



SGX-ST/Media Release

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BBSFF DELIVERS STRONG CASH ECONOMIC INCOME AND 2007 FULL YEAR RESULTS

Highlights:

- Cash economic income for FY07 is S\$44.8 million (29.5% above Prospectus Projections)
- Full year 2007 revenue of S\$96.3 million and profit after tax of S\$68.7 million (118% and 153% over Prospectus Projections respectively)
- Full year 2007 profit after tax includes the capital gain from the monetisation of JET-i Holdings LLC of US\$17.1 million
- Revised FY2008 dividend guidance, with 1H08 dividend guidance of 5.20 Singapore cents per share provided

Babcock & Brown Structured Finance Fund Limited (“BBSFF” or “the Company”) today reported its financial results for the year ended 31 December 2007 (“FY07”) with cash economic income of S\$44.8 million and profit after tax of S\$68.7 million which represent a significant out-performance of the Prospectus Projections.

The Company has also provided an update on its dividend guidance of 5.20 Singapore cents per share in respect of the 1H08 dividend. This dividend guidance represents an 11% increase compared to the 1H07 dividend¹. Specific 2H08 dividend guidance is expected to be provided to the market during the second quarter of 2008.

¹ Excluding the 0.53 Singapore cents per share relating to the period from listing on 20 December 2006 to 31 December 2006.

Sponsorship statement: UBS AG, acting through its business group, UBS Investment Bank was the Issue Manager, Global Co-ordinator, Sole Bookrunner and Financial Adviser of the offering in respect of 323,460,000 ordinary shares of par value S\$0.01 each in the capital of BBSFF pursuant to the prospectus of BBSFF dated 12 December 2006.

Mr Richard Umbrecht, Executive Chairman of BBSFF commented, "BBSFF has achieved a commendable performance for FY07, our first full year of results. This strong performance was significant as it was achieved against the backdrop of a difficult and volatile market environment particularly in the second half of 2007."

Summary of Results for FY2007 vs Prospectus Projections			
	S\$ million		FY2007 over
	FY2007	Projections	Projections
Gross Investment Value	483.9*	396.7**	22.0%
Cash Economic Income	44.8	34.6	29.5%
Revenue	96.3	44.2	117.9%
Profit Before tax	68.8	26.6	158.6%
Profit After tax	68.7	27.2	152.6%

* This amount excludes cash on hand as at 31 December 2007.

** Based on initial assets and economic exposures acquired on listing date, i.e. 20 December 2006

2007 Dividends

"The continued strong performance of the portfolio together with the accretive acquisitions acquired during the year, have resulted in cash economic income significantly exceeding the Prospectus Projections. This has led to a dividend payout of 10.7 Singapore cents per share in 2007, representing a 12% increase against the Prospectus Projections. FY07 revenue and profit figures are also significantly higher than the Prospectus Projections, however the economic and market environments were certainly more stable and the outlook more optimistic for 2007 than currently," said Ms Sylvia Wiggins, Managing Director of the Manager of BBSFF.

2008 Dividend Guidance

"Notwithstanding the volatile and illiquid market and uncertain economic environment in a number of significant areas such as the UK and US, while we have revised the FY2008 dividend guidance, the Company has confidence in providing 1H08 dividend guidance of 5.20 Singapore cents per share. Of this, approximately 90% is hedged into Singapore dollars. The 1H08 dividend guidance evidences the Company's confidence in its investments and its ability to deliver consistent and sustainable returns. Based on the closing share price of S\$0.745 on 26 February 2008, this implies a 1H2008 dividend yield of 14.0% on an annualised basis," Ms Wiggins continued.

Outlook

“Towards the last quarter of 2007, the sub-prime issues emanating from the US, coupled with the subsequent tight liquidity conditions were well documented. As an almost worldwide phenomenon, BBSFF is not immune to these adverse external market conditions. We will continue to monitor the assets closely however at this stage we expect BBSFF’s portfolio of assets to continue to perform in line with 2007 performance,” Ms Wiggins added.

“We are undertaking a strategic review of whether the debt available to renew the corporate facility is in the best interests of BBSFF or whether in volatile times potential divestments of assets to reduce debt would best serve the interests of BBSFF’s shareholders. BBSFF will keep the market informed of the outcome of the review,” Ms Wiggins concluded.

ENDS

Further Information:

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About Babcock & Brown Structured Finance Fund Limited

<http://www.bbstructuredfinance.com>

Babcock & Brown Structured Finance Fund Limited (“BBSFF”) is a mutual fund company incorporated in Bermuda that provides investors access to a diversified portfolio of assets and economic exposures across three target sectors: operating lease assets, loan portfolio and securitisation assets, and alternative assets.

BBSFF is managed by Babcock & Brown Structured Finance Management Pty Ltd, a wholly-owned subsidiary of Babcock & Brown Limited, a global investment and advisory firm. BBSFF presents investors with an opportunity to invest in Babcock & Brown’s first listed fund which sources assets originated and identified by two out of Babcock & Brown’s four core business units, operating leasing and corporate and structured finance.