

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder****To Company Name/Scheme** Babcock & Brown Communities Limited ("BBC")**ACN/ARSN** ABN 16 010 622 901**1. Details of substantial holder (1)**Australian Property Custodian Holdings Limited ABN 74 095 574 436  
(AFS licence no 226692) in its capacity as Responsible Entity of The  
Prime Retirement and Aged Care Property Trust ("Prime")**Name** This Notice is also given on behalf of each subsidiary of Prime  
(which as at the date of this notice, are listed in Annexure A).**Note:** in accordance with Chapter 6C of the Corporations Act, this  
notice is being lodged because Prime has made a proportional  
takeover bid for BBC.**ACN/ARSN (if applicable)** ARSN 097 514 746The holder became a substantial holder on 04/09/2008**2. Details of voting power**The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or  
an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Stapled Securities	2,831,084	2,831,084	0.434%

**3. Details of relevant interests**The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial  
holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS licence no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746	Holder of stapled securities	Stapled securities 2,831,084

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS licence	Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS	Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS licence	Stapled securities 2,831,084

no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746	licence no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746	no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746	

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS licence no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746	6/8/2008	\$525,253.02		Stapled securities: 1,500,000
	7/8/2008	\$24,688.90		72,455
	7/8/2008	\$69,151.80		200,000
	7/8/2008	\$87,692.50		250,000
	8/8/2008	\$4,950.73		14,529
	11/8/2008	\$119,261.80		350,000
	18/8/2008	\$9,819.64		29,248
	18/8/2008	\$17,037.40		50,000
	19/8/2008	\$23,754.06		70,752
	20/8/2008	\$60,132.00		200,000
	22/8/2008	\$27,349.04		94,100

### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

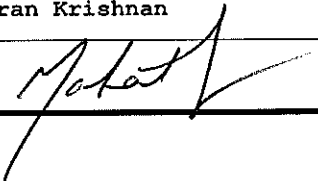
Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

### 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Prime	Level 2, 613 St Kilda Road Melbourne 3004
BBC	Level 4, 111 Cecil St South Melbourne 3205

### Signature

print name **Mahanthran Krishnan** capacity **Company Secretary of Prime**  
 sign here  date **5/9/2008**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
  - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
  - (4) The voting shares of a company constitute one class unless divided into separate classes.
  - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
  - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
  - (7) Include details of:
    - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
    - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
  - (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
  - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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## **Annexure A**

### **Subsidiaries of Australian Property Custodian Holdings Limited ABN 74 095 574 436 (AFS licence no 226692) in its capacity as Responsible Entity of The Prime Retirement and Aged Care Property Trust ARSN 097 514 746**

APCH Aged Care Services Pty Ltd ACN 113 934 400	Australia	100%
Hibiscus RV Properties Pty Ltd ACN 115 176 960	Australia	100%
Buderim Meadows Retirement Village Pty Ltd ACN 052 895 244	Australia	100%
Chancellor Park Retirement Village Pty Ltd ACN 061 399 139	Australia	100%
Nambour Retirement Village Pty Ltd ACN 069 358 701	Australia	100%
Noosa Outlook Retirement Village Pty Ltd ACN 010 860 394	Australia	100%
BACH Unit Trust ACN 091 506 044	Australia	100%
APCH Investments Pty Ltd ACN 122 104 009	Australia	100%
Hibiscus Retirement Resort MP Pty Ltd ACN 092 042 487	Australia	100%
Hibiscus Retirement Resort DM Pty Ltd ACN 098 535 874	Australia	100%
Cater Corporation Pty Ltd ACN 084 718 552	Australia	100%
Carlyle RV Properties Pty Ltd ACN 123 627 805	Australia	100%
Argyle Gardens Village Pty Ltd ACN 010 502 879	Australia	100%
Carlyle Villages Pty Ltd ACN 075 243 800	Australia	100%
Lindfield RV Properties Pty Ltd ACN 127 111 586	Australia	100%

All entities' registered offices are located at: Level 2 613 St Kilda Road Melbourne 3004.