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Brisbane
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21 October 2008

Company Announcements Platform
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**Takeover bid by Brickworks Investment Company Limited for
Huntley Investment Company Limited – Completion of dispatch
of bidder's statement**

We act for Brickworks Investment Company Limited ACN 106 719 868 (BKI) in relation to its off-market takeover bid for all the shares in Huntley Investment Company Limited ACN 060 306 738 (HIC).

We **attach**, by way of service pursuant to item 8 of subsection 633(1) of the *Corporations Act 2001* (Cth), a notice stating that BKI has today completed sending its bidder's statements to offerees in relation to its off-market takeover bid for all the shares in Huntley Investment.

Yours faithfully



BKI's Offer Information Line

Australian callers: 1300 726 297 (toll free)
For international callers: +61 3 9415 4332

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Brickworks Investment Company Limited

ACN 106 719 868

**Company Notice – subsection 633(1) items 7, 8 and 9
Corporations Act (Act)**

Notice of completion of sending Bidder's Statement and Offers

**To: Huntley Investment Company Limited
Australian Securities and Investments Commission
Australian Securities Exchange Limited**

Brickworks Investment Company Limited ACN 106 719 868 (BKI) gives notice that it has today completed sending its bidder's statement dated 3 October 2008 (**Bidders Statement**) (which contains an offer dated 20 October 2008 (**Offer**) to all persons registered as the holder of ordinary shares in **Huntley Investment Company Limited ACN 060 306 738 (HCI)** in the register of HCI shareholders as at 9.00am (Sydney time) on **13 October 2008** (being the date set by BKI under subsection 633(2) of the Act) (**Relevant Offerees**).

A copy of the Bidder's Statement (which contains the Offer), together with all additional information sent to the Relevant Offerees as required by subsection 633(1C) of the Act (inserted into the Act by ASIC Class Order 01/1543) and subsection 633(6) of the Act, is **attached** to this notice.

Date: *21 October 2008*

Signed for and on behalf of **BKI** by:



Richard Pfllinger (Company Secretary)

BIDDER'S STATEMENT

containing an **OFFER** by

Brickworks Investment Company Limited

ABN 23 106 719 868

ACCEPT ✓

**Brickworks Investment
Company Limited's**

Offer to acquire all your shares in

**Huntley Investment
Company Limited**

ABN 12 060 306 738

You will receive 0.6 BKI Shares for
each of your HIC Shares

Financial Adviser



PITT CAPITAL PARTNERS

Legal Adviser

**CORRS
CHAMBERS
WESTGARTH**
lawyers

This offer is dated 20 October 2008 and is scheduled to expire at 7.00pm Sydney time on 20 November 2008, unless extended or withdrawn.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND ITS CONTENTS OR DO NOT KNOW WHAT TO DO, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER, LEGAL ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY

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Important Information

Offer Information Line

For information regarding your HIC Shares, the Offer or how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact BKI's Offer Information Line on:

For Australian callers: 1300 726 297 (toll free)

For international callers: +61 3 9415 4332

Key Dates

Date of this Bidder's Statement	3 October 2008
Offer opens (date of Offer)	20 October 2008
Offer closes (unless extended or withdrawn)	7.00pm Sydney time, 20 November 2008

This Bidder's Statement is issued by Brickworks Investment Company Limited ABN 23 106 719 868 under Part 6.5 of the Corporations Act. This Bidder's Statement includes an Offer dated 20 October 2008 to acquire your HIC Shares and also sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 3 October 2008. Neither ASIC nor its officers takes any responsibility for the contents of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. These terms are defined in section 11.1.

Investment decisions

This Bidder's Statement does not take into account the investment objectives, financial situation and particular needs of individual HIC shareholders. Before deciding whether or not to accept the Offer you may wish to seek independent financial and taxation advice.

Forward looking statements

This Bidder's Statement contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While BKI believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in section 7 of this Bidder's Statement, as well as other matters as yet not known to BKI or not currently considered material by BKI, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

Disclaimer as to HIC and Combined Group information

The information on HIC and HIC Shares contained in this Bidder's Statement has been prepared by BKI using publicly available information.

The information in this Bidder's Statement concerning HIC and the assets and liabilities, financial position and performance, profits and losses and prospects, has not been independently verified by BKI. Accordingly, BKI does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information on the Combined Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on HIC, has been prepared using publicly available information. Accordingly, information in relation to

the Combined Group is subject to the foregoing disclaimer to that extent. Further information relating to HIC's business may be included in HIC's target's statement which HIC must provide to its shareholders in response to this Bidder's Statement.

Offers outside Australia

Shareholders should note that the consideration under the Offer is securities of BKI, an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. Shareholders whose address in the HIC register of members is not in Australia or New Zealand (**Foreign Shareholders**) will not be entitled to receive BKI shares on acceptance of the Offer (unless BKI determines otherwise). Foreign Shareholders who accept the Offer will receive a cash amount calculated in accordance with section 10.23 of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which, or to any person to whom, the issue of such securities would be unlawful.

Privacy collection statement

Personal information relating to your shareholding in HIC has been or will be obtained by BKI or its agents from HIC in accordance with its rights under the Corporations Act. BKI will share this information on a confidential basis with its related bodies corporate, advisers and agents where necessary for the purposes of the Offer. BKI, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer. If you would like details of your personal information held by BKI or its agents please contact BKI at its registered address, Level 2, 160 Pitt Street Mall, Sydney, NSW, 2000.

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Chairman's letter

3 October 2008

Dear HIC Shareholder

Takeover Bid for Huntley Investment Company Limited

On behalf of the Directors of BKL, we are pleased to offer you this opportunity to become a shareholder in a combined BKL and HIC (the Combined Group) through BKL's takeover offer for HIC.

Under the Offer, BKL is offering you 0.6 BKL Shares for each of your HIC Shares. This values HIC at \$0.73 per share and implies a substantial premium of 10.9% based on the closing prices of BKL Shares and HIC Shares on 17 September 2008 (the last trading day before the Offer Announcement). At the date of the Offer Announcement, the Offer valued HIC shares at their net tangible asset backing (as reported at 31 August 2008, post tax and adjusted for dividends paid).

BKL combined with HIC will be a leading listed investment company with a market capitalisation of approximately \$481 million based on the closing prices of BKL and HIC shares on 17 September 2008. By accepting the Offer, HIC shareholders will be able to benefit from:

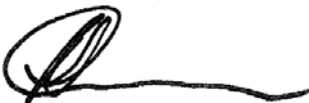
- the out-performance which BKL has achieved since its initial public offering when compared to HIC;
- the lower management expense ratio charged by BKL (which will be further reduced by the enlarged size of the BKL portfolio and the cost reductions resulting from the internalisation of management announced on 2 June 2008);
- improved liquidity and the increased equity market presence and access to capital which BKL provides as a larger entity; and
- stronger diversification of investments by company and business sector.

This Offer is currently scheduled to close at 7.00pm Sydney time on 20 November 2008 unless extended or withdrawn. I urge you to read this Bidder's Statement carefully and then accept the Offer as soon as possible. To accept the Offer, please follow the instructions set out in section 10.7 of this Bidder's Statement and on the enclosed personalised Acceptance Form.

If you require additional assistance, please contact the Offer Information Line on 1300 726 297 (toll free for Australian callers) or +61 3 9415 4332 (for international callers).

I look forward to your acceptance of the offer and welcoming you as a shareholder in BKL.

Yours sincerely



Mr Robert D Millner
Chairman

WHY YOU SHOULD ACCEPT THE OFFER

- You will receive an attractive premium to the pre-offer HIC share price
- You will be receiving better performing shares and the potential for improved future returns
- You will benefit from cost savings
- You will benefit from the increased size, equity market presence and liquidity of the Combined Group
- You will benefit from increased diversification in the underlying stocks held by the Combined Group
- You will become a shareholder in a larger investment company and benefit from the increased size, equity market presence and liquidity
- You will have an investment in the same underlying basket of stocks held by HIC plus additional stocks not currently held by HIC
- You may be eligible for CGT roll-over relief
- BKI's Offer is the only offer currently available

The above is only a summary of some of the reasons why you should accept the Offer. Each of these reasons is described below in more detail.

This offer is scheduled to close at 7.00pm Sydney time on 20 November 2008, unless extended or withdrawn.

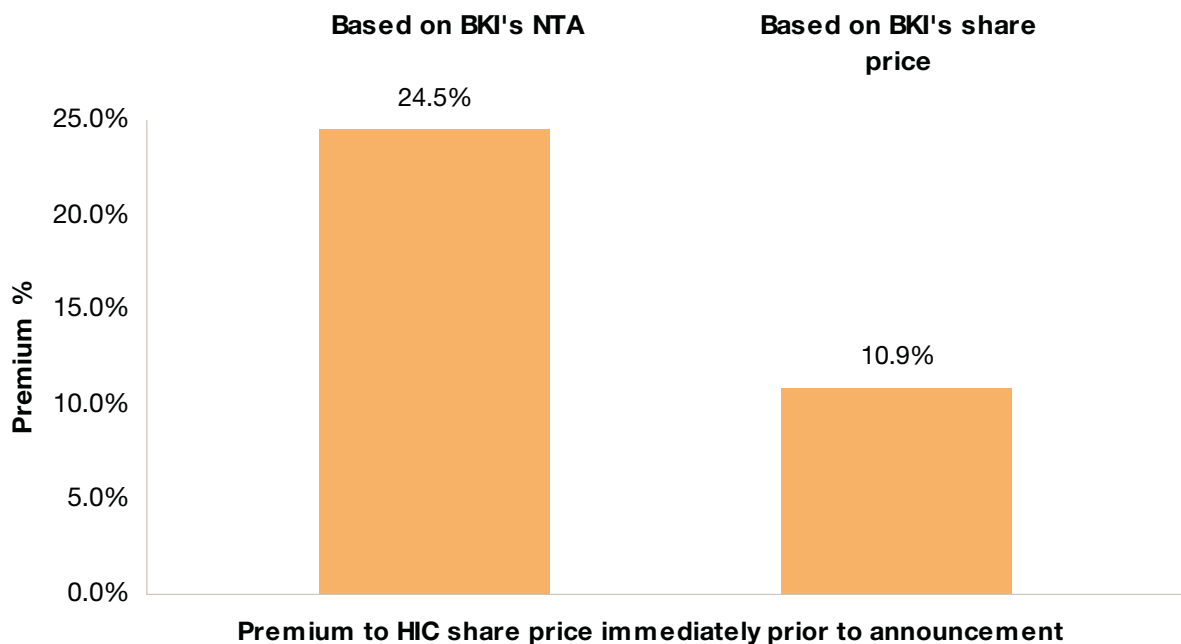
WHY YOU SHOULD ACCEPT THIS OFFER

1. You will receive an attractive premium to the pre-offer HIC share price

BKI is offering 0.6 BKI Shares for every HIC Share, implying a value for HIC of \$0.73 per share based on closing share prices on 17 September 2008, the date of the close of the last trading day before the Offer Announcement by BKI of the Offer:

- the Offer values HIC at \$0.73 per share and implies an equity value of approximately \$126.0 million¹ for HIC.
- the Offer represents a premium of 10.9% to HIC's closing share price on 17 September 2008.
- the Offer values HIC at its last reported net tangible assets (NTA)² per share (HIC's closing share price on 17 September 2008 represented a 9.8% discount to its NTA¹ per share).
- the NTA per BKI share offered as consideration represents a 24.5% premium to HIC's closing share price on 17 September 2008.

Implied premium



Source: IRESS

2. You will be receiving better performing shares and the potential for improved future returns

BKI has out-performed HIC over each of the last one, two, three and four year periods³ and since BKI's initial public offering on 12 December 2003 (the BKI IPO).

¹ Including shares to be issued under HIC's DRP on 19 September 2008. Does not include any shares issued under the SPP

² NTA per share reported at 31 August 2008, post tax and adjusted for dividend payable

³ For the periods ending 17 September 2008, being the date the Offer was announced

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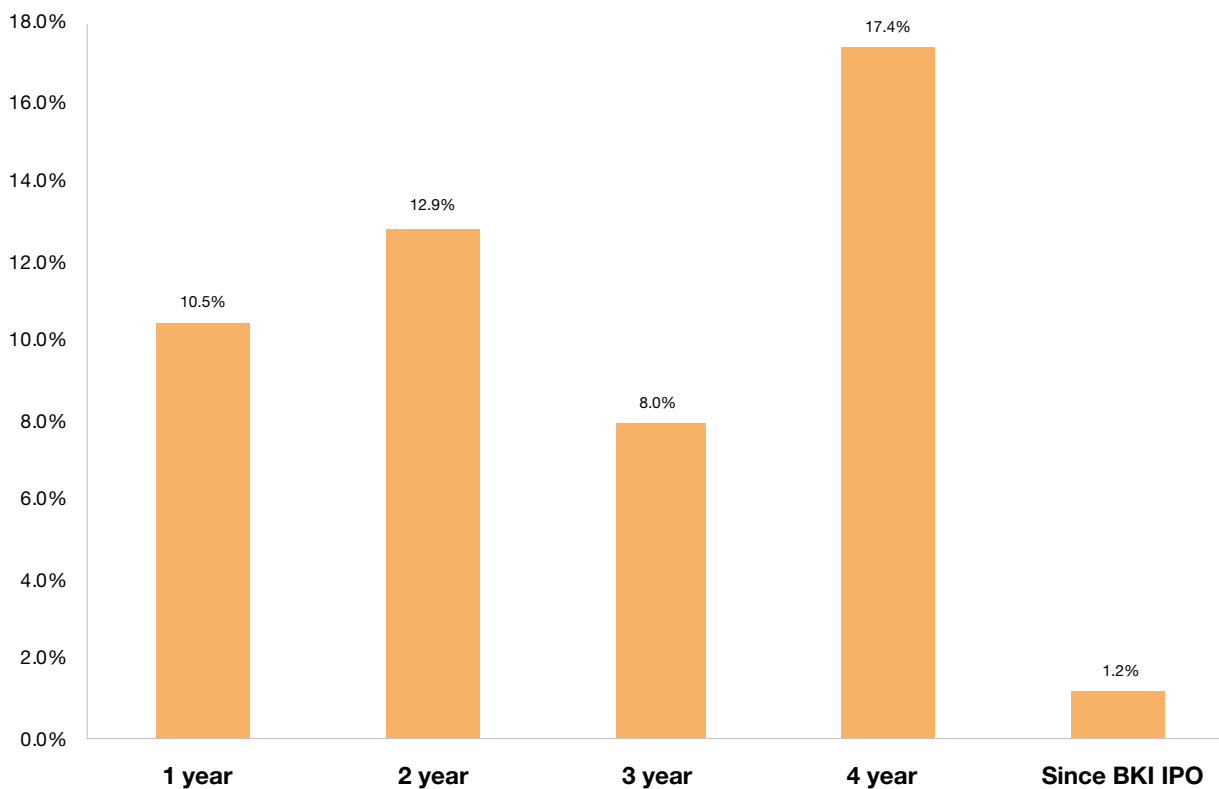
2.1 Total shareholder returns versus HIC

BKI has provided a greater total shareholder return to its shareholders.

The graph and table below shows BKI's out-performance against HIC on a total shareholder return basis⁴ over each of the last one, two, three and four year periods and since the BKI IPO. For each period, BKI has provided greater total shareholder returns than HIC (measured by share price appreciation plus dividends paid).

	1 year	2 year	3 year	4 year	Since BKI IPO
HIC	-22.8%	-11.0%	6.8%	28.3%	46.5%
BKI	-12.3%	1.9%	14.7%	45.7%	47.7%
BKI v HIC	10.5%	12.9%	8.0%	17.4%	1.2%

Total shareholder returns – BKI's increased performance in excess of HIC



Source: IRESS

2.2 Total shareholder returns versus S&P ASX 200 Accumulation Index

BKI's portfolio has out-performed HIC over the last one, two and three years.

The graph and table below shows BKI's and HIC's performance against the S&P ASX 200 Accumulation Index on a total shareholder return basis⁵ over each of the last one, two and three year periods.

Over the last three year period, BKI's NTA growth plus dividends paid has been 20.8% higher than HIC's NTA growth plus dividends.

