



PR FINANCE GROUP LIMITED™

ABN 46 109 299 390

Dear shareholders,

RE: Status of Conditions of the Scheme Booklet.

As foreshadowed in section 1.11 of the PR Finance Group Limited (**PRF**) scheme booklet dated 14 May 2013 (**Scheme Booklet**), PRF wishes to advise PRF Shareholders of the status of the conditions precedent summarised in section 9.2 of the Scheme Booklet. Terms capitalised in this notice have the same meanings defined in the Scheme Booklet unless otherwise defined.

On the Second Court Date (20 June 2013), each of PRF and Keybridge Capital Limited are required to provide the court with a certificate confirming whether all of the conditions have been satisfied or waived as at 8.00am on the Second Court Date.

The following table sets out PRF's understanding of the status of each condition precedent as at 13 June 2013:

Condition	Description	Benefiting party	Status
(a) No prohibitive orders	Prior to 8.00am on the Second Court Date, there being no temporary, preliminary or permanent injunction or other order issued by any Court or other legal restraint or prohibition preventing the Scheme from being completed.	PRF and Keybridge	PRF is not aware of any fact or matter that would be cause this condition to not be satisfied or waived by 8.00am on the Second Court Date, other than: <ul style="list-style-type: none">(a) the approval from ASIC which is discussed further in the comments for condition (o) below; and(b) the approval of the Scheme by Keybridge shareholders, for which Keybridge has convened a general meeting to be held on 17 June 2013.
(b) Shareholder approval	PRF Shareholders resolving to approve the Scheme at the Scheme Meeting, by the requisite majority in accordance with the Corporations Act.		This condition cannot be satisfied until the Scheme Meeting has been held.
(c) Independent Expert's Report	The Independent Expert concluding that the Scheme is in the best interests of PRF Shareholders.	PRF and Keybridge	The Independent Expert's Report and Addendum is attached to the Scheme Booklet. PRF considers that this condition has been satisfied.

Condition	Description	Benefiting party	Status
(d) Court approval of Scheme	The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.		This condition cannot be satisfied until the Second Court Date.
(e) PRF representations and warranties	PRF Warranties being true and correct in all material respects on the date of the Implementation Agreement and, unless otherwise expressly stated in the Implementation Agreement, on each Business Day thereafter until the Second Court Date.	Keybridge	PRF is not aware of any fact or matter that would be cause this condition to not be satisfied or waived by 8.00am on the Second Court Date.
(f) No competing proposal	As at: (A) <i>the date of the Implementation Agreement, PRF has not entered into any agreement, arrangement or understanding with a third party in relation to a Third Party Proposal other than with those parties listed at schedule 8 of the Implementation Agreement;</i>	Keybridge	PRF considers that this condition has been satisfied.
	(B) <i>the commencement of the Exclusivity Period, PRF has not entered into any agreement, arrangement or understanding with a third party in relation to a Third Party Proposal which remains in force, other than in relation to a Superior Proposal which has been made on or prior to the end of the Negotiation Period; and</i>		PRF considers that this condition has been satisfied.
	(C) <i>8.00am on the Second Court Date, PRF has not entered into any agreement, arrangement or understanding with a third party in relation to a Third Party Proposal which remains in force.</i>		PRF is not aware of any fact or matter that would cause this condition to not be satisfied or waived by 8.00am on the Second Court Date.
(g) Prescribed occurrence and material adverse change not	Between the date of the Implementation Agreement and 8.00am on the Second Court Date, none of the following occurring: (A) <i>PRF Prescribed</i>	Keybridge	PRF is not aware of any fact or matter that would cause this condition to not be satisfied or waived by 8.00am on the Second Court Date.

Condition	Description	Benefiting party	Status
occurring	<p><i>Occurrence; or</i></p> <p>(B) <i>PRF Material Adverse Change.</i></p>		
(h) Extension of CBA Facility	Before 8.00am on the Second Court Date, CBA and PRF extending the maturity date of the CBA Facilities on terms acceptable to Keybridge.	Keybridge	PRF understands that discussions are continuing between Keybridge and CBA to obtain this consent but, at this stage, PRF is not able to advise shareholders of the status of this condition and whether it will be provided by the Second Court Date.
(i) Extension of Keybridge Facility	<p>On or before:</p> <p>(A) <i>13 May 2013, PRF and Keybridge executing a deed of amendment to the Keybridge Facility in the form of Annexure C to the Implementation Agreement (refer to the summary of the Keybridge Facility Amendment Deed in section 10 of the Scheme Booklet); and</i></p>	PRF and Keybridge	PRF and Keybridge have agreed on the terms to amend the Keybridge Facility and expect to sign this document on or before 14 June 2013.
	<p>(B) <i>the date of the First Court Hearing, CBA having consented to the entry by PRF into the Keybridge Facility Amendment Deed on terms acceptable to Keybridge and PRF.</i></p> <p>The parties to the Implementation Agreement have subsequently agreed to extend the time for satisfaction of both limbs of this condition to 8am on the date of the Scheme Meeting.</p>		CBA has not yet provided its consent to the amendment at this stage. PRF understands that discussions are continuing between Keybridge and CBA to obtain this consent but, at this stage, PRF is not able to advise shareholders of the status of the CBA consent and whether it will be provided by the Second Court Date.
(j) CBA approval of Scheme	Before 8.00am on the Second Court Date, CBA consenting to the Scheme on terms acceptable to PRF and Keybridge.	PRF and Keybridge	CBA has not yet provided its consent to the Scheme. Discussions are continuing between PRF, Keybridge and CBA to obtain this consent. CBA has indicated that in order for it to provide its consent, PRF will need to be bound to complete a Subsequent Control Transaction with Marubeni

Condition	Description	Benefiting party	Status
			<p>Corporation on the commercial terms foreshadowed in Appendix A of the Independent Expert's Report's Addendum contained in Annexure F of the Scheme Booklet (the Foreshadowed Deal). PRF notes that if a deal was to be completed after the Implementation Date on the terms set out in the Foreshadowed Deal, the likely purchase price adjustments would result in the deal not meeting the Target Consideration Amount (under the Scheme) and no Subsequent Control Transaction Consideration Amount would be payable to PRF Shareholders. This would not affect the payment of the Initial Scheme Consideration. It is worth noting that the Independent Expert did not place any value on the Subsequent Control Transaction Consideration Amount in reaching its opinion. At this stage, PRF is not able to advise shareholders of the status of negotiations (if any) between Keybridge and Marubeni and whether or not the Foreshadowed Deal will occur. Accordingly, at this stage it is not clear whether CBA consent will be able to be provided by the Second Court Date.</p>
(k) Amendment of Deloitte engagement terms	Before 8.00am on the Second Court Date, the amendment of the engagement terms between PRF and Deloitte on terms satisfactory to Keybridge.	Keybridge	This has been completed and PRF considers that this condition has been satisfied.
(l) Extinguishment of directors' liability	Before 8.00am on the Second Court Date, PRF procuring, in a manner and on terms satisfactory to Keybridge, the extinguishment of that amount of the liability owed to PRF directors, Peter Llewellyn and Rod James, in respect of their contractual entitlement to amounts over and	Keybridge	PRF and Keybridge are in final negotiation of the terms of these documents and expect these documents to be signed on or before 8.00am on the Second Court Date.

Condition	Description	Benefiting party	Status
	above their capped salary so that the amount of that liability when aggregated does not exceed A\$2,000,000 (refer to section 11.1 of the Scheme Booklet).		
(m) Amendment of directors' contracts	Before 8.00am on the Second Court Date, PRF procuring amendments to the independent contractor agreements of the respective contracting entities of Peter Llewellyn and Rod James on terms satisfactory to Keybridge (refer to section 11.1 of the Scheme Booklet).	Keybridge	PRF and Keybridge are in final negotiation of the terms of these documents and expect these documents to be signed on or before 8.00am on the Second Court Date.
(n) Formalisation of loan agreements	Before 8.00am on the Second Court Date, PRF procuring the execution by all relevant parties of loan agreements between PRF and each of Rod James (and his related independent contractor entity) and Peter Llewellyn (and his related independent contractor entity), on terms satisfactory to Keybridge (refer to section 11.1 of the Scheme Booklet).	Keybridge	PRF and Keybridge have agreed the terms of these documents and expect these documents to be signed on or before 8.00am on the Second Court Date.
(o) ASIC approvals and consents	Before 8.00am on the Second Court Date, ASIC gives all approvals and consents, and takes such other steps, as are necessary or desirable to implement the Scheme.	PRF and Keybridge	<p>This condition cannot be satisfied until the Second Court Hearing Date.</p> <p>PRF has been advised by ASIC on the afternoon of 12 June 2013 that it intends to withhold its statement under s411(17)(b) of the Corporations Act 2001 (Cth) and appear at the Second Court Hearing to make submissions as to the adequacy of information provided to members and the statement on page 47 of the Scheme Booklet with respect to provision of the FY12 audited financial accounts.</p> <p>ASIC have advised that ASIC representatives will also be attending the Scheme Meeting as observers.</p>

Yours sincerely,

K.B. Wise

Ken Wise
Chief Financial Officer