

9 June 2009

The Manager  
Company Announcements Office  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Dear Ms Kielich,

**BLUEFREEWAY LIMITED - SUPPLEMENTARY DOCUMENT TO EXPLANATORY  
STATEMENT FOR SCHEME OF ARRANGEMENT**

BlueFreeway Limited ("**BlueFreeway**") today announces that the Federal Court of Australia has approved supplementary documentation relating to the proposed scheme of arrangement (the "**Scheme**") under which it is proposed that IPMG Administration Pty Limited ("**IPMG**") will, if the Scheme is approved, acquire all shares in BlueFreeway which IPMG does not already own for 4 cents per share.

A copy of the supplementary document and a further proxy form will be dispatched to shareholders today and a copy of the supplementary document in the form approved by the Federal Court of Australia to be dispatched to shareholders is attached to this announcement.

The supplementary document deals with the impact on the Explanatory Statement dated 19 May 2009 issued by BlueFreeway in respect of the Scheme of the revised earnings forecast announcement made by BlueFreeway to the ASX on 4 June 2009.

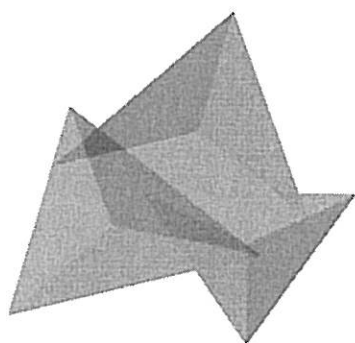
Shareholders will note that neither the recommendation of the independent director of BlueFreeway nor the opinion of the independent expert has changed as a result of the supplementary document. The independent director continues to recommend that, in the absence of a superior offer, BlueFreeway shareholders vote in favour of the Scheme. The independent expert remains of the view that the Scheme is fair and reasonable and is therefore in the best interests of all shareholders of BlueFreeway other than IPMG.

The anticipated timetable for the Scheme remains unchanged. The Scheme meeting will be held at 1.00 pm, Sydney time, on Tuesday, 23 June 2009 at the FX Centre, 4<sup>th</sup> Floor, 184 Bourke Road, Alexandria, New South Wales. The last date and time to lodge proxies for the Scheme meeting is 1.00 pm Sydney time on Sunday, 21 June 2009.

Yours faithfully,  
BLUEFREEWAY LIMITED

A handwritten signature in cursive script, appearing to read 'Richard Shaw', written in dark ink.

Richard Shaw  
Company Secretary



bluefreeway



5 June 2009

Dear Shareholder,

#### **SUPPLEMENTARY DOCUMENT TO EXPLANATORY STATEMENT**

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BlueFreeway Limited ("**BlueFreeway**") has recently sent to its shareholders an Explanatory Statement dated 19 May 2009 ("**Explanatory Statement**") and Notice of Meeting of Shareholders to implement a scheme of arrangement (the "**Scheme**") which, if approved by shareholders and the Federal Court of Australia, will result in the acquisition by IPMG Administration Pty Limited ("**IPMG**") of all of the Shares in the Company which IPMG does not already own at a price of 4 cents per Share.

Section 4.19 of the Explanatory Statement provides that BlueFreeway will issue a supplementary document to the Explanatory Statement if it becomes aware of, among other things, any significant new matter which has arisen and would have been required to be included in the Explanatory Statement if known about at the date of lodgement with ASIC.

On 4 June 2009, BlueFreeway announced (the "**Announcement**") to ASX that it had revised its earnings expectations for BlueFreeway and its subsidiaries downwards. A copy of the Announcement is enclosed with this document.

BlueFreeway considers the matters disclosed in the Announcement are significant new matters which, if they were known about at the date of the Explanatory Statement, would have been required to be included in the Explanatory Statement. Accordingly, this document is issued to shareholders of BlueFreeway as a supplementary document to the Explanatory Statement, as provided for in Section 4.19 of the Explanatory Statement.