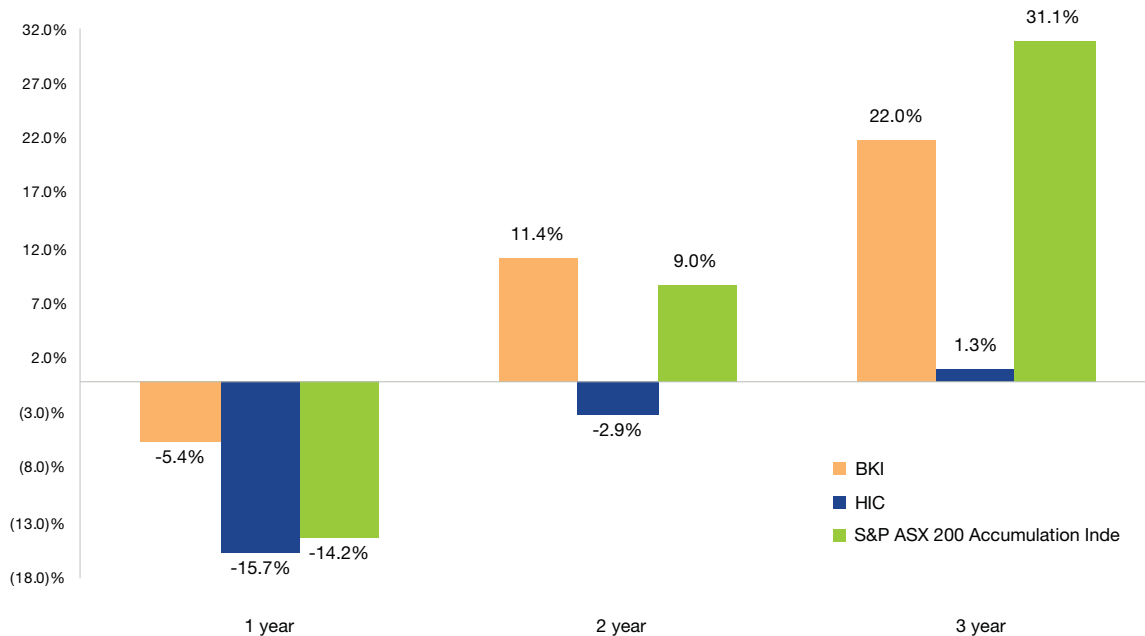
⁴ Calculated using share price growth and dividends received (Total Shareholder Return)

⁵ Calculated using NTA and dividends received

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	1 year	2 year	3 year
HIC	-15.7%	-2.9%	1.3%
BKI	-5.4%	11.4%	22.0%
S&P ASX 200 Accumulation Index	-14.2%	9.0%	31.1%
BKI v HIC	10.3%	14.3%	20.8%
BKI v S&P ASX 200 Accumulation Index	8.8%	2.4%	-9.1%

Portfolio performance – growth in NTA plus dividends paid (BKI / HIC / S&P ASX 200 Accumulation Index)



Source: IRESS and Company filings

3. You will benefit from cost savings

You will benefit from a lower management expense ratio arising from:

- lower management fees
- BKI charges a lower management fee
- BKI has announced measures to further reduce its management fee by internalising the management of its investment portfolio
- enhanced efficiencies
- a larger portfolio

Lower management fees

HIC has charged a higher Management Expense Ratio (MER)⁶ than BKI every year since BKI listed on the ASX on 12 December 2003. An increased MER results in lower dividends to shareholders and a reduction in share price. Historically, BKI has charged a significantly lower MER than HIC.

⁶ MER is calculated on assets at the end of the financial year

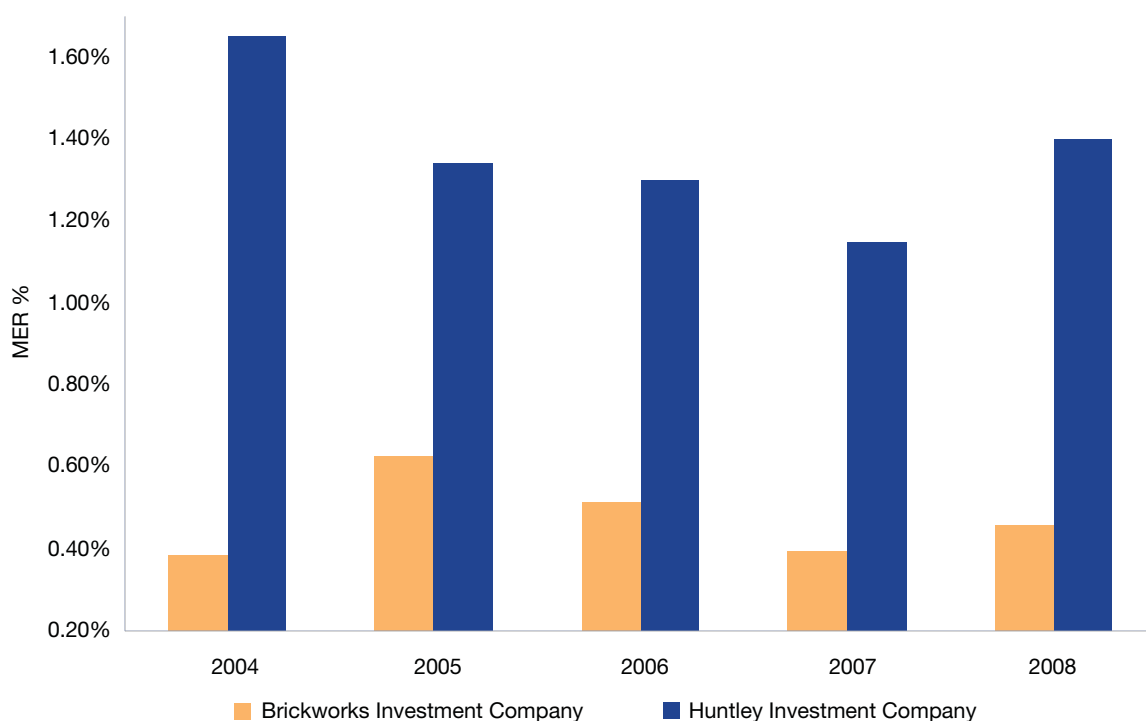
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In financial year 2008, HIC's MER was over three times greater than BKI's MER. In financial year 2008, HIC charged a management fee of \$1,117,458. Based on BKI's MER, the management fee expense would have only totalled \$496,276 creating a saving of \$621,182 that would have resulted in increased net tangible assets and may have resulted in higher dividends or share price.

For the financial year ended	30/06/2004	30/06/2005	30/06/2006	30/06/2007	30/06/2008
Brickworks Investment Company Limited	0.38%	0.63%	0.52%	0.39%	0.45%
Huntley Investment Company Limited	1.65%	1.34%	1.30%	1.15%	1.40%
HIC MER/BKI MER (times)	4.3x	2.1x	2.5x	2.9x	3.1x

Source: Company filings

MER % - BKI versus HIC



Source: Company filings

On 12 June 2008, BKI announced its intention to internalise the management of its investment portfolio from 1 December 2008 which is expected to significantly reduce management expenses going forward.

Enhanced efficiencies

Upon acquisition of 100% of the capital in HIC, it is intended that the portfolios of BKI and HIC be merged and that management of the portfolios be integrated. By combining the two portfolios, HIC shareholders will be able to take advantage of the cost efficiencies which should provide a basis for improved returns for shareholders.

Increased portfolio

In a Combined Group, it is reasonable to expect that BKI's MER will reduce further given the increase in assets under management and the relatively fixed nature of expenses. More information about BKI's intentions regarding HIC's business can be found in section 4.

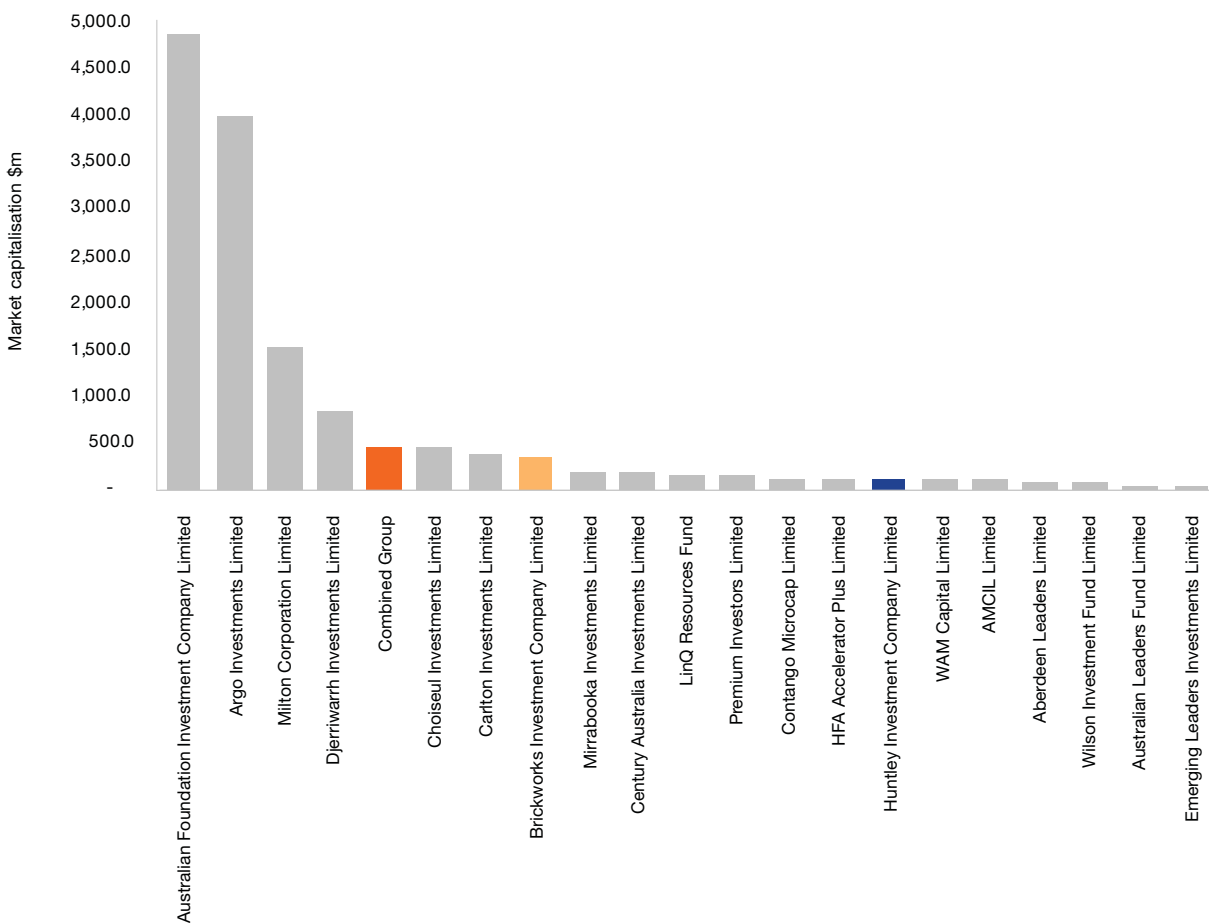
4. You will benefit from the increased size, equity market presence and liquidity of the Combined Group

The Combined Group will be significantly larger than HIC or BKI on a stand alone basis. As at 17 September 2008, HIC had a market capitalisation of approximately \$113.0 million. Based on the implied value of the takeover offer, the Combined Group of BKI and HIC is expected to have a market capitalisation of approximately \$481.0 million.

The increase in scale generated by the combination of BKI and HIC will enhance the combined businesses' ability to access debt and equity capital to fund organic growth and make further value enhancing acquisitions. Further, market evidence suggests that larger listed investment companies trade at stronger share prices than smaller listed investment companies (relative to NTA).

BKI is confident that a larger merged company will enjoy greater market acceptance and a stronger profile amongst stockbrokers and financial planners and that this will result in broader shareholder support and greater access to allocations of shares in initial public offerings, placements and exempted offers.

Market capitalisation at 1 October 2008



Source: IRESS

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5. You will benefit from increased diversification in underlying stocks

Of the 31 stocks held by HIC, 18 are already held by BKI. Post merger, HIC shareholders will gain exposure to a number of new stocks not previously held by HIC. You will own shares in a Combined Group that has 80 stocks, which will allow you to share in an additional 49 stocks not previously held by HIC.

The table below shows the amount of each portfolio allocated to industry sectors.

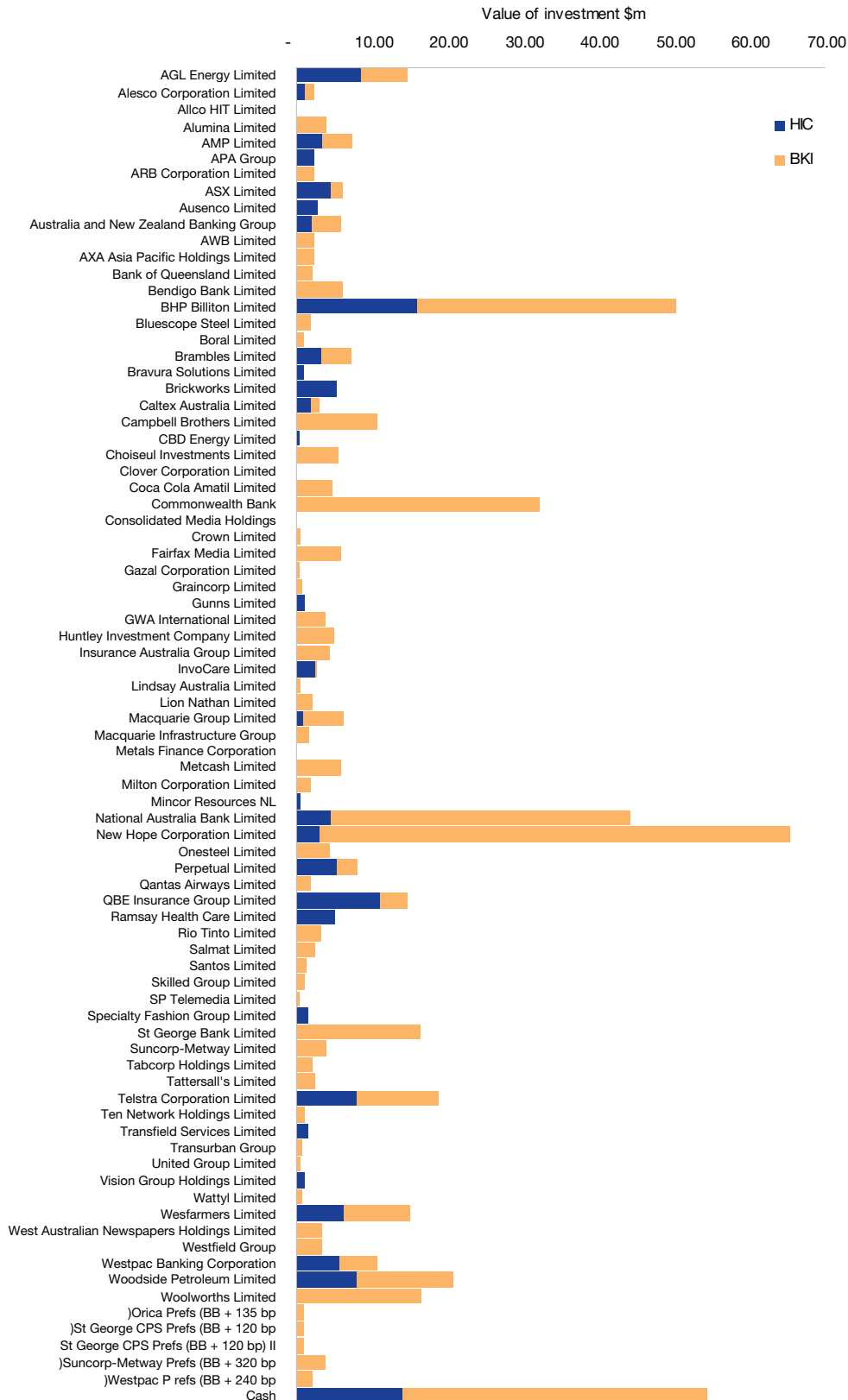
	HIC %	BKI %	Combined Group %
Consumer discretionary	2.4%	4.5%	4.2%
Consumer staples	0.2%	6.6%	5.8%
Energy	16.6%	47.5%	43.6%
Financials	19.4%	13.6%	13.9%
Healthcare	22.5%	0.0%	3.1%
Industrials	6.9%	18.7%	17.2%
Information technology	0.8%	0.0%	0.1%
Materials	15.3%	6.1%	7.4%
Telecommunications	6.9%	2.1%	2.8%
Utilities	9.2%	0.8%	2.0%

Source: Company filings

The table on the next page shows the shares that BKI and HIC have invested in and the value of each of their holding in these shares based on the close of trading on 25 September 2008.

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Pro Forma Combined Group share portfolio



Source: Company filings; HIC at 30 June 2008; BKI at 31 August 2008

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6. You may be eligible for CGT roll-over relief

HIC Shareholders who derive a capital gain as a result of accepting the Offer, may be eligible to claim capital gains tax roll-over relief in respect of the disposal of HIC Shares and the acquisition of BKI Shares under the Offer. Capital gains tax roll-over relief may apply if BKI acquires 80% or more of HIC Shares. The conditions attaching to the Offer are referred to in section 3.14. The Directors of BKI have no reason to believe that the Offer conditions will not be satisfied. Further information about the tax implications of the Offer can be found in section 8. Shareholders should seek further advice from their financial or legal adviser.

