

BABCOCK & BROWN RESIDENTIAL LAND PARTNERS

Babcock & Brown Residential Land Partners Limited · ABN 49 119 517 985
Babcock & Brown Residential Land Partners Services Limited · ABN 401 183 644
as responsible entity for Babcock & Brown Residential Land Partners Trust ARSN 119 613 848
Level 39 Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9231 5619



ASX Release

1 November 2007

SECURITYHOLDER MEETINGS ADDRESS AND PRESENTATION

Please see attached:

- Chairman's address
- Managing Director's address
- Presentation slides

to be delivered at today's Securityholder Meetings.

ENDS

For further information:

Michael Balkin
Managing Director
B&B Residential Land Partners
+61 2 9229 1800

Alison Carter
Investor Relations
B&B Residential Land Partners
+61 2 9229 1800

About Babcock & Brown Residential Land Partners

Babcock & Brown Residential Land Partners (BLP) is a listed vehicle managed by Babcock & Brown which invests in a diversified portfolio of quality residential land projects which are developed by a range of Australia's leading private developers.

BLP offers securityholders liquidity, geographic, project and product diversity, access to quality private developers, long term potential for growth and, importantly, the benefit of access to Babcock & Brown's considerable investment and structuring experience in the real estate sector.

For further details please see our website: www.bbresidentiallandpartners.com

CHAIRMAN'S ADDRESS

MICHAEL MAXWELL

Performance and growth since IPO

The past 16 months has been a very productive and exciting period for BLP. I'm pleased to report that BLP exceeded the forecast set out in the Product Disclosure Statement (PDS) at the time of our listing. Profit after tax for the period ended 30 June 2007 was \$3.0 million, compared to our PDS forecast of \$1 million. During the period, a 7.5% stapled security distribution was paid to Securityholders in accordance with the PDS.

At the time of listing, BLP had a portfolio comprising 10 residential land projects with 4,241 lots. Since then, four acquisitions have taken place, representing an investment of around \$150 million, which have increased total lots on acquisition to 7,463 that's 76% higher than at the time of the IPO. In completing these acquisitions BLP has further diversified its portfolio of residential developments by geography, product type and development partner.

Investment Fundamentals

I'm pleased to report that the investment fundamentals for residential land and the opportunity to deliver superior returns through accretive acquisitions and proactive development management remain attractive.

The demand drivers for residential land in Australia remain strong due to positive economic, population and employment growth. In contrast, supply is constrained in part due to government policies which have limited the release of land close to major metropolitan areas and a reduction in building approval and commencement numbers.

The impact of continued decreases in affordability and possible adverse interest rate movements remain the key challenges for us to manage.

Affordability has been a national issue for some time, with government and local planning agencies increasing their focus on ensuring land supply is adequately managed. A significant portion of BLP's current portfolio is located in government defined growth corridors or growth areas, and as such BLP continues to be a provider of high quality affordable land. As an example, BLP has blocks of land within proximity to Melbourne's CBD selling for under \$140,000. To date we have not noticed a decline in demand from first home buyers, the segment of the market most likely to be affected by the "affordability crisis" and recent interest rate rises.

Strategy

BLP will continue to invest in projects where our investment feasibilities indicate strong returns can be delivered with appropriate levels of risk. We seek to invest primarily in or around Government defined growth corridors, growth areas and infill sites, a strategy which, to date, has served us very well. We also recognise that geographic diversity has an important role to play in a portfolio, ensuring that strong consistent returns can be generated as residential markets move through different stages of the growth cycle. Over time I have no doubt that BLP will expand its geographic spread and continue to leverage off its partnering approach through the careful selection of quality private developers with a track record in those regions. Since listing, the development management team has expanded to four, appointing Mark Salmon as National Development Manager and three state-based development managers each with considerable experience in the development of master-planned communities. This

BABCOCK & BROWN
RESIDENTIAL LAND PARTNERS

Team works well with each of our five development partners, complementing our partner's local knowledge and experience. We will maintain our proactive approach to managing the portfolio in order to achieve the best possible return on investment. Carefully structured development management agreements include profit share hurdles to reward superior performance, thereby aligning the interests of our development partners with Securityholders. Between them our development partners also own 13% of BLP's securities, which are subject to escrow periods, ensuring even closer alignment of interest.

