ASX Release

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COMPLETES COINMACH ACQUISITION

International investment and specialised funds and asset manager Babcock & Brown (ASX: BNB), today announced that it has completed the acquisition of 100% of the issued capital of Coinmach Service Corp for an enterprise value of approximately US$1.35bn.

Rob Topfer Global Head of Corporate and Structured Finance at Babcock & Brown said, "We are pleased to have been able to bring a debt and equity syndicate together to complete this transaction despite the volatility in global credit markets over the last few months.

"We will work with Coinmach's management to move deeper into the essential services sector. We have already identified a number of opportunities to leverage Coinmach's existing route infrastructure, service, sales and collection capability.

"Babcock & Brown's final direct equity hold in the transaction will be less than 20% of the equity. The balance of the equity has been placed with a syndicate which includes some members of the Babcock & Brown stable of unlisted private equity funds. Babcock & Brown will continue to participate in subsequent expansion opportunities.

"The acquisition provides the Corporate and Structured Finance division with a platform from which to grow its essential services activities in the North American market."

Overview of Coinmach

Coinmach's core business (referred to as the "Route" business) involves leasing laundry rooms from building owners, property management companies, universities and other multi-family housing properties, installing and servicing laundry equipment, and collecting revenues generated from the laundry machines.

In addition to the Route business, Coinmach rents laundry machines and other household appliances to owners and managers of multi-family properties, individuals and corporations (referred to as the "Rental" business). The company also operates a laundry equipment distribution business (referred to as "Super Laundry").

Through its Route and Rental businesses, Coinmach serves approximately 20 million people across 40 states in the US. Since 1995, Coinmach has enhanced its national presence by completing many significant acquisitions as well as numerous smaller acquisitions referred to as 'tuck ins'. Such acquisitions have driven significant growth in the Route business and expanded the geographic reach of Coinmach from the north eastern US to its current spread of operations across the country.

No single customer represents more than 2% of the company's gross revenue and the ten largest customers collectively account for less than 10% of Coinmach's gross revenue.

The company employs approximately 1,950 employees.

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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.