7. Additional considerations

In addition, HIC Shareholders should also consider the following matters:

Prospect of compulsory acquisition or minority shareholding

If BKI is successful in acquiring relevant interests in 90% or more of HIC Shares, and is entitled to compulsorily acquire your HIC Shares pursuant to the Corporations Act, it intends to do so. If you do not accept the Offer and your HIC Shares are compulsorily acquired, you will receive your consideration later than HIC Shareholders who accept the Offer.

The Offer is subject to a 50.1% minimum acceptance condition

If BKI acquires a minimum of 50.1% HIC Shares but less than 90% of HIC Shares, and HIC remains listed, there is a risk that HIC Shareholders who do not accept the Offer will hold HIC Shares which may be less liquid than they currently are and those shares may trade at a substantial discount to the implied Offer price.

You should consult your Broker or financial adviser to ascertain the impact of the risks associated with not accepting the Offer, including those outlined above, on the value of your HIC Shares.

Full details of conditions to the Offer are included in section 10.12 of this Bidder's Statement.

Key questions

This section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

1 What is the Bidder's Statement?

The Bidder's Statement sets out the terms of BKI's Offer and information relating to the Offer and the consideration you will receive.

2 What is the Offer?

BKI is offering to buy all of your HIC Shares by way of an off-market takeover offer.

The consideration under the Offer is 0.6 BKI Shares for each HIC Share.

You may only accept this Offer for all of your HIC Shares.

3 What is the value of the Offer?

Based on the closing price of a BKI Share on ASX on 17 September 2008 (the close of the last trading day before the announcement of the Offer) the implied Offer value is \$0.73 per HIC Share. The implied value of the Offer will change as a consequence of changes in the market price of BKI Shares.

4 What are the tax consequences if I accept the Offer?

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of the likely Australian tax consequences is set out in section 8.

5 **How do I accept the Offer?**

To accept the Offer you should follow the instructions set out in section 10.7.

6 **Can I accept the Offer for part of my holding?**

No, you can only accept for all of your holding. Your acceptance will be treated as being for all your HIC Shares plus any additional HIC Shares registered as held by you at the date your acceptance is processed.

7 **What happens if I do not accept the Offer?**

Subject to what is stated below, you will remain the holder of your HIC Shares if you do not accept the Offer.

If BKI acquires a relevant interest in at least 90% of the HIC Shares (by number) on issue at any time during the Offer Period and the other conditions are satisfied or waived, BKI intends to proceed to compulsorily acquire your HIC Shares (see section 5.4). You will receive 0.6 BKI Shares for each HIC Share which is compulsorily acquired. You will receive consideration for your HIC Shares sooner if you accept the Offer.

If BKI has an interest in less than 90% of the HIC Shares, BKI will not be able to proceed to compulsorily acquire your HIC Shares. BKI's intentions if it has an interest in less than 90% of HIC Shares are described in section 5.3.

8 **Can I withdraw my acceptance?**

You have limited rights to withdraw your acceptance of the Offer. A withdrawal right may arise under the Corporations Act if, after you have accepted the Offer, BKI varies the Offer in a way that postpones for more than one month the time when BKI has to provide you the consideration under the Offer (for example if BKI extends the Offer for more than 1 month while the Offer remains conditional).

9 **When does the Offer close?**

The Offer is currently scheduled to close at 7.00pm (Sydney time) on 20 November 2008, unless extended or withdrawn.

10 **Can BKI extend the Offer Period?**

Yes, the Offer can be extended by BKI or otherwise in accordance with the Corporations Act. You will receive written notice of any extension, as required by the Corporations Act.

11 **Can I sell on the market the shares I receive from accepting the Offer?**

Yes. You will be able to sell on ASX the BKI Shares you receive.

12 **What if I am a foreign shareholder?**

Certain foreign holders of HIC Shares will not be entitled to receive BKI Shares on accepting the Offer. These foreign shareholders who accept the Offer will receive the net cash sale proceeds of BKI Shares which they would otherwise have received (see section 10.23). The foreign holders to whom this applies are holders of HIC Shares whose address as shown in the register of members of HIC is in a jurisdiction other than Australia and its external territories or New Zealand.

13 **If I accept the Offer, when will I receive BKI Shares?**

If you accept this Offer BKI will, in the usual course, provide the consideration due to you for your HIC Shares on or before the earlier of:

- (a) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will be provided with the consideration due to you under the Offer are set out in section 10.20.

14 **Will I need to pay brokerage or stamp duty if I accept the Offer?**

You will not pay any stamp duty on accepting the Offer.

If your HIC Shares are registered in an Issuer Sponsored Holding in your name and you accept the Offer in accordance with the instructions in section 10.7, you will not incur any brokerage connected with you accepting the Offer.

If your HIC Shares are in a CHESS Holding or you hold your HIC Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

15 **What are the conditions to the Offer?**

The conditions of the Offer are set out in section 10.12. These conditions include:

- that at the end of the Offer Period, BKI has a relevant interest in more than 50.1% (by number) of the HIC Shares on issue at that time;
- that (subject to exceptions) no prescribed occurrence occurs during the Condition Period;
- a condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offers;
- that during the Condition Period BKI receives all approvals which are required by law or any Public Authority to permit the Offers to be made or which, as a result of the acquisition of the HIC Shares by BKI under the Offers, are necessary for the continued operation of the business of HIC;
- that except under a Service Agreement, HIC, or any body corporate of HIC which is or becomes a subsidiary of HIC, enters into, modifies, varies or extends any agreement with any person for the provision of management services to HIC or after the expiry of the current term of the Management Agreement, obtains any advice or services from Ian Huntley, Peter Warnes or John Larsen;
- that after the expiry of the current term of the Management Agreement, HIC, or any body corporate of HIC which is or becomes a subsidiary of HIC, obtains any advice or services from the Manager (or any related entity or associate of the Manager);
- that during the Condition Period, BKI does not become aware that any document filed by or on behalf of HIC with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission;
- a condition relating to the payment of, or the agreement to pay, break fees by HIC or any body corporate of HIC which is or becomes a subsidiary of HIC;
- conditions relating to changes in the business, assets, liabilities, financial position, performance, profitability or prospects of HIC;
- that during the Condition Period no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of HIC and its subsidiaries taken as a whole or of any of them;
- that during the Condition Period the S&P ASX200 index does not close below 4,600 for 3 or more consecutive trading days; and
- that during the Condition Period no person other than BKI or its associates gains 10.0% or more of voting power in HIC.

16 **What happens if the conditions of the Offer are not satisfied or waived?**

If the conditions of the Offer are not satisfied or waived before the Offer closes the Offer will lapse. BKI will make an announcement to ASX if the conditions of the Offer are satisfied or waived during the Offer Period.

17 **Are there any risks in accepting the Offer?**

If you accept the Offer you will become a shareholder in BKI. There are risks in holding BKI Shares and these are set out in section 7. You are already exposed to several of these risks, to varying degrees, as a result of holding HIC Shares.

What you should do next

- Step 1:** Carefully read the entire Bidder's Statement and consider the information provided.
- Step 2:** Read the Target's Statement to be provided by HIC.
- Step 3:** If you need advice, consult your Broker or your legal, financial or other professional adviser.
- If you have any queries about this document, the Offer or how to accept the Offer, please contact the BKI Offer Information Line on:
- For Australian callers:** 1300 726 297 (toll free)
- For international callers:** +61 3 9415 4332
- Step 4:** If you wish to accept the Offer follow the instructions below.

How to accept the Offer

You may only accept the Offer for all of your HIC Shares.

You should read section 10.7 for full details on how to accept the Offer.

If your HIC Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant to accept the Offer on your behalf; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

If you are a Participant (as defined in the ASTC Settlement Rules) (typically, a stockbroker who is a participating organisation of ASTC), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASTC Settlement Rules.

If your HIC Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your HIC Shares, to accept you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

If your SRN/HIN begins with an "I", this indicates that your HIC Shares are in an Issuer Sponsored Holding.

1 Summary of the Offer

The Bidder	BKI is the company making the Offer.
The Offer	BKI offers to acquire all of your HIC Shares.
Offer price	You are offered 0.6 BKI Shares for each of your HIC Shares.
Closing date	Unless withdrawn or extended the Offer is open until 7.00pm Sydney time on 20 November 2008.
Payment date	<p>If you accept this Offer BKI will, in the usual case, provide the consideration due to you for your HIC Shares to which BKI acquires good title on or before the earlier of:</p> <p>(a) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and</p> <p>(b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.</p> <p>Full details on when you will be provided with the consideration under the Offer are set out in section 10.20.</p>
Conditions	<p>The Offer is subject to the conditions set out in section 10.12 of this Bidder's Statement. These conditions include:</p> <ul style="list-style-type: none"> • that at the end of the Offer Period, BKI has a relevant interest in more than 50.1% (by number) of the HIC Shares on issue at that time; • that (subject to exceptions) no prescribed occurrence occurs during the period from the Announcement Date to the end of the Offer Period; • a condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offers; • that during the Condition Period BKI receives all approvals which are required by law or any Public Authority to permit the Offers to be made or which, as a result of the acquisition of the HIC Shares by BKI under the Offers, are necessary for the continued operation of the business of HIC; • that except under a Service Agreement, HIC, or any body corporate of HIC which is or becomes a subsidiary of HIC, enters into, modifies, varies or extends any agreement with any person for the provision of management services to HIC or after the expiry of the current term of the Management Agreement, obtains any advice or services from Ian Huntley, Peter Warnes or John Larsen; • that after the expiry of the current term of the Management Agreement, HIC, or any body corporate of HIC which is or becomes a subsidiary of HIC, obtains any advice or services from the Manager (or any related entity or associate of the Manager); • that except under a Service Agreement, HIC not enter into, modify, vary or extend any agreement with any person for the provision of management services to the Company and after the expiry of the current term of the Management Agreement, BKI does not obtain any advice or services from the Manager (or any related entity or associate of the Manager), Ian Huntley, Peter Warnes or Glenn Tetley;

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- that during the Condition Period BKI does not become aware that any document filed by or on behalf of HIC with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission;
- a condition relating to the payment or the agreement to pay, break fees by HIC or any body corporate of HIC which is or becomes a subsidiary of HIC;
- conditions relating to changes in the business, assets, liabilities, financial position, performance, profitability or prospects of HIC;
- that during the Condition Period no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of HIC and its subsidiaries taken as a whole or of any of them;
- that during the Condition Period the S&P ASX200 index does not close below 4600 for 3 or more consecutive trading days; and
- that during the Condition Period no person other than BKI or its associates gains 10% or more of voting power in HIC.

How to accept

CHESS Holdings

You should read section 10.7 for full details on how to accept the Offer.

If your HIC Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant (usually your Broker) to accept the Offer for you; or
- complete, sign and return the Acceptance Form.

Issuer Sponsored Holdings

If your HIC Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your HIC Shares, to accept you must complete, sign and return the Acceptance Form.

Signed Acceptance Forms must be sent to:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001

A self addressed envelope is enclosed.

No stamp duty

You will not pay any stamp duty on accepting the Offer.

Further information

For questions about your HIC Shares, the Offer or how to accept the Offer please refer to the remainder of the Bidder's Statement. If you still need assistance, please call the BKI Offer Information Line on:

For Australian callers: 1300 726 297 (toll free)

For international callers: +61 3 9415 4332

2 Information on Brickworks Investment Company Limited

2.1 Profile of BKI

2.1.1 Overview

BKI is a listed investment company on the ASX. BKI invests in a diversified portfolio of Australian shares, trusts and interest bearing securities.

BKI was formed on 17 October 2003 to take over the investment portfolio of Brickworks Limited. BKI Shares were listed on the ASX on 12 December 2003.

As at the close of trading on the day before the date of this Bidder's Statement, BKI had the investments set out in reason 5 of the section titled "Why you should accept the Offer" and had a market capitalisation of \$362,206,253.08 (at 2 October 2008).

2.1.2 Corporate objectives

BKI aims to generate an increasing income stream for distribution to its shareholders in the form of franked dividends, to the extent of its available imputation credits and through long term investment in a portfolio of assets that are also able to deliver long term capital growth to shareholders.

Its objectives are to:

- pay shareholders franked dividends which, over time, grow more quickly than inflation;
- provide shareholders with attractive total returns, comprising both income and capital growth, which exceed the S&P/ASX 300 Accumulation Index returns over the medium to long term;
- operate within risk parameters acceptable to its Board; and
- preserve and grow the capital of BKI.

2.1.3 Investment philosophy

BKI is a long term investor in companies, trusts and interest bearing securities with a focus on Australian entities. It primarily seeks to invest in well managed businesses with a profitable history and with the expectation of sound dividend and distribution growth.

BKI recognises that investment markets are not always perfectly efficient. This provides the opportunity to generate superior investment results. BKI believes that this can be achieved on a consistent basis by adopting a long term investment horizon, seeking to invest in companies and securities which offer attractive yields and the potential for high or improving growth over the medium to long term.

BKI:

- is an active manager, seeking to invest in securities which it expects to yield attractive fully franked dividends and which BKI assesses to be undervalued relative to their longer term growth prospects;
- concentrates research on gaining a good understanding of each entity that it invests in, taking into account earnings, cashflows, management and growth profile;
- focuses on the investment merits of individual securities rather than market and economic trends; and
- incorporates both growth and value elements in its approach, which it best describes as "style neutral".

In accordance with its long term investment philosophy, BKI is not a speculative investor and does not seek to increase profit for distribution to shareholders by selling investments. BKI reflects the revaluation of its investments in its asset revaluation reserve, rather than in operating profit, subject to compliance with any future changes in relevant accounting standards.

While BKI intends to continue investing predominantly in the Australian equities market, it will diversify its risks by investing in other asset classes and may invest in securities quoted on overseas exchanges, provided it believes the

risk/reward outcome is acceptable. BKI may also use options written against its investment portfolio to generate additional income.

BKI's investment portfolio will continue to be diversified across a number of securities in most industry sectors. However, the portfolio structure will be based on the investment merits of individual companies or trusts and will not be limited or constrained to any particular exposure to industry groups. This may at times lead to a high investment exposure to any one industry sector. BKI does not intend to follow the weightings of any ASX or other index.

BKI's investment portfolio is currently relatively heavily weighted towards investments in securities of banks and other financial institutions. This weighting is for a number of reasons, including their traditionally strong and consistent dividend yields.

2.1.4 Portfolio management

Current management

Since listing, Souls Fund Management Limited ACN 098 628 605 has acted as portfolio manager ("Portfolio Manager") and provided investment advisory services to the board and the Investment Committee, including the implementation and execution of investment decisions and the day to day administration of the investment portfolio.

Portfolio management fees that are payable to the Portfolio Manager amount to a monthly management fee equal to one-twelfth of 0.35 per cent of the total assets of BKI in the preceding month under their management. The management fee paid by BKI to the Portfolio Manager for the year ended 30 June 2008 was \$1,417,805.

Internalisation of management

On 12 June 2008, BKI announced its intention to internalise the management of its investment portfolio from 1 December 2008 which is expected to significantly reduce management expenses going forward.

Administration fees

BKI engages Corporate & Administrative Services Pty Ltd ACN 085 361 459 to provide accounting and company secretarial services. The administration fee paid by BKI to Corporate & Administrative Services Pty Ltd for the provision to BKI and its subsidiaries of administration and company secretarial services and for the preparation of all financial accounts for the financial year ended 30 June 2008 was \$111,540.

2.1.5 Reporting

To assist shareholders to assess the value of shares and to comply with the ASX Listing Rules, within 14 days after the end of each month, BKI will release to shareholders through the company announcements platform on ASX, a statement of net tangible asset backing of its shares as at the end of the preceding month along with a list of the top 10 shareholdings held. The calculation of net tangible asset backing of shares will be made in accordance with the ASX Listing Rules.

2.1.6 The BKI board

Mr Robert Dobson Millner (Non-Executive Chairman)

Mr Millner has over 20 years experience as a company director. During the past three years, he has also served as a director of the following other listed companies: Milton Corporations Limited, Choiseul Investments Limited, New Hope Corporation Limited, Washington H Soul Pattinson and Company Limited, SP Telemedia Limited, Brickworks Limited, Souls Private Equity Limited, and Australian Pharmaceutical Industries Limited.

Mr Geoffrey Guild Hill (Non-Executive Director)

Mr Hill has identified and implemented mergers and takeovers and has acted for a wide range of corporate clients in Australia and overseas. During the past three years, Mr Hill has served as a director of the following listed companies: Heritage Gold NZ Limited, Hills Industries Limited, Souls Private Equity Limited (alternate director), Enterprise Energy NL, Biron Capital Limited, UnderCoverWear Limited.

Mr Hill is currently a director of HIC. Mr Hill has had no involvement in the planning of the Offer and appropriate corporate governance measures are in place to deal with the common directorship.

Mr Alexander J Payne (Non-Executive Director)

Mr Payne is chief financial officer of Brickworks Limited and has qualifications and experience in finance and investment and has been a member of the investment committee and audit committee since the formation of BKI in 2003.

Mr David Capp Hall (Non-Executive Director)

Mr Hall is a Chartered Accountant with experience in corporate management and finance. He holds directorships in other companies. During the past three years, he also served as a director of UnderCoverWear Limited.