#### **Impact of Announcement**

The items disclosed in the Announcement affect the Explanatory Statement in the following manner:

1. The Explanatory Statement contained statements to the effect that based on the current financial position of BlueFreeway and anticipated trading performance, BlueFreeway would be required to make a repayment to its bank ("**NAB**") on 31 October 2009 of at least \$14 million (on pages 7 and 8 of the Explanatory Statement). BDO Kendalls Securities (NSW-VIC) Pty Limited ("**Independent Expert**") in its independent expert's report included as

section 8 of the Explanatory Statement (the "**Initial Report**") referred to the same estimated repayment required to be made to NAB as an amount of approximately \$15 million.

The effect of the Announcement is that BlueFreeway now estimates that, as at the date of this document, based on the financial position of BlueFreeway and the anticipated trading performance of BlueFreeway and its subsidiaries, the Company will be required to make a repayment to NAB on 31 October 2009 of at least \$16 million.

2. The Announcement has resulted in certain figures and commentary in the Independent Expert's Initial Report having to be adjusted. As a result, the Independent Expert has issued a supplementary report ("**Supplementary Report**") dated 4 June 2009, setting out those adjustments, a copy of which is also enclosed with and forms part of this supplementary document to the Explanatory Statement.

### **Conclusion of Independent Expert**

The Announcement has **not** affected the conclusion of the Independent Expert, BDO Kendalls Securities (NSW-VIC) Pty Ltd, regarding the Scheme. In its Supplementary Report the Independent Expert still concludes that the Scheme is fair and reasonable and therefore in the best interests of Shareholders.

### **Recommendation of Independent Director**

Nor has the Announcement affected the recommendation of the sole Independent Director of BlueFreeway, Mr Nicholas Greiner AC, who continues to believe that the proposed Scheme is in the best interests of all Shareholders and recommends, in the absence of a Superior Offer, that Shareholders vote in favour of the Scheme, for the reasons set out in the Explanatory Statement.

(The other Directors of BlueFreeway, Messrs Michael Hannan and Kevin Slaven, continue to consider themselves not justified in making a recommendation to Shareholders in relation to the Scheme given that they are each a Director nominated by IPMG, and in the case of Michael Hannan, he and members of his family ultimately hold the benefit of all interests in IPMG.)

### **No impact on terms of Scheme**

**Neither the Announcement nor this supplementary document affect the terms of the Scheme as described in section 7 of the Explanatory Statement.**

### **Voting at Scheme Meeting**

As described in the Explanatory Statement, the Scheme Meeting is to be held on 23 June 2009 at 1.00 pm Sydney Time at the FX Centre, 4<sup>th</sup> Floor, 184 Bourke Road, Alexandria, New South Wales. Proxy forms for the Scheme Meeting have already been sent to Shareholders.

If any Shareholder who has already completed and returned to the Share Registry the proxy form that was enclosed with the Explanatory Statement does not wish to alter their voting instructions set out on that proxy form, then they do not have to take any further action and the original proxy form will be valid and acceptable.

However, any Shareholder who has already completed and returned to the Share Registry the proxy form that was enclosed with the Explanatory Statement and wishes to alter their voting instructions in that proxy form, can do so by completing and returning to the Share Registry (at the address below) the proxy form accompanying this document. Proxies must be received by the Share Registry at least 48 hours before the time specified for holding the meeting.

If you wish to use the personalised proxy form enclosed with this document, you may return it by posting it in the reply paid envelope provided, or you may hand deliver it to the address below or send it by fax to the number below:

By mail:	BlueFreeway Limited or c/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001	BlueFreeway Limited c/- Computershare Investor Services Pty Limited Reply Paid 242 Melbourne VIC 8060 Australia
By facsimile:	BlueFreeway Limited c/- Computershare Investor Services Pty Limited 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)	
By hand delivery:	BlueFreeway Services Limited c/- Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000	

If a proxy form is completed by an individual or a corporation under a power of attorney, the original or a certified copy of that power of attorney under which the form is signed must be received by the Share Registry at least 48 hours before the time specified for holding the Scheme Meeting.

