

# Babcock & Brown Structured Finance Fund Limited

**2007 Half Year Results**  
Period ended 30 June 2007  
14 August 2007

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# AGENDA

## 1. Highlights

2. Interim Financial Results
3. Portfolio Update
4. Outlook

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# Highlights

# HALF YEAR HIGHLIGHTS

1

Profit

⇒ Exceeded prospectus projections

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2

1H 2007 Dividend

⇒ 5.23 Singapore cents declared from listing to 30 June 2007

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3

2H 2007 Dividend

⇒ Increased to 5.50 Singapore cents representing 7% growth for 2007

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4

Investment Portfolio

⇒ Grown by 26% to S\$502.0 million

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5

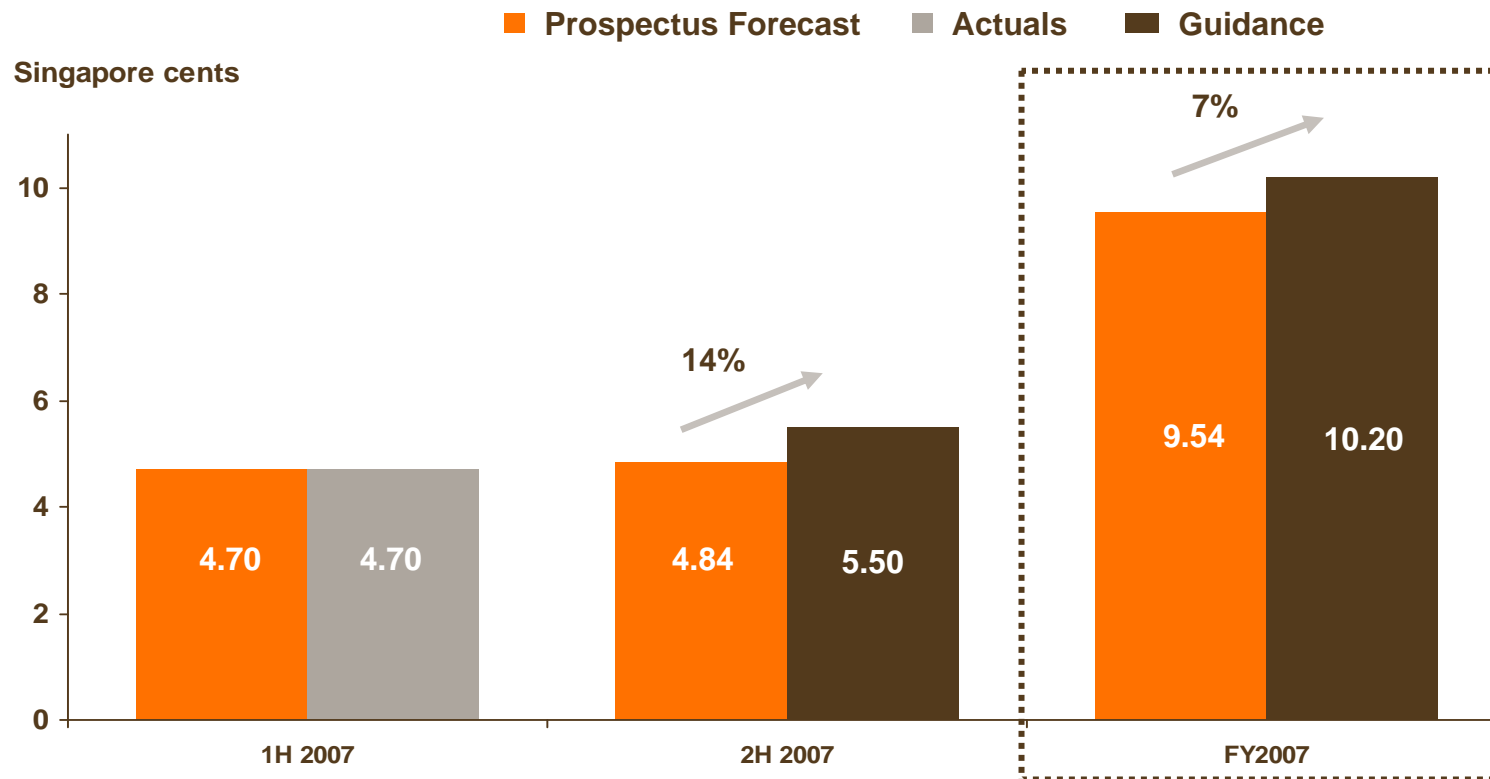
Future Growth

⇒ Strong pipeline of identified assets currently under review

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# 2007 DIVIDENDS

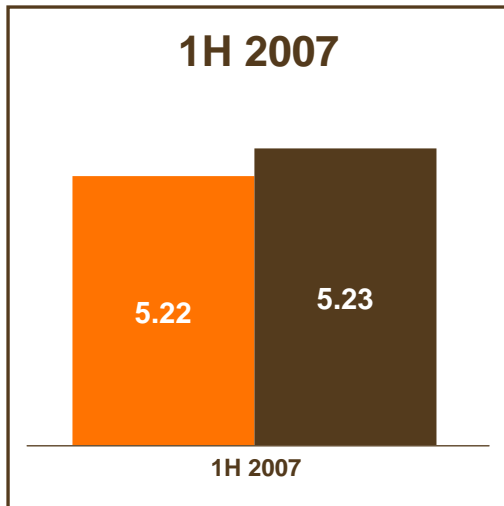
## Dividends per Share



FY2007 dividend yield assuming the closing share price of S\$0.905 on 13 August 2007 and based on upgraded guidance is 11.3% (exclusive of 0.53 cents referable to 2006 Full Year)

Increasing dividend reflects strength of the underlying performance of BBSFF's investments

# 2007 DIVIDENDS (CONT'D)



5.23 Singapore cents per share has been declared for 1H 2007 dividend



1H 2007 dividend payment date on 14 September 2007

Increase in second half dividend guidance is driven by:

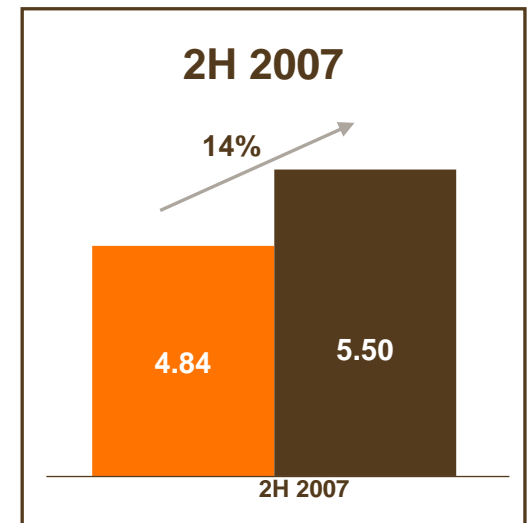


Continued strong performance of investments acquired at IPO



New accretive investments acquired since IPO

Increase in second half 2007 dividend guidance is NOT dependent on or adversely affected by the potential monetisation of the Class B membership interest in JET-i Holdings LLC



# 2008 FULL YEAR DIVIDEND GUIDANCE

## GUIDANCE

At least 10.20 Singapore cents per share

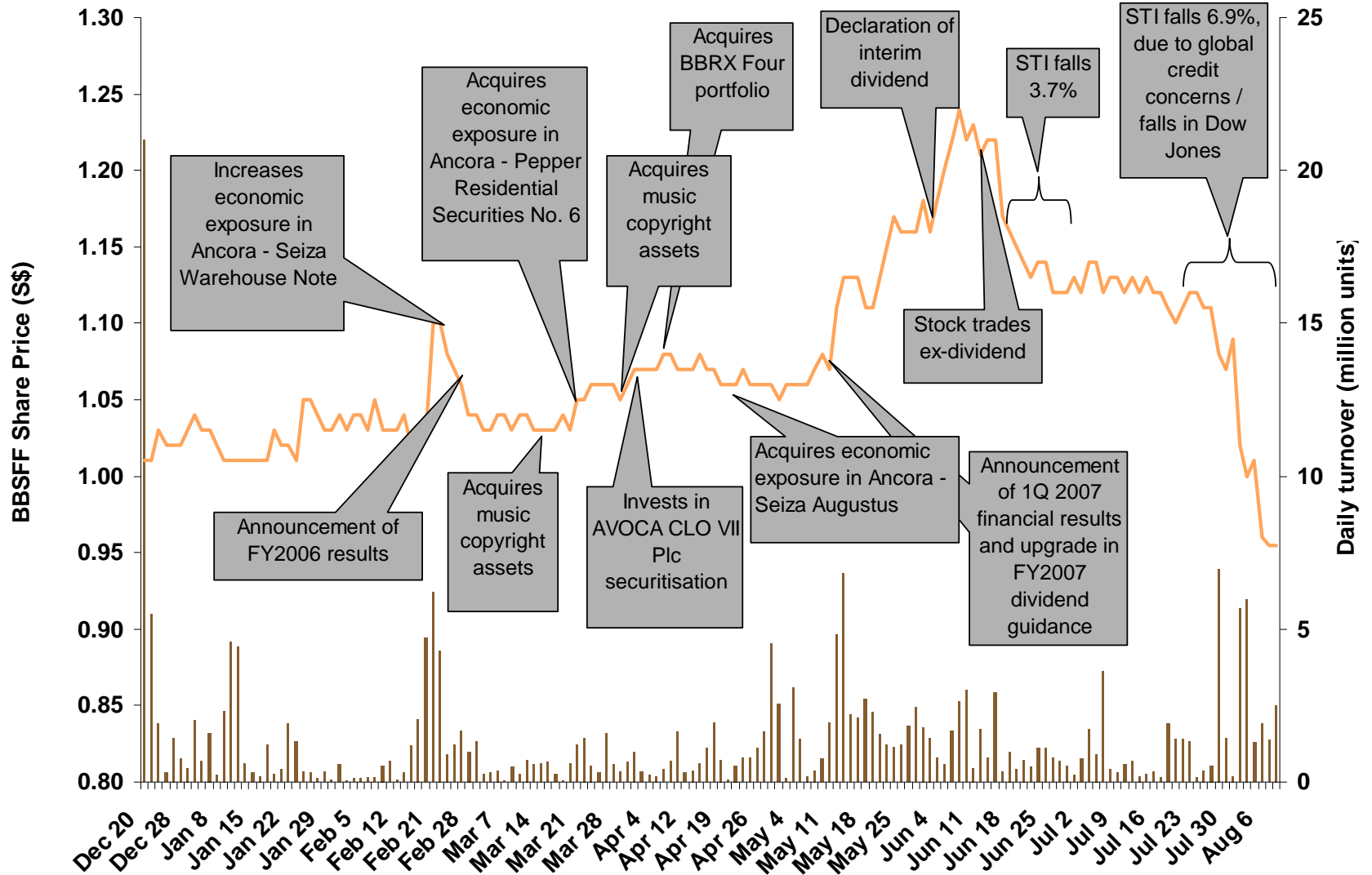
## HEDGING

>90% of 2008 dividends guidance has been hedged into Singapore dollar

## RELEVANT FACTORS

- A. not dependent on or adversely affected by the potential monetisation of the Class B Membership Interest in Jet-i Holdings LLC
- B. 76% contracted revenues

# SHARE PRICE PERFORMANCE



# ANALYST COVERAGE

- Strong support from analysts
- Good mix of local and foreign analyst coverage
- Consensus target price of S\$1.30 - implies upside of 43.6% based on 13 August 2007 share price of S\$0.905

| Firm Name                   | Recommendation | 12 Month Target Price | Last Update   |
|-----------------------------|----------------|-----------------------|---------------|
| UBS                         | Buy            | S\$1.27               | 8 August 2007 |
| Phillip Securities Research | Buy            | S\$1.40               | 2 July 2007   |
| SIAS Research               | Buy            | S\$1.47               | 12 June 2007  |
| Tricom                      | Attractive     | S\$1.25               | 15 May 2007   |
| DBS                         | Buy            | S\$1.20               | 21 March 2007 |

