



ASX Release

27 November 2008

IMPLEMENTATION OF FIRST STAGE OF REVISED LEND LEASE PROPOSAL

BBC refers to its announcement of 24 November in relation to the Revised Lend Lease Proposal.

As mentioned in that announcement, BBC, Lend Lease and BNBI collectively agreed not to implement any component of the Revised Lend Lease Proposal before 5.00pm 25 November in order to provide the market with a further opportunity to consider the Revised Lend Lease Proposal in more detail.

BBC confirms that no superior proposal to the Revised Lend Lease Proposal was received by BBC prior to 5.00pm, 25 November. Accordingly, BBC, Lend Lease and BNBI have proceeded to implement the following transactions, namely:

- BBC and BNBI have terminated the Internalisation Agreement;
- BBC has consented to the novation of the Management Agreements to Lend Lease; and
- the Management Agreements have been novated to Lend Lease.

As also mentioned in the announcement of 24 November, it is expected that BBC securityholders will be provided with the AGM Notice of Meeting and an Explanatory Memorandum shortly. These documents will explain in more detail the second stage of the Revised Lend Lease Proposal and the approvals that are being sought from BBC securityholders. The Explanatory Memorandum will be accompanied by a full copy of an Independent Expert's Report by Deloitte which reports on the terms of the RBD Acquisition and the issue and transfer of stapled securities and convertible notes.

ENDS

Further Information:

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BABCOCK & BROWN
COMMUNITIES

About Babcock & Brown Communities Group

Babcock & Brown Communities Group (**BBC**) is an integrated owner, operator and developer of senior living communities listed on ASX. BBC owns and manages a portfolio of 56 retirement villages and 29 aged care facilities across Australia and New Zealand comprising approximately 10,000 retirement units and 2,200 residential aged care beds. Within the retirement portfolio, BBC has full exposure to the deferred management fees of approximately 6,800 units and receives management fees in relation to the remaining units.

BBC's growth is supported by its development pipeline of approximately 2,200 retirement units and 344 aged care beds which is expected to be delivered over the next 6 years.

For further information please see our website: www.bbcommunities.com