

Press Release

5 June 2006

Colonial First State Global Asset Management confirms its participation in a consortium considering a possible offer for BAA plc

Following the market speculation in the United Kingdom, Colonial First State Global Asset Management, the asset management division of the Commonwealth Bank of Australia (the "Bank"), confirms that it is a member of the Goldman Sachs led Consortium (the "Consortium") that is reviewing its options in relation to a possible offer for BAA plc. At this stage, no formal decision has been made by the Consortium with regards to a possible offer for BAA plc and there is no certainty that any such offer will be made.

In the event that the Consortium makes an offer for BAA plc and is successful, Colonial First State Global Asset Management's equity interest in the Consortium would be in excess of A\$ 1 billion. The investment would be initially funded by the Bank and would be used to create a new infrastructure offering to complement Colonial First State Global Asset Management's current suite of infrastructure funds.

Colonial First State Global Asset Management has over 10 years experience in infrastructure investment and management with current infrastructure investments including interests in Brisbane Airport, Perth Airport, Adelaide Airport and Inexus, the UK's largest independent gas transporter.

Noting Colonial First State Global Asset Management's infrastructure capability, James O'Leary, Head of Property and Alternative Investments, said, "We have invested in and managed infrastructure assets for a considerable time and have the experience, expertise and resources to manage significant infrastructure investments on behalf of our clients."

Colonial First State Global Asset Management established its Transactions and Capital Projects Group in late 2005 to add transactional expertise and experience to the significant investment management resources of the Property and Alternative Investments Group.

Warwick Negus, CEO of Colonial First State Global Asset Management said, "With enhanced transactional expertise and a long standing investment management track record in the Property and Alternative Investments Group, Colonial First State Global Asset Management will continue to look to create new investment opportunities for our clients in both Australia and around the world – this was a key element of the initiatives announced in 2005."

Colonial First State Global Asset Management is committed to expanding its product offering across traditional investment classes, property and alternative investments. International investment opportunities, such as Colonial First State Global Asset Management's participation in the Consortium, are a key element of this strategy. In evaluating opportunities for its investors, Colonial First State Global Asset Management will continue to pursue a client-orientated investment management model.

Mr O'Leary said, "Colonial First State Global Asset Management will focus on creating investment opportunities, such as a possible investment in BAA plc, for investors – our competitive advantage in terms of capital support and transactional and investment management expertise will enable us to offer new and innovative products that meet our clients demands."

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