

# BABCOCK & BROWN

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## ASX Release

7 January 2009

### UPDATE ON FORECAST 2008 FINAL RESULT

Babcock & Brown (ASX: BNB) today advises that further to the announcement to the market on 19 November 2008, following progress on the asset impairment review process for its 2008 full year accounts, it now believes that asset impairment charges will be such that the Company will be in a substantial negative net asset position at 31 December 2008. This position encompasses the reclassification of 'non-core' assets on the balance sheet as 'available for sale', in line with the Company's revised business strategy announced to the market on 19 November 2008. The impairment process is subject to finalisation and audit review which will not be completed until closer to the scheduled release of the Company's results currently expected on 26 February 2009.

As detailed in its announcement on 4 December 2008 and reiterated in its response to the ASX on 6 January 2009, the Company is in discussions with its banking syndicate regarding a debt for equity swap or equivalent restructuring to stabilise the long term capital structure of the Group. Any debt for equity swap or similar arrangement will be designed to allow Babcock & Brown to continue operating its business and sell assets with a view to reducing its overall levels of debt. Any such capital restructure is expected to significantly dilute existing shareholders, negatively impacting the value of equity.

### ENDS

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#### About Babcock & Brown

Babcock & Brown is an international investment and specialised fund and asset management group with longstanding capabilities in structured finance and the

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## BABCOCK & BROWN

creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Securities Exchange.

Babcock & Brown operates from 30 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,400 employees worldwide. The company has established a funds management platform that has resulted in the creation of a number of focused investment vehicles.

For further information about Babcock & Brown please see our website: [www.babcockbrown.com](http://www.babcockbrown.com)