If you have already completed and returned to the Share Registry the proxy form enclosed with the Explanatory Statement and then complete and return the proxy form enclosed with this document, the first returned proxy form will no longer be valid and will not be accepted by BlueFreeway. The later proxy form returned to the Share Registry will be the only proxy form that is accepted by BlueFreeway.

### **Important Notices**

#### **This supplementary document**

This supplementary document is supplemental to the Explanatory Statement. The Scheme is described in the Explanatory Statement dated 19 May 2009.

You should read this supplementary document, including the enclosed Supplementary Report of the Independent Expert, and the Explanatory Statement in their entirety before making a decision as to how to vote at the Scheme Meeting.

Capitalised terms used in this supplementary document are either defined in this document or, if a term is not defined in this supplementary document, its meaning is as defined in the Explanatory Statement.

The information contained in this document concerning BlueFreeway and the Proposal has been provided by BlueFreeway and is the responsibility of BlueFreeway. IPMG and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of any such information.

#### **ASIC**

A copy of this document has been reviewed and registered by ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this document. ASIC has been requested to provide a statement that it has no objection to the Scheme in accordance with Section 411(17)(b) of the Corporations Act. It is ASIC's policy not to provide such a statement until it has had an opportunity to observe the entire process of the Scheme of Arrangement. Accordingly, if ASIC provides such a statement, it will not do so until the Second Court Hearing to approve the Scheme.

#### **ASX**

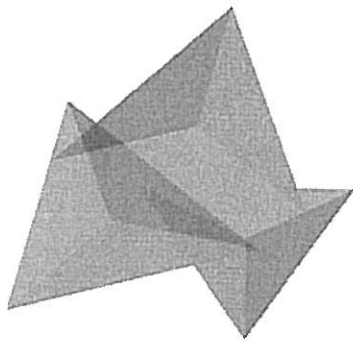
A copy of this document has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this document.

#### **Court**

The Court does not take any responsibility for the contents of this document and, in directing that a meeting of BlueFreeway's Shareholders be held, the Court does not in any way indicate that the Court has approved or will approve the terms of the Scheme. An order from the Court under Section 411(1) of the Corporations Act is not an endorsement of, or any other expression of opinion on, the Scheme.

This document is dated 5 June 2009.

BLUEFREEWAY LIMITED



bluefreeway



4 June 2009

The Manager  
Company Announcements Office  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Dear Ms Kielich,

**BlueFreeway Limited – Change in outlook for 2009 Financial Year**

BlueFreeway Limited (the "**Company**") has recently sent to its shareholders an Explanatory Statement dated 19 May 2009 and Notice of Meeting of Shareholders to implement a scheme of arrangement (the "**Scheme**") which, if approved by shareholders and the Federal Court of Australia, will result in the acquisition by IPMG Administration Pty Limited ("**IPMG**") of all of the shares in the Company which IPMG does not already own. The meeting of shareholders to approve the Scheme is to be held on 23 June 2009 at 1.00 pm at the FX Centre, 4<sup>th</sup> Floor, 184 Bourke Road, Alexandria, New South Wales.

**Revised earnings outlook**

The Explanatory Statement included an Independent Expert's Report (IER) prepared by BDO Kendalls Securities (NSW-VIC) Pty Ltd ("**BDO Kendalls**"). The IER assessed the value of the Company using a number of methodologies. One of these methodologies, "the Future Maintainable Earnings" method used actual and forecasted earnings before interest tax depreciation and amortisation ("**EBITDA**") for the Company and its subsidiaries ("**Consolidated Group**") (by including 100% of the actual and forecast EBITDA for those subsidiaries not 100% owned by the Company, other than for Fivia SA) for the financial year ending 30 June 2009 of \$6.179m as a key variable. The relevant calculation is set out in Table 5.1.1 on page 13 of the IER. The calculation was based on actual results for the 8 months to 28 February 2009 and forecasts by management of the Company for the 4 months to 30 June 2009.

