



FERRIER HODGSON

Bridgecorp Finance Limited ACN 095 328 948

(Receivers and Managers Appointed)
(Administrators Appointed)
("BFL") ("the Company")



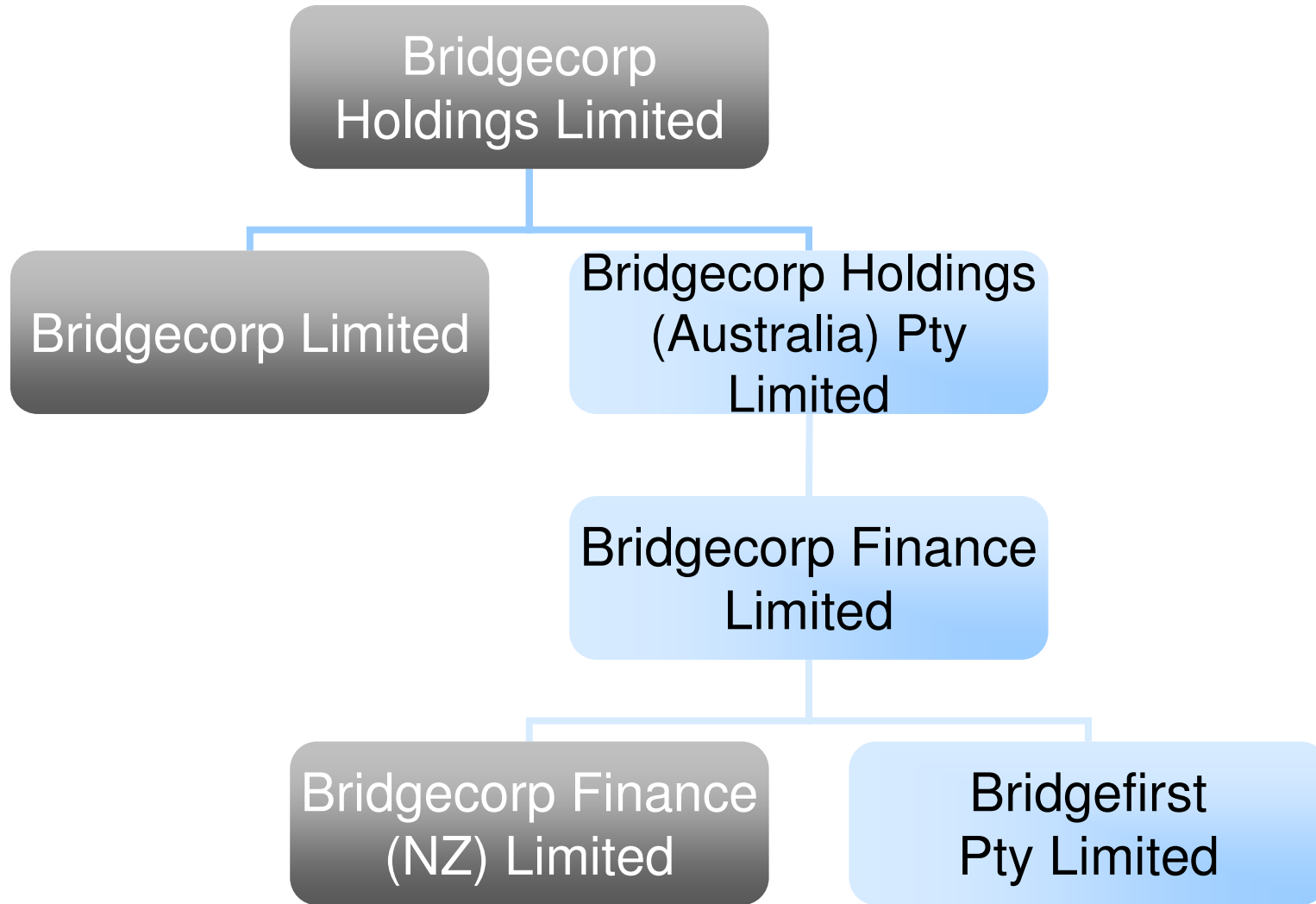
BRIDGECORP

Independence
Innovation





Bridgecorp Group Structure



Independence
Innovation





Bridgecorp Group: Sequence of Events

- **2 July 2007 (NZ)**
PwC appointed Receivers of Bridgecorp Limited by Covenant Trustee Company Limited
- **3 July 2007 (AUS)**
FH appointed Receivers and Managers of Bridgecorp Finance Limited by Permanent Nominees (Aust) Limited
- **4 July 2007 (AUS)**
PwC appointed Voluntary Administrators of nine Bridgecorp Group companies by Directors of the companies
- **6 July 2007 (AUS)**
FH appointed Receivers and Managers of Bridgefirst Finance Pty Limited by Permanent Nominees (Aust) Limited





Receivers and Managers (FH)

- Control company affairs and assets in order to maximise returns to PNAL as Trustee for Investors

Administrators (PwC)

- Manage rights of unsecured creditors
- Realise company assets after Receivers and Managers resign
- Investigate prior transactions





Duties of Receivers/Managers

- Freeze all transactions
 - Including payment of principal and interest to note holders
- Realise company assets
- Distribute proceeds of asset sales
- Report possible offences to ASIC





BFL financial position:

31 May 2007, according to BFL books and records

	\$000's	\$000's
<u>Assets</u>		
Mortgage Loans	19,365	
Cash	809	
Receivables	2,017	
Convertible Notes	6,750	
Future Income Tax Benefit	7,196	
Inter-group Advances	13,822	
TOTAL ASSETS		49,959
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<u>Less: Liabilities:</u>		
Debenture (Bridgecorp Notes) / Unsecured Notes	23,862	
Payables / Taxes	3,319	
TOTAL LIABILITIES		27,181
