

BABCOCK & BROWN

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SALE OF US RETAIL PROPERTY PORTFOLIO INTEREST

International investment and specialised funds and asset management firm Babcock & Brown (ASX: BNB), announced today the sale of 48.9% of the portfolio of US regional shopping malls acquired under the previously announced acquisition of Gregory Greenfield & Associates (GG&A) (announced 16 May 2007, closed 15 August 2007) to Oxford Properties Group (Oxford). Babcock & Brown's joint venture with the GPT Group (ASX: GPT) ("the Joint Venture") owns 51% of the portfolio.

Babcock & Brown will exclusively retain the asset management platform acquired as part of the GG&A acquisition and will continue to manage the GG&A property portfolio on behalf of the Joint Venture and Oxford. The management of the portfolio of eight regional malls acquired by the Joint Venture in 2005 and 2006 have been fully consolidated onto the GG&A asset management platform. Following the completion of the GG&A acquisition Babcock & Brown now manages a portfolio of 22 malls in the U.S. valued in excess of US\$1.8 billion.

Phil Green Chief Executive of Babcock & Brown said, "The sale of this investment reflects our ongoing ability to recycle assets despite the current volatility in global capital markets and reflects the attractive and strategic profile of the portfolio. We will continue to focus on leveraging our asset management infrastructure and expertise in the retail property sector to build our portfolio of properties under management."

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About Babcock & Brown

Babcock & Brown is a global investment and specialised funds and asset manager whose activities are based around an integrated asset origination, asset management, co-investment and long terms funds management model. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange.

Babcock & Brown operates from 29 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,250 employees worldwide. Babcock & Brown has four operating divisions including real estate, infrastructure, operating leasing, corporate and structured finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see our website: www.babcockbrown.com