Sources: Bloomberg, Individual Analyst Reports

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1. Highlights

**2. Interim Financial Results**

3. Portfolio Update

4. Outlook

# Interim Financial Results

# KEY FINANCIAL DATA FOR HALF YEAR ENDED 30 JUNE 2007

|   |                      |   |
|---|----------------------|---|
| 1 | Total Revenue        | ⇒ S\$36.0 million   |
| 2 | Net profit after tax | ⇒ S\$21.8 million   |
| 3 | Earnings per share   | ⇒ 5.70 cents per Share  |
| 4 | 1H 2007 Dividend     | ⇒ 5.23 cents per Share  |
| 5 | Net asset value      | ⇒ 86.0 cents per Share  |
| 6 | Gearing              | ⇒ approximately S\$165m of corporate debt facility used at 30 June 2007 |



# CONSOLIDATED BALANCE SHEET

| Balance Sheet                                  | Group as at    | Group as at    | Change         |
|--|----------------|----------------|----------------|
|  | 30 Jun 07      | 31 Dec 06      | S\$'000        |
|  | S\$'000        | S\$'000        |                |
| <b>Assets</b>                                  |                |                |                |
| Cash and cash equivalents                      | 127,584        | 64,953         | 62,631         |
| Available for sale financial assets            | 177,906        | 123,728        | 54,178         |
| Loans and receivables                          | 148,244        | 148,866        | (622)          |
| Guarantee fee receivable                       | 6,761          | 7,659          | (898)          |
| Aircraft                                       | 44,731         | 45,551         | (820)          |
| Investment in equity accounted investment      | 56,379         | 48,953         | 7,426          |
| Intangible assets – music copyright assets     | 47,716         | -              | 47,716         |
| Deferred tax assets                            | 586            | 1              | 585            |
| Other assets                                   | 308            | 1,587          | (1,279)        |
| <b>Total Assets</b>                            | <b>612,215</b> | <b>441,298</b> | <b>170,917</b> |
| <b>Liabilities</b>                             |                |                |                |
| Guarantee fees payable                         | 6,572          | 7,643          | (1,071)        |
| Interest bearing liabilities                   | 251,249        | 127,737        | 123,512        |
| Deferred tax liabilities                       | 84             | 3              | 81             |
| Other liabilities                              | 25,175         | -              | 25,175         |
| <b>Total Liabilities</b>                       | <b>283,080</b> | <b>137,488</b> | <b>145,592</b> |
| <b>Net assets attributable to shareholders</b> | <b>329,134</b> | <b>303,810</b> | <b>25,324</b>  |
| <b>Shareholders equity</b>                     | <b>329,134</b> | <b>303,810</b> | <b>25,324</b>  |

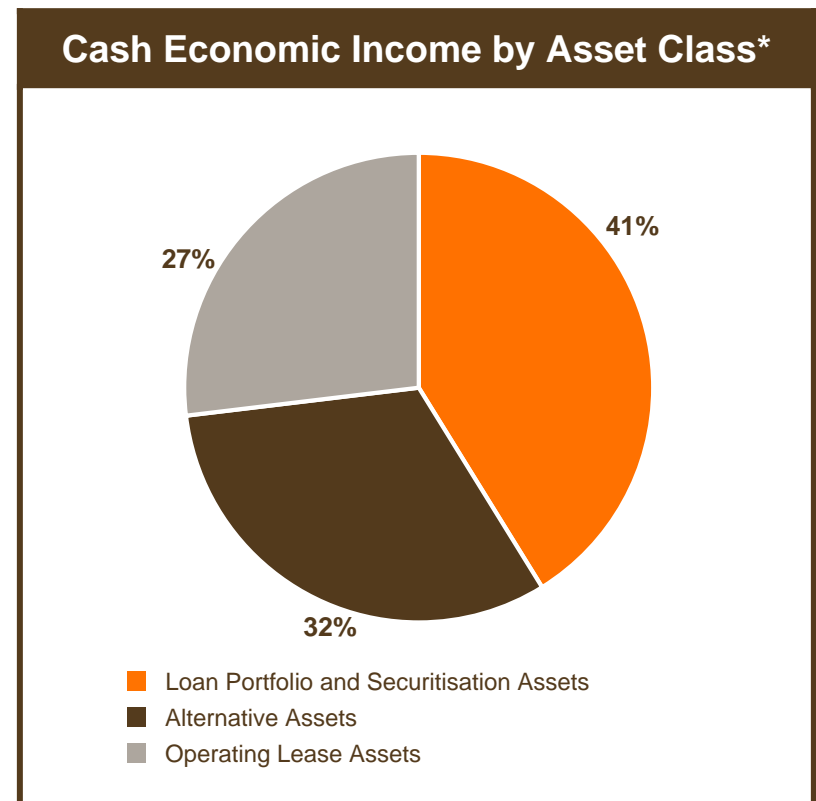
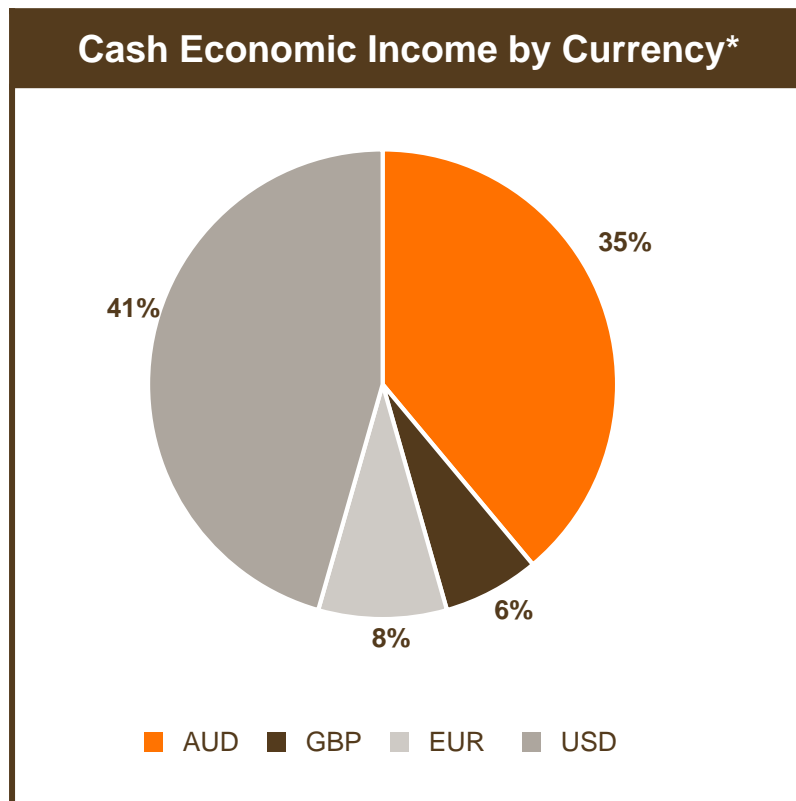
# CONSOLIDATED INCOME STATEMENT

