

Security of Funding

ASI's assertion is incorrect.

Despite the recent global economic crisis and uncertainty of the economic climate, BrisConnections has secure debt funding and the call underwriters, Macquarie Capital Advisers Limited and Deutsche Bank, have a contractual commitment to underwrite the instalments. This was shown in the reconciliation of funds released to the market on 22 September 2008 which information is repeated below.

Summary of Sources of Funds	A\$millions
Committed Bank Debt Facilities	2,928
Equity from Stapled Securities issued under the Underwritten IPO ¹	1,170
Equity from Stapled Securities issued under the DRP	345
Committed Deferred Equity	200
State works contribution	267
Total Sources of Funds	4,910

1. Includes each of the three \$1.00 per stapled unit instalment payments

Preservation of unitholder value

ASI's assertion is incorrect.

The future value in the completed project has significantly more value than would result if the Resolution is passed.

Airport Link has substantial long term value and is expected to produce significant income during its 45 year concession. The Resolution will most likely remove all chance of unitholders receiving any of those benefits from their interest in the assets of, or future income from, the Airport Link project.

See section 3 for more detail on unitholder value.

Change of Control

ASI's assertion is incorrect.

Even if following the second instalment payment date, there is a change of control, the long term value of the project will remain. In addition, a change of control may provide stability to the register allowing investors to trade their Units if desired.

The underwriters, Macquarie Capital Advisers Limited and Deutsche Bank, have a contractual commitment to underwrite the instalments so that even if there is default from some unitholders, those that do pay will still have a long term investment with future value.

Market Price

ASI's assertion is incorrect.

The market price of Units is determined by the market and is not controlled or determined by BrisConnections. Irrespective of the price set by the market, it is possible for investors to trade their Units to willing buyers on or off market, or accept an offer or other proposal should one be forthcoming. The Board notes that ASI itself has proven a very active acquirer of Units. If the Resolution is passed, then there will likely be no value whatsoever in the Units, even though the liability to pay the next two instalments of \$1.00 each remains, and no opportunity to trade or accept any potential proposals. See section 3 for more detail on this.

Value to unitholders of a wind up

ASI's assertion is incorrect.

In the event of a wind-up, unitholders would still be required to pay their outstanding instalments and will likely receive NO cash or assets as creditors and expenses would be paid first from the assets of BCS.

See section 2 for discussion regarding the likely consequences of winding up BCS.

**Accordingly, your Board recommends that you
VOTE AGAINST the Resolution.**

GLOSSARY

Airport Link Project means the design, construction, operation, maintenance and financing of Airport Link.

ASI means Australian Style Investments Pty Ltd ACN 109 510 198.

ASX means Australian Securities Exchange.

BCMCL means BrisConnections Management Company Limited ACN 128 614 291.

BCHT means BrisConnections Holding Trust ARSN 131 125 025.

BCIT means BrisConnections Investment Trust ARSN 131 124 813.

BCS or **BrisConnections** means BrisConnections Investment Trust ARSN 131 124 813 and BrisConnections Holding Trust ARSN 131 125 025.

BrisConnections Group or **Group** means BCS and its subsidiary entities.

Board means the Board of Directors of the RE.

Constitutions means the constitutions of BCHT and BCIT.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Board of the RE and Directors has a corresponding meaning.

Deferred Equity means the \$200 million to be subscribed for, pursuant to the Deferred Equity Commitment Deed by the Thiess Infrastructure Trust and the John Holland Infrastructure Trust which are parties associated with the design and construction contractor.

MBL DRP Underwrite means the underwriting of the Distribution Reinvestment plan described in Section 11.5.24 of the PDS.

Meeting means the meetings of the members of BCS held simultaneously to consider the Resolution proposed by ASI.

PDS means the Product Disclosure Statement dated 24 June 2008 for the offer of Units.

Project means the design, construction, operation, maintenance and financing of Airport Link, and the design and construction of the Busway and Airport Roundabout Upgrade as described in the PDS.

Proxy Form means the proxy form provided to members of BCS to vote at the Meeting by proxy.

RE means BCMCL as Responsible Entity of BCHT and BCIT.

Registry means Link Market Services Pty Limited ACN 083 214 537.

Resolution means the special resolution concerning the winding up of BCS set out in the Notice of Meeting contained in this Explanatory Memorandum.

State means the State of Queensland.

Unit means a stapled unit in BCHT and BCIT.

NOTE:

All references to “dollars” or “\$” in this Explanatory Memorandum are to Australian dollars.

A reference to time in this Explanatory Memorandum is a reference to Australian Eastern Standard Time.

ANNEXURE A

Statement made pursuant to section 252B of the Corporations Act 2001 (Cth) by Australian Style Investments Pty Limited.

Australian Style Investments Pty Ltd ("ASI"), being a member of the Trusts, provides the following statement. This statement accompanies the request ASI has made to BrisConnections Management Company Limited ("BCMCL") to call and arrange to hold a meeting of members of the Trusts to consider and vote on a proposed special resolution to commence winding up the Trusts.

