



## BABCOCK & BROWN

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### ASX Release

13 June 2008

### **BABCOCK & BROWN CONSORTIUM ACQUIRES ANGEL TRAINS**

International investment and specialised fund and asset management group Babcock & Brown (ASX: BNB) announced today that it has negotiated, structured, arranged financing for and advised a consortium of investors on the successful £3.6 billion (A\$7.5 billion)<sup>1</sup> acquisition of Angel Trains from the Royal Bank of Scotland (RBS). Angel Trains is the leading freight and passenger rolling stock provider operating in both the UK and Continental Europe.

The business is being acquired by a consortium of investors including the Babcock & Brown European Infrastructure Fund (BBEIF), AMP Capital Investors, Deutsche Bank and funds advised by Access Capital Advisers. The transaction is subject to anti-trust approval. (please see the attached UK press release for further detail on the Angel Trains business).

Phil Green, CEO of Babcock & Brown said, "We are delighted to announce this landmark transaction; not only is Angel Trains a very attractive infrastructure asset, but the transaction represents one of the largest acquisitions in Europe in 2008. The completion of this transaction demonstrates our continued ability to originate, structure and close a uniquely complex deal.

"The number and quality of the investors and debt providers that have contributed to this transaction evidences our deep understanding of the infrastructure space and our ability to originate and close strong deals for our investors."

"Following this transaction Babcock & Brown and its managed funds will be one of the world's leading integrated rail financing groups establishing a strong platform to expand our interests in rail projects around the world."

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<sup>1</sup> Babcock & Brown also arranged the financing for the acquisition, including the placing of debt facilities of in excess of £2.8 billion (A\$5.8 billion) which included participation from 17 banks at the senior debt level.

## BABCOCK & BROWN

Babcock & Brown has more than 18 years experience in the rail sector including the acquisition, management and leasing of rolling stock in North America and Europe and the arrangement and provision of financial and lease advisory services in the North America, Europe and Australia. Following this transaction, Babcock & Brown and its managed funds will have interests in more than A\$9 billion of rail assets, including 26,000 rail cars and locomotives, worldwide.

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### **About Babcock & Brown**

Babcock & Brown is an international investment and specialised fund and asset management group with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Securities Exchange.

Babcock & Brown operates from 32 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,400 employees worldwide. Babcock & Brown has four operating divisions including real estate, infrastructure, operating leasing, corporate and structured finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see our website:  
[www.babcockbrown.com](http://www.babcockbrown.com)



## Press Release

13 June 2008

### ACQUISITION OF ANGEL TRAINS

A consortium of investors including the Babcock & Brown European Infrastructure Fund, AMP Capital Investors (AMP Capital), Deutsche Bank and funds advised by Access Capital Advisers (together, 'the Consortium'), announced today that it has signed definitive agreements for the purchase of Angel Trains (or 'the Company'), the leading European rolling stock provider from the Royal Bank of Scotland, for an enterprise value of £3.6 billion. Completion of the purchase is subject to regulatory approvals. Babcock & Brown advised the consortium, structured the transaction and arranged long term financing in excess of £2.8 billion.

Angel Trains is a leading provider of railway rolling stock in the UK and in Continental Europe. 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 passenger and freight operators. Angel Trains customers include 18 of the 20 train operating companies including significant fleets placed with South West Trains and Virgin West Coast. In Continental Europe, Angel Trains has operations in 11 countries and provides approximately 240 locomotives and 180 passenger trains to various operators. It also has a significant order book of passenger trains, locomotives and wagons in build.

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 provide an opportunity to participate in future UK Government rolling stock procurement projects. In Continental Europe, both the freight and passenger markets are developing rapidly following the market liberalisation mandated by the EU's Open Access Directive. Angel Trains stands to benefit from these growth opportunities with its sizeable and attractive pan-European portfolio of high quality assets.

BBEIF is a wholesale infrastructure fund managed on behalf of the investors by Babcock & Brown with a mandate to invest in the European energy, water and transport sectors as well as other critical infrastructure assets. The fund reached final close at the end of November 2007 with total commitments of €2.2 billion.

AMP Capital's European infrastructure team based in London are a co-sponsor and investor in the Consortium. AMP Capital has more than 20 years' experience in investing in global infrastructure, including rolling stock, on behalf of clients.