| Income Statement                                    | Group for the<br>quarter ended<br>30 Jun 07<br>S\$'000 | Group for the<br>half year ended<br>30 June 2007<br>S\$'000 |
|---|--|---|
| <b>Revenue</b>                                      |  |   |
| Distribution income                                 | 504  | 1,141   |
| Interest income                                     | 12,099   | 21,350  |
| Rental income                                       | 1,469  | 2,919   |
| Guarantee fee income                                | 1,099  | 2,322   |
| Net foreign exchange gains                          | 5,377  | 7,182   |
| Other operating income                              | 851  | 1,107   |
| <b>Total Revenue</b>                                | <b>21,399</b>  | <b>36,021</b>   |
| <b>Expenses</b>                                     |  |   |
| Management fees                                     | 1,576  | 2,917   |
| Depreciation and amortisation                       | 726  | 1,156   |
| Finance costs                                       | 4,687  | 7,429   |
| Other operating expenses                            | 994  | 1,605   |
| <b>Total Expenses</b>                               | <b>7,983</b>   | <b>13,107</b>   |
| Share of loss in equity accounted investment        | (1,666)  | (1,666)   |
| Profit before tax                                   | 11,750   | 21,248  |
| Income tax (expense) / benefit                      | 548  | 503   |
| <b>Profit after tax</b>                             | <b>12,298</b>  | <b>21,751</b>   |
| <b>Basic earnings per share (cents per share)</b>   | <b>3.21</b>  | <b>5.71</b>   |
| <b>Diluted earnings per share (cents per share)</b> | <b>3.20</b>  | <b>5.70</b>   |

# CASH ECONOMIC INCOME FOR 1H 2007

Cash Economic Income is comprised of net income which is both referable to the period (i.e., 1 Jan 07 – 30 Jun 07) and is expected to be received prior to the dividend payment date

BBSFF does not distribute revaluation reserves or accounting profits which may not truly reflect the cash derived from actual asset performance



\* Income and expenses not directly attributable to a particular currency or asset class have been pro-rated based on gross investment value

# CASH ECONOMIC INCOME FOR 1H 2007



| <b>OPERATING LEASE ASSETS</b>                   | <b>Base currency (\$ million)</b> |
|---|-----------------------------------|
| Class B membership interest in Jet-i Investment | USD 0.75                          |
| BNB Aircraft Lessor No.2                        | USD 0.61                          |
| CDS on Jet-I Leasing Tranche B Debt             | USD 1.19                          |
| Class A membership interest in BBRNA            | USD 1.51                          |



| <b>LOAN PORTFOLIO &amp; SECURITISATION ASSETS</b> | <b>Base currency (\$ million)</b> |
|---|-----------------------------------|
| Ancora – Pepper Securitisation No.1 Investment    | AUD 0.08                          |
| Ancora - Pepper Securitisation No.2 investment    | AUD 0.59                          |
| Ancora - Pepper Securitisation No.3 investment    | AUD 0.15                          |
| Ancora - Provident Inventory Finance              | AUD 0.24                          |
| Ancora - Seiza Augustus Series 2007               | AUD 0.20                          |
| Ancora - Seiza Warehouse Note Investment          | AUD 1.04                          |
| Mortgages plc Securitisation Investment           | GBP 0.59                          |
| Paradox Capital LLC – Subordinated Loan           | USD 1.00                          |
| Avoca VI CLO investment                           | EUR 0.06                          |
| Avoca VII CLO investment                          | - *                               |



| <b>ALTERNATIVE ASSETS</b>             | <b>Base currency (\$ million)</b> |
|---------------------------------------|-----------------------------------|
| Ancora - NFAL Guarantee               | AUD 0.42                          |
| North American Biofuels Loan Facility | USD 1.13                          |
| AGSO Loan Guarantee                   | AUD 3.55                          |
| Paramount Mezzanine Loan              | USD 1.13                          |
| Music Copyrights                      | - *                               |

\* No income expected from these assets in relation to 1H 2007

# FINANCING AND RISK MANAGEMENT STRATEGY

## Objectives

- Maintain a strong balance sheet
- Minimise the cost of debt financing
- Manage exposure from movements in interest rates and foreign exchange



## Funding level

- Gearing capped at 35% of total gross assets but does not include limited recourse debt incurred at the investment or asset level
- Multi-currency corporate debt facility of US\$116.6m from a syndicate of lenders led by Calyon Australia, and 3 other members

## Underlying asset or investment level

- Varies depending upon asset type
- Appropriate leverage is integral to the structuring of the investment returns of each asset

## Foreign currency hedging

- Full hedging for forecast and projected income until Dec 07
- Partial hedging on income from 2008 onwards, but >90% in place
- No capital hedges

## Interest rate hedging

- Exposure to interest rate movements, at an asset level is predominantly hedged or organically hedged

➡ **Portfolio is largely immune to interest rate sensitivities**

# INTEREST RATE / CURRENCY RISK

## Interest Rates

### Interest Rate Sensitivity – 2 levels to review:

#### a) Individual Assets

Structured to remove sensitivity where possible. Current Asset Review highlights interest rate issues on an asset by asset basis and inherent conservatism is apparent in that review

#### Sensitivity is managed by a combination of:

- organic hedging which preserves margin eg: Ancora investment series
- fixed rate investments eg: NABLF; and
- equity investments with contracted incomes, with fixed rate debt eg BBAL No.2

#### b) Portfolio Impact i.e. impact of interest rates on overall distributable cash economic income.

- This occurs because the post IPO acquisitions have been debt funded on a floating rate basis. This debt is in fact portfolio debt, not asset specific debt. BBSFF's interest rate sensitivity is substantially driven because of this corporate debt funding.
- The sensitivity is a 50bps increase/(decrease) in interest rates across the portfolio (currency weighted within the portfolio) results in less than a S\$250k difference in projected cash economic income for the 2H07, 1H08 and 2H08 dividends. This is within tolerance levels.

