

BABCOCK & BROWN RESIDENTIAL LAND PARTNERS



Babcock & Brown Residential Land Partners Limited · ABN 49 119 517 985
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as responsible entity of the Babcock & Brown Residential Land Partners Trust · ARSN 119 613 848
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ASX Release

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SUSPENSION OF DISTRIBUTIONS

Babcock & Brown Residential Land Partners (ASX: BLP) today announced that the Boards have elected to suspend payment of stapled security distributions until further notice. As recently advised to the market, BLP is currently in discussions with its financier regarding the restructure of its corporate facility and Babcock & Brown regarding its existing debt facilities as well as the terms of the current management agreements.

Given the unprecedented market volatility in Australia and internationally and the current global economic downturn, residential property markets in Australia and New Zealand have remained extremely challenging over the last five months. As a result, BLP now expects underlying net profit after tax for the six months ending 31 December, 2008 to be approximately break-even compared to \$2.9 million in the prior corresponding period.

For the twelve months ending 30 June 2009, BLP expects underlying net profit after tax to be materially below that of the prior corresponding period. BLP is not currently in a position to provide any meaningful guidance to the market in relation to the extent of the variation of its underlying net profit after tax for the twelve months ending 30 June 2009 as the variation will be influenced by the outcome of the current discussions with BLP's financier and Babcock & Brown.

In addition, BLP is currently undertaking a detailed review of asset carrying values and it expects a level of asset impairment across the portfolio. BLP will update the market as the discussions with its financiers and Babcock & Brown and its review of asset carrying values are advanced.

Mr Robert Wright, Chairman of BLP, said, "The Boards believe that as a result of the ongoing discussions with Babcock & Brown and our financiers, as well as the continued challenges faced in residential property markets in Australia and New Zealand, it is prudent to not pay a distribution to securityholders for the period ended 31 December 2008. While the Boards recognise that this decision will disappoint some securityholders, we consider securityholders' interests are best served by preserving operating cash flows within the business."

ENDS

BABCOCK & BROWN
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