

# BABCOCK & BROWN

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## ASX Release

11 August 2008

### INTERIM RESULT AND REVISED FULL YEAR GUIDANCE

International investment and specialised fund and asset management group Babcock & Brown (ASX: BNB) today advises that its 2008 interim Group Net Profit After Tax (NPAT) is expected to be 25% - 40% below the \$250 million interim result reported in 2007. The wide range in the interim group NPAT guidance is due to the fact that the final outcome of the interim result review has not been determined.

The decline in the interim result is primarily due to non cash impairment provisions flowing through equity accounted investments, in particular real estate and Everest Babcock & Brown and provisions taken against real estate and other Corporate & Structured Finance assets. The 2008 interim result prior to impairment provisions is expected to be above the 2007 interim result.

The impairment adjustments will flow through to our full year earnings and combined with the ongoing deterioration in global markets will mean that Babcock & Brown's 2008 earnings are now not expected to exceed 2007 Group Net Profit of \$643 million.

At the operating level the Infrastructure Division and Operating Leasing Divisions continue to benefit from strong industry dynamics despite the macro environment and have strong global positions in those sectors.

Phil Green CEO of Babcock & Brown said "The volatile global capital market conditions have made and continue to make business conditions uncertain and forecasting in the short term difficult. We will look to provide more detail on the 2008 outlook with our interim result to be reported on 21 August 2008."

### 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 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 32 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,400 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](http://www.babcockbrown.com)