## Foreign Exchange Rates

### Dividend Guidance

- 2H07 dividend guidance 100% hedged into SGD
- 2008 dividend guidance 90% hedged into SGD

### Capital

- No capital hedging (given no natural base currency)



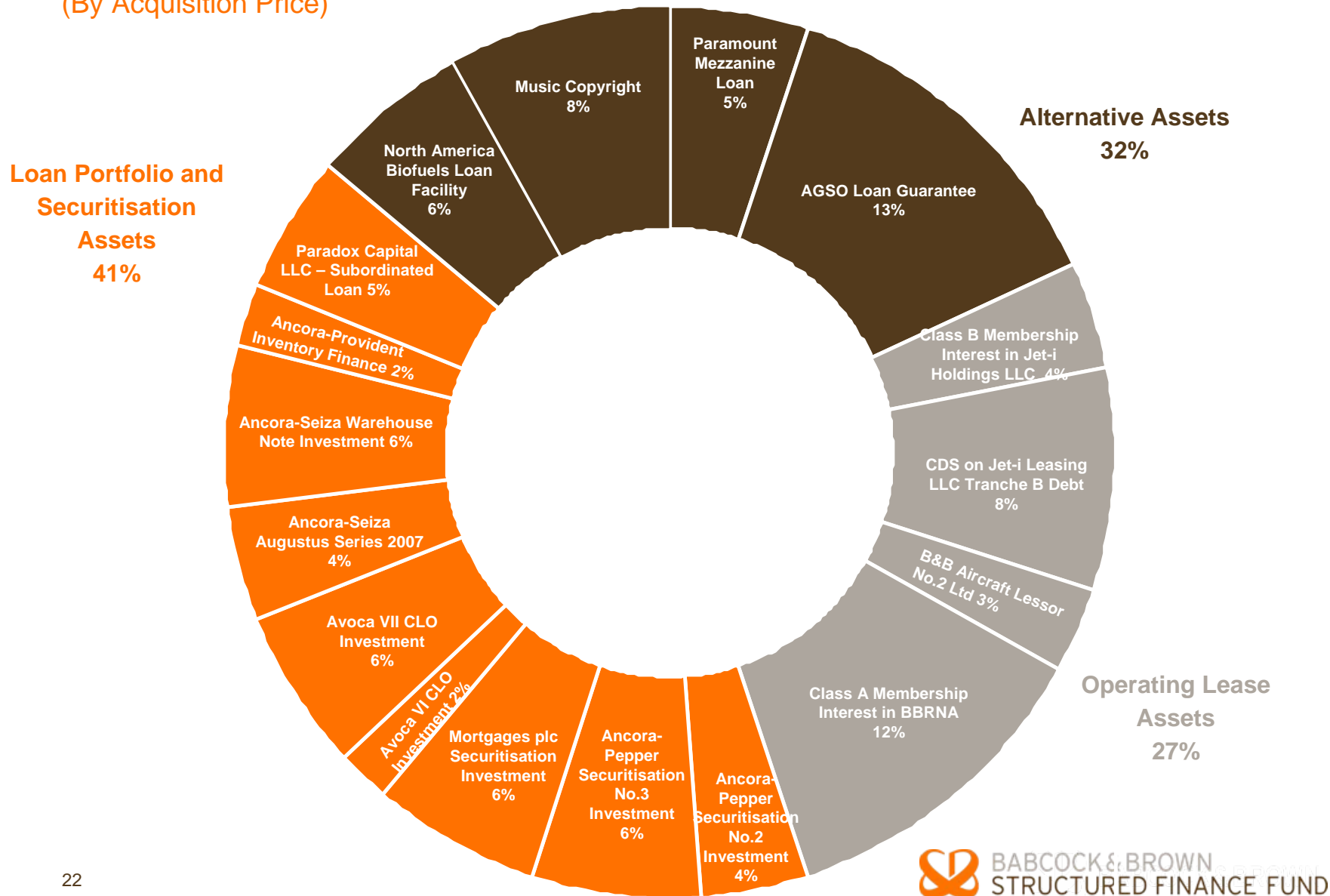
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# Portfolio Update

# PORTFOLIO COMPOSITION AS AT 30 JUNE 2007

(By Acquisition Price)



# PORTFOLIO PERFORMANCE SUMMARY

In summary as at today:

- BBSFF has received at least its originally anticipated cash economic income from all assets and expects to receive its anticipated cash economic income from all assets for 2H 2007 and 2008;
- BBSFF does not believe that the long term value of any of its assets is impaired;
- BBSFF does not have any short term finance in place which needs to be refinanced which requires additional collateral to be posted;
- BBSFF's has no investments in, or exposure to the US sub-prime market. It has never had any investment in that sector;
- BBSFF's portfolio of investments, including expressly its loan portfolio and securitisation asset ("LPSA") portfolio and the Paramount Mezzanine Loan have performed in accordance with BBSFF's expectations, and based on the information available to it today, are expected to continue to perform in line with expectations; and
- As a long term holder of assets which is not required to sell, but can do so opportunistically, the widening of credit spreads does not affect the expected overall returns to BBSFF from its investment portfolio.