2.1.7 Dividend policy

BKI will pay the maximum amount of realised profits after tax to its shareholders in the form of franked dividends to the extent permitted by law and prudent business practices from profits obtained through interest, dividends and other income it receives from its investments.

Dividends will be declared by BKI's Board out of realised profit after tax, excluding realised capital profit from any disposals of long term investments.

2.2 BKI is a disclosing entity

As a disclosing entity for Corporations Act purposes, BKI is subject to regular reporting and disclosure obligations. Specifically, as a listed company, BKI is subject to the ASX Listing Rules which require continuous disclosure of any information BKI has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. Copies of documents lodged with ASIC in relation to BKI may be obtained from, or inspected at, an ASIC office.

Each recipient of this Bidder's Statement has a right to obtain a copy of:

- (a) the annual financial report most recently lodged with ASIC by BKI;
- (b) all continuous disclosure notices given by BKI after the lodgement of that annual financial report and before the lodgement of this document with ASIC.

Recipients of this Bidder's Statement who ask BKI for a copy of any of those documents during the Offer Period will be given copies free of charge. The contact for this purpose is Mr Richard Pillinger, Company Secretary at Level 2, 160 Pitt St, Sydney, NSW 2000 on (02) 9210 7000.

2.3 Disclosure of interests and benefits**(a) Interested Person**

For the purposes of sections 2.3(b) and 2.3(c) an Interested Person is:

- (i) a director or proposed director of BKI;
- (ii) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement;
- (iii) a promoter of BKI; or
- (iv) a broker or underwriter to the issue of BKI Shares.

(b) Interests

Except as disclosed in this Bidder's Statement no Interested Person holds or held at any time during the 2 years before the date of this Bidder's Statement any interest in:

- (i) forming or promoting BKI;
- (ii) property acquired or proposed to be acquired by BKI in connection with:
 - (A) forming or promoting BKI; or
 - (B) the offer of BKI Shares; or
- (iii) the offer of BKI Shares.

(c) **Benefits**

Except as disclosed in this Bidder's Statement no one has paid or agreed to pay fees or given or agreed to give any benefit to:

- (i) a director or proposed director of BKI to induce that person to become or qualify as a director of BKI; or
- (ii) any Interested Person for services provided by that person in connection with:
 - (A) forming or promoting BKI; or
 - (B) the offer of BKI Shares under the Offer.

2.4 Announcement by BKI in relation to the Offer

On 17 September 2008, BKI made a public announcement to ASX in relation to the Offer. A copy of that announcement is contained in Annexure A of this Bidder's Statement.

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3 Information about BKI's securities

3.1 BKI issued securities

As at the date of this Bidder's Statement, BKI had 292,101,817 ordinary shares on issue.

3.2 Major shareholders

The table below sets out the top 20 shareholders in BKI and their holdings as at the date of this Bidder's Statement.

	Shareholder	Number	%
1	Brickworks Limited	51,721,775	17.78%
2	Washington H Soul Pattinson & Co Ltd	7,671,387	2.64%
3	Bougainville Copper Limited	7,297,357	2.51%
4	Argo Investments Limited	6,477,402	2.23%
5	J S Millner Holdings Pty Limited	2,388,523	0.82%
6	Aust Executor Trustees Ltd <LIC Fund A/C>	2,244,035	0.77%
7	Palmerston Pty Ltd	1,372,092	0.47%
8	UBS Wealth Management Australia Nominees Pty Ltd	1,257,172	0.43%
9	T G Millner Holdings Pty Limited	1,090,731	0.37%
10	Mr Galfrid Leslie Melville	957,043	0.33%
11	Willpower Investments Pty Ltd	856,920	0.29%
12	Mr David McKee & Mrs Pamela Forbes McKee <D McKee Super Fund A/C>	842,331	0.29%
13	Trehant Pty Ltd	840,000	0.29%
14	McRallek Pty Ltd	735,852	0.25%
15	K C Perks Investments Pty Ltd <Kym C Perks Super Fund A/C>	709,710	0.24%
16	Mr Robert Dobson Millner & Mr Michael Millner <Est James S Millner A/C>	703,243	0.24%
17	Janivan Investments Pty Ltd	700,000	0.24%
18	RBC Dexia Investor Services Australia Nominees Pty Limited <MLCI A/C>	689,456	0.24%
19	DEC Investments Pty Ltd	656,408	0.23%
20	Millane Pty Ltd	649,099	0.22%
	Total	89,860,536	30.88%

Source: Company filings

3.3 Recent trading of BKI's securities

The latest recorded sale price of BKI Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was \$1.24 on 2 October 2008.

The latest recorded sale price of BKI Shares on ASX before the Offer Announcement was \$1.22 on 17 September 2008.

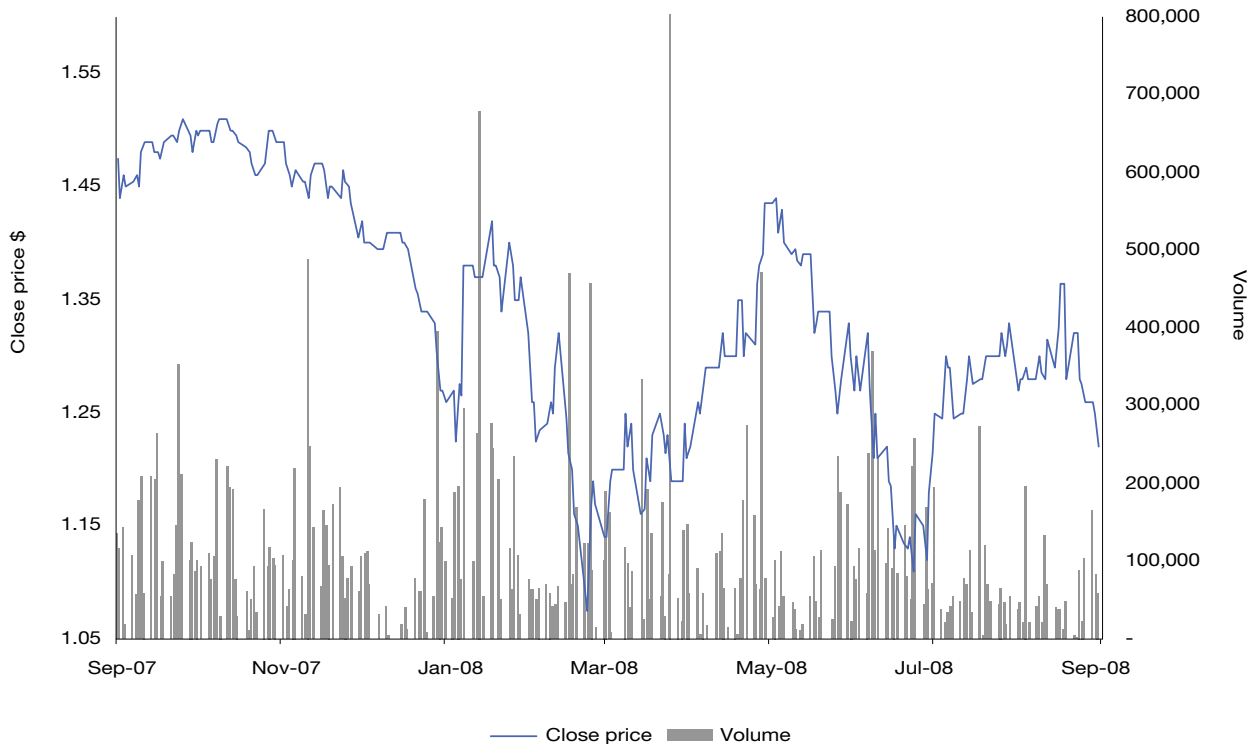
During the 4 months ended on the day immediately before the date on which this Bidder's Statement was lodged with ASIC:

- the highest recorded sale price for BKI Shares on ASX was \$1.38 which was recorded on 3 June 2008;
- the lowest recorded sale price for BKI Shares on ASX was \$1.10 which was recorded on 10 July 2008 and 18 September 2008;
- the volume weighted average price for the preceding 4 months is \$1.25.

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The chart below sets out the daily closing share price and daily volume of BKI Shares traded on ASX from 18 September 2007 to 17 September 2008.

Daily closing share price and volume



Source: IRESS

3.4 Rights attaching to BKI Shares

(a) Ranking of BKI Shares

The BKI Shares to be issued under the Offers will be issued fully paid and will rank equally for dividends and other rights with existing BKI Shares except that they will not participate in any dividend payable for the financial year ended 30 June 2008.

(b) The constitution of BKI

Under section 140(1) of the Corporations Act, the constitution of BKI has effect as a contract between BKI and each member and between a member of BKI and each other member. Accordingly, if you accept BKI Shares as consideration you will, as a result, become liable to comply with the constitution of BKI. However, since the BKI Shares issued as consideration under the Offers will be issued credited as fully paid, no monetary liability attaches to them.

The constitution of BKI also sets out the principal rights attaching to BKI Shares. This section 0(b) provides a summary of these rights and the liabilities attaching to BKI Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of BKI. Such rights and liabilities involve complex questions of law arising from the interaction of the constitution and statutory and common law requirements. Shareholders should seek their own advice when trying to establish their rights and liabilities in specific circumstances.

(i) Voting rights

Subject to any rights or restrictions for the time being attached to any class of shares, every shareholder entitled to vote at a shareholder's meeting may attend and vote. Each eligible

shareholder has one vote, which may be cast in person, by proxy, attorney or, being a corporation, by a duly appointed representative. Each shareholder entitled to vote may vote once in any vote to be taken on a show of hands (unless a shareholder has appointed more than one proxy) and where a vote is to be taken by poll, each shareholder has one vote for every share held. If a share in BKI is held jointly by more than one person, only one holder is entitled to vote at a shareholders' meeting and only the vote of the shareholder whose name appears first in the share register will count.

(ii) **Dividends**

BKI's directors may determine whether to pay a dividend. BKI may pay dividends, but only out of profits of the company, or as otherwise as permitted by law. Dividends on shares are payable (except in limited circumstances) in proportion to the amount of capital for the time being paid up by that shareholder.

(iii) **Issue of further shares**

The directors of BKI may (subject to the constitution of BKI, ASX Listing Rules and the Corporations Act) allot, grant options in respect of, or otherwise issue further shares or other classes of shares in BKI.

(iv) **Transfer of shares**

Subject to the constitution of BKI, Corporations Act, ASX Listing Rules and ASTC Settlement Rules, shares in BKI are freely transferable.

The directors of BKI may refuse to register a transfer where the Corporations Act, ASX Listing Rules and ASTC Settlement Rules permit the company to do so.

(v) **Winding up**

Subject to any rights or restrictions attached to a class of shares in BKI, on a winding up of the company, any surplus will be divided amongst the shareholders in proportion to the number of shares held by them, less any amounts which remain unpaid on their shares at the time of distribution.

(vi) **Alteration of share capital**

In accordance with the constitution of BKI and the Corporations Act, BKI may reduce its share capital and/or buy-back shares in itself. Further, BKI may convert all or any of its shares into a larger or smaller number by passing an ordinary resolution at a general meeting.

(vii) **Variation of rights**

In order to vary the rights attaching to any class of shares, a special resolution of the company and a special resolution of the shareholders holding that class of shares or the written consent of at least 75% of the holders of shares in that class is required. Where the relevant resolutions are passed, the directors of BKI may vary or cancel any rights attaching to a certain share class, or convert shares from one class to another.

(viii) **General meetings and notices**

Subject to the Corporations Act and the constitution of BKI, a general meeting may be called by the directors of BKI, an individual director, or the shareholders of the company. Each shareholder, director and auditor must be given notice of any general meeting and is entitled to attend and vote at that meeting. The ASX must also be given notice of any general meeting.

3.5 ASX listing of BKI Shares

BKI will within 7 days of the date of this Bidder's Statement apply for official quotation on ASX of the BKI Shares to be issued under the Takeover Bid. Quotation will not be automatic but will depend on ASX exercising its discretion. BKI has already been admitted to the official list of ASX and shares in BKI of the same class as those to be issued under the Takeover Bid are already quoted. But BKI cannot guarantee, and does not represent or imply, that the BKI Shares will be listed.

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4 Information on HIC and HIC Shares

4.1 Disclaimer

The information in this section concerning HIC has been prepared by BKI using publicly available information and has not been independently verified. Accordingly BKI does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on HIC should not be considered comprehensive. Further information relating to HIC may be included in the Target's Statement which will be sent to you by HIC.

4.2 Overview of HIC

HIC focuses on long-term investment and trading in securities listed on the ASX.

HIC invests in a diversified portfolio of blue-chip, growth/smaller companies and speculative stocks, where performance is benchmarked against the All Ordinaries Accumulation Index. In addition, HIC invests in futures and options for hedging purposes and, where appropriate, in interest bearing deposits. HIC classifies blue-chips stocks as those companies in the top 100 by market capitalisation having a strong balance sheet, earnings growth and consistent dividends. Growth stocks are represented by those companies outside the top 100 with significant established earnings and dividends but lacking the size and long established nature of blue chips, and speculative stocks are venture companies attempting to establish a business.

4.3 Publicly available information

HIC is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of HIC, you should refer to the information that has been disclosed by HIC in accordance with these obligations.

Since 30 June 2008 (being the end of the last financial period for which audited financial statements of HIC were prepared), HIC has made the following public announcements and media releases which BKI considers may be material to the financial position of HIC:

- 2008 Annual Report (25 September 2008)
- Share Purchase Plan form and letter (24 September 2008)
- Announcement concerning internalisation of investment management (22 September 2008)
- Appendix 3B – New issue of shares under DRP (17 September 2008)
- Share Purchase Plan and Dividend Reinvestment Plan price (12 September 2008)
- Net tangible asset backing – August 2008 (10 September 2008)
- Preliminary Final Report (22 August 2008)
- Net tangible asset backing – July 2008 (7 August 2008)
- Net tangible asset backing – June 2008 (7 July 2008)

In addition to the announcements referred to above or elsewhere in this Bidder's Statement, HIC has made the following announcements to ASX since 30 June 2008 which BKI considers may be material to the making of a decision by an offeree whether or not to accept the Offer:

- Announcement concerning take over offer (18 September 2008)

A copy of each of these announcements can be obtained from ASX. In addition copies of other major announcements by HIC can be obtained from HIC's website www.huntleyinvestmentco.com.au.

4.4 Capital Structure of HIC

According to documents lodged by HIC with ASX as at the date this Bidder's Statement is lodged with ASIC, the total number of securities in HIC is 172,095,764 HIC Shares.

4.5 BKI relevant interest in HIC securities

The number of securities of each class that BKI had a relevant interest in (as at the dates specified) is shown below:

Class	At date of this Bidder's Statement	At date first Offer is sent
HIC Shares	7,131,155	7,131,155

4.6 BKI's voting power in HIC

BKI's voting power in HIC (as at the dates specified) is shown below:

	At date of this Bidder's Statement	At date first Offer is sent
Voting power in HIC	4.14%	4.14%

4.7 Acquisition by BKI of HIC Shares during previous 4 months

During the period beginning 4 months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before the date of the Offer, BKI purchased the following shares in HIC:

- 50,000 shares at \$0.70 each on 21/7/08; and
- 63,000 shares at \$0.70 each on 27/8/08.

4.8 Inducing benefits given by BKI during previous 4 months

Except as set out in this Bidder's Statement, during the period beginning 4 months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before the date of the Offer, neither BKI nor any associate of BKI, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offers and was likely to induce the other person, or an associate of the other person, to:

- accept an Offer; or
- dispose of HIC Shares.

4.9 Valuation date

Under the terms of the Offer, BKI may rely on the provisions of ASIC class order 00/2338. That class order provides relief from the requirement in section 621(4) of the Corporations Act and allows a bidder up to five business days before the date of the takeover bid to value quoted securities that it is offering as part of its bid consideration.

Relying on the relief, BKI may value BKI Shares to be provided under the Offer at any date nominated by BKI (Valuation Date) up to 5 business days before the date of the Offer. The valuation is determined by calculating the VWAP of BKI Shares in the ordinary course of trading on ASX during two full business days before the Valuation Date.

Under section 621(4A) (as notionally inserted in the Corporations Act by ASIC class order 00/2338) the following information is provided:

- Valuation of BKI Shares
under section 621(4A): \$1.1753 per BKI Share
- Valuation Date: 16 October 2008
- Business days on which
valuation based: 14 and 15 October 2008

The value of the Offer consideration per HIC Share for the purposes of section 621 of the Corporations Act using this valuation is therefore \$0.7052.

The value exceeds the maximum value of consideration paid by BKI and its associates for HIC Shares in the four months prior to the date of the Offer, described in section 1 of this Bidder's Statement.