Babcock & Brown

The manager, a Babcock & Brown entity, has considerable experience in the real estate sector and provides BLP with access to financial innovation and an impressive project acquisition pipeline. Babcock & Brown is committed to the success of BLP through its significant 10% equity holding and this commitment is further demonstrated via its largely performance-related management fee structure.

In March this year, Babcock & Brown initiated a change to the basis of the management performance fee calculation. Under Resolution 5 it is proposed that an amendment to the Management Performance Fee section of the Management Agreement is approved, whereby any cumulative relative underperformance against the benchmark index in a preceding period will need to be recovered before a performance fee is accrued. In a year such as the last where BLP underperformed its benchmark index due to an unfortunate weakness in the security price the importance of this amendment becomes apparent. It is the Independent Directors' opinion that this amendment will further align the interests of the manager and Securityholders.

Security price performance

The Board and Management recognise that the security price performance has been disappointing for all Securityholders. We firmly believe this poor price performance, which has perpetuated on very low trading volumes, will be temporary in nature. While the market will ultimately determine the value of BLP, I can assure Securityholders that the current price far from reflects the Board and Manager's view of the true underlying value of the business, a value we estimate to be above the issue price of \$1.00 and, as such, I believe current trading appears to represent a very strong value proposition. We remain focused on positioning BLP for earnings growth, through active management of current projects and the sourcing of additional accretive acquisitions. In line with guidance provided in the Product Disclosure Statement at the time of listing, we remain on track to fully fund distributions from operating cash flows in FY09 and thereafter.

The Board is aware that distributions are an important way of rewarding Securityholders. Residential development projects are extremely capital intensive in the initial stages, with cash profits generated only towards the latter half of the selling phase. As such it is a priority of the Board to manage the portfolio with a particular focus on the medium term earnings profile, to ensure that we are able to reward Securityholders with meaningful distributions while maintaining a conservative capital management profile and importantly, growing the portfolio and Securityholder wealth in the future.

Corporate Governance

In ensuring the success of BLP, the Board recognises the importance of strong corporate governance and the need for transparent processes and policies. You will

find our Corporate Governance Statement in BLP's 2007 Annual Report. The ASX Corporate Governance Council has developed a set of guidelines entitled Principles of Good Corporate Governance and best practice recommendations. We differ with ASX Recommendation 2.2 which states that the Chairman should be a non-executive director. As fully explained in the IPO Product Disclosure Statement, the Directors consider it appropriate under the management arrangements for the Chairman to be an executive from the Babcock & Brown Group. As Regional Head of Asia for the Babcock & Brown Group, my role is clearly separate from BLP. In addition, the Board has appointed Independent Director Robert Wright as Lead Independent Director with the authority to call Board meetings or meetings of Independent Directors as appropriate.

Risk management is an integral part of BLP's decision making process. Babcock & Brown takes risk management very seriously and as such dedicates considerable investment in ensuring best practice is adopted throughout the BLP business.

You will also find a remuneration report within the BLP Annual Report. The external management structure of BLP means that BLP does not directly remunerate members of the management team. BLP pays a fixed management fee to Babcock & Brown, along with a reimbursement of expenses to a capped level. However, the BLP Board and Babcock & Brown's preference was to provide complete disclosure of the remuneration of key executives. Babcock & Brown is currently reviewing the philosophy and framework of the remuneration of Babcock & Brown employees to ensure that there is further alignment of interests with the investors of the funds. In the meantime, Securityholders should be comforted by the extensive 12.8% security

holding of key executives of BLP and Babcock & Brown, in addition to the 10% holding by the Babcock & Brown Group itself.