The Company announces that it has today revised down its earnings expectations for the financial year ending 30 June 2009 which the Company believes will result in EBITDA for the Consolidated Group for the financial year ending 30 June 2009, when calculated on the same basis as set out in Table 5.1.1 on page 13 of the IER, reducing from \$6.179m to \$4.483m.

BDO Kendalls has advised the Company that it remains of the view the Scheme is fair and reasonable and is therefore in the best interests of Shareholders, notwithstanding that the Company has revised down its earnings expectations.

**Repayment of bank debt**

The terms of the loan facility agreement between the Company and its bank contain a requirement that if the ratio of the outstanding bank debt to the Company's and its subsidiaries' consolidated earnings before interest tax depreciation and amortisation (after excluding minority interests) for the 12 months ending 30 September 2009 exceeds 2.75:1, the Company must repay sufficient principal to its bank by 31 October 2009 to reduce this ratio to less than 2.75:1.

Based on the financial position of the Company and the anticipated trading performance of the Company and its subsidiaries as at the date of the Explanatory Statement, the Company estimated that this covenant would require it to make a repayment to its bank on 31 October 2009 of at least \$14 million.

Based on the revised earnings expectations for the financial year ending 30 June 2009 announced today, the Company estimates that this covenant will require the Company to make a repayment to its bank on 31 October 2009 of at least \$16 million.

Yours faithfully

BLUEFREEWAY LIMITED



RICHARD SHAW  
Company Secretary





BDO Kendalls

BDO Kendalls Securities (NSW-VIC) Pty Ltd  
Level 19, 2 Market St  
Sydney NSW 2000  
GPO Box 2551 Sydney NSW 2001  
Phone 61 2 9286 5555  
Fax 61 2 9286 5599  
cf.sydney@bdo.com.au  
www.bdo.com.au

4 June 2009

ABN 82 065 203 492  
AFS Licence No. 222438

The Directors  
BlueFreeway Limited  
75-85 O'Riordan Street  
ALEXANDRIA NSW 2015

Dear Sirs

## **SUPPLEMENTARY INDEPENDENT EXPERT'S REPORT – BLUEFREEWAY LIMITED SCHEME OF ARRANGEMENT**

### **1 INTRODUCTION AND SCOPE**

BDO Kendalls Securities (NSW-VIC) Pty Limited ("**BDO**") was engaged by the independent director of BlueFreeway Limited ("**BlueFreeway**") to prepare an Independent Expert's Report ("**Initial Report**") dated 15 May 2009 which expressed an opinion as to whether or not the proposed Scheme of Arrangement ("**Scheme**") was fair and reasonable and therefore in the best interests of the non-associated shareholders of BlueFreeway ("**Shareholders**").

Subsequent to this Initial Report, BlueFreeway has released an announcement to the market (dated 4 June 2009) revising their EBITDA forecasts for the year ending 30 June 2009 ("**Announcement**").

This report ("**Supplementary Report**") considers the impact of the Announcement on our Initial Report and is to be included in the Supplementary Document to Explanatory Statement released by BlueFreeway on 4 June 2009. Where new information affects our assessment of the Scheme we have included the revised analysis in this Supplementary Report.

### **2 SUMMARY AND OPINION**

We have considered the terms of the Scheme as outlined in the body of our Initial Report together with BlueFreeway's Announcement and have concluded that the Scheme is fair and reasonable and therefore in the best interests of Shareholders. This conclusion is consistent with our conclusion in our Initial Report.