4.10 No escalation agreements

Neither BKI or any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

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5 BKI's intentions

5.1 Overview

This section 5 sets out BKI's intentions for HIC and considers two scenarios:

- intentions upon acquiring 90.0% or more of HIC Shares (enabling BKI to proceed to compulsory acquisition of outstanding HIC Shares); and
- intentions upon acquiring 50.1% or more, but less than 90%, of HIC Shares

These intentions are based on the information concerning HIC that is known to BKI and the existing circumstances affecting the business of HIC, at the date of this Bidder's Statement based on publicly available information.

5.2 Intentions for HIC as a wholly owned subsidiary

The intentions of BKI if HIC becomes a wholly owned subsidiary of BKI are set out in this section 5.2.

If BKI acquires 100% of HIC Shares it intends to:

- replace all of the current directors of HIC with its own nominees;
- arrange for HIC to be removed from the official list of ASX;
- manage the investment portfolios of BKI and HIC as a single pooled portfolio. The Directors may consider transferring HIC's investments to BKI and, if this occurs, cause HIC to cease its operating business;
- have BKI's investment committee manage the portfolio of HIC;
- adopt the same investment philosophy and objectives that currently apply in relation to BKI's portfolio in relation to the pooled portfolio; and
- offer Mr Ian T Huntley a position on the board of BKI.

BKI will, following the close of the Offer, undertake a detailed operational review of HIC to determine whether any modifications are required in relation to its intentions set out in this section 5.2. The operational review may result in changes to BKI's present intentions described in this section 5.2.

5.3 Intentions for HIC as a part controlled entity

If, following the close of the Offers, HIC becomes a controlled entity, but not a wholly owned subsidiary of BKI, BKI presently intends, subject to the following, to:

- (a) seek HIC board representation proportionate with its shareholding in HIC; and
- (b) subject to section 5.3(a) above, implement to the extent possible the objectives and goals mentioned in section 5.2 subject to specified exceptions/qualifications.

The extent to which BKI will be able to implement these intentions will be subject to:

- (c) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests; and
- (d) the legal obligation of the directors of HIC to act for proper purposes and in the best interests of HIC shareholders as a whole.

5.4 Compulsory acquisition

If, as a result of the Offers, BKI becomes entitled to compulsorily acquire outstanding HIC Shares under Part 6A.1 of the Corporations Act, BKI presently intends to proceed with compulsory acquisition of those HIC Shares and any fully paid ordinary shares in HIC which come into existence within the period of 6 weeks after BKI gives the compulsory acquisition notice (referred to in section 661B(1) of the Corporations Act). BKI then intends to procure that HIC is removed from the official list of ASX.

If, as a result of the Offers, BKI becomes entitled to compulsorily acquire any fully paid ordinary shares in HIC which come into existence 6 weeks after BKI gives the compulsory acquisition notice under Part 6A.2 of the Corporations Act, BKI presently intends to proceed with the compulsory acquisition of those shares.

5.5 Other intentions

Subject to the above it is the present intention of BKI, on the basis of the information concerning HIC which is known to it and the existing circumstances affecting the business of HIC, that:

- (a) the business of HIC will otherwise be continued in substantially the same manner as it is presently being conducted;
- (b) no other major changes will be made to the business of HIC;
- (c) there will not be any other redeployment of the fixed assets of HIC; and
- (d) there is no current intention to make any changes to the existing employees of HIC but BKI will undertake a review of the employees of the Combined Group.

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6 Financial Information

6.1 Introduction

This section sets out BKI's and HIC's income statement for the financial year ended 30 June 2008 and balance sheet as at 30 June 2008 on a stand alone basis and on a pro forma adjusted Combined Group basis.

The pro forma adjusted Combined Group information has been compiled using each company's stand alone financial statements and has been adjusted for expected cost savings and accounting entries required upon acquisition and consolidation (the Pro Forma Adjustments).

Further, as it is not possible to predict the exact level of acceptance of the Offer by HIC shareholders, the pro forma Combined Group information has been compiled under two scenarios:

- a) BKI acquires 100.0% of HIC Shares; and
- b) BKI acquires 50.1% of HIC Shares (the level of the minimum acceptance condition under the Offer).

The pro forma balance sheets in this section 6.3 are indicative only. The BKI directors have drawn their conclusions based on the known facts and other information publicly available as at the date of this Bidder's Statement. If the facts, circumstances, assumptions or other information should prove different to that described, the conclusions may change accordingly.

6.2 Basis of preparation

The pro forma balance sheets in this section 6.3 have been prepared by the Independent Accountant. The historical financial information of BKI and HIC has been extracted from each company's financial statements for the financial year ended 30 June 2008.

For the purposes of preparing the pro forma balance sheets in this section 6.3, the Independent Accountant has utilised the audited balance sheet of HIC as at 30 June 2008 extracted from the financial statements contained in the 2008 annual report of HIC. The financial statements have been audited by Ernst & Young and an unqualified audit opinion was signed on 24 September 2008.

Each company's financial statements were subject to external audits, in accordance with Australian Auditing Standards. The audit opinion and review statements issued to the members of each company relating to those financial statements were unqualified.

6.3 Combined Group's pro forma historical financial information

The Combined Group's pro forma historical financial information is based on BKI's and HIC's financial statements for the financial year ended 30 June 2008 and the Pro Forma Adjustments required to present the Combined Group on an aggregate basis.

The Combined Group's pro forma historical financial information is presented for illustrative purposes for use in this Bidder's Statement only in an abbreviated form and does not contain all the disclosures that are usually provided in a financial report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of BKI and HIC.

The accounting policies used to prepare the Combined Group's pro forma historical financial information are based on the accounting policies of BKI contained in its audited financial statements for the financial year ended 30 June 2008. Where there are specific transactions that are not covered by BKI's accounting policies, the Combined Group has applied the current accounting policies of HIC contained in publicly available information. No material differences have been identified between the accounting policies of BKI and HIC and therefore no adjustments have been made to the pro forma historical financial information to reflect any accounting policy differences.

6.4 Combined Group's pro forma income statement for the financial year ended 30 June 2008

The Combined Group's pro forma historical income statement for the financial year ended 30 June 2008 is compiled from the aggregation of:

- BKI's income statement for the financial year ended 30 June 2008;
- HIC's income statement for the financial year ended 30 June 2008; and
- the Pro Forma Adjustments required to present the Combined Group on an aggregated and go forward basis.

Set out below is the Combined Group's pro forma income statement for the financial year ended 30 June 2008, given acquisition of 100.0% of HIC and 50.1% of HIC.

Pro forma income statement for the financial year ended 30 June 2008

Income statement for the financial year ended 30 June 2008	Audited BKI	Audited HIC	Notes	100.0% Pro Forma Combined Group \$M	50.1% Pro Forma Combined Group \$M
	\$M	\$M			
Revenue from ordinary activities	18.3	9.4		27.7	23.0
Revenue from bank deposits	3.7	-		3.7	3.7
Total operating revenue	22.0	9.4		31.4	26.7
Net gain on sale of investments	4.6	9.1		13.7	9.2
Management fees	(1.4)	(1.1)	a	(1.9)	(1.7)
Administrative expenses	(0.6)	(0.8)	b	(0.7)	(0.8)
Unrealised impairment loss on available for sale financial assets	-	(9.8)		(9.8)	(4.9)
Total expenses	(2.0)	(11.7)		(12.4)	(7.4)
Profit before income tax expense and finance costs	24.6	6.8		32.7	28.5
Profit before tax	24.6	6.8		32.7	28.5
Income tax expense	(2.1)	(0.4)	c	(2.9)	(2.4)
Net profit after tax attributable to members	22.5	6.4		29.8	26.1

Notes and assumptions:

- Management fee has been restated to reflect the rate of management fee paid by BKI
- Administrative expenses have been reviewed and anticipated annual cost savings reflected in the combined group operating profit
- The tax effect of the reductions in management and administrative fees has been reflected in the combined group operating profit

6.5 Combined Group's pro forma balance sheet as at 30 June 2008

The Combined Group's pro forma balance sheet as at 30 June 2008 is compiled from the aggregation of:

- BKI's balance sheet as at 30 June 2008;
- HIC's balance sheet as at 30 June 2008; and
- the Pro Forma Adjustments required to present the Combined Group on an aggregated and go forward basis as set out below.

Pro forma balance sheet as at 30 June 2008

	Audited BKI \$M	Audited HIC \$M	Notes	100.0% Pro Forma 30/06/2008 \$M	50.1% Pro Forma 30/06/2008 \$M
Cash and equivalents	43.6	13.7		57.3	57.3
Held for trading financial assets	-	36.4		36.4	36.4
Trade and other receivables	4.4	0.6		5.0	5.0
Total current assets	48.0	50.7		98.7	98.7
Available for sale financial assets	394.0	91.3		485.3	485.3
Deferred tax assets	0.5	0.2		0.7	0.7
Total non current assets	394.5	91.5		486.0	486.0
Trade and other payables	0.1	0.2		0.3	0.3
Income tax payable	0.2	2.7		2.9	2.9
Total current liabilities	0.3	2.9		3.2	3.2
Deferred tax liabilities	30.8	2.9		33.7	33.7
Total non current liabilities	30.8	2.9		33.7	33.7
Net assets	411.4	136.4		547.8	547.8
Issued capital	322.9	110.0	a, b	459.3	391.2
Unrealised profits reserve	67.4	7.0	b	67.4	67.4
Realised capital gains reserve	6.0	-		6.0	6.0
Retained earnings	15.1	19.4	b	15.1	15.1
Parent entity equity	411.4	136.4		547.8	479.7
Minority interests	-	-		-	68.1
Total shareholders equity	411.4	136.4		547.8	547.8

Notes and assumptions:

- It has been assumed that the fair value of BKI shares issued in consideration for HIC equals the net tangible assets of HIC at the time of acquisition
- Pre acquisition profits and share capital have been eliminated on consolidation
- Transaction costs and equity issuing costs have not been taken into account

7 Risk factors

7.1 Overview

If the Defeating Conditions are satisfied or waived, HIC shareholders who accept the Offer will become shareholders in BKI. The financial performance and operations of BKI's businesses, the price of BKI Shares and the amount and timing of any dividends that BKI pays will be influenced by a range of factors. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many of these factors are beyond the control of BKI and the BKI board. Many of these factors also affect the businesses of other companies operating in the same industry.

This section 7 describes certain risk factors associated with an investment in BKI. HIC shareholders should consider carefully these risk factors and the other information contained in this Bidder's Statement.

7.2 General risk factors

General factors which may have a significant impact on the future performance of BKI with respect to its profitability, its ability to pay/frank dividends and its underlying share price, include:

- (a) domestic and international equity and credit markets and general economic conditions, in particular the current economic volatility currently being experienced domestically and internationally;
- (b) regulatory and Governmental policy changes;
- (c) movements in the level of interest rates;
- (d) variations in commodity prices;
- (e) movements in foreign exchange rates;
- (f) the global security situation and possibility of terrorist disturbances;
- (g) changes which may occur to the taxation of companies as a result of changes in Australian taxation laws;
- (h) modifications to the system of dividend imputation in Australia.

7.3 Specific risk factors

Company specific factors which may have a significant impact on the future performance of BKI, both with respect to profitability and performance of its shares, include:

- (a) the market prices of the securities in which BKI invests, which will be a function of, among other things:
 - (i) the financial and operational performance of the entity to which that security relates;
 - (ii) the market liquidity of the securities in which BKI invests; and
 - (iii) the level of dividend payments and other distributions made by the entities in which BKI invests;
- (b) the performance of the financial services sector given that BKI's portfolio includes securities in banks and other financial securities
- (c) the liquidity of the market for BKI Shares;
- (d) the success of the investment strategies of BKI and implementation of strategies by the BKI board and the managers of BKI's investment portfolio;
- (e) the level of borrowing, if any, which BKI undertakes;
- (f) the level of expenses incurred in administering BKI, also referred to as the management expense ratio. Achievement of these estimated expense levels is affected by issues such as continued research input from BKI's brokers, and the maintenance of the current structure and outsourcing arrangements. Any significant increase in the regulatory burden could also affect costs; and
- (g) the variability of other sources of income, if any, such as interest, option premiums and underwriting fees. The trading of options by BKI may result in risk greater than that attached to the underlying risk of the associated shares.

You should be aware that the price at which BKI Shares are traded on the ASX may be below the net asset backing of those BKI Shares. The constitution of BKI does not require the BKI board to implement a share buy-back or any other capital reconstruction or to take any other remedial action in those circumstances.

The ability of BKI to pay franked dividends is dependent on a number of issues, the most important of which are BKI's cash flow, profit and the amount of tax paid on that profit. BKI's ability to pay or frank dividends is affected by a number of items, including:

- the dividend and distribution policies of the entities in which BKI invests, including the level of franking attached to those dividends and the ability of those entities to frank their distributions;
- the level of borrowings, if any, that BKI has and the consequent interest charged;
- the amount of tax paid by BKI;
- the accounting treatment of write-downs, if any, on the investment portfolio. Under Australian accounting standards, if, as a result of declining investment values, BKI is required to write-off against the investment portfolio more than the balance in any asset revaluation reserve, the excess would be charged against profit from ordinary activities. Similarly, if assets were sold from the portfolio at a loss, this loss would need to be charged against profit from ordinary activities. In both cases, this would affect BKI's reported profit and the level of dividends; and
- requirements of Australian law in relation to listed investment companies. BKI is expected to comply with the conditions set out in Australian tax law for it to be regarded as a listed investment company. As such, it is able to pass on to certain eligible shareholders tax benefits arising from capital gains made on investments held for more than 12 months. Its ability to continue to pass on such benefits, should they arise in future, depends on it continuing to satisfy the requirement of Australian tax law.

The BKI board expects to frank dividends to the extent that available franking credits permit. Under the current tax system, generally speaking, BKI receives franking credits in respect of franked dividends which it receives and also from tax payments which it makes on unfranked dividends and other taxable income.

7.4 Risks relating to the Offer

(a) **Issue of BKI Shares as consideration**

HIC shareholders are being offered consideration under the Offer that consists of a specified number of BKI Shares, rather than a number of BKI Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of BKI Shares.

(b) **Potential unavailability of scrip for scrip rollover**

The Offer is subject to a minimum acceptance condition of 50.1%. This means that HIC shareholders who accept the Offer and receive BKI Shares may, in some circumstances (particularly where BKI does not acquire 80% of the HIC Shares under the Offer) have a CGT liability, but will not be able to claim scrip for scrip rollover relief. The taxation implications of accepting the Offer are discussed in greater detail in section 8.

8 Taxation considerations

8.1 Australian tax implications for HIC shareholders

The following is a general description of the Australian income and CGT consequences for HIC shareholders on disposing of their HIC Shares, in return for BKI Shares.

The information is based upon taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular shareholders. Further, it does not deal with the taxation consequences of disposing of shares issued under an employee share scheme, which may be subject to specific tax provisions.

You are advised to seek independent professional advice regarding the Australian tax consequences of disposing of your HIC Shares according to your own particular circumstances.

The Australian tax consequences of disposing of your HIC Shares will depend on a number of factors including:

- (a) whether you are an Australian resident or non resident for tax purposes;
- (b) whether you hold your HIC Shares on capital account, revenue account or as trading stock;
- (c) when you acquired your HIC Shares;
- (d) whether you are an individual, a company, the trustee of a trust or the trustee of a complying superannuation entity; and
- (e) whether scrip for scrip roll-over relief is available – see section 8.5.

8.2 Shareholders who are Australian residents

(a) Disposal of shares held as trading stock

If you hold your HIC Shares as trading stock (eg as a share trader) you will be required to include the value of the consideration from the disposal of your HIC Shares in your assessable income.

(b) Disposal of shares held on revenue account

If you acquired your HIC Shares with the main purpose of reselling them at a profit (for example this would include banks and insurance companies) you may be considered to hold your HIC Shares on revenue account for tax purposes. You will then be required to treat any gain or loss arising on the disposal of your HIC Shares as either assessable income or an allowable deduction.

The gain or loss will be calculated as the difference between:

- (i) the value of the consideration you receive under the Offer for selling your HIC shares (i.e. the value of the BKI Shares received); and
- (ii) the cost of acquiring your HIC Shares.

The value of the BKI Shares will be their market value on the date your HIC Shares are transferred to BKI.

(c) Disposal of shares held on capital account

If you hold your HIC Shares as a passive investment with a view of generating dividend income and long term capital growth, you may be considered to hold your HIC Shares on capital account.

The disposal of HIC Shares which were acquired or deemed to have been acquired on or after 20 September 1985 and which are held on capital account, will generally have Australian CGT implications. The disposal of such HIC Shares pursuant to acceptance of the Offer will constitute a CGT event for CGT purposes.

The CGT implications of a disposal of your HIC Shares will depend upon a number of factors, including:

- the date your HIC Shares were acquired;
- your status as a taxpayer;
- the length of time you have held your HIC Shares; and
- whether or not you are entitled to scrip for scrip rollover relief – see section 8.5.

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(i) **Shares acquired before 11.45am on 21 September 1999**

If your HIC Shares were acquired on or after 20 September 1985 a capital gain or loss will arise depending on the difference between:

- the value of the capital proceeds you receive under the Offer for selling your HIC Shares (i.e. the value of the BKI Shares received); and
- the cost base of the HIC Shares (which would generally include the amount paid to acquire the shares plus any incidental costs of acquisition and disposal, eg brokerage fees and stamp duty).

