



# GLOBAL INVESTMENTS LIMITED<sup>1</sup>

## **SGX Quarterly Report 31 March 2009**

Investments in Global Investments Limited ("GIL") are not deposits with or other liabilities of Babcock & Brown Limited ("BBL"), or any entity in the Babcock & Brown Group and are subject to investment risk, including possible loss of income and capital invested. Neither Babcock & Brown Global Investments Management Pty Limited (manager of GIL), nor any member of the Babcock & Brown Group guarantee the performance of GIL or the payment of a particular rate of return on the shares of GIL.

This report is not an offer or invitation for subscription or purchase or recommendation of GIL shares. It does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in GIL, an investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Babcock & Brown Global Investments Management Pty Limited, as manager of GIL is entitled to fees for so acting. BBL and its related corporations, together with their officers and directors, may hold shares in GIL from time to time.

This financial report has been prepared to enable the directors to comply with their obligations under the Singapore Exchange Securities Trading Limited Listing Rules and where relevant, to satisfy the requirements of the International Financial Reporting Standards. The responsibility for the preparation of the financial report and any financial information contained in this financial report rests solely with the directors of GIL.

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<sup>1</sup> On 30 April 2009, the Company changed its name from Babcock & Brown Global Investments Limited to Global Investments Limited.

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## REVIEW OF GLOBAL INVESTMENTS LIMITED PERFORMANCE

### PERFORMANCE REVIEW

For the quarter the Group recorded a net loss after tax of S\$35.5 million. The result was due to impairment losses recognised in respect of the Group's investment in Babcock & Brown Air ("B&B Air"), the Class G Note in the Seiza Augustus 2007-1 Trust, the Avoca VI and VII CLO financial assets and the Class A membership interest in BBRNA. From an Income Statement and Balance Sheet perspective, other line items were in line with internal projections.

The performance of the Group for the quarter has been impacted by the following factors:

- **Impairment loss on the investment in B&B Air**

An impairment loss of US\$2.6 million (S\$4.0 million) has been recorded through the Income Statement as a result of the further decline in the share price of B&B Air at the end of the quarter. The adjustment is an unrealised accounting adjustment which does not affect cash economic income or dividends to Shareholders.

- **Impairment losses on securitisation investments**

The Class G Note in the Seiza Augustus 2007-1 Trust has been impaired by A\$3.0 million (S\$3.0 million) through the Income Statement this quarter. It is expected that the originally invested principal will be returned over time, however, the initially expected returns are unlikely to be realised. The Class F Note in the Avoca VII investment has been impaired by EUR1.1 million (S\$2.2 million) through the Income Statement this quarter. It is expected that the originally invested principal will be returned over time, however, the initially expected returns are unlikely to be realised in full. The subordinated notes in the Avoca VI and VII investments have been further impaired this quarter by EUR0.2 million (S\$0.3 million) and EUR0.7 million (S\$1.3 million), respectively, based on independent pricing quotes. Due to the further deterioration of the market for these investments it is not expected that the originally invested principal will be returned in full.

- **Impairment loss on the Class A membership interest in BBRNA**

A further impairment loss of US\$15.4 million (S\$23.5 million) in the Class A membership interest in BBRNA has been recorded through the Income Statement this quarter as a result of further deterioration in the performance and outlook for this investment. This impairment charge has reduced the carrying value of this investment to nil. In line with the impairment of the investment in BBRNA to nil, the associated deferred tax asset balance of US\$1.7 million (S\$2.6 million) has been written-off this quarter through the income tax expense line item in the Income Statement.

- **Acquisition of the Ancora Securitisation Assets**

Effective 25 February 2009 BBSFF Securitisation Limited, a wholly owned subsidiary of GIL, acquired the following securitisation assets from the Ancora Securitisation (SF) Trust ("Ancora") at their face values:

Ancora – Pepper Securitisation No. 2 Investment  
Ancora – Pepper Securitisation No. 3 Investment  
Ancora – Provident Cashflow Limited  
Ancora – Seiza Warehouse Note Investment  
Ancora – Seiza Augustus 2007-1 Trust

This acquisition changes the securitisation assets from being economic exposures to direct investments of the GIL Group and is expected to simplify the overall GIL Group structure.