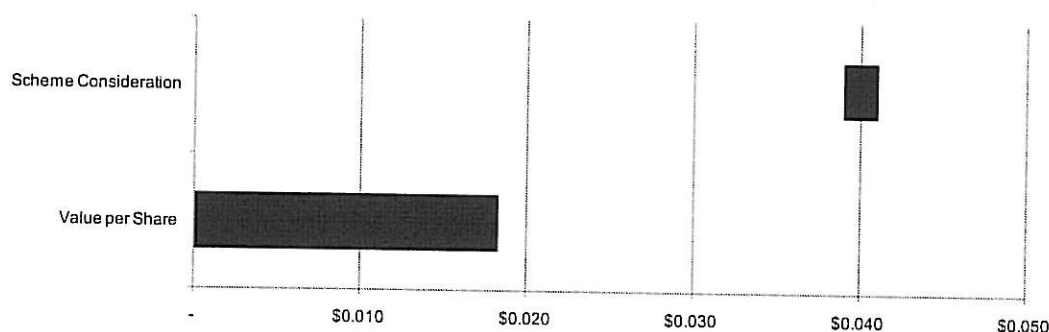
#### **2.1 Fairness**

In accordance with our basis of evaluation (set out in Section 2.2 of our Initial Report) we have assessed whether or not the Scheme is fair to Shareholders with reference to the value of a share in BlueFreeway ("**Share**") and the consideration offered for each Share under the Scheme. The results of our analysis are summarised below.

	Initial Report Section Reference	Value per Share (\$)	
		Low	High
Value of Share	5.5	0.000	0.018
Scheme Consideration	1.2	0.040	0.040

BDO Kendalls is a national association  
of separate partnerships and entities.  
Liability limited by a scheme approved  
under Professional Standards Legislation  
other than for the acts or omissions  
of financial services licensees

**Figure 1: Comparison of BlueFreeway Value per Share with Scheme Consideration**



As illustrated at Figure 1 above, the Scheme is fair for Shareholders. However, other implications of the Scheme also need to be considered before drawing an overall conclusion as to whether the Scheme is in the best interests of Shareholders.

## 2.2 Reasonableness

We have considered the analysis in Section 7 of our Initial Report, in terms of both the advantages and disadvantages of accepting the Scheme and the position of Shareholders if the Scheme does not proceed.

The respective advantages and disadvantages of accepting the Scheme are considered below.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Exit opportunity for shareholders</li> <li>Currently in breach of financing covenants</li> <li>Alternative offer for BlueFreeway unlikely</li> <li>No brokerage or stamp duty</li> </ul>	<ul style="list-style-type: none"> <li>Inability to share in future potential upside</li> </ul>

In our opinion, the position of Shareholders if the Scheme proceeds is more advantageous than the position if the Scheme does not proceed. Accordingly, we believe that the Scheme is reasonable for Shareholders. The reasonableness advantages and disadvantages outlined above are not affected by the Announcement.

## 2.3 Conclusion

Having considered the analysis summarised above and set out in detail in the Initial Report (including consideration of BlueFreeway's Announcement), we believe that the Scheme is fair and reasonable and therefore in the best interests of Shareholders.

### 3 SECTIONS AMENDED DUE TO SUBSEQUENT EVENTS

Where the Announcement has resulted in figures or commentary in our Initial Report requiring adjustment we have outlined these below.

#### 3.1 Initial Report Section 5.1.1 – Future Maintainable Earnings

The affect of the Announcement on BlueFreeway's FME is outlined in the table below.

<b>Adopted FME</b>			
	Note	Initial Report FY09 \$'000	Supplementary Report FY09 \$'000
Portfolio Company EBITDA		9,987 <sup>(1)</sup>	8,206 <sup>(2)</sup>
BlueFreeway Head Office Costs		(3,807)	(3,723)
<b>BlueFreeway EBITDA</b>		<b>6,179</b>	<b>4,483</b>
<u>Normalisation Adjustments:</u>			
Fivia Partial Sale	(3)	(465)	(465)
Revenue	(4)	(247)	(247)
Personnel Costs	(5)	116	116
Communication Costs	(6)	(35)	(35)
Doubtful Debts	(7)	641	641
Other	(8)	104	104
		114	114
<b>Adjusted EBITDA adopted as FME</b>		<b>6,293</b>	<b>4,597</b>

