

## BABCOCK & BROWN

Babcock & Brown Limited · ABN 53 108 614 955  
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### ASX Release

4 February 2008

#### **SUBSTANTIAL SHAREHOLDER NOTICE BEI**

In relation to the proposal by Babcock & Brown (ASX: BNB) to acquire the outstanding shares in Babcock & Brown Environmental Investments (ASX: BEI) please find attached a substantial shareholder notice in BEI showing the latest level of acceptances under the takeover offer.

#### **For further information please contact:**

Kelly Hibbins  
Babcock & Brown  
+61 2 92291800  
[kelly.hibbins@babcockbrown.com](mailto:kelly.hibbins@babcockbrown.com)

#### **About Babcock & Brown**

Babcock & Brown is an international investment and specialised fund and asset management group with longstanding capabilities in 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 30 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](http://www.babcockbrown.com)

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Tokyo

**Form 604**  
Corporations Act 2001  
Section 671B

**Notice of change of interests of substantial holder**

To Company Name/Scheme Babcock & Brown Environmental Investments Limited ("BEI")

ACN 074 226 065

**1. Details of substantial holder (1)**

Name Babcock & Brown Environmental Investments Holdings Pty Ltd ACN 128 887 267 ("**Bidder**") and each of the entities listed in Annexure 'A' ("**Babcock & Brown Group Entities**").

ACN (if applicable) See Annexure 'A'

There was a change in the interests of the substantial holder on See Annexure 'B'

The previous notice was given to the company on 31/1/2008

The previous notice was dated 31/1/2008

**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interest in the scheme that the substantial holder or an associate had a relevant interest in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities	Previous notice		Present notice	
	Person's votes	Voting power	Person's votes	Voting power
Ordinary shares	62,966,457	46.98% (based on 134,034,484 ordinary shares on issue)	66,870,096	49.89% (based on 134,034,484 ordinary shares on issue)

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
See Annexure B	Bidder and Babcock & Brown Group Entities	See Annexure B	See Annexure B	See Annexure B	See Annexure B

**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Nature of relevant interest	Class and number of securities	Person's votes
Refer Annexure C					

## 5. Changes in association

The persons who have become associates of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN (if applicable)	Nature of association
N/A	N/A

## 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Bidder and Babcock & Brown Group Entities	Level 23, The Chifley Tower, 2 Chifley Square, Sydney NSW 2000
ANZ Nominees Ltd	GPO Box 2842AA Melbourne VIC 3001
Citicorp Nominees Pty Limited	GPO Box 764G Melbourne VIC 3001

## Signature

print name	SUSAN GLENTON	capacity	COMPANY SECRETARY
sign here		date	4 February 2008

### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**ANNEXURE A**

**BABCOCK & BROWN ENVIRONMENTAL INVESTMENTS LIMITED  
ACN 074 226 065**

In this Form 604, references to the "Babcock & Brown Group Entities" are references to the following entities and their respective related bodies corporate:

<b>Entity</b>	<b>ACN</b>
Babcock & Brown Limited	108 614 955
AGSO Property Pty Ltd	091 824 814

This is Annexure "A" of 1 page referred to in the Form 604 Notice of Change of Interests of Substantial Holder

Print name: SUSAN GLENTON

Capacity: COMPANY SECRETARY

Sign here:



Date: 4 February 2008

## ANNEXURE B

### BABCOCK & BROWN ENVIRONMENTAL INVESTMENTS LIMITED ACN 074 226 065

#### 3. CHANGES IN RELEVANT INTERESTS

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
31 January – 1 February 2008	Bidder and Babcock & Brown Group Entities	Acquisition of relevant interests in ordinary shares in BEI as a result of acceptances of takeover offers made by Bidder dated 11 January 2008 which were included in its bidder's statement dated 18 December 2007 ( <b>the Offer</b> ). (See Annexure D).	\$0.50 for each ordinary share, subject to the terms of the Offer or one Babcock & Brown Subordinated Note for every 200 ordinary shares, subject to the terms of the Offer.	3,903,639	2.91%

This is Annexure "B" of 1 page referred to in the Form 604 Notice of Change of Interests of Substantial Holder

