

BABCOCK & BROWN

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INVESTS IN THAI INFRASTRUCTURE OPPORTUNITY

International investment and specialised funds and asset manager Babcock & Brown (ASX: BNB), today announced it has entered into an agreement to acquire and subscribe shares in Don Muang Tollway PCL (DMT), an unlisted public company that operates a 21km elevated tollway in Thailand, through a tender process of existing shares and a private placement of new shares. Depending on the response of DMT's shareholders to the tender process, Babcock & Brown's stake in DMT ranges from a minimum of 28% to 33%. The acquisition is expected to reach financial close on 27 November 2007 and will represent an investment of approximately A\$110 - 130 million. It is intended the investment will be acquired by one or more of Babcock & Brown's managed wholesale funds at or prior to financial close.

Babcock & Brown has agreed to acquire the existing shares from shareholders of DMT. Some notable shareholders in DMT include, the Ministry of Finance, the Phanichewa family, a local Thai bank and other international investors

Peter Hofbauer Global Head of Infrastructure at Babcock & Brown said "This acquisition provides Babcock & Brown with an entry point into the Asian infrastructure sector and a platform to acquire and develop other tollroads in Thailand and in the region. Babcock & Brown has been active in Asia for nearly 20 years and currently has 167 infrastructure professionals in the Asia Pacific region. Through its local presence combined with its expertise and relationships in the infrastructure sector globally, Babcock & Brown is well positioned to capitalise on the increasing number of infrastructure investment opportunities in the Asian region."

Overview of Don Muang Tollway

DMT is an elevated 6-lane toll road running from the centre of Bangkok to the northern suburb which leads to Rangsit, one of the most populated regions in Thailand.

Sydney
Melbourne
Brisbane
Auckland
Vancouver
San Francisco
San Diego
Dallas
Houston
Toronto
New York
Greenwich
Dublin
Madrid
London
Paris
Luxembourg
Milan
Munich
Rome
Vienna
Johannesburg
Tel Aviv
Dubai
Kuala Lumpur
Singapore
Hong Kong
Perth
Tokyo

DMT was constructed in three sections. Sections 1 and 2 are concessioned and operated by DMT. Section 3, which is toll-free, is owned and operated by the Department of Highway of Thailand.

On 12 September 2007, a revised concession was executed by the Thai Government extending the concession period to Year 2034. The revised concession also has pre-agreed toll rate adjustment schedule.

DMT was one of the first PFI projects in Thailand and one of two non-government controlled companies that operates a toll road in Bangkok.

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About Babcock & Brown

Babcock & Brown is an international investment and specialised funds and asset manager with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. 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 and 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