**Notes:**

- (1) Based on actual results for the eight months to 28 February 2009 and Management forecasts for the four months to 30 June 2009. Adjusted for discontinuing operations.
- (2) Based on actual results for the ten months to 30 April 2009 and Management forecasts for the two months to 30 June 2009 (adjusted for discontinuing operations). Based on our discussions with Management, and our analysis of the forecasts for the two months ending 30 June 2009, we consider Management's forecasts have been prepared on a reasonable basis.
- (3) On 14 January 2009 BlueFreeway sold 24% of Fivia which released BlueFreeway from approximately \$4.5million in DSO liabilities. We have adjusted Fivia's EBITDA result to account for the reduction in EBITDA for future periods due to the lesser ownership interest. This adjustment is not materially affected by the changes to earnings as disclosed in the Announcement.
- (4) Revenue recognised in FY09 but relates to FY08 revenues therefore are to be removed from FY09 EBITDA.
- (5) Payroll tax assessments recognised in FY09 but relates to FY08 expenses therefore is to be removed from FY09 EBITDA.
- (6) Trade credit received from Telstra during FY09 but relates to FY08 therefore is to be removed from FY09 EBITDA.
- (7) Doubtful debts expense provided for during FY09 but relates to FY08 debtors therefore are to be removed from FY09 EBITDA.
- (8) Professional fees relating to FY08 to be removed from FY09 EBITDA.

### 3.2 Initial Report Section 5.1.3 – Determination of BlueFreeway's Value per Share

The BlueFreeway valuation incorporating the revised FME determined at Section 3.1 is outlined in the table below.

<b>Value per Share</b>				
	Section/ (Note)	Units	Low	High
FME	3.1	\$'000	4,597	4,597
EBITDA Multiple	Initial Report 5.1.2	x	3.5	4.5
Enterprise Value		\$'000	16,090	20,687
Net Debt, consisting of:				
NAB Borrowings	(1)	\$'000	26,710	26,710
IPMG - Convertible note	(2)	\$'000	7,012	7,012
IPMG -Borrowings	(3)	\$'000	10,993	10,993
DSO Liability	(4)	\$'000	19,015	19,015
Total Net Debt		\$'000	63,730	63,730
Equity Value	(5)	\$'000	-	-
Number of Shares on Issue	Initial Report 3.4	'000	326,664	326,664
<b>Value per Share</b>	<b>(5)</b>	<b>\$</b>	<b>-</b>	<b>-</b>

**Notes:**

- (1) Balance as at 31 December 2008 per the reviewed Half Year financial report for the six months ended 31 December 2008.
- (2) Balance as at 31 December 2008 per the reviewed Half Year financial report for the six months ended 31 December 2008. Represents thirteen convertible notes with a face value of \$500k each plus accrued interest.
- (3) Balance as at 31 December 2008 per the reviewed Half Year financial report for the six months ended 31 December 2008. Represents a \$10.0m loan (plus accrued interest) provided by IPMG during FY08.
- (4) Balance as at 31 March 2009 per Management. The balance as at 31 December 2008 disclosed in the reviewed Half Year financial report was \$24.9m. Since that date Management have advised that the sale of 24% of Fivia to its vendors has released BlueFreeway from earn out obligations of approximately \$4.5m. There have been other reductions to the earn out obligation since 31 December 2008 following the renegotiation of certain DSOs and changes to estimated future EBIT of the Portfolio Companies which impact the DSO liability.
- (5) As BlueFreeway's net debt exceeds its enterprise value we have therefore ascribed BlueFreeway an equity value of nil.

For comparison purposes we have included the Value per Share calculation from our Initial Report below. Please refer to the Initial Report for the notes to the table.

