



Decision Summary

Case: 200821564

Decision	Consent granted Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
Decision Date	2 December 2008
Investment	<p>An overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in up to 57.4% of the stapled securities of the Vendor. Each stapled security is made up of one share in Babcock & Brown Communities Limited and one unit in Babcock & Brown Communities Trust. The vendor owns or controls:</p> <ul style="list-style-type: none">– a freehold interest in 14.3888 hectares of land at Peninsula Club, 441 Whangaparaoa Road, Whangaparaoa, Auckland; and– a freehold interest in 12.6383 hectares of land at Knightsbridge Village, Graham Collins Drive, Mairangi Bay, Auckland. <p>An overseas investment in significant business, being the Applicant's acquisition of rights or interests in up to 57.4% of the stapled securities of the Vendor. Each stapled security is made up of one share in Babcock & Brown Communities Limited and one unit in Babcock & Brown Communities Trust, the consideration of which exceeds \$100m.</p>
Consideration	\$195,000,000
Applicant	<p>Lend Lease Corporation Limited</p> <p>Australia (75.66%), United States of America (11.15%), United Kingdom (except Isle of Man and the Channel Islands) (8.53%), Various (4.66%)</p> <p>The Applicant is one of the leading international property groups listed on the Australian Securities Exchange (ASX) and its market capitalisation was A\$3 billion as at 16 October 2008. The Applicant has operations across three geographic regions: Asia Pacific, Europe and the Americas, and in 35 countries.</p>
Vendor	<p>Babcock & Brown Communities Group</p> <p>Australia (92.59%), New Zealand (4.1%), Various (1.7%), Hong Kong (Special Administrative Region) (1.61%)</p>
Background	<p>The Vendor is Australia's second largest listed retirement sector and aged care owner and operator. The Vendor currently operates 56 retirement villages and 29 aged care facilities in Australia and New Zealand.</p> <p>The Applicant has entered into a conditional Implementation Agreement with the Vendor in relation to a proposed recapitalisation of the Vendor (the Proposed Transaction). The Proposed Transaction will result in the Applicant acquiring an interest in up to 57.4% of BBC's stapled securities.</p>

The Vendor's Board has recommended the Proposed Transaction to the Vendor's Stapled Security holders, who will vote on the Proposed Transaction by 12 December 2008.

The Applicant is focused on becoming a leader in the retirement sector and, by entering into and completing the Proposed Transaction, including the Investment, the Applicant will achieve this strategic goal by becoming the manager of, and major investor in, one of Australia's leading aged care operators.

The overseas investment transaction has satisfied the criteria in sections 16 and 18 of the Overseas Investment Act 2005. The 'benefit to New Zealand' criterion was satisfied by particular reference to the following factors:

- Overseas Investment Act 2005
 - 17(2)(a)(i) – Creation/Retention of jobs
 - 17(2)(a)(iv) – Added market competition/Productivity
- Overseas Investment Regulations 2005
 - 28(a) – Consequential Benefits
 - 28(b) – Key person in a key industry

More information

Justine Tuite
Chapman Tripp (Auckland)
PO Box 2206
AUCKLAND 1140