The acquisition was funded through a combination of the short-term deposits used to support cash-backed letters of credit in connection with the Ancora commercial paper ("the Ancora CP"), as well as a cash drawing under the Company's corporate facility. These combined funds were paid to Ancora who in turn used the funds to retire the maturing Ancora CP which had been funding the assets.

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For the quarter ended 31 March 2009



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The acquisition of the securitisation assets resulted in a decrease in the balances of both Cash and Cash Equivalents and Interest Bearing liabilities at 31 March 2009.

The move from indirect ownership to direct ownership of the securitisation assets is not expected to have a material impact on the results or performance of the GIL Group going forward.

- **Mark-to-market reductions**

The mark-to-market gain of S\$0.2 million in equity during the quarter was recognised in relation to the amortisation of equity on the financial assets reclassified from 'Available for Sale' to 'Loans and Receivables' at 1 July 2008.

## **INVESTMENT PORTFOLIO**

GIL was incorporated in Bermuda on 24 April 2006 and was subsequently registered as a mutual fund company. GIL was formed to invest in a diversified group of assets and economic exposures around the world.

The Group's investment portfolio at 31 March 2009 comprised the following assets and economic exposures:

### **OPERATING LEASE ASSETS**

#### **Babcock & Brown Aircraft Lessor No. 2 ("BBAL 2")**

The Group owns two Boeing 757-200 aircraft leased to Thomsonfly Limited. The two leases mature on 30 April 2013 and have fixed monthly rentals over the remaining term of the leases.

#### **Class A membership interest in BBRNA ("BBRNA")**

BBRNA is a United States limited liability company formed to aggregate a number of North American railcar investments managed or owned by the Babcock & Brown Group. The Group has a 41.5% interest in BBRNA which currently owns a portfolio of over 13,500 railcars on lease in North America.

#### **Babcock & Brown Air Limited ("B&B Air")**

Babcock & Brown Air Limited is a Bermuda exempted company which has been listed on the New York Stock Exchange. It has a portfolio of commercial aircraft which are leased to commercial airlines. The Group holds 1,051,010 Babcock & Brown Air Limited shares.

#### **Investment in Babcock & Brown Rail Investments Limited ("CBRail")**

Babcock & Brown Rail Investments Limited ("BBRIL") is a Guernsey company that owns CBRail Leasing S.a.r.l. ("CBRail Group"), an operating lessor based in Luxembourg. The Group has acquired a beneficial interest in 35% of BBRIL which currently owns a portfolio of 3 passenger train fleets, over 30 locomotives and 100 freight wagons

### **LOAN PORTFOLIO AND SECURITISATION ASSETS**

#### **Pepper Securitisation No. 2 Investment ("Pepper 2")**

Pepper 2 is a securitisation vehicle which owns Australian non-conforming residential mortgage loans originated by Pepper Home Loans Pty Limited. The Group has invested in the non-rated note and the senior net interest margin ("NIM") note.

#### **Pepper Securitisation No. 3 Investment ("Pepper 3")**

Pepper 3 is a securitisation vehicle which owns Australian non-conforming residential mortgage loans originated by Pepper Home Loans Pty Limited. The Group has invested in the non-rated note and the senior NIM note.

#### **Provident Cashflow Limited ("PCL")**

PCL is a revolving purchase facility provided to specialty inventory financier, Provident Cashflow Limited ("Provident"). Under the facility, the Group purchases loan receivables originated by Provident. The purchased loans are loans Provident has made to its customers, typically small to medium sized enterprises for the purpose of purchasing inventory.

#### **Seiza Warehouse Note Investment ("Seiza")**

Seiza is an investment in a warehouse vehicle which owns Australian residential and commercial mortgages originated by Seiza Mortgage Company Pty Limited, ("the Seiza Group"). The Group has invested in the Class F, Class G and NIM notes.