Despite BCMCL's continuous disclosure obligations to the Australian Stock Exchange ("ASX"):

(a) the Product Disclosure Statement issued by BCMCL for the Airport Link Project, while stating that intended distributions were not guaranteed during the fixed distribution period, inferred that the "financial circumstances of BrisConnections" would be the determining factor in payment of the intended distributions;

(b) on 3 September 2008, the Company Secretary on behalf of BCMCL released a statement which reconfirmed that:

(i) the price at which the Trusts' stapled securities trade does not impact the pricing or availability of the funding for the project,

(ii) all the debt facilities raised by BrisConnections for the project are fully underwritten by a group of leading Australian and international banks experienced in motorway financings and that those facilities are and remain fully committed and available for their specified maturities, and

(iii) there are no market capitalisation undertakings in BrisConnections' debt facilities,

and then went on to state that the directors of BCMCL intended to declare the first fixed distribution of 5.95 cents per stapled security on 19 December 2008 and that there "...is cash funding in reserve accounts available to fully meet this distribution";

(c) when BCMCL provided an update to the market on 24 October 2008, the chairman was quoted as saying that BrisConnections was "...well placed despite the current volatility in financial markets". That update reiterated that funding is secure and that there are no market capitalisation undertakings in the debt facilities. Indeed, that update contained a set of frequently asked questions, which included reference to distributions. The update contained no hint or suggestion that BCMCL was considering changing the intended distribution;

(d) on 30 October 2008, just 6 days after the update on 24 October 2008, BCMCL advised investors that:

(i) since 3 September 2008 there had been a significant deterioration in world equity and financial markets;

(ii) it is in the interests of all unit holders for BrisConnections to preserve its capital by reducing the first distribution from 5.95 cents per unit to 0,05 cents per unit and to defer payment of that reduced distribution until after payment of the second instalment on 29 April 2009;

(iii) the reduction in distribution reflects the importance of preserving BrisConnections' cash reserves given prevailing market conditions; and

(iv) the deferral of the first distribution may reduce the number of trades in small holdings which are motivated by the disparity between the then current unit price and the anticipated first distribution and that these holders may intend to dispose of units prior to the payment of the second instalment and, if this is not possible, may have no means to meet calls on subsequent instalments. By doing so, the directors considered that this would "...avoid the erosion in value for all unit holders";

(e) on 3 February 2009, BCMCL released financial results for BrisConnections. In the ASX release, the chairman once again stated that:

"BrisConnections is fully funded and we are well positioned to continue delivering on the construction phase of the project. We have syndicated debt facilities in place, which we began drawing on recently. Also the two remaining instalments are fully underwritten..."

The consolidated interim balance sheet for BrisConnections as at 31 December 2008 indicates that more than \$63 million is held in cash reserves.

Overall, it is ASI's view that the reduction and deferral of the announced distribution is not in the best interests of unit holders of the Trusts. ASI considers that the decision of the board, as announced on 30 October 2008:

(a) is inconsistent with the intentions as expressed in the PDS; and

(b) was substantially based on an irrelevant reason (namely, the trading intentions of unit holders)

ASI also considers that it is not clear that it is in the unit holders' best interests to contribute a further \$2 of equity per unit to the project given:

(a) the uncertain nature of the economic climate;

(b) that it is clear that the future value of the completed project is materially lower than first anticipated at issue; and

(c) there is suitable concern as to the future of BCMCL post the second instalment date, where in all likelihood there will be a change of control (possibly to the underwriters), as a majority of unit holders may default on paying that instalment;

(d) even after the second \$1 instalment is paid in April, it is possible that the units will continue to trade at less than \$1, resulting in an immediate loss of investment value and a continuation of limited opportunities for unit holders to trade or exit their position, if desired;

(e) there is a material risk that further equity contributed will diminish by a value greater than that in the event of windup. Hence it is not commercial from a unit holders' perspective, to continue BCMCL as a going concern.

As a result, ASI believes it to be in the best interest of all unit holders to wind up the Trusts now and distribute any net salvageable value, if any, of the assets of the Trusts (including work in progress) back to unit holders.



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ANNEXURE B

Instructions for attending Meeting



How to complete this Proxy Form

1 Your Name and Address, and Securityholder Reference Number (SRN)/Holder Identification Number (HIN)

Please complete your name and address, and SRN/HIN, as those details appear on the Trusts' unit register. **Please note: you cannot change ownership of your units using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the appropriate box in section A. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a unitholder of the Trusts. A proxy may be an individual or a body corporate.

3 Votes on Item of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite the item of business. All your units will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the item by inserting the percentage or number of units you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the item of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Trusts' unit registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of units applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either Unitholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting (including as a proxy) the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Trusts' unit registry or at www.linkmarketservices.com.au.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am (Queensland time) on Tuesday, 7 April 2009, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

- by posting or facsimile to BrisConnections' unit registry as follows:
BrisConnections Unit Trusts
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.