

## BABCOCK & BROWN PUBLIC PARTNERSHIPS

Babcock & Brown Public Partnerships Limited  
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### **ACQUISITION OF ANGEL TRAINS AND RELATIONSHIP WITH BABCOCK & BROWN**

#### Angel Trains

Babcock & Brown Public Partnerships (“BBPP” or “the Company”) today advised that it has agreed to acquire approximately a 5% stake in Angel Trains U.K. rolling stock business for up to £25 million. The investment is being made through a company formed to acquire the Angel Trains UK business. The other owners of this new company include AMP Capital Investors, Deutsche Bank, funds advised by Access Capital Advisers and Babcock & Brown European Infrastructure Fund. The Angel Trains UK rolling stock business is being acquired from the Royal Bank of Scotland as part of a wider acquisition including the Angel Trains International business (in which BBPP is not investing) with a total enterprise value of £3.6 billion. Completion of the purchase is subject to regulatory approvals. Babcock & Brown advised the acquisition consortium and structured the transaction.

Angel Trains is a leading provider of railway rolling stock in the UK. In the UK, Angel Trains is one of three rolling stock companies and provides approximately 4,100 passenger train vehicles and 280 freight locomotives to UK passenger and freight operators. Angel Trains customers include 18 of the 20 train operating companies with significant fleets placed with South West Trains and Virgin West Coast in respect of which Angel Trains benefits from government guarantees.

The UK rail market is experiencing strong growth, with passenger numbers up 50 percent and freight traffic up 60 percent over the last decade. Rail constitutes a core component of the UK’s strategic transportation requirements and Angel Trains will additionally provide an opportunity to participate in future UK Government rolling stock procurement projects.

Giles Frost, on behalf of Babcock & Brown Investment Management Limited said “We expect this transaction to deliver additional strong and predictable infrastructure returns for BBPP. It will be immediately accretive to shareholders. The acquisition has very high quality cashflows and

complements the Company's existing investments in the rolling stock sector including Reliance Rail in Australia and BeNEX in Germany."

"Rail is a key public infrastructure asset. This investment means that BBPP is well positioned to benefit from continued investment and growth in the UK rail market for which a current shortage of stock, high fuel prices and environmental concerns are just some of the key drivers."

Funding of the investment in Angel Trains will be made later in 2008 once regulatory approvals have been obtained. This date is likely to be after the Company's C shares have been converted to Ordinary Shares. This conversion is now expected to occur earlier than originally anticipated due to the Company's strong near term pipeline.

#### Relationship with Babcock & Brown

Additionally, the Company confirmed today that the potential bank review event announced recently by Babcock & Brown Limited (ASX: BNB) the ultimate parent of its investment adviser Babcock & Brown Investment Management Limited has no relevance to the Company.

Specifically, the Company confirms that it has no loans with or shareholdings in Babcock & Brown or any other Babcock & Brown managed funds, that it has a dedicated management team and that it continues to benefit from a strong pipeline of opportunities which, as noted above, are likely to lead to the Company's funds being fully invested ahead of schedule.

**ENDS**

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#### **About Babcock & Brown Public Partnerships**

Babcock & Brown Public Partnerships Limited is a Guernsey incorporated company. The Company offers shareholders an exposure to investment in

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infrastructure assets, particularly those with a public or social character such as those developed under public bodies under private finance initiative or public private partnership procurements.

The Company floated on the main market of the London Stock Exchange on 9th November 2006 and on 16 June 2008 had a market capitalisation of £391.4 million. There is diversification geographically as well as across several PPP/PFI sectors, including roads and tunnels, rail, schools, courthouses, police and custodial facilities, government offices and health facilities. Babcock & Brown has been responsible for the development and management of the majority of these assets and through Babcock & Brown Investment Management Limited (BBIML) will continue to manage them for the benefit of BBPP.