

**UPDATE: Babcock Infra Revises Terms For Euroports Stake Sale**

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SYDNEY (Dow Jones)--Babcock & Brown Infrastructure (BBI.AU) said Tuesday that it has revised an agreement to sell a stake in Euroports S.A. with the purchasers to take a larger share at a reduced price.

Instead of an original plan to sell 29.7%, BBI will sell up to 40% of the company for EUR141.5 million and recognize a pretax impairment of around EUR120 million on disposal of the stake.

The sale price for the stake is around 14% below the initial price on a comparable basis.

Russell Smith, chief operating officer at Babcock & Brown Infrastructure, told Dow Jones Newswires that the fall in price "is reflective of the current market".

Euroports is one of the largest port operators in Europe with a portfolio of port concession businesses in over 20 European locations.

**Antin** Infrastructure Partners and Arcus European Infrastructure Fund 1, which was previously called Babcock & Brown European Infrastructure Fund, will take a 34% stake in the business. **Antin** will also hold a convertible bond in Euroports, which if converted, would give **Antin** a further 5.97% in Euroports and leave BBI with a 60% interest.

BBI said it expects to complete the transaction in late July or early August.

BBI had originally said in December that it hoped to sell a stake in Euroports by late in the first quarter or early in the second quarter of 2009.

The revised terms give the Euroports business a post-investment equity value of EUR353 million, down from an implied value of EUR409.1 million when the sale was first unveiled last December.

The revised agreement includes a share equalization process for 2012 and 2013 so that depending on Euroports' performance, the stake held by Arcus and **Antin** could be amended to between 34% and 65%.

Smith said that the aim of the process is to "account for the unknown impact of the current recession".

"We're expecting the business to bounce back very strongly," he said. But Arcus and **Antin** aren't as optimistic.

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