Print name: SUSAN GLENTON

Capacity: COMPANY SECRETARY

Sign here:



Date: 4 February 2008

## ANNEXURE C

### BABCOCK & BROWN ENVIRONMENTAL INVESTMENTS LIMITED ACN 074 226 065

#### 4. PRESENT RELEVANT INTERESTS

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Bidder	Various offerees who have accepted an offer	Subject to the terms of the Offers, the Bidder	<p>Relevant interest under section 608(1) and/or section 608(8) of the Corporations Act 2001 pursuant to acceptances of the Offer. The shares which are the subject of the acceptances have not yet been transferred into the name of Bidder.</p> <p>The power of the Bidder to vote or dispose of the shares that are the subject of acceptances of the Offer is qualified since the Offer has not been declared unconditional and it is not presently registered as the holder of the shares.</p>	25,741,749 fully paid ordinary shares	19.21%
Babcock & Brown Group Entities	Various offerees who have accepted an Offer	Subject to the terms of the Offers, the Bidder	<p>Relevant interest under section 608(3)(a) and/or section 608(3)(b) of the Corporations Act 2001, being a relevant interest held through a body corporate (Bidder) in which the voting power of the relevant Babcock &amp; Brown Group Entity is above 20% or which the relevant Babcock &amp; Brown Group Entity controls.</p> <p>No Babcock &amp; Brown Group Entity is entitled to be registered as the holder of the shares and the ability of each Babcock &amp; Brown Group Entity to vote or dispose of the shares is qualified accordingly.</p>	25,741,749 fully paid ordinary shares	19.21%
Bidder and Babcock & Brown Group Entities	AGSO Property Pty Ltd ACN 091 824 814	AGSO Property Pty Ltd	<p>Relevant interest under section 608(3)(a) and/or section 608(3)(b) of the Corporations Act 2001, being a relevant interest held through a body corporate (Bidder) in which the voting power of the relevant Babcock &amp; Brown Group Entity is above 20% or which the relevant</p>	18,433,334 fully paid ordinary shares	13.75%

			<p>Babcock &amp; Brown Group Entity controls.</p> <p>The registered holder has a relevant interest under section 608(1) of the Corporations Act.</p> <p>Bidder and Babcock &amp; Brown Group Entities are not entitled to be registered as the holder of the shares and its ability to vote or dispose of the shares is qualified accordingly.</p>		
	ANZ Nominees Ltd ACN 005 357 568	AGSO Property Pty Ltd	Relevant interest under section 608(3)(a) and/or section 608(3)(b) of the Corporations Act 2001, being a relevant interest held through a body corporate (Bidder) in which the voting power of the relevant Babcock & Brown Group Entity is above 20% or which the relevant Babcock & Brown Group Entity controls.	13,400,000 fully paid ordinary shares	10.00%
	Citicorp Nominees Pty Limited ACN 000 809 030	AGSO Property Pty Ltd	<p>The person who is entitled to be registered as holder of the shares disclosed in these rows, has a relevant interest in the subject shares under section 608(1) of the Corporations Act.</p> <p>Bidder and Babcock &amp; Brown Group Entities are not entitled to be registered as the holder of the shares and its ability to vote or dispose of the shares is qualified accordingly.</p>	9,294,983 fully paid ordinary shares	6.93%

This is Annexure "C" of 2 pages referred to in the Form 604 Notice of Change of Interests of Substantial Holder

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Capacity: COMPANY SECRETARY

Sign here:



Date: 4 February 2008

**ANNEXURE D**

**BABCOCK & BROWN ENVIRONMENTAL INVESTMENTS LIMITED  
ACN 074 226 065**

**TAKEOVER OFFER TERMS**

The terms of the Offer are contained in section 12 of the bidder's statement dated 18 December 2007 issued by the Bidder and replaced by the replacement bidder's statement dated 21 December 2007, a copy of which was mailed to BEI shareholders on 11 January 2008 and given to the ASX.

This is Annexure "D" of 1 page referred to in the Form 604 Notice of Change of Interests of Substantial Holder

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Capacity: COMPANY SECRETARY

Sign here: 

Date: 4 February 2008