

## EVEREST BABCOCK & BROWN

Everest Capital Investment Management Limited • ACN 112 731 978  
Level 35 AMP Centre • 50 Bridge Street • Sydney NSW 2000 Australia  
T +61 2 8001 9100 • F +61 2 8001 9200 • [www.everest.com.au](http://www.everest.com.au)



03 April 2007

Company Announcements Office  
Australian Stock Exchange

### **Everest Babcock & Brown Alternative Investment Trust (EBI)**

Please find attached the notice sent to all EBI unitholders containing the information required by Appendix 3B.

Yours faithfully

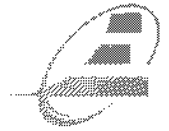
A handwritten signature in black ink, appearing to read 'Azra Popo'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

**Azra Popo**  
Company Secretary

Att.

# EVEREST BABCOCK & BROWN

Everest Babcock & Brown Alternative Investment Trust • ARSN 112 129 218  
Responsible entity • Everest Capital Investment Management Limited • ABN 96 112 731 978  
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3 April 2007

Dear Unitholder

## **Everest Babcock & Brown Alternative Investment Trust Entitlement Offer**

Eligible Unitholders of Everest Babcock & Brown Alternative Investment Trust (EBI) will shortly have an opportunity to participate in a one for one Entitlement Offer. Eligible Unitholders are those with registered addresses in Australia on the Unitholder Record Date, 7.00pm (Sydney time), 12 April 2007.

All capitalised terms in this letter have the meanings given to them in the EBI Product Disclosure Statement (PDS) dated 2 April 2007.

EBI is raising \$253.2 million under an underwritten Entitlement Offer through the issue of 62.2 million New Units. The Entitlement Offer is non-renounceable which means the Entitlement is non-transferable and cannot be sold. The Entitlement Offer Price is \$4.07 per New Unit, which is a 5% discount to the Placement Offer Price of \$4.29 per New Unit.

To the extent that Eligible Unitholders do not take up their New Units under the Entitlement Offer, these New Units are available firstly to Eligible Unitholders who subscribe for New Units in addition to their Entitlement (Oversubscriptions) and then to Eligible Shareholders of Everest Babcock & Brown Limited (EBB) under the Priority Offer.

The Directors of EBI and EBB intend to take up their full Entitlements. In addition, the Founders intend to take up their full Entitlements and have also offered sub-underwriting support to the Entitlement Offer.

As part of the Capital Raising, EBI is also raising \$250 million under the Placement through the issue of approximately 58.3 million New Units to wholesale investors and to investors who have received a firm allocation from their Broker. The Placement was approved by EBI Unitholders at the extraordinary general meeting held on 22 March 2007. In addition, successful Applicants under the Capital Raising will be issued one EBB share, for no additional consideration, for every 4.5 New Units allotted under the Entitlement Offer.

The proceeds of the Capital Raising will, through the Leverage Facility, be used to gain exposure to a new group of international Absolute Return Funds and increase exposure to a select number of existing international Absolute Return Funds. In addition, EBI has identified additional complementary absolute return investment strategies which EBI intends to further implement over the next 12 to 18 months by investing in Subordinated Debt Investments and Equity Co-Investments.

An enclosed information sheet sets out some key information about the Entitlement Offer.

On or around 16 April 2007, Eligible Unitholders will receive a copy of the PDS and EBB Offer Information Statement (OIS), together with a personalised Entitlement and

## EVEREST BABCOCK & BROWN

Acceptance Form setting out your Entitlement under the Entitlement Offer. These documents contain detailed instructions on what you must do in order to participate in the Entitlement Offer. You should read the whole of the PDS and EBB OIS before deciding to participate.

The Entitlement Offer and Priority Offer will open on 17 April 2007 and close at 5:00pm (Sydney time), 1 May 2007 (these dates are subject to change and are indicative only).

The PDS and the EBB OIS have been lodged with the Australian Securities & Investments Commission and are available for viewing on ASX's website and Everest Babcock & Brown's website [www.everest.com.au](http://www.everest.com.au). The PDS and EBB OIS are only available online to persons resident in Australia. Persons who access the electronic version of the PDS and EBB OIS must ensure that they download and read the entire PDS and EBB OIS.

New Units under the Capital Raising are not being offered to investors outside Australia. Consequently, if you are a Unitholder with a registered address outside Australia you are not entitled to participate in the Entitlement Offer.

If you have any questions, you should contact a stockbroker, solicitor, accountant or other professional adviser.

Yours sincerely



**Trevor Gerber**  
Chairman  
Everest Capital Investment Management Limited  
as responsible entity of EBI

## EVEREST BABCOCK & BROWN

### Entitlement Offer – Information Sheet

The following information is provided to Unitholders in accordance with ASX Listing Rules. Full details of the Entitlement Offer are contained in the PDS and EBB OIS which will be sent to you.

Is securityholder approval required?	No
Is the issue renounceable or non-renounceable?	Non-renounceable
Ratio in which the securities will be offered	One New Unit for every one Existing Unit held on the Unitholder Record Date
Class of securities to which the offer relates	Fully paid ordinary units
Ex date to determine entitlements	4 April 2007
Record date to determine entitlements	7:00pm (Sydney time), 12 April 2007
Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
Policy for deciding entitlements in relation to fractions	Not applicable, there will not be any fractional entitlements
Names of countries in which the entity has securityholders who will not be sent new issue documents	Unitholders in countries other than Australia are non-qualifying Unitholders
Closing date for receipt of acceptances or renunciations	5:00pm (Sydney time) on 1 May 2007 (unless otherwise amended by the Responsible Entity)
Names of any underwriters	UBS AG, Australia Branch and Macquarie Equity Capital Markets Limited
Amount of any underwriting fee or commission	An underwriting fee of 2.00% of the Capital Raising proceeds
Names of any brokers to the issue	UBS AG, Australia Branch and Macquarie Equity Capital Markets Limited
Fee or commission payable to the broker to the issue	A management fee of 1.10% (1.00% excluding GST) of the Capital Raising proceeds
Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of securityholders	1.00% of the Application Monies in respect of New Units allotted pursuant to a stamped Entitlement & Acceptance Form. The handling fee will be capped at \$300 per application and will be paid by the Joint Lead Managers. Handling fees will not be paid on Applications made under the Placement or Priority Offer, or on Oversubscription Applications.
If the issue is contingent on securityholders approval, the date of the meeting	n/a
Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	16 April 2007
If the entity has issued options and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	n/a
Despatch date	9 May 2007