The value of the BKI Shares will be their market value on the date when the contract for their disposal is entered into (which is the date you accept the Offer).

If your HIC Shares were acquired before 11.45 am (ACT Time) on 21 September 1999, you may choose that the cost base of those shares be indexed for inflation for the period up to 30 September 1999 for the purpose of calculating a capital gain (but not a capital loss).

Alternatively, provided you have held your HIC Shares for at least one year, and do not choose to apply indexation, the discount capital gain provisions may apply. This means that:

- if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable;
- if you are a complying superannuation fund, only two-thirds of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable; or
- if you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies).

Note that the discount capital gain provisions do not apply to shareholders that are companies, or where the shareholder is the trustee of a trust and the beneficiary of the discount capital gain is a company.

The "choice" to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs.

A capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

If you choose to use the discount capital gain method, any available capital loss will be applied against the capital gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the assessable discount capital gain. Alternatively, if you choose the indexation option, capital losses will be applied after calculating the capital gain using the indexed cost base.

(ii) **Shares acquired after 11.45 am on 21 September 1999**

If you acquired your HIC Shares after 11.45 (ACT Time) on 21 September 1999 you will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal.

If you are an individual, trust or complying superannuation fund that has held your HIC Shares for 12 months or longer at the time the Offer is accepted, the discount capital gain provisions described above will automatically apply to you when calculating any capital gain on disposal.

As explained above, any available capital loss will be applied against the capital gain before discounting the resulting net amount by one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable.

If your HIC Shares have been held for less than 12 months or you are another category of shareholder (for example, a company), the discount capital gain method is not available. A capital

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gain on the shares, being any excess of the value of the capital proceeds over the unindexed cost base of the shares, will be assessable in full.

(iii) **Shares acquired before 20 September 1985**

There should be no CGT implications arising on disposal of your HIC Shares, where they were held on capital account and acquired, or deemed to have been acquired, before 20 September 1985 and are not deemed to have been acquired on or after that date.

8.3 Shareholders who are not Australian residents

(a) **Disposal of shares held as trading stock or on revenue account**

If you are a non resident of Australia and your HIC Shares were acquired as trading stock or otherwise on revenue account you should seek your own professional advice. The Australian tax treatment will depend on the source of any gain and whether a double tax agreement exists between your country of residence and Australia.

(b) **Disposal of shares held on capital account**

If you are a non resident of Australia and hold your HIC Shares on capital account you will generally not be subject to CGT on the disposal of your HIC Shares unless:

- you (and your associates) owned at least 10% of HIC either at the time you accept the Offer for your HIC Shares or for at least 12 months during the 24 months before you accept the Offer for your HIC Shares; and
- 50% or more of the value of HIC is represented by real property in Australia.

CGT may also be payable on the disposal of your HIC shares if you used your HIC Shares at any time in carrying on a business through a permanent establishment in Australia.

8.4 GST

No GST should generally be payable on the transfer of HIC Shares, with the exception of any GST payable on any brokerage charged by your Controlling Participant for carrying out your instructions.

8.5 Scrip for scrip rollover relief

Scrip for scrip rollover relief may be available to enable a shareholder to elect to disregard the capital gain they make from disposing of a share as part of a corporate takeover or merger, if the shareholder receives a replacement share in exchange.

You may be entitled to scrip for scrip rollover relief if:

- (a) your HIC Shares were acquired after 19 September 1985;
- (b) you accept the Offer and receive BKI Shares as consideration;
- (c) you would otherwise make a capital gain; and
- (d) BKI obtains a holding of at least 80% of the voting shares in HIC.

If you choose to claim rollover relief, the capital gain that would otherwise arise from the disposal of your HIC Shares will be disregarded and the CGT cost base of your HIC Shares will carry over to your BKI Shares.

The availability of rollover relief will also depend on your individual circumstances (for example, it is not available if your HIC Shares are trading stock or revenue assets). You should consult your own tax adviser to clarify whether or not the relief will be available to you.

If BKI acquires a relevant interest in at least 90% of the HIC Shares (by number) on issue at any time during the Offer Period and the other conditions are satisfied or waived, BKI intends to proceed to compulsorily acquire your HIC Shares (see section 5.4). The CGT consequences of compulsory acquisition of HIC Shares may differ from the consequences of accepting BKI Shares as consideration under the Offer. You should consult your own tax adviser about this.

9 Other material information

9.1 Consent to be named

The following parties have given and not, before the date of this Bidder's Statement, withdrawn their written consent to be named in this Bidder's Statement in the form and context in which they are named:

- (a) Pitt Capital Partners;
- (b) Corrs Chambers Westgarth;
- (c) Computershare Investor Services Pty Ltd; and
- (d) Travis & Travis

9.2 Consents not required under ASIC Class orders

This Bidder's Statement includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC class order 01/1543, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact Mr Richard Pillinger, Company Secretary at Level 2, 160 Pitt St, Sydney, NSW 2000 on (02) 9210 7000 and you will be sent copies free of charge.

In addition, under the terms of ASIC class order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person;
- (b) from a public official document or a published book, journal or comparable publication.

Pursuant to ASIC class order 03/635, the consent of persons such statements are attributed to is not required for the inclusion of such statements in this Bidder's Statement.

9.3 ASIC modification

BKI applied for, and obtained from, ASIC a modification of section 617 of the Corporations Act to extend the Offer to HIC Shares that are issued in the period after the Register Date to before the end of the Offer Period due to an issue of shares by HIC under the Share Purchase Plan.

The Share Purchase Plan was announced by HIC on 22 August 2008. Under the Share Purchase Plan, the price of the shares to be offered to eligible shareholders is \$0.6795 per HIS Share. The offer by HIC to participate in the Share Purchase Plan closes on 22 October 2008 and HIC has stated that it is anticipated that the HIC Shares allotted under the Share Purchase Plan will be quoted on the ASX approximately one week following 22 October 2008.

A modification to section 617 of the Corporations Act was necessary because that section provides that the Offer must relate to HIC Shares that exist or will exist as at the Register Date. Accordingly, BKI sought from ASIC the modification to section 617 of the Corporations Act.

Under the Modification, the Offer will extend to HIC Shares that are issued in the period after the Register Date to before the end of the Offer Period due to an issue of shares by HIC under the Share Purchase Plan.

9.4 Public approvals

BKI is not aware of any Approvals that are required under section 10.12(e), but BKI will immediately apply for, disclose and use its best endeavours to obtain such Approvals upon becoming aware of any that are required.

9.5 Forecast financial information

BKI invests in a diversified portfolio of Australian shares, trusts and interest bearing securities. Given the diversity of BKI's investments, there are significant uncertainties associated with forecasting future revenue. On this basis, the BKI directors believe that reliable revenue forecasts of BKI cannot be prepared and accordingly have not been included in the Bidder's Statement.

9.6 No other material information

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to BKI and has not previously been disclosed to the holders of HIC Shares.

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10 The Offer terms

10.1 The Offer

(a) **The Offer**

- (i) BKI offers to acquire all of your HIC Shares on the terms and conditions set out in this Offer.
- (ii) Under the Modification granted by ASIC, this Offer extends to HIC Shares issued under the Share Purchase Plan during the period from after the Register Date to the end of the Offer Period.
- (iii) You can only accept this Offer during the Offer Period for all your HIC Shares. You will be taken to have accepted the Offer for all your HIC Shares plus any additional HIC Shares registered as held by you at the date your acceptance is processed (despite any difference between that number and the number of HIC Shares specified when you accept this Offer).

(b) **Offer includes Rights**

If BKI acquires your HIC Shares under this Offer, BKI is also entitled to any Rights attached to those HIC Shares.

(c) **Consideration**

BKI offers 0.6 BKI Shares for each of your HIC Shares.

10.2 Foreign Shareholders

If you are a Foreign Shareholder then despite any other provision of this Offer, you are offered and will receive for your HIC Shares a cash amount calculated under section 10.23.

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

10.3 Rounding of BKI Shares

If you become entitled to a fraction of a BKI Share under this Offer, the number of BKI Shares you are entitled to will be rounded down to the nearest whole number.

10.4 Ranking of BKI Shares

The BKI Shares issued under the Offer will be issued fully paid and will rank equally for dividends and other rights with existing BKI Shares except that they will not participate in any dividend payable for the year ending 30 June 2008.

10.5 ASX listing of BKI Shares

BKI will apply for official quotation of the BKI Shares on ASX. Quotation will not be automatic but will depend on ASX exercising its discretion. BKI has already been admitted to the official list of ASX and shares in BKI of the same class as those to be issued under this Offer are already quoted. But BKI cannot guarantee, and does not represent or imply, that the BKI Shares will be listed.

10.6 Offer Period

Unless withdrawn or extended under section 10.28, this Offer is open during the period that begins on the date of this Offer, being 20 October 2008, and ends at 7.00pm Sydney time on 20 November 2008.

If, within the last 7 days of the Offer Period:

- (a) BKI varies the Offers to improve the consideration offered;
- (b) the consideration is taken to be increased under section 651A(2) of the Corporations Act because BKI purchases HIC Shares outside the Takeover Bid for a cash price; or
- (c) BKI's voting power in HIC increases to more than 50%,

section 624(2) of the Corporations Act will apply to extend the Offer Period so that it ends 14 days after that event.

10.7 How to accept this Offer

(a) **Accept for all your HIC Shares**

You can only accept this Offer during the Offer Period for all your HIC Shares. You will be taken to have accepted the Offer for all your HIC Shares plus any additional HIC Shares registered as held by you at the date your acceptance is processed (despite any difference between that number and the number of HIC Shares specified when you accept this Offer).

(b) **CHESS Holdings**

If your HIC Shares are in a CHESS Holding, you must comply with the ASTC Settlement Rules. To accept this Offer in accordance with those rules, you must:

- (i) **instruct** your Controlling Participant to initiate acceptance of this Offer under rule 14.14 of the ASTC Settlement Rules; or
- (ii) if you are a Broker, yourself initiate acceptance under that rule; or
- (iii) if you are not a Broker:
 - (A) **complete and sign** the Acceptance Form in accordance with the instructions on it; and
 - (B) **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form. This will authorise BKI to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf. For return of the Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received by BKI in time for BKI to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.

(c) **Issuer Sponsored Holdings and other holdings**

If your HIC Shares are held on HIC's issuer sponsored subregister, or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of, or are otherwise able to give good title to, your HIC Shares, to accept this Offer you must:

- (i) **complete and sign** the Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form so that they are received before the end of the Offer Period.

10.8 Effect of Acceptance Form

By completing, signing and returning the Acceptance Form in accordance with section 10.7(b) or section 10.7(c) as applicable, you:

- (a) authorise BKI and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (i) make it an effective acceptance of this Offer for HIC Shares which are not in a CHESS Holding; and
 - (ii) enable the transfer of your HIC Shares to BKI; and
- (b) if any of your HIC Shares are in a CHESS Holding, authorise BKI and each of its officers and agents to:
 - (i) instruct your Controlling Participant to effect your acceptance of this Offer for those HIC Shares under rule 14.14 of the ASTC Settlement Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those HIC Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

10.9 Your agreement

By carrying out the instructions in section 10.7 on how to accept this Offer,;

- (a) you accept this Offer;
- (b) you represent and warrant to BKI that all your HIC Shares will at the time of your acceptance of this Offer and of transfer to BKI be fully paid up and that BKI will acquire good title to and beneficial ownership of them free from Encumbrances;

- (c) you represent and warrant that you are not a Foreign Shareholder, unless otherwise indicated on the Acceptance Form, and acknowledge and agree that if you are a Foreign Shareholder, or BKI believes you are a Foreign Shareholder, section 10.23 applies to you;
- (d) you transfer, or consent to the transfer in accordance with the ASTC Settlement Rules of, your HIC Shares to BKI subject to the conditions of the constitution of HIC on which they were held immediately before your acceptance of this Offer (and BKI agrees to take those HIC Shares subject to those conditions);
- (e) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though BKI has not yet paid or provided the consideration due to you), you irrevocably appoint BKI and each director of, and any nominee of, BKI as your attorney to:
- (i) attend and vote in respect of your HIC Shares at all general and class meetings of HIC; and
 - (ii) execute all forms, notices, documents (including a document appointing a director of BKI as a proxy for any of your HIC Shares) and resolutions relating to your HIC Shares and generally to exercise all powers and rights which you have as the registered holder of your HIC Shares;
- (f) you agree that in exercising the powers conferred by the power of attorney in section 10.9(e), BKI and each of its directors and its nominee is entitled to act in the interest of BKI;
- (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though BKI has not yet paid or provided the consideration due to you), you agree not to attend or vote in person at any general meeting of HIC or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of BKI by section 10.9(e);
- (h) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though BKI has not yet paid or provided the consideration due to you), you authorise BKI to transmit a message to ASTC in accordance with rule 14.17.1 of the ASTC Settlement Rules so as to enter those of your HIC Shares which are in a CHESS Holding into BKI's Takeover Transferee Holding; and
- (i) (unless section 10.23 or section 10.24 applies to you), you:
 - (i) agree to accept the BKI Shares to which you become entitled by accepting this Offer subject to the constitution of BKI and authorise BKI to place your name on its register of members for those BKI Shares; and
 - (ii) instruct BKI to issue the BKI Shares to which you became entitled by accepting this Offer, if your HIC Shares are in a CHESS Holding, with the same holder identification number as affects your HIC Shares; and if your HIC Shares are held on HIC's issuer sponsored sub-register, on BKI's issuer sponsored sub-register.

10.10 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 10.8 and paragraphs (e) and (h) of section 10.9.

10.11 Validation of otherwise ineffective acceptances

Except for HIC Shares in a CHESS Holding, BKI may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If BKI does treat such an Acceptance Form as valid, subject to section 10.20, BKI will not be obliged to give the consideration to you until BKI receives all those documents and all of the requirements for acceptance referred to in section 10.7(c) and in the Acceptance Form have been met.

10.12 Defeating Conditions

The offer by Brickworks Investment Company Limited ABN 23 106 719 868 (Bidder) under the Takeover Bid for all of the Company Shares will be subject only to conditions substantially on the terms set out below.

(a) **Minimum acceptance condition**

At the end of the Offer Period, BKI has a relevant interest in more than 50.1% (by number) of the HIC Shares on issue at that time.

(b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to HIC and ending at the end of the Offer Period:

- (i) HIC converts all or any of its shares into a larger or smaller number of shares;
- (ii) HIC or a subsidiary of HIC resolves to reduce its share capital in any way;
- (iii) HIC or a subsidiary of HIC:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) except for shares issued in HIC in connection with the Dividend Reinvestment Plan or the Share Purchase Plan, HIC or a subsidiary of HIC issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) HIC or a subsidiary of HIC issues, or agrees to issue, convertible notes;
- (vi) HIC or a subsidiary of HIC disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) HIC or a subsidiary of HIC charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) HIC or a subsidiary of HIC resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of HIC or of a subsidiary of HIC;
- (x) a court makes an order for the winding up of HIC or of a subsidiary of HIC;
- (xi) an administrator of HIC, or of a subsidiary of HIC, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) HIC or a subsidiary of HIC executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of HIC or of a subsidiary of HIC.

(c) No prescribed occurrences between Announcement Date and service

None of the events listed in sub-paragraphs (i) to (xiii) of section 10.12(b) happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to HIC.

(d) No action by Public Authority adversely affecting the Takeover Bid

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to HIC or any subsidiary of HIC; or
- (iii) no application is made to any Public Authority (other than an application by BKI or any company within the BKI Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or the completion of any transaction contemplated by this Bidder's Statement (including implementing the intentions expressed in section 5) or seeks to require the divestiture by BKI of any HIC Shares, or the divestiture of any assets by HIC or by any subsidiary of HIC or by any company within the BKI Group.

(e) Approvals by Public Authorities

During the Condition Period BKI receives all Approvals which are required by law or by any Public Authority:

- (i) to permit the Offers to be made to and accepted by HIC shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the HIC Shares and which are necessary for the continued operation of the business of HIC and its subsidiaries or of BKI and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(f) **S&P ASX 200 Index**

During the Condition Period the S&P ASX 200 Index does not close below 4,600 for 3 or more consecutive trading days.

(g) **No material acquisitions, disposals, etc**

Except for any proposed transaction publicly announced by HIC before the Announcement Date and any transaction undertaken by HIC or any subsidiary of HIC in its ordinary course of business, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of BKI:

- (i) HIC, or any subsidiary of HIC, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$20 million or makes an announcement about such an acquisition;
- (ii) HIC, or any subsidiary of HIC, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$20 million or makes an announcement about such a disposal;
- (iii) HIC, or any subsidiary of HIC, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$20 million, or makes an announcement about such a commitment; or
- (iv) HIC, or any subsidiary of HIC, incurs or commits to, or grants to another person a right the exercise of which would involve HIC or any subsidiary of HIC incurring or committing to any capital expenditure or liability for one or more related items of greater than \$20 million or makes an announcement about such a commitment.

