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## Rubicon Asset Management Ltd (In Liquidation) as Responsible Entity ("RAML") for Rubicon Europe Trust ("REU")

### Update to Unitholders August 2010

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## Glossary

<b>ASX Ltd</b>	Australian Stock Exchange Limited
<b>c.</b>	Circa
<b>Group</b>	Rubicon Europe Trust I, Rubicon Europe Trust II and Rubicon Europe Trust III.
<b>NAB</b>	National Australia Bank
<b>RAML</b>	Rubicon Asset Management Limited
<b>REU or Scheme</b>	Rubicon Europe Trust
<b>RET I</b>	Rubicon Europe Trust I
<b>RET II</b>	Rubicon Europe Trust II
<b>RET III</b>	Rubicon Europe Trust III

## Background

- As disclosed in previous releases to the market on 19 June 2009, 25 September 2009, 8 October 2009 and 23 December 2009, a number of events have incurred impacting the status of the Rubicon Europe Trust.
- REU is comprised of stapled units in Rubicon Europe Trust I and Rubicon Europe Trust II.
- For ease of reference the abovementioned previous releases are summarised below:
  - 19 June 2009: Voluntary Administrators were appointed to RAML, the Responsible Entity of REU.
  - 25 September 2009: Mr Chris Campbell and Mr Vaughan Strawbridge of Deloitte were appointed by NAB as Receivers and Managers of RET I and RET II, RET III and Rubicon Europe Pty Limited.
  - 8 October 2009: The Supreme Court of NSW ordered that REU be wound up with RAML, as the Responsible Entity, appointed to wind up the scheme in accordance with REU's Constitution and any orders/directions of the Court.
  - 23 October 2009: A resolution for the winding up of RAML was passed at a duly convened creditors meeting held on 22 October 2009 and RAML was placed in liquidation. The Voluntary Administrators became the Liquidators.
  - 23 December 2009: Notification was received from ASX Ltd that REU would be removed from the Official List of the ASX.

## Impact

- RET I, RET II and RET III and Rubicon Europe Pty Limited, the entities to which Receivers and Managers were appointed, did not directly own any property assets but held investments in European domiciled entities that held assets.
- The appointment of Receivers and Managers meant that when the order to wind up REU was made on 8 October 2009, it was subject to the outcome of the receivership process. The Receivers and Managers have taken control of the day to day management of REU and initiated a process in order to realise the assets (the investment in the European entities) owned by the entities subject to the Receivership appointment.
- I have been advised by representatives of the Receivers and Managers that the realisation process is complex due to issues such as differing taxation regimes impacting the Group and valuation difficulties caused by the current economic environment in Europe.
- In light of the current position, with respect to the Receivers and Managers appointment, the progress of the winding up of REU will be delayed until the completion of the receivership process.

The appointment of Receivers and Managers to RET I, RET II, RET III and Rubicon Europe Pty Ltd will delay the REU winding up process until the Receivership process is complete.

### Likely Outcome

- The expected outcome as it impacts unitholders is subject to the ultimate realisations achieved for the sale of the Scheme assets. As this outcome is not yet known, and so as not to prejudice any negotiations that may be in progress, details of specific valuation information is unable to be released at this point in time.
- As previously discussed, the exposure to NAB is in the order of AUD\$130 million. In addition to this liability, the Group has other creditor liabilities subordinate to the NAB debt of c.€100 million (being liability to Credit Suisse and Taberna/Merryl Lynch liabilities).
- Based on the information currently available and considering the total liability of the Group, it is unlikely at this time that any residual funds will be available for distribution to unitholders on the conclusion of the winding up.

### Conclusions

- Advice has been received that indicates it is not possible for the Liquidators to issue a notice to the effect that the unitholding is worthless to enable capital losses to be claimed for tax purposes as the Scheme is not a company. Accordingly the Liquidators will not be issuing such a notice.

### Enquiries

- The share registry is now being maintained in-house and not by Link Market Services who previously maintained the registry. As such, all shareholder enquiries should now be directed to:
  - Norman Lee  
Grant Thornton, 383 Kent St, Sydney NSW 2001  
Direct dial: (02) 8297 2712  
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A return to unitholders is unlikely. Further enquiries should be directed to the Liquidators office.