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## Babcock creditors search for crumbs

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Creditors of the collapsed fund management group Babcock & Brown were meeting this morning to work out the next steps as to the prospects of recovering any money from their exposed investments.

Little more than three dozen creditors attended the meeting at the Shangri-La Hotel in Sydney, which had been called by the company's administrators Deloitte Touche Tohmatsu.

The meeting is the first stage in the unravelling of the company's affairs and its financial position following its dive into administration little more than a week ago.

It comes after noteholders in New Zealand rejected the terms of an offer of minimal payment to cover hundreds of millions of dollars of investments in B&B.

That rejection a fortnight ago preceded a meeting by Australian noteholders, which was abandoned when the company's directors decided to put the company into administration.

Creditors have been told, however, that the company's remaining operating assets are owned by a separate international subsidiary that continues to run at the behest of the company's banks, which are owed \$3 billion.

B&B's existing management team remain in place and intend to sell the assets over the next two to three years. Anything left over from the proceeds after paying back the banks could be available to the creditors.

However, creditors have already been told that such a sum is only likely to be a small amount and it could take several years before they see any money.

The creditors were expected today to give the voluntary administrators time to prepare a detailed report on the company's affairs to be presented at a second meeting expected to be held sometime next month.

In the meantime B&B, which is a holding company, is not trading and its shares remain suspended on the ASX. Shareholders have already been told that their equity is effectively worthless.

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