(h) **No material failings in filings**

BKI does not become aware, during the Condition Period, that any document filed by or on behalf of HIC with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

(i) **No break/inducement fees**

- (i) Subject to section 10.12(i)(ii), during the Condition Period none of HIC, and any body corporate which is or becomes a subsidiary of HIC, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
 - (A) a takeover offer for HIC or any body corporate which is or becomes a subsidiary of HIC; or
 - (B) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, HIC or any body corporate which is or becomes a subsidiary of HIC, or to operate HIC as a single economic entity with another body corporate.
- (ii) Section 10.12(i)(i) does not apply to a payment, benefit or agreement:
 - (A) for providing professional advisory services to HIC;
 - (B) which is approved in writing by BKI;
 - (C) which is approved by a resolution passed at a general meeting of HIC; or
 - (D) which is made to, provided to, owed by or made with BKI.

(j) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of BKI acquiring HIC Shares to:

- (i) acquire, or require HIC or a subsidiary of HIC to dispose of, or offer to dispose of, any material asset of HIC or a subsidiary of HIC; or
- (ii) terminate or vary any material agreement with HIC or a subsidiary of HIC.

(k) **Conduct of HIC's business**

During the Condition Period, none of HIC, or any body corporate which is or becomes a subsidiary of HIC, without the written consent of BKI:

- (i) except for the dividend paid by HIC on 19 September 2008, declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) except under the Dividend Reinvestment Plan or the Share Purchase Plan, issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution other than in the ordinary course of business;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise (other than the replacement of retiring directors);
- (viii) except under a Service Agreement, enters into, modifies, varies or extends any agreement with any person for the provision of management services to HIC;
- (ix) except under a Service Agreement, after the expiry of the current term of the Management Agreement, obtains any advice or services from Ian Huntley, Peter Warnes or John Larsen;
- (x) after the expiry of the current term of the Management Agreement, obtains any advice or services from the Manager (or any related entity or associate of the Manager);
- (xi) except under a Service Agreement, enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (xii) except under a Service Agreement, conducts its business otherwise than in the ordinary course;
- (xiii) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xiv) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(l) **No material adverse change to HIC**

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of HIC and its subsidiaries taken as a whole or of any of them, including,

- (i) any creditor demanding repayment of a debt of \$5 million or more;
- (ii) HIC or a subsidiary of HIC entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$20 million or more; or
- (iii) any person having, as a result of BKI acquiring HIC Shares, the right (which may be subject to conditions) to:

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- (A) acquire, or require HIC or a subsidiary of HIC to dispose of, or offer to dispose of, any asset of HIC or a subsidiary of HIC; or
 - (B) terminate any agreement with HIC or a subsidiary of HIC.
- (m) **Restriction on others acquiring shares in the Company**
- During the Condition Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in the Company.

10.13 Separate Defeating Conditions for benefit of BKI

Each of the Defeating Conditions in each paragraph and each sub-paragraph of section 10.12:

- (a) is and must be construed as a separate condition; and
- (b) subject to the Corporations Act, operates only for the benefit of BKI and any breach or non-fulfilment of such condition may be relied upon only by BKI which may waive (generally or in respect of a particular event) the breach or non-fulfilment of that condition.

10.14 Nature of Defeating Conditions

None of the Defeating Conditions prevents a contract to sell your HIC Shares resulting from your acceptance of this Offer but:

- (a) breach of any of the Defeating Conditions entitles BKI to rescind that contract by notice to you; and
- (b) non fulfilment of any of the Defeating Conditions at the end of the Offer Period will have the consequences set out in section 10.18.

10.15 Defeating Conditions apply to multiple events

Where an event occurs that would mean at the time the event occurs a Defeating Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, each Defeating Condition affected by that event becomes two separate Defeating Conditions on identical terms except that:

- (a) one of them relates solely to that event; and
- (b) the other specifically excludes that event.

BKI may declare the Offer free under section 10.16 from either of those Defeating Conditions without declaring it free from the other and may do so at different times. This section may apply any number of times to a particular Defeating Condition (including a Defeating Condition arising from a previous operation of this section).

10.16 Notice declaring Offers free of Defeating Conditions

Subject to the Corporations Act, BKI may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Defeating Conditions by giving written notice to HIC:

- (a) in the case of the Defeating Conditions in section **10.12(b)**, not later than 3 business days after the end of the Offer Period; and
- (b) in the case of all other Defeating Conditions, not less than 7 days before the last day of the Offer Period.

10.17 Notice of status of Defeating Conditions

The date for giving the notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is 13 November 2008 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

10.18 Contract void if Defeating Conditions not fulfilled

Your acceptance or the contract resulting from your acceptance of this Offer is void if:

- (a) at the end of the Offer Period any of the Defeating Conditions in section 10.12 is not fulfilled; and
- (b) BKI has not declared this Offer and any contract resulting from the acceptance of it free of that Defeating Condition in accordance with section 10.16.

10.19 Mandatory condition

The Offer is also subject to the following conditions (which may not be waived):

- (a) an application for admission to quotation of BKI Shares to be issued under the Offer will be made within 7 days after the start of the Offer Period; and
- (b) permission for admission to quotation will be granted no later than 7 days after the end of the Offer Period.

10.20 Providing you your consideration

(a) **When you will be provided with your consideration**

Subject to this section 10.20 and the Corporations Act, if you accept this Offer BKI will provide you the consideration for your HIC Shares to which BKI acquires good title on or before the earlier of:

- (i) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (ii) the day 21 days after the end of the Offer Period.

(b) **Acceptance Form requires additional documents**

Where documents are required to be given to BKI with your acceptance to enable BKI to become the holder of your HIC Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, BKI will provide the consideration to you in accordance with section 10.19(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to a Defeating Condition, BKI will provide you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after the contract resulting from your acceptance becomes unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is no longer subject to a Defeating Condition, BKI will pay you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after BKI is given the documents; and
 - (B) 21 days after the end of the Offer Period; or
- (iv) if the documents are given after the end of the Offer Period, BKI will provide you the consideration within 21 days after the documents are given. However, if at the time BKI is given the documents the contract resulting from acceptance of the Offer is still subject to a Defeating Condition in section 10.12, BKI will pay you the consideration within 21 days after the contract becomes unconditional.

(c) **Delivery of consideration**

Subject to the Corporations Act, BKI will send a holding statement for the BKI Shares due to you at your risk by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.

(d) **Registration of BKI Shares**

- (i) BKI has established share registers in Sydney. Unless you request otherwise the BKI Shares issued to you will be placed on the Australian register.

10.21 Return of documents

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by BKI on the grounds of a breach of a condition of that contract, BKI will, at its election, either return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

10.22 Rights

If BKI becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to BKI all documents necessary to vest title to those Rights in BKI. If you do not give those documents to BKI, or if you have received or are entitled to receive (or any previous holder of your HIC Shares has received or is entitled to receive) the benefit of those Rights, you must pay the amount (or value as reasonably assessed by BKI) of such Rights to BKI.

10.23 Acceptance by Foreign Shareholders

If you are a Foreign Shareholder and you accept this Offer you will not be entitled to receive BKI Shares as consideration for your HIC Shares. Instead BKI will:

- (a) arrange for the issue to a nominee approved by ASIC of the number of BKI Shares to which you and all other Foreign Shareholders would have been entitled but for this section and the equivalent section in each of the Offers;
- (b) cause those BKI Shares to be offered for sale on ASX after the end of the Offer Period in such manner, at such price and on such terms as are determined by the nominee; and
- (c) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\text{net proceeds of sale} \times \frac{\text{your Brickworks Shares}}{\text{total Brickworks Shares}}$$

net proceeds of sale is the amount remaining after deducting the expenses of sale and of appointing the nominee from the total proceeds of sale of the BKI Shares issued to the nominee under this section and the equivalent section in each of the Offers;

your BKI Shares is the number of BKI Shares which would, but for this section, have been issued to you; and

total BKI Shares is the total number of BKI Shares issued to the nominee under this section the equivalent section in each of the Offers.

You will be paid by cheque in Australian currency. The cheque will be sent at your risk by pre-paid airmail to the address shown in the Acceptance Form.

10.24 Unmarketable parcels of BKI Shares

If the total number of BKI Shares you are entitled to receive as consideration under this Offer is an unmarketable parcel and you do not sign and return the Acceptance Form and state clearly on it you wish to be the holder of an unmarketable parcel, you are offered and will receive a cash amount for your HIC Shares calculated under section 10.23 as if you were a Foreign Shareholder.

10.25 Clearances for offshore residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
 - (iii) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cth);
 - (iv) the *Iraq (Reconstruction and Repeal Sanctions) Regulations 2003* (Cth); or
 - (v) any other law of Australia or elsewhere that would make it unlawful for BKI to provide consideration for your HIC Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

10.26 Costs and stamp duty

BKI will pay all costs and expenses of the preparation and circulation of the Offers and any stamp duty payable on the transfer of any HIC Shares to BKI.

10.27 Offerees

(a) **Registered holders**

BKI is making an offer in the form of this Offer to each holder of HIC Shares registered in the register of members of HIC at the Register Date and under the Modification, any new HIC Shares of which you are registered or entitled to be registered as the holder on the register of members of HIC after the Register Date to before the end of the Offer Period as a result of being issued HIC Shares under the Share Purchase Plan.

(b) **Transferees**

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your HIC Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those HIC Shares.

(c) **Trustees and nominees**

If during the Offer Period and before you accept this Offer your HIC Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Act will apply so that:

- (i) BKI is taken to have made a separate Offer to you for each separate parcel of HIC Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of HIC Shares is ineffective unless:
 - (A) you give BKI notice in accordance with section 10.26(d) stating that your HIC Shares consist of separate parcels; and
 - (B) your acceptance specifies the number of HIC Shares in each separate parcel to which the acceptance relates.

(d) **Notices by trustees and nominees**

The notice required under section 10.26(c)(ii)(A):

- (i) if it relates to HIC Shares not in a CHESS Holding, must be in writing; or
- (ii) if it relates to HIC Shares in a CHESS Holding, must be in an electronic form approved under the ASTC Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

10.28 Variation and withdrawal of Offer

(a) **Variation**

BKI may vary this Offer in accordance with the Corporations Act.

(b) **Withdrawal**

In accordance with section 652B of the Corporations Act, BKI may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent.

10.29 Governing law

This Offer and any contract resulting from acceptance of it are governed by the law in force in New South Wales.

11 Definitions and interpretation

11.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

Acceptance Form means the form with that title that accompanies this Bidder's Statement.

ACT Time means legal time in the Australian Capital Territory;

All Ordinaries Accumulation Index means an index produced by ASX that measures share price movements plus all income such as dividends.

Announcement Date means 17 September 2008.

Approval means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.

ASIC means the Australian Securities and Investments Commission.

ASTC means the ASX Settlement and Transfer Corporation Pty Limited ABN 49 008 504.

ASTC Settlement Rules means the operating rules of the settlement facility provided by ASTC.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the listing rules of ASX.

Bidder's Statement means this document, being the statement made by BKI under Part 6.5 Division 2 of the Corporations Act relating to the Takeover Bid.

BKI means Brickworks Investment Company Limited ABN 23 106 719 868.

BKI Group means BKI and its related bodies corporate.

BKI Shares means fully paid shares in BKI.

Broker means a person who is a share broker and participant in CHESS.

CGT means capital gains tax.

CHESS means the Clearing House Electronic Subregister System operated by ASTC, which provides for the electronic transfer, settlement and registration of securities.

CHESS Holding means a holding of shares on the CHESS Subregister of HIC.

CHESS Subregister has the meaning set out in the ASTC Settlement Rules.

Combined Group means Brickworks Investment Company Limited ABN 23 106 719 868 and Huntley Investment Company Limited ABN 12 060 306 738 as a wholly owned subsidiary following the successful completion of the Offer.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Controlling Participant means has the meaning set out in the ASTC Settlement Rules.

Corporate and Administrative Services Pty Ltd means Corporate and Administrative Services Pty Ltd ACN 085 361 459.

Corporations Act means the Corporations Act 2001 (Cth) as modified by any relevant exemption or declaration by ASIC.

Defeating Condition means each condition set out in section 10.12.

Dividend Reinvestment Plan means HIC's dividend reinvestment plan under which the price of the shares to be issued to participants for the fully franked HIC dividend payable on 19 September 2008 is \$0.69697.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (b) a notice under section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260 A in schedule 1 to the Taxation Administration Act 1953 (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

foreign law means a law of a jurisdiction other than an Australian jurisdiction.

Foreign Shareholder means a person whose address as shown in the register of members of HIC is in a jurisdiction other than Australia and its external territories or New Zealand, unless BKI determines otherwise, being satisfied by the law of that jurisdiction that it is lawful and not onerous to make the Offer to that person and to issue them with BKI Shares and that it is lawful for that person to accept the Offer.

GST has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

HIC means Huntley Investment Company Limited ABN 12 060 306 738.

HIC Shares means fully paid shares in HIC.

Independent Accountant means Travis & Travis Chartered Accountants.

Issuer Sponsored Holding means a holding of HIC Shares on HIC's issuer sponsored subregister.

Manager means The Leaders Investments Manager Limited ACN 003 627 085.

Management Agreement means the management agreement between the Manager and HIC that will expire at the 2008 annual general meeting of HIC.

Modification means the ASIC modification referred to in section 9.3 of this Bidder's Statement.

Offer means the offer as set out in section 10 of this Bidder's Statement (or, if the context so requires, section 10 of this Bidder's Statement itself) and includes a reference to that offer as varied in accordance with the Corporations Act.

Offer Announcement means the announcement by BKI in relation to the Offer after the close of trading on 17 September 2008.

Offer Period means the period referred to in section 10.6 of this Bidder's Statement.

Offers means the Offer and each of the other offers made in the same terms for HIC Shares and includes a reference to those offers as varied in accordance with the Corporations Act.

Portfolio Manager means the manager of BKI's investment portfolio, Souls Fund Management Limited ACN 098 628 605.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid). It also includes any self-regulatory organisation established under statute or any stock exchange.

Register Date means 9 a.m. Sydney time on 13 October 2008, being the date set by BKI under section 633(2) of the Corporations Act.

Rights means all accretions and rights attaching to HIC Shares after the Announcement Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by HIC).

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S&P ASX200 index means the index of that name published by Standard & Poor's (or any successor of or replacement for that index).

Service Agreement means a management service agreement entered into by the Company with any of Ian Huntley, Peter Warnes or John Larsen (or entities associated with them) concerning the provision by any of them of management services to the Company:

- (a) with a fixed term of no more than 3 months and commencing after the expiry of the Management Agreement and renewable at the election of HIC for a further 3 months upon expiry provided that BKI does not have a relevant interest in greater than 50.1% (by number) of HIC Shares; and
- (b) on commercial and arm's length terms.

Share Purchase Plan means the HIC share purchase plan announced by HIC on 22 August 2008.

Takeover Bid means the takeover bid constituted by the Offers.

Takeover Transferee Holdings means the CHES Holding to which HIC Shares are to be transferred after acceptance of the Offer.

Target's Statement means the target's statement prepared by HIC under section 633 and 638 of the Corporations Act in relation to the Offer.

unmarketable parcel means a number of BKI Shares which is less than a marketable parcel under the market rules of ASX. Currently, if the securities are quoted, this means a parcel of securities of less than \$500 based on the closing price on SEATS on the last trading day before BKI must provide the consideration. If the securities are unquoted, this means the price paid on issue.

VWAP means the volume weights average price.

your HIC Shares means, subject to section 10.27, the HIC Shares:

- (a) of which you are registered or entitled to be registered as the holder in the register of members of HIC at the Register Date and any new HIC Shares of which you are registered or entitled to be registered as the holder on the register of members of HIC as result of HIC Shares issued under the Share Purchase Plan from after the Register Date to before the end of the Offer Period as a result of an issue under the Share Purchase Plan; and
- (b) any other HIC Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

11.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only, and do not affect interpretation.
- (c) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests 1 gender includes the other genders;
 - (iii) if a word is defined, another part of speech has a corresponding meaning;
 - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this Bidder's Statement;
 - (v) a reference to a person includes a body corporate; and
 - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated.

Dated 3 October 2008

Signed on behalf of Brickworks Investment Company Limited by Robert Millner and David Hall being 2 directors of Brickworks Investment Company Limited who are authorised to sign by a resolution unanimously passed at a meeting of the directors of Brickworks Investment Company Limited.



Robert Millner

Director



David Hall

Director

ANNEXURE A

Announcement of the Offer by BKI to ASX on 17 September 2008



ABN: 23 106 719 868

Level 2, 160 Pitt Street Mall,
Sydney, NSW, 2000
Telephone: 02 9210 7000
Facsimile: 02 9210 7099

ASX Announcement

Wednesday, 17 September 2008

BRICKWORKS INVESTMENT COMPANY LIMITED ANNOUNCES \$126.0 MILLION SCRIP TAKEOVER OFFER FOR HUNTLEY INVESTMENT COMPANY LIMITED

OFFER VALUES HUNTLEYS AT \$0.73 PER SHARE

Brickworks Investment Company Limited (BKI) today announced its intention to make an off-market takeover bid (the Offer) for all of the shares in Huntley Investment Company Limited (HIC).