### **Seiza Augustus 2007-1 Trust (“Seiza Augustus”)**

Seiza Augustus is a securitisation vehicle which owns Australian commercial and residential mortgage loans originated by the Seiza Group. The Group has invested in the Class G notes and NIM notes.

### **Mortgages plc Securitisation Investment (“Mortgages plc”)**

Mortgages plc is a United Kingdom based originator of non-conforming mortgages. The Group has invested in 50% of two classes of certificates issued by Newgate Funding 2006-3 plc which is a securitisation vehicle owning non-conforming mortgages originated by Mortgages plc.

### **Avoca VI CLO Investment (“Avoca VI”)**

Avoca VI is a European collateralised loan obligation (“CLO”) vehicle which is managed by Avoca Capital Holdings (“Avoca”). The Group has invested in the subordinated note issued by Avoca VI which is secured by collateral consisting of European senior secured and second lien loans.

### **Avoca VII CLO Investment (“Avoca VII”)**

Avoca VII is a European CLO vehicle which is managed by Avoca. The Group has invested in the Class B notes and the subordinated note in Avoca VII. The Avoca VII notes are secured by collateral consisting of European senior secured, second lien and mezzanine loans.

## **ALTERNATIVE ASSETS**

### **Paramount Mezzanine Loan (“Paramount”)**

The Group has invested in a secured subordinated loan to Royal Palm Paramount Bay LLC which is being used to fund the development of an ultra-luxury condominium development project in Miami Florida in the United States.

### **Music Copyright Assets (“Music Assets”)**

The Group had invested in music copyright interests in over 1,800 musical compositions, including 18 No.1 songs and over 90 top 40 hits.

On 7 April 2009, the Music Assets were sold.

## **ECONOMIC OUTLOOK**

The global economy has continued to deteriorate during the quarter however signs of economic stability in the near term are starting to appear. Many commentators are of the view however that a recovery in the global economy is not expected until 2010. Further deterioration is expected to impact the performance of the Group's portfolio of investments.

### **United States ("US")**

Economic conditions in the US have continued to worsen however there are signs that the economy is beginning to stabilise with falls in consumer and business spending starting to ease despite further increases in unemployment, lending conditions continuing to remain tight and more weakness in housing data. Although the economic outlook is showing signs of improvement, an economic recovery is unlikely to be seen for some time. The Federal Open Market Committee has reduced rates and established a target range for the federal funds rate of 0-0.25%.

### **United Kingdom ("UK")**

The UK economy has worsened with unemployment increasing, consumer and business spending down and general confidence at low levels. Housing prices have continued to fall however the rate of the fall has slowed over recent months. Signs of credit conditions beginning to stabilise are appearing however the data is volatile from month to month and it is expected that the risks to the economy remain weighted to the downside. The Bank of England's Monetary Policy Committee has continued purchasing assets to facilitate monetary flow and support credit markets. Recent inflation numbers are higher than expected however the spike in inflation is considered to be largely due to the sharp decline of the British Pound with annual inflation still expected to remain low. The Monetary Policy Committee has moved to reduce the Bank Rate to 0.5% in order to meet the inflation target.

### **Mainland Europe**

The outlook for Mainland Europe has again deteriorated in light of further weakness globally and in the Euro area. Domestic demand has contracted and economic activity is likely to remain very weak until 2010. The recent deterioration in financial markets and economic conditions more generally have led to a shift in focus away from inflationary concerns to the increasing downside risk of weak economic growth and the high degree of uncertainty driven largely by the continued turmoil in the financial markets. This has led the Governing Council of the European Central Bank to further reduce the official interest rate to 1.00%. The continued reductions in the official interest rate are expected to provide price stability over the medium term, thereby supporting the purchasing power of Euro area households.

### **Australia**

The Reserve Bank of Australia has reduced the official cash rate to 3.0% due to the risks to the economy from the continued weakening in global and domestic economic growth which outweighed the inflationary pressures which are on the decline. Demand, consumer confidence, spending and housing prices have all softened during the quarter however at a slower pace than seen through the second half of 2008. Commentators are predicting unemployment to continue increasing through 2009 and economic conditions to worsen with a recovery still some time away. Household disposable incomes have however continued to be supported by softening commodity prices, measures by the government to stimulate spending and continued reductions in interest rates, most of which have been passed on to borrowers.