Simon Gray, Head of European Infrastructure M&A at Babcock & Brown, said, "Angel Trains is an excellent business with a strong position in the UK market together with an attractive and diversified portfolio of assets in Europe which generate strong, long-term cashflows. The Consortium is making a strategic investment in the business, its management and its people and we hope to use our combined financial, infrastructure and rail sector expertise to complement Angel Trains' existing strengths and contribute to its continued success."

Antonino Lo Bianco, Board member of BBEIF said, "We are delighted to be able to announce the acquisition of Angel Trains. It represents an excellent investment in an attractive, high-quality infrastructure business that is very well positioned to benefit from the continued growth in passenger and freight rail transport in both the UK and Continental Europe."

Rob Gregor, AMP Capital Head of Infrastructure Europe, said, "For Angel Trains, its clients and stakeholders it will be business as usual. The Consortium is a long-term investor in the asset and will seek to grow and invest in the business and its people whilst working in cooperation with customers, regulators and the wider community."

"We have agreed this acquisition at a time of continued growth of the rail freight and passenger markets in the UK and Europe, and we believe that the liberalisation of the European market and Government investment in the UK mean that this is an exciting time to be investing in the UK and European rail sectors."

Despite the prevailing market conditions, long term debt facilities to fully support the acquisition were competitively arranged by Babcock & Brown and provided by a group of leading banks including BNP Paribas, Banca IMI SpA, Calyon, Commonwealth Bank of Australia, DEPFA Bank plc, Dexia Credit Local, HSH Nordbank AG, ING Bank, KfW IPEX-Bank GmbH, Lloyds TSB Bank plc, Mitsui Banking Corp, Natixis, NORD/LB Norddeutsche Landesbank Luxembourg S.A., RBC Capital Markets, The Royal Bank of Scotland,

Sumitomo Mitsui Banking Corporation, Unicredit Market & Investment Banking and an institutional funds manager, Queensland Investment Corporation. The Consortium's legal advisers were Freshfields Bruckhaus Deringer LLP.

**ENDS**

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Babcock & Brown has been active in the infrastructure sector for more than 20 years and has infrastructure assets under management of approximately £15.5 billion. These assets employ more than 6,000 people across 12 countries and are overseen by 15 regulatory bodies.

Babcock & Brown has more than 18 years of rail related experience including the management and leasing of rolling stock in the US and Europe, providing financial and lease advisory services for a variety of businesses around the world including Virgin Rail and BHP, and arranging financing on and participating in transactions such as the £1.75 billion Reliance Rail project, Australia's largest-ever PPP. Following this transaction, Babcock & Brown and its managed funds will have interests in more than £4.4 billion of rail assets including 26,000 rail cars and locomotives worldwide.

For further information about Babcock & Brown please see our website:  
[www.babcockbrown.com](http://www.babcockbrown.com)

#### **About AMP Capital Investors**

AMP Capital Investors is an Australian specialist investment manager with A\$111 billion (as at 31 December 2007) in assets under management. As a wholly owned subsidiary of ASX-listed AMP Limited, AMP Capital operates independently with a pure investment focus, yet benefits from the resources of its parent company. AMP Capital employs more than 200 in-house investment professionals across its international network of offices in London, Beijing, Tokyo, Mumbai, Singapore and Sydney.

AMP Capital has had a London presence since 1998 and is focused on providing its investors with stable returns over the long term. For further information about AMP Capital Investors please see our website:  
[www.ampcapital.com.au](http://www.ampcapital.com.au)

#### **About Deutsche Bank**

Deutsche Bank is a leading global investment bank with a strong and profitable private clients franchise. A leader in Germany and Europe, the bank is continuously growing in North America, Asia and key emerging markets. With 78,275 employees in 76 countries, Deutsche Bank offers unparalleled financial services throughout the world. The bank competes to be the leading global provider of financial solutions for demanding clients creating exceptional value for its shareholders and people.

For further information about Deutsche Bank please see our website:  
[www.db.com](http://www.db.com)

#### **About Access Capital Advisers**

Access Capital Advisers is a leading independent advisor that assists superannuation funds and institutional investors in direct investments in global infrastructure and private equity. Funds under advice are in excess of A\$15 billion. Access Capital Advisers has advised its clients on significant

infrastructure investments in the UK including Southern Water, Arqiva/NGW, LBC Tank Terminals and Moto Hospitality. The three superannuation fund clients of Access Capital Advisers investing in the acquisition of Angel Trains are: STC Funds Nominee, Statewide Superannuation Trust and Prime Super.

For further information about Access Capital Advisers please see our website: [www.accesscapitaladvisers.com](http://www.accesscapitaladvisers.com)

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