

# BABCOCK & BROWN

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19 August 2008

Ms Marta Kielich

Adviser, Issuers (Sydney)  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

By email to: [marta.kielich@asx.com.au](mailto:marta.kielich@asx.com.au)

Dear Ms Kielich,

## **Babcock & Brown Limited – Response to Price Query and Request for trading halt**

We refer to your letter dated 19 August 2008 and sent after the close of trading that day requesting a response to certain questions.

We respond to each of the questions as follows.

- 1. Is the Group aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Group? In addressing question 1, please comment on the recent media speculation about the replacement of CEO Phil Green**

The Company is aware of ongoing media speculation relating to management and Board changes.

While no decision has been made, a subcommittee of the Company's Board is meeting on the morning of Thursday 21 August 2008, when necessary information is available to them, to consider and make a decision on Board changes as part of our response to corporate governance issues that have previously been raised and management changes in the context of our announced strategic review.

The Company is not in a position to release any announcement pending the result of that Board subcommittee meeting.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

**Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).**

Please see the answer to question 1.

- 3. Is there any other explanation that the Group may have for the price change and increase in volume in the securities of the Group?**

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

Please see the answer to question 1. In addition, the Company is aware of market speculation regarding our results which are due to be released to the market on Thursday 21 August. Those results will also be submitted for approval to the Board sub committee meeting on 21 August in the ordinary course and we will release them to the market as planned.

4. **Please confirm that the Group is in compliance with the listing rules and, in particular, listing rule 3.1.**

We confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

5. **Request for Trading Halt**

For the reasons set out in 1 above, we request pursuant to Listing Rule 17.1 a trading halt in the ordinary shares in Babcock & Brown Limited (**BNB**) immediately, from the commencement of trading on Wednesday 20 August 2008. BNB requests that the trading halt remain in place until the Board has met and makes an announcement in relation to these matters, which BNB expects will be before 10.00 am on Thursday 21 August 2008.

BNB is not aware of any reason why the trading halt should not be granted.

Yours sincerely



**Sue Glenton**  
Company Secretary



19 August 2008

Sue Glenton  
Group Company Secretary  
Babcock & Brown Limited  
Level 23 The Chifley Tower ·  
2 Chifley Square · Sydney NSW

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DX 10427 Stock Exchange Sydney

Dear Sue

**Babcock & Brown Limited (the “Company”)**

**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from a close of \$4.51 on 18 August 2008 to a low of \$3.47 today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?  
In addressing question 1, please comment on the recent media speculation about the replacement of CEO Phil Green.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. E.S.T.) on Wednesday, 20 August 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the entity's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*(Sent electronically without signature)*

Marta Kielich

**Adviser, Issuers (Sydney)**