## **BUSINESS OUTLOOK**

The Company is continuing to work with its independent strategic advisor to assess various options for the Company and intends to update the market once a decision has been made in this regard. The Company has fully repaid its corporate debt facility and announced distribution guidance in respect of the first half of 2009.

### **TARGETED ASSET CLASSES**

#### **Operating Lease Assets**

Worsening economic conditions in the US and the UK have led commentators to take a more negative view on the outlook for the global aviation sector. Despite the recent reductions in fuel costs, a number of airline operations have reduced fleet sizes and cut travel routes, particularly in the North American market. This has put pressure on aircraft values and lease rates, particularly for older generation aircraft. The previously seen strong increases in passenger traffic in Asia, the Middle East and Europe have started to moderate however AVITAS, Inc. continues to expect that air passenger traffic will continue to increase through to 2016. In addition, both airline manufacturers (Boeing and Airbus) have significant backlogs in terms of unfilled orders. This lack of supply is supporting strong lease rates and values, particularly for newer aircraft types.

The troubled US economy has placed pressure on the North American rail sector with railroad car traffic and rail car re-lease rates expected to be strained through 2009 and into 2010 with a recovery in the sector expect to be at least 12 months away. However, demand for younger, higher capacity fleets remains and the rail car leasing market continues to gain ground as a method by which freight forwarders will access equipment.

The European rail leasing market is progressing positively driven by concessions given to market participants, government funding constraints and growth in rail passenger volume. An increased number of private operators are entering the market for both freight and passenger services and similarly, public rail companies are expanding their international activities. The political and user sentiment for rail in Europe remains very positive with high and rapidly increasing congestion in production, further increasing the backlog for new freight car orders.

#### **Loan Portfolio and Securitisation Assets**

Economic conditions in Australia are expected to soften as outlined in the Economic Outlook however there are few indications that there will be significant falls in house prices in the foreseeable future or dramatic rises in unemployment. The recent interest rate reductions will continue to provide relief to borrowers and this is expected to support property prices and loss / default levels.

The general economic backdrop in the UK has worsened during the quarter. House prices have declined and the general consensus is that further declines are likely to be seen. Despite the recent interest rate reductions, borrowers are expected to be further pressured as a result of the deteriorating macro-economic conditions and borrower defaults are expected to rise.

Market conditions for European leverage loans have deteriorated further although there are some early signs that the market is stabilising. Default expectations have increased to 15-20% of the market over the next 12-18 months in light of deteriorating global macro economic conditions and difficult credit markets.

#### **Alternative Assets**

The market for single obligor structured loans has reduced considerably as credit conditions in this area of the market have weakened significantly over the last 12 to 18 months.

