

BABCOCK & BROWN PUBLIC PARTNERSHIPS

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Press Release

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BBPP ANNOUNCES THE ACQUISITION OF INTERESTS IN EAST LONDON LIFT AND A VARIATION TO ITS NORTHAMPTONSHIRE SCHOOLS PROJECT INVESTMENT

Babcock & Brown Public Partnerships (LSE: BBPP), today announced the acquisition of economic interests in East London LIFT (ELL) and financial close on a variation contract for the construction of a special needs school as part of the existing Northampton Schools PFI contract.

East London LIFT

Under the terms of the agreement, BBPP has at a price of £9.4m acquired 50% of the private sector economic interests in the East London NHS LIFT.

The transaction will offer BBPP immediate yield from the seven existing ELL primary health infrastructure projects that have reached financial close as well as the right to benefit from future primary health infrastructure projects that may be developed in the area, which includes the London Boroughs of Tower Hamlets, Newham and Hackney.

The acquisition will be funded through cash raised as part of BBPP's recent 'C' Share issue and means that the C share proceeds are now 60% invested. Conversion of the C shares into ordinary shares will occur once the C share proceeds are 80% invested.

Northamptonshire Schools PFI Project

BBPP has also reached agreement with Northamptonshire County Council (NCC) for the inclusion of a new special education needs school into the existing 41 school PFI scheme. The variation comprises the demolition of an existing school and the construction of a new 4025m² mixed community special school for 85 students from 11 to 19 years of age with profound multiple learning difficulties – autism spectrum disorders, multi-sensory impairments, physical disabilities and communication difficulties.

Giles Frost, a Director of BBPP said, "We are delighted to be announcing signing of these two projects which demonstrate the company's continuing ability to source attractive projects as well as deliver value from the existing portfolio. The Northamptonshire project is a further demonstration of the mutual benefit for both public and private sector partners that can be derived from the existing portfolio and of the importance of maintaining strong long term relationships with our public sector clients.

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Notes to Editors

About Babcock & Brown Public Partnerships Limited:

Babcock & Brown Public Partnerships Limited is a Guernsey incorporated company. The Company offers shareholders an exposure to investment in 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 9 May 2008 had a market capitalisation of £431.1 million. There is diversification geographically as well as across several PPP/PFI sectors, including roads and tunnels, railways, 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.