

## BABCOCK & BROWN RESIDENTIAL LAND PARTNERS

Babcock & Brown Residential Land Partners Limited · ABN 49 119 517 985  
Babcock & Brown Residential Land Partners Services Limited · ABN 40 118 364 499  
as responsible entity of the Babcock & Brown Residential Land Partners Trust · ARSN 119 613 848  
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia  
T +61 2 9229 1800 · F +61 2 9216 1752 · www.bbresidentiallandpartners.com



### ASX Release

7 April 2009

#### **COMPLETION OF DOCUMENTATION OF FINANCE FACILITIES AND DIRECTOR RESIGNATION**

Babcock & Brown Residential Land Partners (ASX: BLP) advises that it has completed and signed the documentation for the restructuring of loan facilities with its corporate financier and with Babcock & Brown.

The key amendments to the terms of the corporate facility include:

- Introduction of a primary covenant test being compliance with specific tolerance levels of an Agreed Cashflow Forecast.
- Suspension of the facility's existing covenants on interest coverage ratio test and debt to asset ratio until 31 December 2009.
- Conversion to a terminating facility with an expiry date of 28 June 2010, (previously a three year evergreen facility with earliest termination date being 28 June 2010).
- Interest margin has changed from a tiered structure to a fixed 3% and a line fee of 0.35% of the facility limit has been introduced in place of an undrawn commitment fee of 0.35%.
- Introduction of a \$4 million standstill fee to be applied over the remaining term of the facility.

The corporate financier will monitor BLP's cash flow on a monthly basis with a revised forecast of cash flow to be provided by BLP on at least a half-yearly basis.

The key amendments to the terms of the facility with Babcock & Brown include:

- Now subordinated to the corporate facility.
- New maturity date of June 2010, previously December 2008, to correspond with the maturity date under the corporate facility.
- Interest rate increased from 10% to 14% p.a. and introduction of a fee of \$2 million.

As a result of the amortisation of the fees associated with the restructured facilities and the increase in the margins, this will result in an increase in the financing cost for BLP in the current year to 30 June 2009 of approximately \$1.7 million.

BABCOCK & BROWN  
RESIDENTIAL LAND PARTNERS

Mr Robert Wright, Chairman of BLP said, "Although this process has taken much longer than the Directors first anticipated, we believe we have achieved a positive outcome for all Securityholders in a very challenging environment."

**Strategic Direction**

In February 2009 Babcock & Brown (ASX: BNB) announced that, following agreement with its banking syndicate on a restructure of its corporate debt facilities, it was pursuing a revised business plan involving the reduction of its debt through the orderly sell down of assets over the next 2-3 years. Under this revised business plan Babcock & Brown will look to sell its holding of BLP securities, the newly restructured loan and its BLP management rights over time.

The Independent Directors of BLP are working with Babcock & Brown to ensure the sale process is undertaken in a way that protects and enhances the interests of BLP and BLP's other stakeholders.

In particular, the Independent Directors of BLP are in discussions with Babcock & Brown regarding the terms of the current management agreements and the possibility of internalising the management structure or, alternatively, terminating the current management agreements and employing the services of another third party. BLP will provide the market with further details on these discussions as they progress.

**Director Resignation**

As part of the restructure, Michael Balkin has today resigned as Managing Director of BLP. BLP is in the process of employing an interim Chief Executive Officer and Michael will remain as a consultant to facilitate a smooth transfer of responsibilities once this appointment has taken place.

**ENDS**

**Further Information:**

Stuart Pauly  
Chief Financial Officer  
+61 2 9229 1800

Melanie Hedges  
Company Secretary  
+61 2 9229 1800