## CONSOLIDATED INCOME STATEMENT

	Group Quarter ended 31 Mar 09 S\$'000	Group Year to date 31 Mar 09 S\$'000	Group Quarter ended 31 Mar 08 S\$'000	Group Year to date 31 Mar 08 S\$'000
<b>Revenue</b>				
Distribution income	193	193	-	-
Dividend income	321	321	734	734
Interest income	3,389	3,389	10,337	10,337
Rental income	1,449	1,449	1,327	1,327
Guarantee fee income	-	-	1,630	1,630
Royalty income	1,717	1,717	1,785	1,785
Other operating income	-	-	662	662
<b>Total revenue</b>	<b>7,069</b>	<b>7,069</b>	<b>16,475</b>	<b>16,475</b>
<b>Expenses</b>				
Management fees	(323)	(323)	(1,031)	(1,031)
Depreciation and amortisation	(914)	(914)	(907)	(907)
Finance costs	(2,440)	(2,440)	(5,179)	(5,179)
Net foreign exchange (losses) / gains	(290)	(290)	2,306	2,306
Impairment expense	(34,324)	(34,324)	(9,910)	(9,910)
Other operating expenses	(1,514)	(1,514)	(971)	(971)
<b>Total expenses</b>	<b>(39,805)</b>	<b>(39,805)</b>	<b>(15,692)</b>	<b>(15,692)</b>
<b>Share of loss in equity accounted investment</b>	<b>-</b>	<b>-</b>	<b>(746)</b>	<b>(746)</b>
<b>(Loss) / Profit before tax</b>	<b>(32,736)</b>	<b>(32,736)</b>	<b>37</b>	<b>37</b>
<b>Income tax (expense) / benefit</b>	<b>(2,760)</b>	<b>(2,760)</b>	<b>38</b>	<b>38</b>
<b>(Loss) / Profit after tax</b>	<b>(35,496)</b>	<b>(35,496)</b>	<b>75</b>	<b>75</b>
<b>Basic (loss) / earnings per share (cents per share)</b>	<b>(9.04)</b>	<b>(9.04)</b>	<b>0.02</b>	<b>0.02</b>
<b>Diluted (loss) / earnings per share (cents per share)</b>	<b>(9.04)</b>	<b>(9.04)</b>	<b>0.02</b>	<b>0.02</b>

## BALANCE SHEETS

	Group As at 31 Mar 09 S\$'000	Group As at 31 Dec 08 S\$'000	Company As at 31 Mar 09 S\$'000	Company As at 31 Dec 08 S\$'000
<b>Assets</b>				
Cash and cash equivalents <sup>1</sup>	31,343	80,224	18,846	64,788
Available for sale financial assets	8,118	13,604	-	-
Loans and receivables	87,644	94,572	-	-
Intercompany receivable	-	-	23,546	-
Guarantee fees receivable	-	-	-	-
Aircraft	41,634	39,699	-	-
Investment in subsidiary	-	-	120,037	143,584
Equity accounted investments	-	22,081	-	-
Intangible assets – music copyright assets	71,737	69,776	-	-
Deferred tax assets	-	2,477	-	-
Other assets	420	972	1,274	709
<b>Total assets</b>	<b>240,896</b>	<b>323,405</b>	<b>163,703</b>	<b>209,081</b>
<b>Liabilities</b>				
Guarantee fees payable	-	-	33,594	-
Interest bearing liabilities	101,300	157,978	-	-
Intercompany payable	-	-	-	46,185
Other liabilities	9,487	9,041	-	6,510
<b>Total liabilities</b>	<b>110,787</b>	<b>167,019</b>	<b>33,594</b>	<b>52,695</b>
<b>Net assets attributable to shareholders</b>	<b>130,109</b>	<b>156,386</b>	<b>130,109</b>	<b>156,386</b>
<b>Shareholders equity</b>	<b>130,109</b>	<b>156,386</b>	<b>130,109</b>	<b>156,386</b>
Net assets per share (\$ per share)	0.33	0.40	0.33	0.40