Conclusion

Your Board and Management are excited about the future for BLP. To date we don't have any direct peers, with the BLP model offering pure residential development exposure which is not currently available elsewhere in the listed environment. BLP offers Securityholders liquidity, geographic, project and product diversity, access to quality private development partners, long term potential for growth and importantly, access to Babcock & Brown's considerable investment and structuring experience in the real estate sector.

Babcock & Brown Australian Real Estate Management, as Manager of BLP, has assembled a team of senior executives with extensive experience and expertise. I would like to take this opportunity to thank the members of the management team for their efforts which have contributed to the growth and strong operational performance of BLP since listing.

In addition I would like to thank my fellow directors for their continued support and commitment to BLP.

MANAGING DIRECTOR'S ADDRESS

MICHAEL BALKIN

Financial Highlights – Slide 2

I am pleased to report that BLP's net profit after tax of \$3.0 million exceeded the forecast set out in the PDS. This result was driven by pleasing sales across the portfolio, with strong contributions from the Queensland and Victorian projects. Total assets were \$325 million at 30 June 2007, while net tangible asset backing per security for accounting purposes was \$0.88 reflecting the payment of the full year distribution. We maintain a conservative capital management profile, with gearing at 42% at 30 June 2007. Gearing increased to 53% post the Mernda acquisition, which is at the lower end of our preferred 50 - 65% range, giving us further capacity to continue to grow the business.

Portfolio Update – Slide 3

Since IPO, BLP has acquired interests in four projects increasing the portfolio to 14 projects. We added Links Living as a development partner, bringing the number of development partners to five. As a result, yield on acquisition increased by 76% to 7,463 lots. Our development management team together with our Development Partners have successfully re-zoned Ascot Chase and a portion of Kalynda Chase, resulting in 81% of the portfolio now zoned residential, compared to 56% at IPO. This removes a substantial portion of re-zoning risk and adds considerable value to the portfolio. On a total portfolio basis the expected life of the current portfolio is 8 years with a forecast total revenue end value of \$1.7 billion.

Acquisitions

Sandhurst and Sanctuary Lakes, Victoria – Slide 4

Flagged at the time of the IPO and completed in September 2006, BLP acquired a 26.7% and 50% interest respectively in the Sandhurst and Sanctuary Lakes developments in Victoria. These are two superior golf course communities with a combined yield on acquisition of 1,964 lots. In August 2007, BLP's development partner on these projects, Links Living, announced that it was inviting selected parties to bid on its entire residential portfolio. We believe that the level of investor demand which has led Links Living to invite bids for its portfolio only illustrates the quality of residential land developments selected by BLP for investment. While BLP isn't in the business of divestures of this nature, where superior returns can be realised and proceeds re-invested effectively and quickly, we will always evaluate such opportunities.

Officer and Mernda, Victoria – Slide 5

The bolt-on acquisitions at Officer, completed in July 2007, and Mernda, in August 2007 are both located in major government-defined growth corridors of Melbourne. Sourced off market, the land parcels lie adjacent to our existing projects and offer both project scale and efficiencies through re-master planning processes. The Officer and Mernda bolt-on acquisitions make BLP a major player in each of these Melbourne growth catchments, with BLP now controlling some 950 lots in Officer, and over 1,100 lots in Mernda. Importantly, the re-master planning process has enabled us to introduce more parklands and recreational facilities and to better segment our product offering through the delivery of different sized lots and precincts with different themes

and price points. These initiatives will increase the desirability of the community and ultimately our ability to deliver greater returns to Securityholders.

Expanded Team – Slide 6

The team has grown significantly since listing. Led by Mark Salmon, who has over 27 years experience in the development of master planned urban communities, we now have development managers in each of our east coast offices. Their technical experience encompasses all of the major requirements of residential land development, ranging from engineering, valuation and town planning backgrounds. Our development management team continues to work effectively with our development partners to achieve the best possible outcome for each of our projects. The reporting and management systems are robust and are complimented with a BLP representative site and competitor visitation at least every month. In addition to the development management team, the fund is further supported across the areas of legal, accounting, finance, capital markets, investor relations, compliance and risk management.

The process and protocols established across all levels of the business over the past year provide us with a strong foundation for the long term success and growth of BLP.