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Net Assets before Subordinated debt		22,778
<u>Less: Subordinated Debt</u>		5,000
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Net Equity based on book values		\$17,778
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Recoverability of Assets

- Mortgage loans \$19.4m (now \$14.6m)
 - Return depends on recoverability of loans
 - Currently assessing
- Other receivables \$2m
 - Accrued interest – may not be recoverable
- Convertible Notes \$6.7m
 - Notes sold to a third party
 - Currently assessing





Recoverability of Assets

- Future Income Tax Benefit \$7.2m
 - Company has no profits to offset
 - Unrecoverable
- Inter-group advances \$13.8m
 - Currently assessing
 - Unlikely to recover in full
 - Additional \$3.73M advanced to Bridgecorp Limited June 2007





Historical Performance

per BFL books and records

	2005	2006	31-May-07
	\$000's	\$000's	\$000's
Revenue from Ordinary Activities			
Interest revenue	18,377	18,526	8,439
Interest expense	(12,171)	(13,398)	(4,870)
Net interest revenue	6,206	5,128	3,569
Fee and commission revenue	5,309	6,135	1,069
Fee and commission expense	(794)	(681)	(9)
Net fee and commission revenue	4,515	5,454	1,060
Net Operating Revenue	10,721	10,582	4,629
Bad and doubtful debts	2,415	16,808	2,775
Other expenses	3,821	5,945	3,086
Profit before income tax	4,485	(12,171)	(1,232)
Income tax benefit (expense)	(1,343)	3,632	368
Net profit attributable to members	3,142	(8,539)	(864)
Accumulated reserves	7,182	(1,357)	(2,221)





Aged Pension Exemptions

- FH has contacted the Federal Government seeking exemptions for pensioners
- Investors suffering hardship should contact Centrelink





Further Queries

- Bridgecorp Hotline
 - (02) 9286 9816
- Bridgecorp Email Queries
 - bridgecorp@fh.com.au
- Updates on website
 - www.ferrierhodgson.com.au