<sup>1</sup> Cash and cash equivalents for the Group as at 31 December 2008 included S\$60.3 million of short-term deposits used to support cash-backed letters of credit in connection with the Ancora commercial paper program (“the program”). There were no short-term deposits used to support cash-backed letters of credit in connection with the program at 31 March 2009 as the program was terminated during February 2009.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Mar 09 S\$'000	Group Year to date 31 Mar 09 S\$'000	Group Quarter ended 31 Mar 08 S\$'000	Group Year to date 31 Mar 08 S\$'000
<b>Cash flows from operating activities</b>				
Operating costs	(1,817)	(1,817)	(836)	(836)
Interest income	3,177	3,177	10,341	10,341
Guarantee fee income	-	-	1,022	1,022
Distribution income	193	193	1,391	1,391
Dividend income	257	257	587	587
Rental income	505	505	420	420
Royalty income	3,027	3,027	2,678	2,678
<b>Net cash inflow from operating activities</b>	<b>5,342</b>	<b>5,342</b>	<b>15,603</b>	<b>15,603</b>
<b>Cash flows from investing activities</b>				
Investment in equity accounted investments	-	-	(314)	(314)
Purchase of intangible assets	-	-	(2,146)	(2,146)
Purchase of financial assets	-	-	(12,271)	(12,271)
Loan repayments received	6,395	6,395	19,251	19,251
<b>Net cash inflow from investing activities</b>	<b>6,395</b>	<b>6,395</b>	<b>4,520</b>	<b>4,520</b>
<b>Cash flows from financing activities</b>				
Net repayments of borrowings	(60,522)	(60,522)	(45,707)	(45,707)
Borrowing costs paid	(1,983)	(1,983)	(4,298)	(4,298)
Dividends paid	-	-	(23,258)	(23,258)
<b>Net cash outflow from financing activities</b>	<b>(62,505)</b>	<b>(62,505)</b>	<b>(73,263)</b>	<b>(73,263)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(50,768)</b>	<b>(50,768)</b>	<b>(53,140)</b>	<b>(53,140)</b>
Cash and cash equivalents at beginning of period	80,224	80,224	126,471	126,471
Effects of exchange rate changes on cash and cash equivalents	1,887	1,887	(1,295)	(1,295)
<b>Cash and cash equivalents at end of period</b>	<b>31,343</b>	<b>31,343</b>	<b>72,036</b>	<b>72,036</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter ended 31 Mar 2009 <sup>1</sup>	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Con-solidation reserve S\$'000	Equity accounting reserve S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Group Quarter ended 31 Mar 08 <sup>1</sup> S\$'000
<b>Total equity at the beginning of the period</b>	393,844	(1,044)	(57,745)	-	(32,350)	(146,319)	<b>156,386</b>	309,382
Profit for the period	-	-	-	-	-	(35,496)	<b>(35,496)</b>	75
Available for sale financial assets revaluation reserve	-	222	-	-	-	-	<b>222</b>	2,358
Equity accounting reserve	-	-	-	-	-	-	-	(9,888)
Foreign currency translation reserve	-	-	-	-	8,997	-	<b>8,997</b>	(13,025)
Total recognised gain / (loss) for the period	-	222	-	-	8,997	(35,496)	<b>(26,277)</b>	(20,480)
Transactions with equity holders in their capacity as equity holders:								
Issue of share capital – reinvestment of management fees	-	-	-	-	-	-	-	1,436
<b>Total equity at the end of the period</b>	<b>393,844</b>	<b>(822)</b>	<b>(57,745)</b>	<b>-</b>	<b>(23,353)</b>	<b>(181,815)</b>	<b>130,109</b>	<b>290,338</b>

<sup>1</sup> Changes in shareholders' equity of the Group for the year to date ended 31 March 2009 is the same as that for the quarter ended 31 March 2009.

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the quarter ended 31 Mar 2009 <sup>1</sup>	Share capital S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Total S\$'000	Company Quarter ended 31 Mar 08 <sup>1</sup> S\$'000
<b>Total equity at the beginning of the period</b>	393,844	(202,439)	(35,019)	<b>156,386</b>	338,589
Profit for the period	-	(35,573)	-	<b>(35,573)</b>	24,115
Foreign currency translation reserve	-	-	9,296	<b>9,296</b>	(14,160)
Total recognised (loss) / gain for the period	-	(35,573)	9,296	<b>(26,277)</b>	9,955
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital – reinvestment of management fees	-	-	-	-	1,436
<b>Total equity at the end of the period</b>	393,844	(238,012)	(25,723)	<b>130,109</b>	<b>349,980</b>

<sup>1</sup> Changes in shareholders' equity of the Company for the year to date ended 31 March 2009 is the same as that for the quarter ended 31 March 2009.

## ACCOUNTING POLICIES APPLICATION

Accounting policies and methods of computation applied in preparation of these figures that are not stated in this report are the same as those used in the most recently audited annual financial statements of the Group and the Company. There have been no changes in accounting policies for the year to date ended 31 March 2009.

## DIVIDENDS

The Company did not pay a dividend in respect of the half year ending 31 December 2008. The 2008 interim dividend of 5.20 cents per Share in respect of the period from 1 January 2008 to 30 June 2008 was paid on 5 September 2008.