Portfolio Outlook – Slide 7

With the growth in our portfolio and continued diversity by geography, product type and development partner we are confident that the benefits of our diversification strategy will be the key to our success into the future.

We continue to focus on markets that are driven by strong fundamentals and are underpinned by either Government defined growth corridors, growth areas benefiting from infrastructure spending and infill locations.

The mix of our portfolio has changed significantly since IPO, and we now have a strong bias to Victoria, a market that is stable and has shown strong price growth since early 2007. We are very pleased with what we're witnessing in each of our Victorian projects, and all of our key metrics, including foot traffic through our sales centres and display villages, conversion rates and time to convert, are all tracking well ahead of budget. In addition, as has been recently reported, Melbourne median residential prices, on average, have increased by in excess of 15% over the past year, and this has been reflected in varying degrees across all of our projects. This is also particularly relevant as our original assumptions at IPO, for all of our projects, was for a conservative 3% per annum revenue and cost growth over the life of the project. Importantly we believe we are also well placed to benefit from the momentum in the Melbourne market when our Ascot Chase and Officer projects commence their selling phases in mid to late 2008.

The buoyant conditions in far north Queensland are expected to continue, and we therefore expect another strong result from our Kalynda Chase project. Similarly our Seabreeze community in northern NSW continues to track well and once again solid performance is expected here.

The NSW market has been soft, with slow sales rates across all regional markets. We expect some improvement during the second half of the 2008 financial year but continue to be cautious about this market. Across the portfolio and most importantly in

our NSW projects, margins have been maintained; we have not resorted to deep discounting of our product, which ensures that we maintain the long term integrity and value in each of our projects.

BLP's strategy of diversity by geography and product type will ensure that we are able to generate strong consistent returns as residential markets move through different stages of the growth cycle.

Outlook for BLP – Slide 8

We enter the 2008 financial year in a strong position, having made substantial progress in the implementation of our growth and diversification strategy. As the Chairman outlined strong fundamentals for residential land development continue to exist in Australia. We will soon enter the next phase of our portfolio cycle as all projects move to the revenue generation stage through calendar 2008, which will enable BLP to fund distributions from earnings in FY09 and beyond.

Whilst the residential sector will continue to be challenged throughout 2008 with the threat of rising interest rates and the ongoing debate about how to address the issue of housing affordability, we remain optimistic about the outlook and performance of our portfolio. If we are able to continue to deliver 3 bedroom built form product from \$280,000, in locations such as Mernda and Officer, we remain confident that our projects will continue to outperform on an affordability scale.

We continue to be presented with excellent buying opportunities, and have a number of projects under detailed due diligence. Where compelling cases for super lot sales or divestures are presented, BLP is prepared to realise returns where the proceeds can

BABCOCK & BROWN
RESIDENTIAL LAND PARTNERS

be redeployed within a short timeframe. It is this disciplined approach to investment that will continue to underpin our success into the future.