**Initial Report Table 5.1.3: Value per Share**

	Initial Report Section/ (Note)	Units	Low	High
FME	5.1.1	\$'000	6,293	6,293
EBITDA Multiple	5.1.2	x	3.5	4.5
Enterprise Value		\$'000	22,026	28,319
Net Debt, consisting of:				
NAB Borrowings	(1)	\$'000	26,710	26,710
IPMG - Convertible note	(2)	\$'000	7,012	7,012
IPMG -Borrowings	(3)	\$'000	10,993	10,993
DSO Liability	(4)	\$'000	19,015	19,015
Total Net Debt		\$'000	63,730	63,730
Equity Value	(5)	\$'000	-	-
Number of Shares on Issue	3.4	'000	326,664	326,664
<b>Value per Share</b>	<b>(5)</b>	<b>\$</b>	<b>-</b>	<b>-</b>

### 3.3 Initial Report Sections 3.2 – Current Position and 7.3.1 – Breach of Covenants

The terms of the loan facility agreement between BlueFreeway and NAB contain a requirement that if the ratio of outstanding bank debt to BlueFreeway's EBITDA (excluding minority interests) for the twelve months ending 30 September 2009 exceeds 2.75:1, BlueFreeway must repay sufficient principal to its bank by 31 October 2009 to reduce this ratio to less than 2.75:1.

Management estimated at the time of writing our Initial Report that this covenant would require BlueFreeway to make a repayment to NAB on 31 October 2009 of at least \$15m.

Based on the revised earnings expectations for FY09 contained in the Announcement, Management estimates that this covenant will require BlueFreeway to make a repayment to NAB on 31 October 2009 of at least \$16m.

## 4 DISCLAIMERS AND CONSENTS

This Supplementary Report has been prepared at the request of BlueFreeway. The Company previously engaged BDO to prepare an independent expert's report dated 15 May 2009 to consider the Scheme on behalf of Scheme Participants.

BDO hereby consents to this Supplementary Report being released to the ASX and included in the Supplementary Document to Explanatory Statement released by BlueFreeway on 4 June 2009. Apart from such use, neither the whole nor any part of this Supplementary Report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO.

BDO takes no responsibility for the contents of the Scheme Booklet, the Supplementary Document to the Explanatory Statement or other Announcements to the ASX.

BDO has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of BlueFreeway. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

To the extent that our conclusions are based on projections, we express no opinion on the achievability of those projections. Neither BDO nor any member or employee of BDO undertakes responsibility in any way whatsoever to any person in respect of errors in this Supplementary Report arising from incorrect information provided by Management or in respect of the failure of projections to be achieved.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of BlueFreeway, or any other party.

The taxation implications addressed in our Initial Report are based on the Income Tax Assessment Act 1997 (Cth) (as amended), the Income Tax Assessment Act 1936 (Cth) (as amended), and the established interpretations of those Acts at the date of the Initial Report.

The statements and opinions included in this Supplementary Report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO has no obligation to update this Supplementary Report for events occurring subsequent to the date of this Supplementary Report.



Our financial services guide is attached as **Appendix B** to this Supplementary Report.

Yours faithfully  
**BDO KENDALLS SECURITIES (NSW-VIC) PTY LIMITED**

A handwritten signature in black ink, appearing to read 'S. Stevens'.

**Sebastian Stevens**  
Director

A handwritten signature in black ink, appearing to read 'D. McCourt'.