The dividend in respect of the half year ending 30 June 2009 has not yet been declared. However, the Company has previously provided distribution guidance in respect of the half year ending 30 June 2009 of at least 1.70 Singapore cents per Share.

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	Final dividend 2008	Interim dividend 2008
<b>Ordinary shares</b>		
Dividends per Share (cents)	-	5.20
Dividends paid/declared (\$'000)	-	20,327

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As the Company was incorporated in Bermuda and is not resident in Singapore for tax purposes, dividends paid by the Company will be regarded as foreign-source income for Singaporean tax resident recipients.

Foreign dividends are subject to Singapore income tax when received in Singapore by corporate shareholders.

Foreign dividends received by foreign investors with no permanent establishment in Singapore are generally not subject to Singapore income tax.

Foreign-sourced dividends received by individuals in Singapore (whether resident or otherwise) are exempt from Singapore income tax unless these dividends are received via partnerships.

Neither Singapore nor Bermuda currently imposes withholding tax on dividends paid to non-Singapore or non-Bermudan tax resident shareholders.

## CHANGES IN SHARE CAPITAL

There was no change in share capital during the quarter ended 31 March 2009. The total shares in issue at 31 March 2009 was 392,638,086. The total shares in issue at 31 December 2008 was 392,638,086.

## NET ASSET VALUE

	Group As at 31 Mar 09 S\$'000	Group As at 31 Dec 08 S\$'000	Company As at 31 Mar 09 S\$'000	Company As at 31 Dec 08 S\$'000
<b>Net asset value</b>				
Total net asset value (\$'000)	130,109	156,386	130,109	156,386
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	392,638	387,630	392,638	387,630
Net asset value per ordinary share (\$ per share)	0.33	0.40	0.33	0.40

Net asset value per ordinary share is derived by dividing the net assets as disclosed in the balance sheet of the Group by the number of ordinary shares on issue as at the end of the accounting period.

## EARNINGS PER SHARE

	Group Quarter ended 31 Mar 09 S\$'000	Group Year to date 31 Mar 09 S\$'000	Group Quarter ended 31 Mar 08 S\$'000	Group Year to date 31 Mar 08 S\$'000
<b>Basic (loss) / earnings per share</b>				
(Loss) / earnings used in calculation of basic (loss) / earnings per share (S\$'000)	(35,496)	(35,496)	75	75
Weighted average number of shares on issue used in calculation of basic (loss) / earnings per share ('000)	392,638	392,638	388,435	388,435
<b>Basic (loss) / earnings per share (cents per share)</b>	(9.04)	(9.04)	0.02	0.02
<b>Diluted (loss) / earnings per share</b>				
Diluted (loss) / earnings used in calculation of diluted (loss) / earnings per share (\$'000)	(35,496)	(35,496)	75	75
Weighted average number of shares on issue used in calculation of diluted (loss) / earnings per share ('000)	392,638	392,638	389,494	389,494
<b>Diluted (loss) / earnings per share (cents per share)<sup>1</sup></b>	(9.04)	(9.04)	0.02	0.02

<sup>1</sup> Diluted loss per share is capped at the value of Basic loss per share each period.

## INTEREST BEARING LIABILITIES

	<b>Group As at 31 Mar 09 S\$'0000</b>	<b>Group As at 31 Dec 08 S\$'0000</b>
Term loans <sup>1</sup>	101,300	66,212
Commercial paper notes <sup>2</sup>	-	91,766
<b>Total interest bearing liabilities</b>	<b>101,300</b>	<b>157,978</b>
Amount repayable in one year or less, or on demand	37,983	95,380
Amount repayable after one year	63,317	62,598
<b>Total interest bearing liabilities</b>	<b>101,300</b>	<b>157,978</b>
Amount secured	101,300	157,978
Amount unsecured	-	-
<b>Total interest bearing liabilities</b>	<b>101,300</b>	<b>157,978</b>

<sup>1</sup> The balance of the term loans has increased during the quarter ended 31 March 2009 due to a cash drawing under the Company's corporate facility to partially fund the acquisition of the Ancora Securitisation Assets as discussed in the Performance Review. This facility has since been fully repaid and cancelled as discussed in the Subsequent Events note.