Under the Offer, BKI is offering all HIC shareholders 0.6 BKI shares for each HIC share. Based on the closing prices of BKI and HIC shares on 17 September 2008:

- The Offer values HIC at \$0.73 per share and implies an equity value of approximately \$126.0 million for HIC.
- The Offer represents a premium of 10.9% to HIC's share price.
- The Offer values HIC at its last reported net tangible assets (NTA) per share (HIC's share price represents a 9.8% discount to its NTA1 per share).

Combining BKI and HIC will form a leading listed investment company, with a market capitalisation of approximately \$481.0 million. The Board of BKI believes that a combined BKI and HIC will present significant benefits to shareholders of both companies, including

- reduced management expense ratio;
- increased investment diversification;
- increased equity market scale; and
- potential for price re-rating based on trading history of larger sized listed investment companies.

The Offer provides HIC shareholders with an opportunity to realise a premium for their HIC shares and at the same time gain exposure to the significant upside offered by the combined group.

BKI Chairman Robert Millner said: "By accepting the offer, HIC shareholders can convert their shares into BKI shares at a premium to the market price and enjoy the lower management expense ratio and market out-performance that BKI has demonstrated in recent years."

"The combined group's shareholders will enjoy greater diversification, access to capital and market presence which comes from a larger company".

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Offer conditions, documentation and timing

The Offer will be subject to certain conditions, including a 50.1% minimum acceptance condition. The conditions are set out in full in Annexure A to this announcement.

BKI expects to lodge its Bidder's Statement with ASIC and HIC within three weeks. The Bidder's Statement will be dispatched to shareholders, and the Offer open for acceptance, approximately two weeks after it is lodged with HIC.

Further information

Pitt Capital Partners are acting as financial advisors and Corrs Chambers Westgarth are acting as legal advisors to BKI in relation to the Offer. More detailed information about the offer will be contained in the Bidder's Statement.

Contacts

Investors

Robert Millner

Chairman

Brickworks Investment Company Limited

+ 61 2 9232 7166

Media

Matthew Horan

+ 61 2 9360 6606

+ 61 (0)403 934 958

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Annexure A

Conditions

The offer by Brickworks Investment Company Limited ABN 23 106 719 868 (Bidder) under the Takeover Bid for all of the Company Shares will be subject only to conditions substantially on the terms set out below.

1 Minimum acceptance condition

At the end of the Offer Period, Bidder has a relevant interest in more than 50.1% (by number) of the Company Shares on issue at that time.

2 No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to the Company and ending at the end of the Offer Period:

- (a) the Company converts all or any of its shares into a larger or smaller number of shares;
- (b) the Company or a subsidiary of the Company resolves to reduce its share capital in any way;
- (c) the Company or a subsidiary of the Company:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Company or a subsidiary of the Company issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the Company or a subsidiary of the Company issues, or agrees to issue, convertible notes;
- (f) the Company or a subsidiary of the Company disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company or a subsidiary of the Company charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) the Company or a subsidiary of the Company resolves to be wound up;
 - (i) a liquidator or provisional liquidator of the Company or of a subsidiary of the Company is appointed;
 - (j) a court makes an order for the winding up of the Company or of a subsidiary of the Company;
- (k) an administrator of the Company, or of a subsidiary of the Company, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a subsidiary of the Company executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Company or of a subsidiary of the Company.

3 No prescribed occurrences between announcement and service

None of the events listed in paragraphs 2(a) to (m) happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to the Company.

4 No action by Public Authority adversely affecting the Takeover Bid

During the Condition Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is instituted, or threatened by any Public Authority with respect to the Company or any subsidiary of the Company; or
- (c) no application is made to any Public Authority (other than an application by Bidder or any company within the Bidder Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or seeks to require the divestiture by Bidder of any Company Shares, or the divestiture of any assets by the Company or by any subsidiary of the Company or by any company within the Bidder Group.

5 Approvals by Public Authorities

During the Condition Period Bidder receives all approvals which are required by law or by any Public Authority:

- (a) to permit the Offers to be made to and accepted by the Company shareholders; or
- (b) as a result of the Offers or the successful acquisition of the Company Shares and which are necessary for the continued operation of the business of the Company and its subsidiaries or of Bidder and its subsidiaries,

and those approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those approvals.

6 S&P ASX200 index

During the Condition Period the S&P ASX200 index does not close below 4600 for 3 or more consecutive trading days.

7 No material acquisitions, disposals, etc.

Except for any proposed transaction publicly announced by the Company before the Announcement Date and any transaction undertaken by the Company or any subsidiary of the Company in its ordinary course of business, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (a) the Company, or any subsidiary of the Company, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$10 million or makes an announcement about such an acquisition;
- (b) the Company, or any subsidiary of the Company, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$10 million or makes an announcement about such a disposal;
- (c) the Company, or any subsidiary of the Company, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$10 million, or makes an announcement about such a commitment; or
- (d) the Company, or any subsidiary of the Company, incurs or commits to, or grants to another person a right the exercise of which would involve the Company or any subsidiary of the Company incurring or committing to any capital expenditure or liability for one or more related items of greater than \$10 million or makes an announcement about such a commitment.

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8 No material failings in filings

Bidder does not become aware, during the Condition Period, that any document filed by or on behalf of the Company with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

9 No break/inducement fees

- (a) Subject to section 9(b), during the Condition Period none of the Company, and any body corporate which is or becomes a subsidiary of the Company, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
- (i) a takeover offer for the Company or any body corporate which is or becomes a subsidiary of the Company; or
 - (ii) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, the Company or any body corporate which is or becomes a subsidiary of the Company, or to operate the Company as a single economic entity with another body corporate.
- (b) Section 9(a) does not apply to a payment, benefit or agreement:
- (i) for providing professional advisory services to the Company;
 - (ii) which is approved in writing by Bidder;
 - (iii) which is approved by a resolution passed at a general meeting of the Company; or
 - (iv) which is made to, provided to, owed by or made with Bidder.

10 Non-existence of certain rights

No person has any right (whether contingent, subject to conditions or not) as a result of Bidder acquiring Company Shares to:

- (a) acquire, or require the Company or a subsidiary of the Company to dispose of, or offer to dispose of, any material asset of the Company or a subsidiary of the Company; or
- (b) terminate or vary any material agreement with the Company or a subsidiary of the Company.

11 Conduct of the Company's business

During the Condition Period, none of the Company, or any body corporate which is or becomes a subsidiary of the Company, without the written consent of Bidder:

- (a) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (b) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (c) makes any changes in its constitution or passes any special resolution;
- (d) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (e) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (f) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (g) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;

- (h) enters into, modifies, varies or extends any agreement with any person for the provision of management services to the Company;
- (i) after the expiry of the current term of the Management Agreement, obtains any advice or services from the Manager (or any related entity or associate of the Manager), Ian Huntley, Peter Warnes or Glenn Tetley;
- (j) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (k) conducts its business otherwise than in the ordinary course;
- (l) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (m) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

12 No force majeure event

During the Condition Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of the Company or the relevant subsidiary occurs which has or is likely to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Company and its subsidiaries taken as a whole or of any of them.

13 No material adverse change to the Company

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Company and its subsidiaries taken as a whole or of any of them including,

- (a) any creditor demanding repayment of a debt of \$5 million or more;
- (b) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$10 million or more; or
- (c) any person having, as a result of Bidder acquiring the Company Shares, the right (which may be subject to conditions) to:
 - (i) acquire, or require the Company or a subsidiary of the Company to dispose of, or offer to dispose of, any asset of the Company or a subsidiary of the Company; or
 - (ii) terminate any agreement with the Company or a subsidiary of the Company.

14 Restriction on others acquiring shares in the Company

During the Condition Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in the Company.

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15 Definitions

The following definitions apply in the conditions set out above:

Announcement Date means 17 September 2008.

Bidder Group means Bidder and each of its related bodies corporate.

Bidder's Statement means the Bidder's bidder's statement for the Takeover Bid.

Company means Huntley Investment Company Limited ABN 12 060 306 738.

Company Shares means the ordinary shares in the capital of the Company.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (b) a notice under section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260 A in schedule 1 to the Taxation Administration Act 1953 (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

Management Agreement means the management agreement between the Manager and the Company.

Manager means The Leaders Investments Manager Limited ACN 003 627 085.

Offer means the offer to be made by the Bidder for all the Company Shares.

Offer Period mean the period during which the Offer is open for acceptance.

Offers means the Offer and each of the other offers made in the same terms for the Company Shares and includes a reference to those offers as varied in accordance with the Corporations Act.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid). It also includes any self-regulatory organisation established under statute or any stock exchange.

Takeover Bid means the takeover bid constituted by the Offers.

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How to accept BKI's Offer

Please refer to section 10.7 of the Bidder's Statement and the definitions in section 11 of the Bidder's Statement. If you have any queries about how to accept the Offer, please call one of the numbers below.

CHESSE Holdings

If your HIC Shares are in a CHESSE Holding, you need to contact your Controlling Participant (normally your Broker) with instructions to accept the Offer. **You do not need to return this Acceptance Form.**

If you want us to contact your Controlling Participant on your behalf, you must fill out this Acceptance Form overleaf and return it to one of the addresses shown below. However, you must ensure that this form is received **in sufficient time before the end of the Offer Period to enable us to instruct your Controlling Participant to effect acceptance of the Offer on CHESSE during business hours before the end of the Offer Period.**

Other Holdings

If your HIC Shares are in an Issuer Sponsored Holding, or if you are not yet registered as the holder of your HIC Shares, then to accept the Offer, **you must fill out this Acceptance Form overleaf and return it to the one of the addresses shown below.**

Additional Notes

- 1 **Power of Attorney** - if you sign this form under power of attorney, you must send a certified copy of the power with the form, and will have declared that you have no notice of revocation of the power and are able to further delegate power under it under sections 10.9(e) and (h) of this Bidder's Statement.
- 2 **Sold all your HIC Shares?** - if you have sold all your HIC Shares, please send this form to the stockbroker who acted on your behalf.
- 3 **Bought or sold your HIC Shares?** - if you have recently bought or sold any HIC Shares, your holding may differ from that shown on the front of this form. If so, please alter the number of HIC Shares shown as your registered holding on the front of this form to the number of HIC Shares you now hold (including any HIC Shares of which you are entitled to become registered as holder), initial the alteration and indicate the name of the stockbroker who acted for you.

If you must fill out and return this Acceptance Form, it must be received at one of the addresses shown below before the end of the Offer Period.

Postal address

Computershare Registry Services Pty Ltd
GPO Box 2115
Melbourne VIC 3001
Privacy collection statement

Personal information is collected on this form by BKI and its agent, Computershare Registry Services Pty Ltd, in connection with the Offer. BKI will share this information with its related bodies corporate, advisers and agents where necessary for the purposes of the Offer. BKI, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer. If you would like details of your personal information held by BKI or its agents or you would like to correct information that is incorrect, please contact Mr Richard Pillinger, Company Secretary at Level 2, 160 Pitt St, Sydney, NSW 2000 on (02) 9210 7000.

If the Acceptance Form is sent by mail, you may use the enclosed reply paid envelope.

If you have any questions about how to complete this Acceptance Form, please telephone the Computershare Registry Services number below:

For Australian callers 1300 726 297 (toll free)

For international callers +61 3 9415 4332

Please return completed form to:
 Computershare Investor Services Pty Limited
 GPO Box 2115 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 726 297
 (outside Australia) 61 3 9415 4332
 www.computershare.com



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 HIC_TKO
 MR JOHN SMITH 1
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

1301011221012102012221332120133322113

Securityholder Reference Number (SRN)

I 1234567890 I N D

Use a black pen.
 Print in CAPITAL letters
 inside the grey areas.

A B C

1 2 3

Acceptance Form

This is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional advisor.

This form relates to the Offer by BKI to acquire all of your shares in HIC.

Use this form to accept the Offer for your HIC Shares

B Consideration

The consideration applicable under the terms of the Offer

BKI's Offer is 0.6 BKI Shares for each HIC Share.

HIC Shareholder details

Subregister

Issuer/CHESS

Your holding in HIC

123456789012

BKI Shares to be issued to you on the basis of 0.6 BKI Shares for each HIC Share accepted

000

C To be completed by HIC Shareholder

You will be deemed to have accepted the Offer in respect of all your HIC Shares if you sign and return the form.

If you hold your HIC Shares in a CHESS holding (see "subregister" above), to accept the Offer you can either:

- Instruct your Controlling Participant directly - normally your stockbroker or
- Authorise BKI to contact your Controlling Participant on your behalf, which you can do by signing and returning the form. By signing and returning the form you will be deemed to have authorised BKI to contact your Controlling Participant directly via the CHESS system.

Contact details

D Please provide your contact details in case we need to speak to you about this form.

Name of contact person

[Empty text box for name]

Contact person's daytime telephone number

([Empty text box for phone number])

E Sign here - this section must be signed before we can process this form.

I/We accept the Offer made by BKI for all my HIC Shares. I/we hold and I/we agree to be bound by the terms and conditions of the Offer (*including the instructions as to acceptance of the offer on the back of this form*) and transfer all of my/our HIC Shares to BKI for the above consideration.

Individual or HIC Shareholder 1

[Empty signature box 1]

Sole director and sole company secretary

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.

Individual or HIC Shareholder 2

[Empty signature box 2]

Director

Individual or HIC Shareholder 3

[Empty signature box 3]

Director/Company secretary

See back of form for completion guidelines



For personal use only

How to complete this form

Acceptance of the Offer

A Registration details

The HIC Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the names as they appear on the HIC share register.

If you have already sold all your HIC Shares shown overleaf, you need not take any further action. For security reasons we suggest that you destroy this form.

B Consideration

The consideration applicable under the terms of the Offer is 0.6 BKI Shares for each HIC Share.

C How to accept the Offer

If your HIC Shares are held in an Issuer Sponsored Holding, simply complete and return this form to the address below so that it is received by no later than 7pm Sydney time on 20 November 2008 unless extended or withdrawn.

If your HIC Shares are in a CHES holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the Offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant.

If you want BKI to contact your Controlling Participant on your behalf via the CHES system, sign and return this form to the address below so that it is received in time for instructions to be given to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.

If you sign and return this Acceptance Form to the address below either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to BKI (and authorise BKI to warrant on your behalf) that you have full legal and beneficial ownership of the HIC Shares and that BKI will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Neither BKI or Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the Offer on your behalf.

D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the HIC Shareholders must sign.

Power of attorney: to sign under power of attorney, you must have already lodged this document with the BKI share registry. Alternatively, attach a certified copy of the power of attorney to this form when you return it.

Deceased estate: all executors must sign and, if not already noted by the BKI share registry, a certified copy of probate or letters of administration must accompany this form.

Companies: this form must be signed by either 2 directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary or where the sole director is also the sole company secretary, that director may sign alone. Delete titles as applicable.

Lodgement of Acceptance Form

This Acceptance Form must be received by CIS in Melbourne by no later than 7pm Sydney time on 20 November 2008. You should allow sufficient time for this to occur. Return this Acceptance Form to:

Computershare Investor Services Pty Limited
GPO Box 2115
MELBOURNE VIC 3001

Neither CIS nor BKI accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning the Offer please contact CIS on telephone 1300 726 297 (toll free for Australian callers) or +61 3 9415 4332 (for international callers).

Please note this form may not be used to change your address.

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 3001
Australia



Corporate Directory

Directors

Mr Robert Dobson Millner (Non-Executive Chairman)
Mr Geoffrey Guild Hill (Non-Executive Director)
Mr Alex J Payne (Non-Executive Director)
Mr David Capp Hall (Non-Executive Director)

Secretary

Mr Richard Pillinger

Registered office

Level 2, 160 Pitt Street Mall
Sydney NSW 2000

Offer information line

For Australian callers: 1300 726 297 (toll free)
For international callers: +61 3 9415 4332

Share registry for the Offer

Computershare Investor Services Pty Ltd
GPO Box 2115
Melbourne VIC 3001

Financial adviser

Pitt Capital Partners Limited
Level 2, 160 Pitt Street Mall
Sydney NSW 2000

Legal adviser

Corrs Chambers Westgarth
Level 32
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Independent Accountant

Travis & Travis
Chartered Accountants
1/114 Longueville Road
Lane Cove NSW 2066

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**Brickworks Investment
Company Limited**

Level 2, 160 Pitt Street Mall
Sydney 2000, NSW

T: + 61 2 9210 7000

E: info@brickworksinvestments.com.au

W: brickworksinvestments.com.au

CORRECTION

In section 10.17 of this Bidder's Statement, "13 November 2008" is replaced with "12 November 2008".