# NEW ACCRETIVE INVESTMENTS IN ALL ASSET CLASSES SINCE LISTING

|   | Net Investment  | Description   |
|---|---|---|
| <b>Operating Lease Assets</b>   |   |   |
|    | <b>BBRNA</b><br>(USD 6.7 million)                               | A fourth portfolio of railcars owned by BBRNA                             |
| <b>Loan Portfolio &amp; Securitisation Assets</b>                                   |   |   |
|    | <b>SEIZA WAREHOUSE NOTE</b><br>(AUD 6.5 million)                | Securitisation entity owning secured residential and commercial mortgages |
|    | <b>PEPPER 6</b><br>(AUD 23.5 million)                           | Securitisation entity owning secured residential mortgages                |
|   | <b>SEIZA AUGUSTUS TERM SECURITISATION</b><br>(AUD 14.5 million) | Securitisation entity owning secured residential and commercial mortgages |
|  | <b>AVOCA VII CLO</b><br>(EUR 15.0 million)                      | Securitisation entity owning European collateralised loans                |
| <b>Alternative Assets</b>   |   |   |
|  | <b>MUSIC COPYRIGHT ASSETS</b><br>(USD 28.1 million)             | Investment in close to 1,000 musical compositions                         |

# DIVESTMENTS SINCE LISTING



**Ancora – NFAL Loan Guarantee  
(A\$17.0 million)**



**Ancora – Pepper Securitisation No.1 Investment  
(A\$5.0 million)**



**AGSO Loan Guarantee  
(A\$20.0 million)**

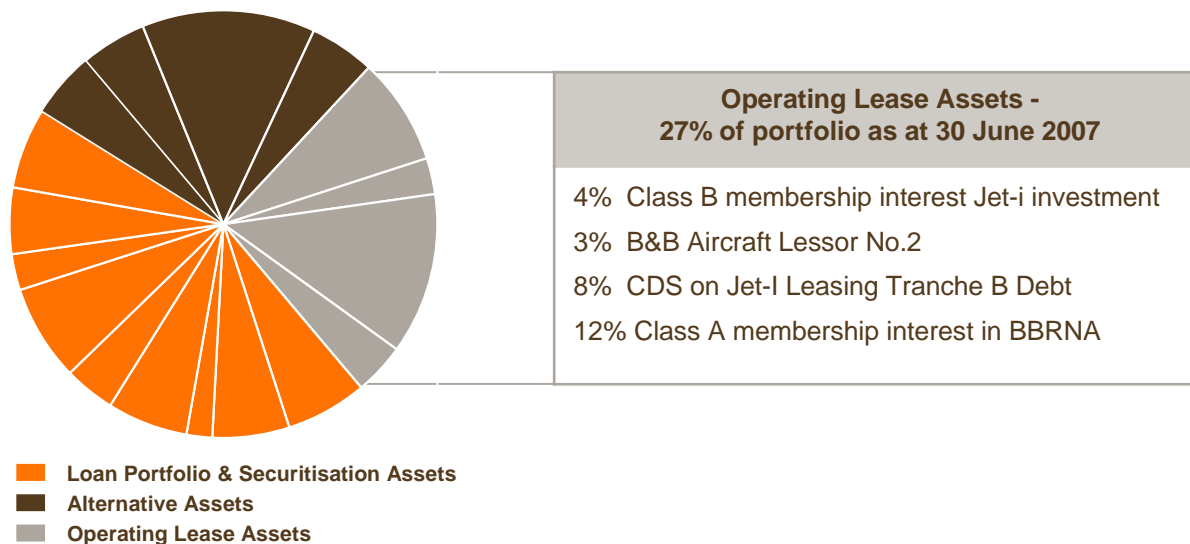
- BBSFF received its originally anticipated rate of return from each of these investments

# OPERATING LEASE ASSETS

| Operating Lease Assets |  |                  |   |   |      |
|------------------------|--|------------------|---|---|------|
|                        | Description                                  | Acquisition Date | Acquisition Price<br>(Base Currency \$ million) | Acquisition Price <sup>1</sup><br>(S\$ million) |      |
|                        | Class B membership interest JET-i investment | Aircraft         | IPO   | USD 14.8  | 22.6 |
|                        | B&B Aircraft Lessor No.2                     | Aircraft         | IPO   | USD 10.5  | 16.1 |
|                        | CDS on Jet-I Leasing Tranche B Debt          | Aircraft         | IPO   | USD 24.9  | 38.1 |
|                        | Class A membership interest in BBRNA         | Rail             | IPO & 6 April 2007                              | USD 38.6  | 59.2 |

<sup>1</sup> Based on exchange rates at 30 June 2007

BBSFF Portfolio – as at 30 June 2007

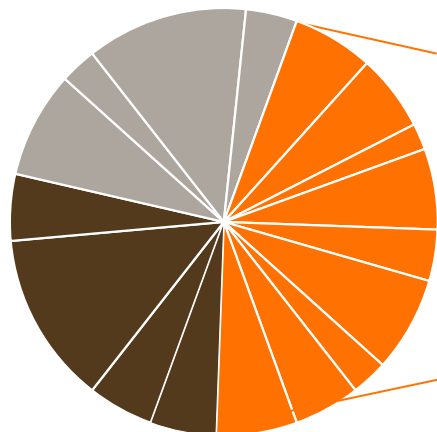


# LOAN PORTFOLIO & SECURITISATION ASSETS

| Loan Portfolio and Securitisation Assets     |                                    |                  |  |   |
|--|------------------------------------|------------------|--|---|
|  | Description                        | Acquisition Date | Acquisition Price (Base Currency \$ million) | Acquisition Price <sup>1</sup> (\$ million) |
| Ancora–Pepper Securitisation No.2 Investment | AU residential property            | IPO              | AUD 18.0                                     | 23.4  |
| Ancora–Pepper Securitisation No.3 Investment | AU residential property            | 26 Mar 2007      | AUD 23.5                                     | 30.6  |
| Ancora–Provident Inventory Finance           | Inventory Financing                | IPO              | AUD 9.7                                      | 12.6  |
| Ancora–Seiza Augustus Series 2007            | AU res & comm property             | 23 Apr 2007      | AUD 14.5                                     | 18.9  |
| Ancora–Seiza Warehouse Note Investment       | AU res & comm property             | IPO              | AUD 24.4                                     | 31.8  |
| Mortgages plc Securitisation Investment      | UK residential property            | IPO              | GBP 10.1                                     | 31.0  |
| Paradox Capital LLC – Subordinated Loan      | Intellectual Property Loans        | IPO              | USD 15.0                                     | 23.0  |
| Avoca VI CLO Investment                      | Collateralised EU loan obligations | IPO              | EUR 4.0                                      | 8.2   |
| Avoca VII CLO Investment                     | Collateralised EU loan obligations | 5 Apr 2007       | EUR 15.0                                     | 46.0  |