<sup>2</sup> Under the LC Procurement Agreement dated 27 October 2006, between GIL and Ancora Group, GIL agreed to procure letters of credit from a bank rated A1+ by Standard & Poor's to support the commercial paper program which the Ancora group established. There was no commercial paper on issue at 31 March 2009 as a result of the termination of the commercial paper program in February 2009 in line with the acquisition of the Ancora securitisation assets by a wholly owned subsidiary of GIL.

## AUDIT OR REVIEW

The figures in this quarterly report have not been audited or reviewed by the external auditor, PricewaterhouseCoopers.

## SUBSEQUENT EVENTS

- Sale of the Group's portfolio of Music Copyright Assets**

BBSFF Music Copyright Holdings Limited ("BMCH"), a wholly owned subsidiary of GIL, sold its portfolio of Music Assets on 7 April 2009.

The gross sale price for the Music Assets was US\$48.1 million which was negotiated on an arm's length commercial basis and compares to the accounting book value of the music assets at 31 March 2009 of US\$46.9 million. The sale of the Music Assets resulted in a net accounting gain of approximately S\$2.2 million.

- Bank of Ireland Dispute**

In connection with the sale of the Music Assets outlined above, Bank of Ireland ("BOI"), the lender to BMCH has asserted that it is entitled to be paid certain break costs of approximately US\$2.0 million arising from the repayment of the corresponding asset-level debt facility.

In this regard, BOI has also asserted that it has a security interest over the net sale proceeds received by the Company upon the sale of the music copyright assets (in whole or in part), notwithstanding that BOI had earlier provided a full release of the relevant security upon settlement of that sale. The Company's preliminary view is that such assertions are without basis, but is reviewing the matter and obtaining legal advice.

In the meantime, the Company has agreed with BOI the release of all but US\$3 million of the monies in respect of which BOI asserted a security interest. The Company is continuing to liaise with BOI regarding the sum of US\$3 million which has been withheld.

- **Repayment of Senior NIM Note in Pepper Securitisation No. 3 Investment ("Pepper 3")**

On 15 April 2009 the Group received repayment in full for its investment in the Pepper 3 senior NIM note.

- **Change of Company Name**

Subsequent to the approval of the shareholders at the Annual General Meeting held on 24 April 2009, the Company's name has been changed from Babcock & Brown Global Investments Limited to "Global Investments Limited" with effect from 30 April 2009. The Company's logo has also changed to the logo used in this quarterly SGX report.

The counter trading name of the Company on the Main Board of Singapore Exchange Securities Trading Limited has also changed to "GlobalInv".

- **Changes to the GIL Board**

There have been a number of changes to the Company's Board of Directors ("the GIL Board") since 31 March 2009.

Mr Philip Mackey joined the GIL Board on 6 April 2009 as a Manager Appointed Director and assumed the role of Chairman of the Board. Mr Mackey was also appointed to the Company's Audit and Risk Management Committee and as Chairman of the Company's Nominations and Governance Committee.

Mr Adrian Chan, Mr Nicholas Campbell and Mr Sanjiv Misra joined the GIL Board on 6, 6 and 8 May 2009 respectively. Mr Misra and Mr Campbell were also appointed to the Company's Audit and Risk Management Committee and Mr Chan was appointed to the Company's Nominations and Governance Committee.

- **Cancellation and Repayment of the Company's Corporate Debt Facility**

The Company fully repaid and cancelled its amended and restated multicurrency revolving facility with the Commonwealth Bank of Australia on 30 April 2009. Following the repayment and cancellation, the Company no longer has any interest bearing liabilities at the corporate level.

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**CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING  
MANUAL**

On behalf of the Board of Directors of Global Investments Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 31 March 2009 to be false or misleading in any material respect.

On behalf of the Board of Directors



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Phil Mackey  
Chairman  
14 May 2009



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Tara Railton  
Deputy Chairman  
14 May 2009