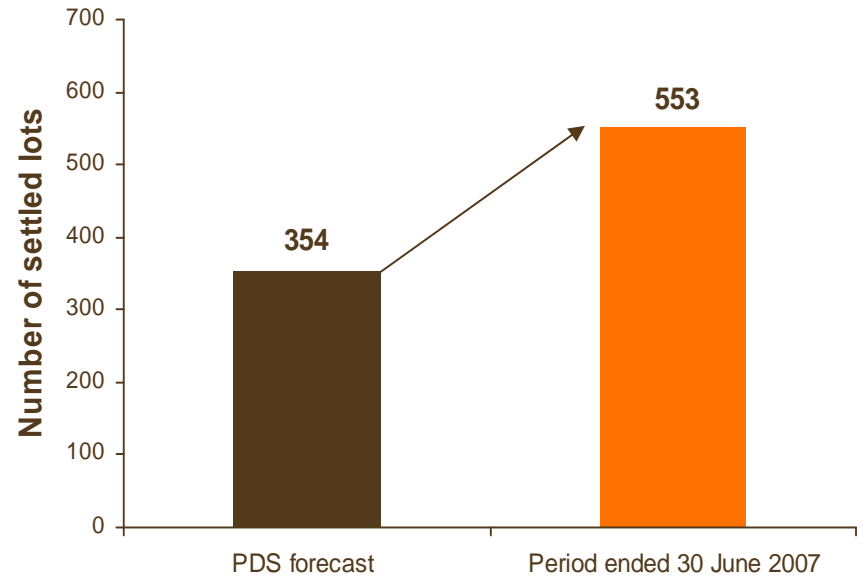
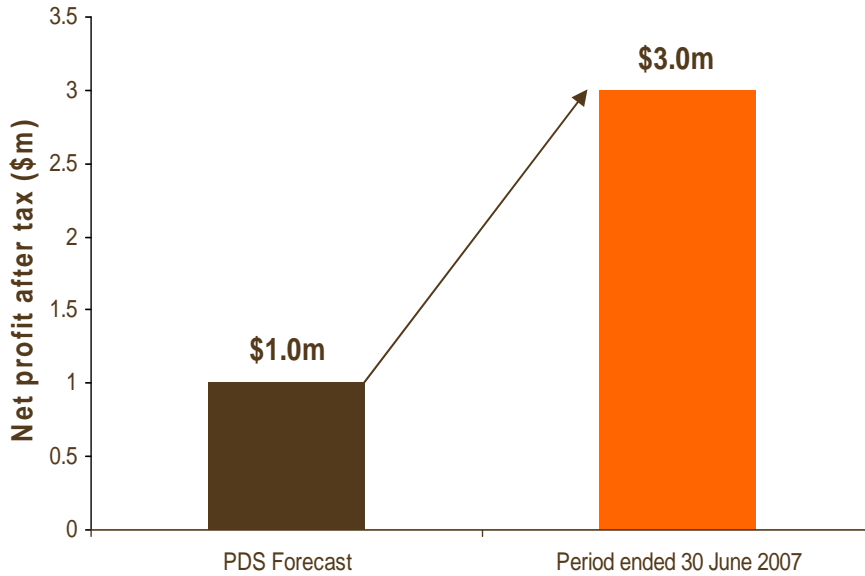
Gearing remains at the lower end of our preferred range, providing BLP with capacity to fund investment opportunities as they arise. With all current projects expected to be contributing revenue by 30 June 2009, the earnings momentum for BLP is set to continue, as flagged in the strong net profit after tax guidance of \$9.5 million for the financial year ending 30 June 2008.

I would like to take this opportunity to formally recognise the efforts and commitment of the team in achieving the results to date. We are excited by the prospects ahead and look forward to a solid 2008 and beyond.

Managing Director's Address

General Meetings
1 November 2007

FINANCIAL HIGHLIGHTS



| | As at 30 June 2007 | As at allotment date |
|-----------------------------------|--------------------|----------------------|
| Total assets | \$325.3m | \$234.4m |
| Net tangible asset backing | \$0.88 | \$0.94 |
| Gearing | 42.3% | 25.3% |

PORTFOLIO UPDATE

| | Current ⁽¹⁾ | IPO | % change |
|---|------------------------|-------|----------|
| Number of projects | 14 | 10 | ↑ 40% |
| Number of development partners | 5 | 4 | ↑ 25% |
| Total portfolio lot yield on acquisition | 7,463 | 4,241 | ↑ 76% |
| % of portfolio zoned for residential use (by value) | 81% | 56% | ↑ 45% |

- The portfolio has grown and been further diversified since listing
- The re-zoning of Ascot Chase and the balance of Kalynda Chase have significantly improved the zoning profile of the portfolio
- Current projected life of portfolio is 8 years
- Portfolio forecast end value of \$1.7 billion