<sup>1</sup> Based on exchange rates dated 30 June 2007

## BBSFF Portfolio – as at 30 June 2007



### Loan Portfolio & Securitisation Assets – 41% of portfolio as at 30 June 2007

|    |  |    |   |
|----|--|----|---|
| 4% | Ancora-Pepper Securitisation No.2 Investment | 6% | Mortgages plc Securitisation Investment |
| 6% | Ancora-Pepper Securitisation No.3 Investment | 5% | Paradox Capital LLC – Subordinated Loan |
| 2% | Ancora-Provident Inventory Finance           | 2% | Avoca VI CLO Investment                 |
| 4% | Ancora-Seiza Augustus Series 2007            | 6% | Avoca VII CLO Investment                |
| 6% | Ancora-Seiza Warehouse Note Investment       |    |   |

- Loan Portfolio & Securitisation Assets
- Alternative Assets
- Operating Lease Assets

# LPSA PERFORMANCE FAQ

Set out in the following table are answers to a number of Frequently Asked Questions (“FAQ”) in relation to the Loan Portfolio and Securitisation Assets (“LPSA”) and the Paramount Mezzanine Loan.

BBSFF does appreciate that some of the FAQ are substantively repetitive but has attempted to capture various iterations of similar questions which are posed to ensure that BBSFF is transparent and that there is clarity on its position.

Unless otherwise stated, the information included in the following table is current at the date of this presentation.

As noted in the BBSFF Prospectus, BBSFF depends upon a number of third parties to provide it with data in relation to its investments. Where possible and practical, BBSFF verifies such data, but this is not always possible. Accordingly, parties should be reminded that the information expressed in the following table is based on BBSFF’s current view of information which it has, or has been made available to it. An error in such source information or a change to it could result in the conclusions drawn being different from those expressed. We also draw attention to the Risk Factors in the BBSFF Prospectus, and particularly those relating to forecasting, assumptions and modelling associated with BBSFF’s investments.

# FAQ'S

|  | Ancora-Pepper Securitisation No.2 Investment                     | Ancora-Pepper Securitisation No.3 Investment | Ancora – Seiza Warehouse Note Investment   | Ancora – Seiza Augustus Series 2007 | Ancora – Provident Inventory Finance                    | Avoca VI CLO Investment  | Avoca VII CLO Investment  | Mortgages plc Securitisation Investment   | Paradox Capital LLC – Subordinated Loan  | Paramount Mezzanine Loan   |
|--|--|--|--|-------------------------------------|---|--|---|---|--|--|
| <b>Current Investment Balance as at 30 June 2007</b>   | A\$14.7m   | A\$23.5m                                     | A\$24.4m   | A\$14.5m                            | A\$9.7m   | €4.0m  | €15.0m  | £10.1m  | US\$15.0m  | US\$15.0m  |
| <b>Has BBSFF received its expected cash economic income for the period ending 30 June 2007?</b>  | Yes  | N/A – no income expected                     | Yes – excess owing to greater investment balance than forecast                                       | Yes                                 | Yes – slight excess owing to greater investment balance | Yes  | N/A – no income expected  | Yes - excess cash has been received owing to greater pre-payments occurring which could reduce residual cash flows in later years | Yes  | Yes  |
| <b>Does BBSFF expect to receive its originally anticipated cash economic income for the period ending 31 Dec 2007 and 31 Dec 2008?</b> | Yes  | Yes  | Yes  | Yes                                 | Yes   | Yes  | Yes   | Yes   | Yes  | Yes  |
| <b>What level of losses does BBSFF believe can be absorbed before BBSFF's return is adversely affected (approximate)?</b>              | A\$3.2m, which is in excess of the BBSFF Prospectus expectations | A\$6m  | 1.2% of outstanding loan balance, which varies from time to time – as at 30 June 2007 it was A\$4.6m | A\$5.7m                             | A\$5m   | 0.5% per annum of the outstanding portfolio balance – as at 4 July 2007 it was €2.5m | 0.5% per annum of the outstanding portfolio balance – as at 30 June 2007 it was €3.5m | £4m over the life of the transaction  | US\$10m, refer to BBSFF Prospectus for further details regarding additional loss absorption in certain circumstances | Remaining apartments can be sold at a 25% discount to current list price |

# FAQ'S (cont)

|  | Ancora-Pepper<br>Securitisation<br>No.2<br>Investment   | Ancora-<br>Pepper<br>Securitisation<br>No.3<br>Investment | Ancora –<br>Seiza<br>Warehouse<br>Note<br>Investment                     | Ancora –<br>Seiza<br>Augustus<br>Series 2007 | Ancora –<br>Provident<br>Inventory<br>Finance | Avoca VI<br>CLO<br>Investment                             | Avoca VII<br>CLO<br>Investment | Mortgages plc<br>Securitisation<br>Investment | Paradox<br>Capital LLC –<br>Subordinated<br>Loan | Paramount<br>Mezzanine<br>Loan |
|--|---|---|--|--|---|---|--------------------------------|---|--|--------------------------------|
| <b>Have losses been incurred by the assets which secure BBSFF's investment?</b>                                  | Yes   | Yes   | Yes  | No   | No  | No  | No                             | Yes   | No   | No                             |
| <b>Have the losses incurred been in line with BBSFF's expectations?</b>  | No – higher than anticipated, but expected to be absorbed by excess spread and as noted a greater capacity to absorb than previously expected | Yes   | No – lower than anticipated but expected to be in line with expectations | No   | No  | No – there have been none which is lower than anticipated | N/A                            | No – lower than anticipated                   | N/A  | N/A                            |
| <b>Have any losses incurred adversely affected BBSFF's expected return?</b>                                      | No  | No  | No   | No   | No  | N/A   | N/A                            | No  | N/A  | N/A                            |
| <b>Are there any indicators of impairment in relation to the investment?</b>                                     | No  | No  | No   | No   | No  | No  | No                             | No  | No   | No                             |
| <b>Is BBSFF aware of any reason to believe that it will not receive its expected return from the investment?</b> | No  | No  | No   | No   | No  | No  | No                             | No  | No   | No                             |

