

EVEREST BABCOCK & BROWN

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23 October 2006

EVEREST BABCOCK & BROWN LIMITED (EBB) EVEREST BABCOCK & BROWN ALTERNATIVE INVESTMENT TRUST (EBI)

TAXATION COMPONENTS OF DISTRIBUTIONS AND DIVIDENDS

Please find below information on the breakdown of tax components on distributions and dividends paid by Everest Babcock & Brown Alternative Investments Group for the year ended 30 June 2006.

Prior to the unstapling date of Everest Babcock & Brown Alternative Investments Group on 1 August 2006, each stapled security comprised of a unit in Everest Babcock & Brown Alternative Investment Trust and a share in Everest Babcock & Brown Limited.

1. Distribution and Dividend paid in relation to the period ended 31 December 2005

Event	Date
Record date	8 March 2006
Payment date	22 March 2006
Tax Component	Amount paid per stapled security (cents)
Distribution and Dividend Payment rate	43.00
Net Non Primary Production Income (Other income) ¹	38.00
Tax Deferred ²	1.50
Franked Dividend (100% Franked) ³	3.50
Franking credit ³	1.50

2. Distribution and Dividend paid in relation to the period ended 30 June 2006

Event	Date
Record date	30 June 2006
Payment date	15 September 2006
Tax Component	Amount paid per stapled security (cents)
Distribution and Dividend Payment rate	26.00
Net Non Primary Production Income (Other income) ¹	22.51
Tax Deferred ²	0.89
Franked Dividend (100% Franked) ³	2.60
Franking credit ³	1.11

Notes:

1. Net Non Primary Production income has been distributed by Everest Babcock & Brown Alternative Investment Trust.
2. Tax Deferred income is generally non-assessable and does not have to be reported in your income tax return but does reduce the cost base of your investment in Everest Babcock & Brown Alternative Investment Trust.

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3. Dividend income distributed by Everest Babcock & Brown Limited is generally taxable in the year of receipt whereas the distribution by Everest Babcock & Brown Alternative Investment Trust is taxable in the year of entitlement. Accordingly, the dividend component of the payment in September 2006 should be reported in investors' 2006/2007 income tax returns.
4. Annual Tax Statements were mailed to securityholders in September 2006 to assist in completion of income tax returns.

Everest Babcock & Brown is not able to give tax advice and accordingly securityholders should obtain independent advice from an accountant and/or lawyer regarding the tax treatment of investments in EBB and/or EBI.

For further information, please contact +61 2 8001 9100 or email info@everest.com.au