1) Includes the acquisition of bolt-on sites at Officer and Mernda in Victoria

SANDHURST AND SANCTUARY LAKES, MELBOURNE



Address: Skye, Melbourne

Land size: 308 hectares

Development Partner: Links Living

Lot yield on acquisition: 1,011

Estimated Completion: 2014

Address: Point Cook, Melbourne

Land size: 420 hectares

Development Partner: Links Living

Lot yield on acquisition: 853

Estimated Completion: 2011

BOLT-ON ACQUISITIONS AT OFFICER AND MERNDA



Officer

Address: Princes Highway, Officer

Land size: 95.4 hectares

Development Partner: Metricon

Expected lot yield: 950

Estimated Completion: 2015



Mernda

Address: Plenty Road, Mernda

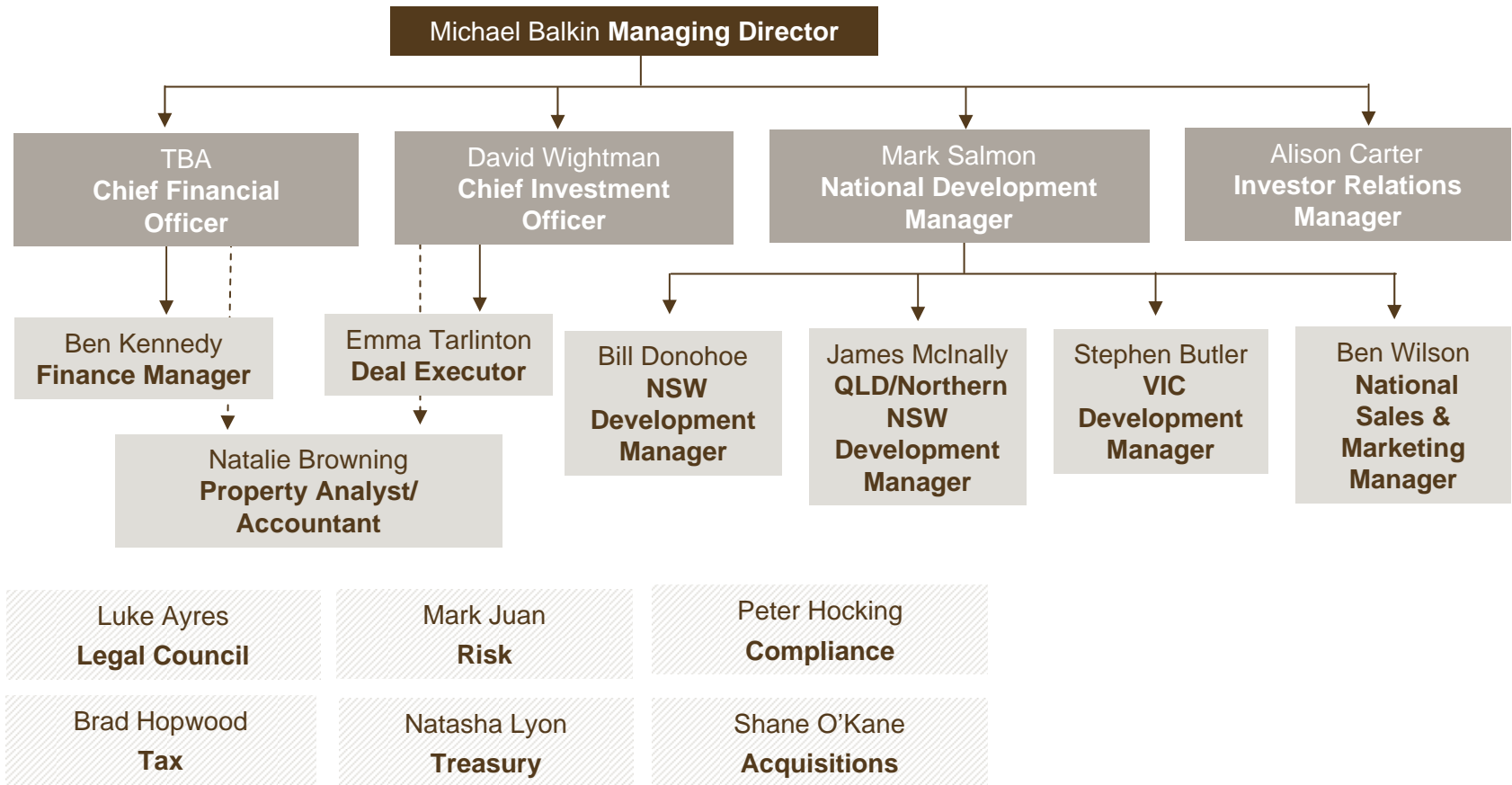
Land size: 109 hectares

Development Partner: Metricon

Lot yield on acquisition: 1,162

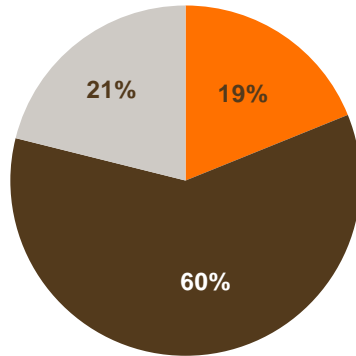
Estimated Completion: 2014

EXPANDED TEAM



PORTFOLIO OUTLOOK

Remaining lots by location



■ NSW ■ VIC ■ QLD/Nth NSW

BLP Market Outlook

| BLP Market | FY08 | |
|---------------------------|----------------------|---|
| Regional NSW | Soft | ▶ |
| Townsville | Strong | ▲ |
| Victoria and northern NSW | Stable and improving | ▼ |

- Two strategic bolt-on acquisitions in Victoria means BLP is well placed to benefit from the strengthening residential market there
- We are exploring opportunities in the following markets:
 - Metropolitan Sydney;
 - South East and Central Queensland;
 - Melbourne;
 - Western Australia; and,
 - New Zealand

OUTLOOK FOR BLP

- **Strong fundamentals** for residential development in Australia
- **Excellent buying opportunities** continue to present themselves
- **Consider strategic bulk lot sales where strong returns can be realised** and proceeds redeployed within a short time frame
- **Significant gearing capacity** to facilitate further growth of BLP
- **All current projects expected to be contributing revenue in FY09**
- **Opportunities exist to diversify future income streams**, such as syndication
- **Earnings momentum to continue into 2008** with a higher proportion of distributions expected to be funded from earnings
- **Strong net profit after tax guidance for FY08** of \$9.5 million

DISCLAIMER