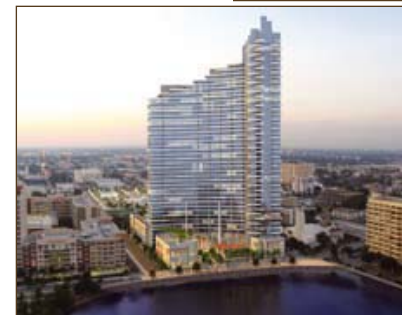
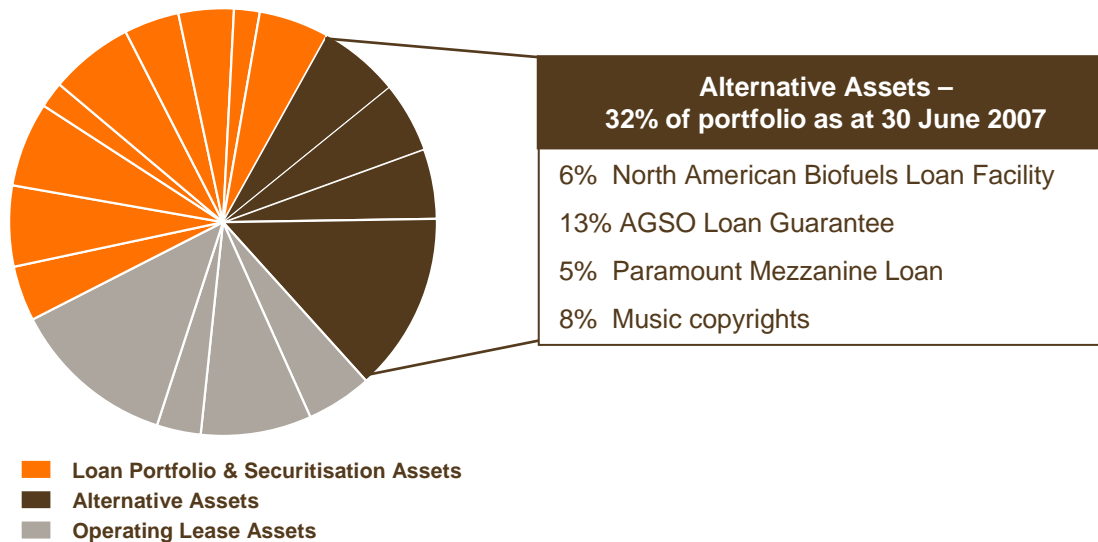
# ALTERNATIVE ASSETS

## Alternative Assets

|                                       | Description                  | Acquisition Date        | Acquisition Price (Base Currency \$ million) | Acquisition Price <sup>1</sup> (\$ million) |
|---------------------------------------|------------------------------|-------------------------|--|---|
| North American Biofuels Loan Facility | US ethanol plants            | IPO                     | USD 20.0                                     | 30.6  |
| AGSO Loan Guarantee                   | Share margin facility        | IPO                     | AUD 50.0                                     | 65.0  |
| Paramount Mezzanine Loan              | US property development loan | IPO                     | USD 15.0                                     | 22.9  |
| Music copyrights                      | Music catalogues             | 15 March & 2 April 2007 | USD 28.1                                     | 43.1  |

<sup>1</sup> Based on exchange rates dated 30 June 2007

## BBSFF Portfolio – as at 30 June 2007



# AGENDA

1. Highlights
2. Interim Financial Results
3. Portfolio Update
- 4. Outlook**

# Outlook

# TRANSACTION PIPELINE

## Potential investments / divestments in each asset class

|  | Asset                     | Investment/Divestment | Expected Timing | Base Currency \$'m |
|--|---------------------------|-----------------------|-----------------|--------------------|
| <b>Operating Lease Assets</b>  |                           |                       |                 |                    |
|   | Jet-i Equity              | Divestment            | 2H 2007         | USD 14.7           |
|  | Jet-i CDS                 | Divestment            | 2H 2007         | USD 25.0           |
|  | CB Rail                   | Investment            | Q4 2007         | EUR 6.7            |
|  | BBRNA                     | Investment            | Q4 2007         | USD 10.0           |
|  | Aircraft Investment       | Investment            | Q4 2007         | USD 13.0           |
| <b>Loan Portfolio &amp; Securitisation Assets</b>                                  |                           |                       |                 |                    |
|   | Seiza Warehouse           | Investment            | Q4 2007         | AUD 10.0           |
|  | Securitisation Investment | Investment            | Q4 2007         | USD 10.0           |
|  | Paradox                   | Investment            | Q4 2007         | USD 5.0            |
| <b>Alternative Assets</b>  |                           |                       |                 |                    |
|  | Music Assets              | Investment            | Q4 2007         | USD 20.0           |

Other opportunities in each asset class are in various stages of assessment

# MACROECONOMIC OUTLOOK

## United States

- Mild economic slowdown – recession not considered likely by commentators
- US rates likely to remain on hold, or even reduce to create liquidity.
- Labour market remains tight
- US housing sector remains difficult

## United Kingdom

- Economic activity remains strong
- Housing price gains are moderate but constant
- Impact of the July interest rate rise to be seen in coming months

## Mainland Europe

- Unemployment lowest in two decades
- Most indicators point to continuing strong economic growth
- Additional interest rate rises may occur in 2H 2007, subject to liquidity issues.

## Australia

- Economy continues to exhibit strength, consumer confidence at record high
- August interest rate rise
- House price appreciation shown across all states, not just commodity rich areas
- Unemployment at 4.2% (seasonally adjusted)

# COMPANY OUTLOOK

## 2007 Dividend Guidance

2H 2007 dividend guidance of 5.50 cents per share delivering investors a yield of 11.3% per annum (based on share price at S\$0.905 on 13 August 2007)

## 2008 Dividend Guidance

2008 dividends are guided to be at least 10.20 cents per share (equalling the upgraded 2007 dividend guidance)

## Growth

Growth in portfolio value and returns are expected to continue

## Pipeline

Strong pipeline of attractive investment opportunities

**Robust business model, clear strategy and strong foundation to continue delivery of stable and growing cash flows and capital growth**

# QUESTIONS



# THANK YOU

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