**David McCourt**  
Director

<b><i>Announcement</i></b>	BlueFreeway's announcement to the market on 4 June 2009 regarding financial performance
<b><i>BDO</i></b>	BDO Kendalls Securities (NSW-VIC) Pty Limited
<b><i>BlueFreeway</i></b>	BlueFreeway Limited and its Controlled Entities
<b><i>EBITDA</i></b>	Earnings Before Interest, Tax, Depreciation and Amortisation
<b><i>FME</i></b>	Future Maintainable Earnings
<b><i>FY09</i></b>	The financial year ending 30 June 2009
<b><i>Initial Report</i></b>	Independent Expert Report dated 15 May 2009 issued by BDO for inclusion in the Scheme Booklet
<b><i>k</i></b>	Thousand
<b><i>m</i></b>	Million
<b><i>Management</i></b>	Management of BlueFreeway
<b><i>Portfolio Companies</i></b>	The sixteen subsidiaries of BlueFreeway, operating entirely in the interactive and digital marketing industry
<b><i>Scheme/Scheme of Arrangement</i></b>	The scheme of arrangement between BlueFreeway and the Shareholders set out in Section 7 of the Explanatory Statement, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act
<b><i>Scheme Booklet</i></b>	The explanatory statement and its attachments and accompanying documents issued pursuant to Section 412(1) of the Corporations Act and which has been lodged with ASIC
<b><i>Shareholder</i></b>	A person registered as being a holder of Shares excluding IPMG and any person associated with IPMG
<b><i>Supplementary Report</i></b>	Supplementary Independent Expert Report dated 4 June 2009 incorporating the effect of the Announcement on the Initial Report's comments and conclusions

## FINANCIAL SERVICES GUIDE

## Appendix B

Dated 4 June 2009

BDO Kendalls Securities (NSW-VIC) Pty Ltd ABN 82 065 203 492 ("BDO" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### 1 FINANCIAL SERVICES GUIDE

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 222438
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our complaints handling procedures and how you may access them.

### 2 FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide general financial product advice to retail and wholesale clients on securities and interests in managed investment schemes.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### 3 GENERAL FINANCIAL PRODUCT ADVICE

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### 4 FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement.

Except for the fees referred to above, neither BDO Kendalls Securities, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

### 5 REMUNERATION OR OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

### 6 REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### 7 ASSOCIATIONS AND RELATIONSHIPS

BDO Kendalls Securities is a wholly owned subsidiary of BDO Kendalls (NSW-VIC) Pty Ltd, which is a member of an Australian association of independent accounting and management consulting firms trading under the name of "BDO Kendalls".

From time to time BDO Kendalls Securities or BDO Kendalls and/or BDO related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

### 8 INDEPENDENCE

BDO Kendalls Securities is independent of the entity that engages it to provide a report. The guidelines for independence in the preparation of reports are set out in the Regulatory Guide 112 issued by the Australian Securities and Investments Commission in October 2007. BDO Kendalls Securities operates independently of the other members of BDO International in Australia.

### 9 COMPLAINTS RESOLUTION

#### 9.1 INTERNAL COMPLAINTS RESOLUTION PROCESS

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, BDO Kendalls Securities, GPO Box 2551, Sydney NSW 2001.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

#### 9.2 REFERRAL TO EXTERNAL DISPUTE RESOLUTION SCHEME

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOS"). FOS is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Kendalls Securities is a member of FOS (Member Number 11281).

Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited

GPO Box 3  
MELBOURNE VIC 3001

Toll free: 1300 78 08 08  
Facsimile: (03) 9613 6399

### 10 CONTACT DETAILS

You may contact us using the details set out at the top of our letterhead of this FSG.



# BlueFreeway Limited

ACN 122 262 819

000001 000 BLU  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

BlueFreeway Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

For your vote to be effective it must be received by 1.00pm (Sydney time) Sunday 21 June 2009

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.computershare.com](http://www.computershare.com).

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**



Review your securityholding



Update your securityholding

**Your secure access information is:**

SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of BlueFreeway Limited hereby appoint

XX

☐ the Chairman  
of the meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Scheme Meeting of BlueFreeway Limited to be held at the FX Centre, 4<sup>th</sup> Floor, 184 Bourke Road, Alexandria, Sydney on Tuesday, 23 June 2009 at 1.00pm (Sydney time) and at any adjournment of that meeting.

### STEP 2 Items of Business



PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

- 1 To approve the scheme of arrangement which will result in the acquisition of all of the shares of BlueFreeway Limited by IPMG Administration Pty Limited which it does not already own

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

BLU

025772A

Computershare +