This presentation has been prepared by Babcock & Brown Residential Land Partners Services Limited, as responsible entity of the Babcock & Brown Residential Land Partners Trust ("BBRLPT"). This presentation is for general information only and does not constitute personal financial product advice. Babcock & Brown Residential Land Partners Services Limited has not considered the objectives, financial position or needs of the recipient. Before making an investment in BBRLPT and Babcock & Brown Residential Land Partners Limited an investor should consider whether such an investment is appropriate to their particular investment objectives, financial situation and particular needs and consult a financial or other professional adviser if necessary.

No representation or warranty, express or implied, is made as to the accuracy, completeness or thoroughness of the content of the information contained in this presentation. To the maximum extent permitted by law, none of Babcock & Brown Residential Land Partners Services Limited or any of its related entities ("Babcock & Brown") or their respective directors or officers, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with, and including, without limitation, any liability arising from fault or negligence on the part of Babcock & Brown or their directors, employees or agents.

Nothing in this presentation constitutes legal, tax or accounting advice or opinion. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy of the information contained herein and conduct its own due diligence and other enquiries in relation to such information.

Babcock & Brown disclaims any responsibility for any errors or omission in such information, including the financial calculations, projections and forecasts set forth herein. No representation or warranty is made by or on behalf of Babcock & Brown that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Neither this document nor any copy hereof may be transmitted in the United States or distributed, directly or indirectly, in the United States or to any US person including any US resident, any partnership or corporation or other entity organised or incorporated under the laws of the United States of any State thereof, any trust of which any trustee is a US person, or any agency or branch of a foreign entity located in the United States. By accepting this document you agree to be bound by these limitations.

This document is not a product disclosure statement under Australian law and does not constitute an invitation to subscribe for or buy securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction.