



SGX-ST/Media Release

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BABCOCK & BROWN STRUCTURED FINANCE FUND LIMITED ANNOUNCES ITS 2006 FINANCIAL RESULTS

Babcock & Brown Structured Finance Fund Limited (“BBSFF”) today reported a net profit after tax of S\$5.2 million for the period from listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 20 December 2006 (“the Listing Date”) to 31 December 2006. This result represented a significant increase from the forecast provided in the prospectus dated 12 December 2006 (the “Prospectus”), with most of the outperformance due to foreign currency translation gains.

BBSFF also reported a net profit after tax of S\$62.9 million for the period from incorporation (24 April 2006) to 31 December 2006. The primary difference between the net profit after tax for the period from the Listing Date to 31 December 2006 and the period from incorporation to 31 December 2006 was due to revaluation income on the Asset Call Option (defined in the Prospectus) which was recognised prior to listing.

Economic income available for distribution for the period from the Listing Date to 31 December 2006 was 0.53 Singapore cents compared with the Prospectus forecast of 0.52 Singapore cents. The increase was primarily due to a higher outstanding balance for the Ancora – Seiza Warehouse Note Investment than assumed in the forecast provided in the Prospectus.

As noted in the Prospectus, BBSFF’s Board will not be declaring a dividend for the period from the Listing Date to 31 December 2006. Instead, it is the intention of the Board to declare and pay a dividend referable to the period from the Listing Date until 30 June 2007, in the second half of 2007. This has been fully hedged back into Singapore dollars.

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 on BBSFF's Board said, "BBSFF is off to a good start since listing and the Manager has identified a good pipeline of accretive acquisitions, some of which have recently been approved by the Board. In light of this result, we remain on track to deliver the dividend projection of 9.54 Singapore cents per share for 2007, plus an additional 0.53 Singapore cents relating to the period from listing to 31 December 2006."

In terms of the outlook for BBSFF, Ms Sylvia Wiggins, Managing Director of the Manager of BBSFF said, she is excited about the year ahead. "We will continue to manage the existing assets in the portfolio, with a view to enhance returns, where possible. BBSFF will look to increase its investments in selected assets. At the same time, the management team will leverage BBSFF's strategic partnerships to acquire new economic exposures which provide both accretive yields and potentially attractive capital gains. Since the beginning of 2007, the team has already identified opportunities in all three asset classes namely: Operating Lease Assets, Loan Portfolio and Securitisation Assets and Alternative Assets."

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Further Information:

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About Babcock & Brown Structured Finance Fund Limited

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 will source assets originated and identified by two of the five Babcock & Brown core business units, Operating Lease and Structured Finance.