



BABCOCK & BROWN STRUCTURED FINANCE FUND LIMITED

SGX Report for the Financial Year ended 31 December 2007

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This report is not an offer or invitation for subscription or purchase or recommendation of BBSFF shares. It does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in BBSFF, 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 Structured Finance Management Pty Limited, as manager of BBSFF is entitled to fees for so acting. BBL and its related corporations, together with their officers and directors, may hold shares in BBSFF 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 BBSFF.

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REVIEW OF BABCOCK & BROWN STRUCTURED FINANCE FUND LIMITED (“BBSFF”) PERFORMANCE

PERFORMANCE REVIEW

Babcock & Brown Structured Finance Fund Limited (“BBSFF” or “the Company”) and its subsidiaries collectively referred to as “the Group” have continued to perform well during the quarter building on the momentum established in the first three quarters of the year.

The continued strong performance of the portfolio and the accretive impact from the investments acquired during the early part of the year have resulted in the Company declaring its final dividend in respect of the second half of 2007 of 6.00 cents per share. The dividend, which will be paid in March 2008, is consistent with the guidance given to the market in November 2007 and represents a 24% increase from the Prospectus projection.

The Group added three accretive investments to the portfolio during the last quarter of the year:

- A US\$15.0 million additional investment in Babcock & Brown Rail North America LLC which now owns a portfolio of over 13,500 railcars on lease in North America;
- A €4.4 million investment to acquire 35% of Babcock & Brown Rail Investments Limited (“BBRIL”) which owns a portfolio of 3 passenger train fleets, over 30 locomotives and 100 freight wagons operating in mainland Europe; and
- A US\$24.3 million investment in the music copyright of over 800 musical compositions and over 300 master recording copyrights.

In addition, the JET-i CDS investment was repaid in full during the quarter following the monetisation of the Company’s investment in JET-i Holdings LLC.

At 31 December 2007, the gain from the monetisation of BBSFF’s investment in JET-i Holdings LLC (“JET-i”) of approximately US\$15.8 million has been recycled through to the Income Statement as all the aircraft owned by JET-i have been transferred to Babcock & Brown Air Limited (“B&B Air”). The gain represents the gross proceeds from the divestment, less all the fees associated with the transaction. The Company has reinvested a part of the proceeds from the monetisation of its investment in B&B Air Shares. An additional income of approximately US\$1.3 million has been recognised in 31 December 2007, relating to certain fees associated with the transaction which BBSFF does not have a present obligation for as at 31 December 2007.

At 31 December 2007, the Company recognised a total of S\$20.8 million of mark-to-market cumulative reductions through the Available for Sale revaluation reserve (“the revaluation reserve”). The adjustment resulted from the reductions on the investment in B&B Air and certain securitisation investments in the portfolio.

The B&B Air adjustment is the result of its share price movement since Listing on the New York Stock Exchange in September 2007 to 31 December 2007.

The cumulative reduction on the securitisation investments represents approximately 2.3% of total assets. The reduction marking the Available for Sale financial assets to market values, reflecting current market conditions. The reductions are unrealised and have no impact on the Company’s cash economic income.

COMPARISON OF ACTUAL RESULTS AGAINST THE PROSPECTUS PROJECTION

BBSFF and its subsidiaries, performed strongly during the year exceeding the projections detailed in the Prospectus.

CONSOLIDATED INCOME STATEMENT

The following table compares the actual results for the Group for the financial year from 1 January 2007 to 31 December 2007 and the projection results for the same year as set out in the Prospectus.

The table below details profit after tax of S\$68.7 million for the financial year ended 31 December 2007 compared to the Prospectus projected profit after tax of S\$27.2 million. The difference between the actual results and the Prospectus projection is primarily due to the following factors:

- the realised gain on sale of the investment in JET-i;
- acquisitions of accretive investments during the year;
- expansion of existing investments in the portfolio at Listing;
- market rate fluctuations in relevant foreign exchange rates; and
- other gains achieved on disposals of certain investments during the year.

An analysis of key differences between the Prospectus projection and the actual results follows the table.

	BBSFF Actual Results SGD 'm	Projection Year to 31 December 2007 SGD 'm	Variance Actual to Projection SGD 'm
Revenue			
Distribution income	1.8	2.0	(0.2)
Interest income	43.7	32.1	11.6
Rental income	5.7	5.9	(0.2)
Guarantee fee income	4.7	4.2	0.5
Net foreign exchange gains	9.8	-	9.8
Royalty income	3.3	-	3.3
Other income	27.4	-	27.4
Total revenue	96.3	44.2	52.1
Expenses			
Management fees	5.8	4.7	1.1
Depreciation / amortisation	2.6	1.6	1.0
Finance costs	16.3	7.3	9.0
Other operating expenses	3.0	2.0	1.0
Total expenses	27.7	15.6	12.1
Share of gain / (loss) in associate	0.3	(2.1)	2.4
Profit before tax	68.8	26.6	42.2
Income tax (expense) / benefit	(0.1)	0.6	(0.7)
Profit after tax	68.7	27.2	41.5

Unless otherwise stated all amounts are in Singapore dollars. Discrepancies between the amounts included in the individual line items below and the totals thereof are due solely to rounding.

Analysis of Revenue

Distribution income

Distribution income represents the equity distributions BBSFF received in respect of its investment in the Class B membership interest in JET-i which was monetised in late September 2007. The distribution income for the year includes nine months of equity distributions from the investment as compared to the projection which covered a full twelve month period.

Interest income

Interest income for the year was S\$43.7 million compared to S\$32.1 million in the Prospectus projection representing a 36% increase. The increase was attributed to the following factors:

- higher asset balances for Ancora – Seiza Warehouse Note Investment and Ancora — Provident Cashflow Limited than the balances assumed to be outstanding for the Prospectus projection;
- acquisitions of additional assets during the year including Avoca VII CLO Investment, Ancora – Pepper Securitisation No. 3 Investment and Ancora – Seiza Augustus 2007-1 Trust;
- the gain achieved on the divestment of the Company's interest in the North American Biofuels Loan Facility; and
- foreign exchange movements.

Rental income and guarantee fee income

Rental income and guarantee fee income are consistent with the Prospectus projection. The difference has resulted from foreign exchange movements during the year.

Net foreign exchange gains

The net foreign exchange gains have resulted from a weakening of the United States dollar ("USD") against the Euro, British pound and Australian dollar during the year. This has had the effect of increasing the USD value of BBSFF's investments in these currencies resulting in foreign exchange gains which are required to be recognised in the Income Statement. Foreign exchange gains/losses were not included in the Prospectus projection as future foreign exchange movements were not known at that time.

Royalty income

Royalty income is received on the music copyright assets which were acquired during the year. As these assets were not part of the investment portfolio at Listing, such income was not included in the Prospectus projection.

Other income

Other income includes the capital gain from the monetisation of JET-i and the net positive market value adjustment on the Company's distribution hedges.

At 31 December 2007, there was a net positive market value adjustment on the Company's distribution hedges. This has resulted from the United States dollar, the British pound and the Australian dollar weakening against the Singapore dollar.

Analysis of Expenses

Management fees

Management fees for the year were S\$5.8 million compared to S\$4.7 million in the Prospectus projection. This increase was primarily due to higher average market capitalisation and debt balances for BBSFF throughout the year than the balances assumed to be outstanding during the projection period in the Prospectus.

Depreciation / amortisation

The difference between the actual results and the Prospectus projection was due to the amortisation recognised on the music copyright catalogues. Depreciation recognised during the year on aircraft is in line with the Prospectus projection.

Finance costs

The finance costs for the year were S\$16.3 million compared to S\$7.3 million in the Prospectus projection representing a 123% increase. The increase was attributed to a higher outstanding debt balance than assumed in the Prospectus projections. Debt was drawn to fund accretive new acquisitions and further investment in a number of investments already in the portfolio at Listing.

Other operating expenses

Other operating expenses are expenses which are necessarily incurred by BBSFF as part of its day to day operations including audit fees, compliance costs, legal fees and costs associated with holding the music copyright catalogues.

BALANCE SHEET

	Group As at 31 Dec 07 S'm	Group As at 31 Dec 06 S'm	Movement
Assets			
Cash and cash equivalents	126.5	65.0	61.5
Available for sale financial assets	116.1	123.7	(7.6)
Loans and receivables	148.4	148.9	(0.5)
Guarantee fees receivable	5.0	7.7	(2.7)
Aircraft	41.3	45.6	(4.3)
Equity accounted investments	75.0	49.0	26.0
Intangible assets – music copyright assets	80.5	-	80.5
Deferred tax assets	2.9	-	2.9
Other assets	1.1	1.6	(0.5)
Total assets	596.8	441.3	155.5
Liabilities			
Guarantee fees payable	4.8	7.6	(2.8)
Interest bearing liabilities	245.8	127.7	118.1
Other liabilities	36.8	2.1	34.7
Total liabilities	287.4	137.5	150.0
Net assets attributable to shareholders	309.4	303.8	(5.6)
Shareholders equity	309.4	303.8	(5.6)

Unless otherwise stated all amounts are in Singapore dollars. Discrepancies between the amounts included in the individual line items below and the totals thereof are due solely to rounding.

Net assets

The net assets position as at 31 December 2007 was S\$309.4 million as compared to S\$303.8 million as at 31 December 2006. The movement was primarily due to the following factors:

- acquisitions of accretive investments during the year;
- expansion of existing investments in the portfolio at Listing;
- market rate fluctuations in particular foreign exchange rates;
- disposals of certain investments during the year; and
- market adjustments on the Available for Sale financial assets.

An analysis of the material movements between 31 December 2007 and 31 December 2006 follows:

Cash and cash equivalents

Cash and cash equivalents have increased from S\$65.0 million as at 31 December 2006 to S\$126.5 million as at 31 December 2007. The movement is mainly attributed to the following:

- cash proceeds received from the over-allotment option in January 2007 which had been placed on short-term deposit used to support cash-backed letters of credit in connection with the AGSO loan guarantee and the Ancora commercial paper program;
- the operating cash inflow which will be used to pay the final dividend in respect to the period between 1 July 2007 and 31 December 2007;
- the proceeds received from the monetisation of the interest in JET-i; and
- foreign exchange rate fluctuations.

Available for Sale financial assets

Available for Sale financial assets have decreased from S\$123.7 million as at 31 December 2006 to S\$116.1 million as at 31 December 2007. The movement is largely attributable to the following:

- acquisitions, divestments and further investments in existing assets;
- mark-to-market reductions on certain Available for Sale financial assets to their current market values, reflecting current market conditions; and
- amortisation of the securitisation assets.

Loans and receivables

Loans and receivables have decreased slightly as at 31 December 2007 compared to 31 December 2006. The movement is mainly attributable to the full repayment of three investments and amortisation of the securitisation assets during the year.

This was offset by the acquisitions of three accretive assets during the year namely the Avoca VII CLO investment, the Ancora – Pepper Securitisation No. 3 Investment and the investment in Ancora – Seiza Augustus 2007 – 1 Trust and higher outstanding balances for both the Ancora – Seiza Warehouse Note Investment and Ancora – Provident Cashflow Limited.

Equity accounted investments

The equity accounted investments has increased significantly during the year from 31 December 2006 owing to the acquisitions made by the Group.

In April and December, the Group increased its investment in Babcock & Brown Rail North America Limited (“BBRNA”) by US\$6.7 million and US\$15.0m respectively. The Group also acquired a 35% beneficial interest in the shares in Babcock & Brown Rail Investments Limited (“BBRIL”) which owns a portfolio of passenger train fleets, locomotives and freight wagons in Europe.

Intangible assets – music copyright assets

The Group has invested in music copyright interests in over 1,800 musical compositions during the year. There was no investment in music copyright interests at 31 December 2006.

Interest bearing liabilities

At 31 December 2007, BBSFF had total outstanding borrowings of S\$245.8 million. The borrowings comprised of:

Corporate debt

- A\$107.0 million (S\$135.3 million) of commercial paper funding the assets owned by Ancora Securitisation (SF) Trust (“Ancora”); and

- US\$29.2 million (S\$42.0 million) of term loans drawn under the corporate debt facility secured partially against the assets of the Company and its subsidiaries, BBSFF Asset Holdings Ltd; BBSFF Operating Lease Limited; BBSFF Loan Portfolio & Securitisation Limited; and BBSFF Alternative Assets Limited.

Asset specific debt

- US\$18.4 million (S\$26.5 million) of debt on BBSFF's aircraft; and
- US\$29.2 million (S\$42.0 million) of debt on BBSFF's music copyright catalogues.

Other liabilities

As at 31 December 2007, the Group has the following present obligations:

- dividend payable of S\$23.3 million in respect of the final dividend declared for the period from 1 July 2007 to 31 December 2007;
- management fee payable to the Manager in respect of the quarter ended 31 December 2007 of S\$1.4 million; and
- other payables of S\$12.1 million in respect of other fees and operating expenses outstanding as at 31 December 2007.

These liabilities did not exist as at 31 December 2006.

CASH FLOWS

The net operating cash inflow for the year from 1 January 2007 to 31 December 2007 was S\$50.5 million.

The operating cash inflow represents the cash income generated from the underlying investments in the portfolio and operating expenses incurred and paid for by the Group during the year ended 31 December 2007.

INVESTMENT PORTFOLIO

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

The Group's investment portfolio at 31 December 2007 was comprised of 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 First Choice Airways Ltd. The two leases mature on 30 April 2013 and have fixed monthly rentals over the lease periods with a step-up in monthly rentals on 1 May 2008.

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. As at 31 December 2007, the Group held 1,051,010 Babcock & Brown Air Limited shares, which are subject to an escrow arrangement.

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

Ancora – 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.

Ancora – 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.

Ancora – Provident Cashflow Limited ("PIF")

PIF is a revolving purchase facility provided to specialty inventory financier Provident Cashflow Limited Limited ("PIFL"). Under the facility, the Group purchases loan receivables originated by PIFL. The purchased loans are loans PIFL makes to its customers, typically small to medium enterprises for the purpose of purchasing inventory. On 23 October PIF changed its name to Provident Cashflow Limited ("PCL").

Ancora – 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.

Ancora – Seiza Augustus 2007-1 Trust (“Seiza Augustus”)

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

Mortgages plc Securitisation Investment (“Mortgages”)

Mortgages plc is a United Kingdom based originator of non-confirming 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.

Paradox Capital LLC – Subordinated Loan (“Paradox”)

The Group has invested in a loan to Paradox Funding LLC which is a United States limited liability company. The proceeds are used by the Paradox group to make or purchase loans secured by intellectual property owned by corporate borrowers located in the United States and Europe.

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 subordinated note issued by Avoca VI which are secured by collateral consisting of European senior secured, second lien and mezzanine 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**AGSO Loan Guarantee (“AGSO”)**

The Group has provided a guarantee secured by a letter of credit to Deutsche Bank to enable Babcock & Brown Prime Broking Trust, to secure additional borrowings under a limited recourse debt facility it has with Deutsche Bank. The Group has security over listed securities to secure recovery of any amount paid under the AGSO Loan Guarantee.

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 has invested in music copyright interests in over 1,800 musical compositions.

BUSINESS AND ECONOMIC OUTLOOK

ECONOMIC OUTLOOK

Macroeconomic conditions will be a key determinant of the performance of a number of BBSFF's existing investments and will be a consideration in determining where future investments are made.

A major area of focus in the first half of 2008 will be the market conditions in the US and its flow on effects on the global economy as well as the tightening of global liquidity resulting from the sub-prime issues. Overall global growth is expected to slow in 2008 in comparison to 2007.

United States ("US")

The continued deterioration in financial markets has presented a challenging backdrop for predicting the economic outlook. Economic growth continues to slow, financial conditions have tightened and housing continues to weaken. The recent declines in homebuilding have accelerated job losses in related industries, and indications of a looming recession have emerged. The Federal Reserve has acknowledged that the outlook for economic growth has worsened and moved to cut the federal funds rate by 125 basis points during late January 2008. The Federal Reserve has not ruled out further rate cuts in 2008. The Federal Administration has coincidentally introduced a substantial economic stimulus package to try to encourage economic growth. The markets are yet to respond that interest rate cuts or the stimulus package will provide the growth needed to avoid a recession and bring liquidity and confidence back.

United Kingdom ("UK")

The British pound has decreased 9% in the last six months, reaching a record low against the Euro. This is mainly due to UK growth prospects worsening, reduced M&A activity, and a further decline in the current account deficit. The weaker pound is expected to support export growth at long term trend levels however forecast 2008 GDP growth has been revised down to around 1.5% due principally to projections of easing consumer demand. House price appreciation has slowed and declined over the past three months. House prices face an uncertain outlook over the balance of 2008. The Bank of England cut rates by 25 basis points in February and further rate cuts have not been ruled out. Liquidity in UK markets is at low levels and confidence is decreasing as it looks to the US to bolster confidence and does not find reasons for change.

Mainland Europe

Economic growth in mainland Europe is forecasted to continue moderating in 2008 according to current data. Wage concerns appear to be the main obstacle for a rate cut. A slowing economy and moderating job growth will prevent a major acceleration in wages. It is expected that in the second quarter the ECB may reduce rates.

Australia

Australian economic growth is expected to moderate during the course of 2008. The external stimulus from strong global growth and very high commodity returns is expected to fade and tighter domestic financial and fiscal conditions are likely to put pressure on both business and household spending. Recent unemployment data confirmed the unemployment rate is at a 30 year low. The labour market is expected to remain tight and wage rises are considered likely. This is expected to further fuel inflationary pressures despite the Reserve Bank of Australia raising the cash rate by a further 25 basis points to 7% on 5 February 2008. A further rate rise in the short-term is becoming more likely and further rate rises through the course of 2008 have not been ruled out, particularly given recent data suggesting inflationary pressures will continue beyond 2008. Due to strong economic growth and low unemployment, house prices have shown strong growth in 2007 which may moderate in 2008 as a result of interest rate increases. Substantial tax cuts are due on 1 July 2008, which can further fuel inflationary pressures and suggest a further interest rate rise may be used to take the spending power out of the economy. That said, the equity and debt markets are taking their confidence from global markets rather than purely domestic indicia of a surging economy, and are volatile, with liquidity constraints in the debt markets also potentially serving to slow demand.

BUSINESS AND ECONOMIC OUTLOOK

TARGETED ASSET CLASSES

Operating Lease Assets

Conditions in the aircraft market have continued to move positively over the past quarter driven by continued strong passenger demand particularly in Asia, where the tight supply of aircraft has resulted in increasing lease rates and aircraft values. Boeing estimates that the long term growth per annum for passenger traffic will be 4.9% and cargo growth 6.1% for the next 20 years. There is a strong trend in the industry for airlines to shift their aircraft requirements from ownership to operating leases. This allows airlines to release capital for expansion, improve financial ratios and maintain a constantly modern fleet. This offers BBSFF opportunities for growth, either directly through the purchase of aircraft or indirectly through the performance of B&B Air which has a portfolio of commercial aircraft leased to commercial airlines.

The market is not expecting a dramatic increase or decrease in either values or revenues from freight car rolling stock in North America in 2008. The slowing of the US economy combined with the fact that deliveries of new freight cars have been maintained in prior years, whereas new orders have declined overall and back logs have reduced, may have a short-term cyclical impact on the industry. However, demand for younger fleets remains strong and the leasing market continues to gain ground as a method by which freight forwarders will access equipment.

The European rail leasing market is continuing to develop positively driven by concessions given to market participants, government funding constraints and growth in rail passenger volume. A number of private operators are entering into 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 is very positive with high and rapidly increasing congestion threatening to increase the gap between potential and actual production levels. In relation to environmental concerns, in particular the high level of freight on European roads, are gaining momentum in support of rail.

Alternative Assets

The music publishing industry continues to grow in size and investor understanding, with Colonial First State recently purchasing the "Dreamworks" catalogue which will be included in their First State Media Fund, comprising of music copyright assets to institutional investors. BBSFF believes that greater institutional investment in the sector is a positive development, with the potential over time to generate increased demand for the asset class.

The market for single obligor structured loans remains active, resultant from the continued relatively strong business cycle and the tightening of available leverage in the buy out market – and the virtual elimination of second lie loans. Investments in this sector are opportunistic, but very abundant.

Loan Portfolio and Securitisation Assets

BBSFF's exposure to this sector is limited to the Australian and European securitisation markets.

In Australia, economic conditions remain sound. Continued strong employment conditions, and stable housing prices are expected which should limit defaults and losses that may be incurred on defaulting loans. Accordingly, BBSFF will continue to leverage its relationship with the Ancora Group and its strategic partners in Australia to selectively access quality loan portfolio and securitisation transactions. With a slow down in house price growth and uncertain economic conditions in the UK, BBSFF will only make further investment in the UK mortgage sector when accretive opportunities exist subject to market conditions and risk assessment. Performance of existing UK mortgage backed securities will largely be a function of prepayment and loss rates which will in turn be driven by embedded house price appreciation, future house price changes, the ability of borrowers to refinance and interest rate movements.

In the first half of 2007, European leveraged loans were being concluded with debt ratios towards the high end of historical levels with some spread contraction. However a market dislocation since mid June has

seen spreads widen in the secondary market with opportunities to purchase high quality loans at a discount. BBSFF believes that economic conditions in Europe remain conducive to sound performance and over the course of 2007, the credit performance of borrowers has been strong. Accordingly, BBSFF will continue to assess the European CLO market.

A strategic review is being undertaken in order to determine 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 decision.

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 during the quarter however with the acquisition of the Music Copyright Assets the following accounting policy has been adopted:

Intangible assets

Music Copyright Catalogues

Acquired music copyright catalogues are initially capitalised at an amount which includes the contracted purchase price and other directly attributed costs of preparing the asset for its intended use. Music copyright catalogues are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the Income Statement using the straight-line method over the estimated useful lives of the catalogues which is expected to be no greater than 35 years. Costs associated with holding the music copyright catalogues are recognised as an expense when incurred.

The amortisation period and amortisation method of intangible assets are reviewed at least quarterly. The effects of any revision of the amortisation period or amortisation method are included in the Income Statement for the financial period in which the change arises.

DIVIDENDS

The 2007 final dividend of 6.00 Singapore cents per ordinary share declared in respect of the period from 1 July 2007 to 31 December 2007 is expected to be paid on 14 March 2008 and amounts to S\$23.3 million.

The interim dividend of 5.23 Singapore cents per ordinary share in respect of the period from Listing to 30 June 2007 was paid on 14 September 2007 and amounted to S\$20.1 million.

	Final dividend 2007	Interim dividend 2007*
Ordinary shares		
Dividends per share	6.00	5.23
Dividends paid/declared (\$'000)	23,258	20,060

* The interim dividend was in respect of the period from Listing to 30 June 2007

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

On 15 November 2007, 1,438,441 new shares were issued to Babcock & Brown Structured Finance Management Pty Ltd in satisfaction of the base management fees for the quarter ended 30 September 2007. Following the issuance of the new ordinary shares, the total shares in issue was 387,630,166.

INTERESTED PERSON TRANSACTIONS

(a) DIRECTORS

The following persons were directors of BBSFF during the financial period:

		Date of Appointment
Richard Lees Umbrecht	Executive Director & Chairman	14 August 2006
James Fantaci	Executive Director	14 August 2006
Tara Leonard Railton	Independent Director & Deputy Chairman	25 October 2006
Joel Peter Schaefer	Independent Director	25 October 2006
Dilhan Pillay Sandrasegara	Independent Director	25 October 2006
Soon Kie Lee	Independent Director	25 October 2006
Sylvia Ann Wiggins	Alternate Executive Director to James Fantaci	12 March 2007

BBSFF was incorporated on 24 April 2006 however the Company was not organised until 14 August 2006 at which time the first directors of BBSFF were appointed.

(b) DIRECTORS REMUNERATION

Richard Umbrecht and James Fantaci are executive directors of BBSFF, and are not entitled to any remuneration from BBSFF, other than reimbursement of expenses incurred on behalf of BBSFF, such as travel costs and accommodation.

Tara Leonard Railton, Joel Peter Schaefer, Dilhan Pillay Sandrasegara and Lee Soon Kie are each entitled to an initial annual directorship fee of US\$50,000 per annum, paid quarterly in arrears. The maximum aggregate amount of fees payable to the directors in respect of one year is the number of directors appointed at the relevant time multiplied by US\$70,000. A total of US\$200,000 has been paid by BBSFF in respect of the year ended 31 December 2007.

(c) THE MANAGER

Babcock & Brown Structured Finance Management Pty Ltd ("The Manager") of BBSFF was appointed by the Company as the sole and exclusive manager pursuant to two management agreements dated 12 December 2006.

The following relationships and transactions with the Manager exist:

	Group 2007 S\$'000	Group 2006 S\$'000
Transactions		
Base management fees	5,743	157
Incentive fee	-	-
Structuring fee	-	-
Acquisition fee	2,607	-
Divestment fee	1,502	-
Equity raising fee	-	-
Debt raising fee	150	-
Dividends	8	-

	Group As at 31 December 2007 S\$'000	Company As at 31 December 2007 S\$'000	Group As at 31 December 2006 S\$'000	Company As at 31 December 2006 S\$'000
Balances				
Accrued base management fees	1,436	1,436	157	157
Accrued acquisition fee	835	-	-	-
Accrued divestment fee	1,439	-	-	-
Dividend payable	253	253	-	-
Total liabilities payable to the Manager	3,963	1,689	157	157

The Manager holds 4,222,388 ordinary shares in the Company through its nominee, AGSO Property Pty Ltd ATF Babcock & Brown Prime Broking Trust. The Manager requested BBSFF to pay the base management fee for the year ended 31 December 2007 in the form of shares.

(d) BABCOCK & BROWN GROUP

Babcock & Brown Limited ("BBL") is the ultimate parent of the Manager. BBL and its subsidiaries ("the B&B Group") are an important source of acquisition opportunities and financial and acquisition advice.

The following transactions between the Company and its subsidiaries and the B&B Group took place during the year ended 31 December 2007:

Transactions

Class A Membership interest in BBRNA

On 6 April 2007 and 24 December 2007 Babcock & Brown Rail Fund No. 1 Limited paid US\$6.7m and US\$15m, respectively, to Babcock & Brown Rail North America Limited ("BBRNA") to increase its investment in BBRNA.

The acquisition fee in relation to the additional investment in BBRNA is disclosed in the previous section which relates to transactions with The Manager.

Music Copyright Catalogues

During 2007 BBSFF Music Copyright Holdings Ltd acquired a number of music copyright catalogues consisting of over 1,800 musical compositions. Spirit Music Group, Inc ("Spirit") acts as the sub-publisher for certain catalogues owned by BBSFF Music Copyright Holdings Ltd. Babcock & Brown Group owns 62% of the holding company of Spirit. As at 31 December 2007, there are fees payable of S\$0.5 million to Spirit (an interested person) under its sub-publishing agreement with BBSFF Music Copyright Holdings Ltd.

The acquisition base fees in relation to the music copyright catalogues acquired during the year are disclosed in the previous section dealing with transactions with the Manager.

Investment in Babcock & Brown Rail Investments Limited

On 31 December 2007, BBSFF EU Rail Lessor Limited paid EUR4.32 million to Babcock & Brown Rail Investments Limited to acquire a 35% interest. Babcock & Brown Rail Investments Limited is an associate of the Group as a result of this transaction.

The acquisition base fee in relation to the investment in CBRail is disclosed in the previous section dealing with transactions with the Manager.

Monetisation of investment in JET-i Holdings LLC and partial reinvestment in B&B Air

On 27 September 2007, the Company monetised its investment in JET-i Holdings LLC for a realised net gain of US\$17.1million and, along with other JET-i Holdings investors, BBSFF reinvested a sum of the proceeds from the monetisation of its investment into B&B Air Limited which was a wholly owned subsidiary of the Babcock & Brown Group, prior to the listing of B&B Air Limited on the New York Stock Exchange on 27 September 2007. As at 31 December 2007, BBSFF held 1,051,010 ordinary shares in B&B Air Limited.

Babcock & Brown Aircraft Lessor No. 2

The Company paid US\$25,000 per aircraft (US\$50,000 in total) to Babcock & Brown Aircraft Management LLC in relation to its lease management of the First Choice aircraft. Babcock & Brown Aircraft Management LLC is wholly owned by the Babcock & Brown Group and operates its aircraft leasing business.

Over-allotment

The Company paid a fee of S\$0.8 million to the Babcock & Brown Group in connection with the exercise of the Over-Allotment Option as per the IPO Structuring Mandate Letter dated 12 December 2006.

Dividends

The Company paid a total of S\$2.0 million to the Babcock & Brown Group (excluding the Manager) in relation to the interim dividend payment in September 2007.

CONTRACTUAL ARRANGEMENTS

At the time of the acquisition of the initial music copyright assets the Company entered into a Music Catalogue Introduction Agreement with the Spirit Music Group ("Spirit"). The Babcock & Brown Group has a majority interest in Spirit resulting in transactions between Spirit and the Company being deemed related party transactions. Under the terms of the Music Catalogue Introduction Agreement, Spirit may be entitled to certain fees and profits on music copyright assets introduced to the Company by Spirit.

SUBSEQUENT EVENTS

The Babcock & Brown Group has purchased an additional 11,320,000 ordinary shares in the capital of the Company on 31 January 2008. It has also increased its deemed equity interest in BBSFF as a result of an allotment of 1,785,794 ordinary shares in BBSFF on 20 February 2008. The allotment was made to AGSO Property Pty Ltd ATF Babcock & Brown Prime Broking Trust, the nominee of the Manager, to satisfy the Company's obligation to pay the Manager's base fees for the quarter ended 31 December 2007. Babcock & Brown Group's deemed equity interest has thereby increased to 55,668,960 shares, or approximately 14.30% of the issued share capital of BBSFF.

Following the allotment noted above, the total number of issued shares in BBSFF was 389,415,960.

CONSOLIDATED INCOME STATEMENT

	Group quarter ended 31 Dec 07 S\$'000 Unaudited	Group year ended 31 Dec 07 S\$'000 Unaudited	Group quarter ended 31 Dec 06 S\$'000 Unaudited	Group period ended 31 Dec 06 S\$'000 Unaudited
Revenue				
Distribution income	-	1,771	354	354
Interest income	10,022	43,651	2,057	2,057
Rental income	1,372	5,726	160	160
Guarantee fee income	1,178	4,732	251	251
Net foreign exchange gains	-	9,750	3,013	3,013
Royalty income	1,055	3,254	-	-
Other operating income	27,367 ¹	27,367	57,862 ²	57,862
Total revenue	40,994	96,251	63,697	63,697
Expenses				
Management fees	(1,452)	(5,821)	(157)	(157)
Depreciation and amortisation	(697)	(2,579)	(44)	(44)
Finance costs	(3,814)	(16,300)	(403)	(403)
Net foreign exchange loss	(156)	-	-	-
Other operating expenses	(1,311)	(3,031)	(181)	(181)
Total expenses	(7,430)	(27,731)	(785)	(785)
Share of gain / (loss) in equity accounted investment	1,243	304	(2)	(2)
Profit before tax	34,807	68,824	62,910	62,910
Income tax expense	(309)	(106)	(2)	(2)
Profit after tax	34,498	68,718	62,908	62,908
Basic earnings per share (cents per share)	8.92	17.93	1.34	3.68
Diluted earnings per share (cents per share)	8.90	17.89	1.34	3.68

¹ Included within this amount is the realised net gain from the monetisation of BBSFF's investment in JET-i Holdings LLC of approximately US\$17.1 million (S\$25.7 million) in total.

² Included within this amount is the revaluation income from the Asset Call Option of S\$57.8 million. This income was recognised prior to the listing of BBSFF and therefore was not included in the Prospectus forecast.

BALANCE SHEET

	Group As at 31 Dec 07 S\$'000 Unaudited	Group As at 31 Dec 06 S\$'000 Unaudited	Company As at 31 Dec 07 S\$'000 Unaudited	Company As at 31 Dec 06 S\$'000 Unaudited
Assets				
Cash and cash equivalents ¹	126,471	64,953	27,015	400
Available for sale financial assets	116,082	123,728	-	-
Loans and receivables	148,439	148,866	-	-
Guarantee fees receivable	4,971	7,659	-	-
Aircraft	41,266	45,551	-	-
Investment in subsidiary	-	-	333,291	355,099
Equity accounted investments	74,989	48,953	-	-
Intangible assets – music copyright assets	80,522	-	-	-
Deferred tax assets	2,909	1	-	-
Other assets	1,107	1,587	5,151	1,515
Total assets	596,756	441,298	365,457	357,014
Liabilities				
Guarantee fees payable	4,774	7,643	-	-
Interest bearing liabilities	245,788	127,737	13	41
Deferred tax liabilities	-	3	-	-
Intercompany payable	-	-	2,161	-
Other liabilities	36,812	2,105	24,694	533
Total liabilities	287,374	137,488	26,868	574
Net assets attributable to shareholders	309,382	303,810	338,589	356,440
Shareholders equity	309,382	303,810	338,589	356,440
Net assets per share (\$ per share)	0.79	0.85	0.87	0.99
Net tangible assets per share (\$ per share) ²	0.59	0.85	0.87	0.99

¹ Cash and cash equivalents for the Group as at 31 December 2007 is comprised of S\$88.8 million of short-term deposits used to support cash-backed letters of credit in connection with the AGSO loan guarantee and the Ancora commercial paper program.

² Net tangible assets per ordinary share is derived by dividing the net assets as disclosed in the balance sheet of the Group excluding the intangible assets – music copyright assets by the number of ordinary shares on issue as at the end of the accounting period.

STATEMENT OF CASH FLOWS

	Group quarter ended 31 Dec 2007 S\$'000	Group year ended 31 Dec 2007 S\$'000	Group quarter ended 31 Dec 2006 ¹ S\$'000	Group period ended 31 Dec 2006 ¹ S\$'000
Cash flows from operating activities				
Operating costs	(566)	(6,110)	-	-
Interest income	12,563	42,985	9	9
Guarantee fee income	1,307	5,741	-	-
Distribution income	1,858	6,126	-	-
Rental income	436	1,789	-	-
Net cash inflow from operating activities	15,598	50,531	9	9
Cash flows from investing activities				
Acquisition of subsidiary	-	-	113,005	113,005
Disposal of available for sale assets	58,129	58,129	-	-
Investment in equity accounted investments	(32,398)	(42,646)	(49,166)	(49,166)
Purchase of intangible assets	(33,797)	(80,301)	-	-
Purchase of financial assets	(18,028)	(174,112)	(8,733)	(8,733)
Loan repayments received	12,515	139,149	2,030	2,030
Net cash (outflow) / inflow from investing activities	(13,579)	(99,781)	57,136	57,136
Cash flows from financing activities				
Proceeds from issue of ordinary shares	-	25,268	-	-
Proceeds from borrowings	24,343	116,446	6,158	6,158
Capital raising costs	-	(1,713)	-	-
Borrowing costs paid	(3,450)	(12,410)	(4)	(4)
Dividends paid	-	(20,060)	-	-
Net cash inflow from financing activities	20,893	107,531	6,154	6,154
Net increase in cash and cash equivalents	22,912	58,281	63,299	63,299
Cash and cash equivalents at beginning of year / period	108,613	64,953	-	-
Effects of exchange rate changes on cash and cash equivalents	(5,054)	3,237	1,654	1,654
Cash and cash equivalents at end of year / period	126,471	126,471	64,953	64,953

¹ The comparatives have been restated using the direct method.

Non Cash Financing activity

Not included in the Statement of Cash Flows is the purchase of 1,051,010 ordinary shares at US\$23 per share in B&B Air Limited amounting to US\$24.2 million from the reinvestment of the net proceeds from the monetisation of the investment in JET-i LLC Holdings and the settlement of the base management fees (S\$4.5 million) with the Manager during the year via the issuance of new shares.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders equity of the Group for the quarter ended 31 December 2007	Share capital and reserves S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Total S\$'000	Group quarter ended 31 Dec 2006 S\$'000
Total equity at the beginning of the period	342,697	19,323	(15,374)	346,646	-
Profit for the period	-	34,498	-	34,498	62,908
Available for Sale financial assets revaluation reserve	(35,833)	-	-	(35,833)	-
Consolidation reserve	-	-	-	-	(57,745)
Equity accounting reserve	(2,163)	-	-	(2,163)	-
Foreign currency translation reserve	-	-	(11,939)	(11,939)	(5,925)
Total recognised income for the period	(37,996)	34,498	(11,939)	(15,437)	(762)
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital	-	-	-	-	304,772
Dividend for the period	-	(23,258)	-	(23,258)	(57,745)
Issue of share capital – Reinvestment of dividend	-	-	-	-	57,745
Listing costs	-	-	-	-	(200)
Issue of share capital – reinvestment of management fees	1,431	-	-	1,431	-
Total equity at the end of the period	306,132	30,563	(27,313)	309,382	303,810

Changes in shareholders equity of the Group for the year ended 31 December 2007	Share capital and reserves S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Total S\$'000	Group period ended 31 Dec 2006 S\$'000
Total equity at the beginning of the year/period	304,572	5,163	(5,925)	303,810	- ¹
Profit for the year	-	68,718	-	68,718	62,908
Available for Sale financial assets revaluation reserve	(20,757)	-	-	(20,757)	-
Consolidation reserve	-	-	-	-	(57,745)
Equity accounting reserve	(5,869)	-	-	(5,869)	-
Foreign currency translation reserve	-	-	(21,388)	(21,388)	(5,925)
Total recognised income for the year/period	(26,626)	68,718	(21,388)	20,704	(762)
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital	25,447	-	-	25,447	304,772
Transaction costs	(1,725)	-	-	(1,725)	-
Issue of share capital – reinvestment of management fees	4,464	-	-	4,464	-
Dividend for the year/period	-	(43,318)	-	(43,318)	(57,745)
Issue of share capital – Reinvestment of dividend	-	-	-	-	57,745
Listing costs	-	-	-	-	(200)
Total equity at the end of the year/period	306,132	30,563	(27,313)	309,382	303,810

¹ BBSFF was incorporated in Bermuda on 24 April 2006. Two ordinary shares of \$1.00 each have been issued as of the date of incorporation.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders equity of the Company for the quarter ended 31 December 2007	Share capital and reserves S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Company quarter ended 31 Dec 2006	
				Total S\$'000	S\$'000
Total equity at the beginning of the period	389,072	1,041 ²	(17,731) ²	372,382	- ¹
Profit for the period	-	487	-	487	58,895
Foreign currency translation reserve	-	-	(12,453)	(12,453)	(7,027)
Total recognised income for the period	-	487	(12,453)	(11,966)	51,868
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital	-	-	-	-	304,772
Dividend for the period	-	(23,258)	-	(23,258)	(57,745)
Issue of share capital – Reinvestment of dividend	-	-	-	-	57,745
Listing costs	-	-	-	-	(200)
Issue of share capital – reinvestment of management fees	1,431	-	-	1,431	-
Total equity at the end of the period	390,503	(21,730)	(30,184)	338,589	356,440

Changes in shareholders equity of the Company for the year ended 31 December 2007	Share capital and reserves S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Company period ended 31 Dec 2006	
				Total S\$'000	S\$'000
Total equity at the beginning of the year/period	362,317	1,150	(7,027)	356,440	- ¹
Profit for the year	-	20,438	-	20,438	58,895
Foreign currency translation reserve	-	-	(23,157)	(23,157)	(7,027)
Total recognised income for the year / period	-	20,438	(23,157)	(2,719)	51,868
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital	25,447	-	-	25,447	304,772
Transaction costs	(1,725)	-	-	(1,725)	-
Issue of share capital – reinvestment of management fees	4,464	-	-	4,464	-
Dividend for the year/period	-	(43,318)	-	(43,318)	(57,745)
Issue of share capital – Reinvestment of dividend	-	-	-	-	57,745
Listing costs	-	-	-	-	(200)
Total equity at the end of the year/period	390,503	(21,730)	(30,184)	338,589	356,440

¹ BBSFF was incorporated in Bermuda on 24 April 2006. Two ordinary shares of \$1.00 each have been issued as of the date of incorporation.

² The opening balances have been restated due to reclassification.

NET ASSET VALUE

	Group As at 31 Dec 07 S\$'000 Unaudited	Group As at 31 Dec 06 S\$'000 Unaudited	Company As at 31 Dec 07 S\$'000 Unaudited	Company As at 31 Dec 06 S\$'000 Unaudited
Net asset value				
Total net asset value (\$'000)	309,382	303,810	338,589	356,440
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	387,630	359,401	387,630	359,401
Net asset value per ordinary share (\$ per share)	0.79	0.85	0.87	0.99

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 Dec 07 S\$'000 Unaudited	Group year ended 31 Dec 07 S\$'000 Unaudited	Group quarter ended 31 Dec 06 S\$'000 Unaudited	Group period ended 31 Dec 06 S\$'000 Unaudited
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S\$'000)	34,498	68,718	62,908	62,908
Weighted average number of shares on issue used in calculation of basic earnings per share ('000)	386,927	383,316	46,878	17,114
Basic earnings per share (cents per share)	8.92	17.93	1.34	3.68
Diluted earnings per share				
Diluted earnings used in calculation of diluted earnings per share (\$'000)	34,498	68,718	62,908	62,908
Weighted average number of shares on issue used in calculation of diluted earnings per share ('000)	387,653	384,186	46,878	17,114
Diluted earnings per share (cents per share)	8.90	17.89	1.34	3.68

In future periods, shares may be issued to the Manager in lieu of management fees otherwise payable in cash. This will have a dilutive effect on Earnings per Share.

INTEREST BEARING LIABILITIES

	Group as at 31 Dec 2007 S\$'000	Group as at 31 Dec 2006 S\$'0000
Term loans ¹	110,520	29,908
Commercial paper notes ²	135,268	97,788
Other	-	41
Total interest bearing liabilities	245,788	127,737
Amount repayable in one year or less, or on demand	179,386	99,568
Amount repayable after one year	66,402	28,169
Total interest bearing liabilities	245,788	127,737
Amount secured	245,788	127,737
Amount unsecured	-	-
Total interest bearing liabilities	245,788	127,737

¹ The term loans are secured against the two Boeing 757-200 aircraft leased to First Choice Airways Ltd, the music copyright catalogues held by the Group and partially against the assets of the Company and its subsidiaries, BBSFF Asset Holdings Ltd; BBSFF Operating Lease Limited; BBSFF Loan Portfolio & Securitisation Limited; and BBSFF Alternative Assets Limited.

² Under the LC Procurement Agreement dated 27 October 2006, between BBSFF and Ancora Group, BBSFF has agreed to procure letters of credit from a bank rated A1+ by Standard & Poor's to support the commercial paper program which Ancora group has established.

SEGMENT REPORTING

The principal activity of the Group during the year was the investment in diversified structured finance assets around the world. The primary basis of segment reporting is geographical. At 31 December 2007, the Group had investments in the following geographical segments:

2007	UK and Europe S\$'000	United States S\$'000	Australia S\$'000	Total S\$'000
Geographical segments				
Year to 31 December 2007				
Revenue from continuing activities	8,487	50,472	36,175	95,134
Segment profit from continuing activities before tax	5,702	41,473	27,472	74,647
Unallocated revenue	-	-	-	1,117
Unallocated expenses	-	-	-	(6,940)
Net profit from continuing activities before income tax				68,824
Other segment items				
Depreciation and amortisation	513	2,066	-	2,579
Other non-cash expenses	1,473	10,564	-	12,037
As at 31 December 2007				
Segment assets	109,451	248,054	238,600	596,105
Unallocated assets	-	-	-	651
Consolidated total assets				596,756
Segment liabilities	63,933	57,969	140,042	261,944
Unallocated liabilities	-	-	-	25,430
Consolidated total liabilities				287,374

2006	UK and Europe S\$'000	United States S\$'000	Australia S\$'000	Total S\$'000
Geographical segments				
Period to 31 December 2006				
Revenue from continuing activities	1,309	1,027	3,497	5,833
Segment profit from continuing activities before tax	1,309	921	3,154	5,384
Unallocated revenue	-	-	-	57,865 ¹
Unallocated expenses	-	-	-	(339)
Net profit from continuing activities before income tax				62,910
Other segment items				
Depreciation and amortisation	-	44	-	44
Other non-cash expenses	-	60	339	399
As at 31 December 2006				
Segment assets	38,544	232,678	169,566	440,788
Unallocated assets	-	-	-	510
Consolidated total assets				441,298
Segment liabilities	-	29,912	107,043	136,955
Unallocated liabilities	-	-	-	533
Consolidated total liabilities				137,488

¹ This amount primarily relates to the revaluation of the Asset Call Option and is not attributable to any one geographical segment and therefore has been shown as unallocated revenue.

BREAKDOWN OF REVENUE

	Group S\$'000
Financial period from 1 January to 30 June 2007 (reviewed)	
Total revenue for the financial period from 1 January to 30 June 2007	36,021
Operating profit after tax for the financial period from 1 January to 30 June 2007	21,751
Financial period from 1 July to 31 December 2007 (unaudited)	
Total revenue for the financial period from 1 July to 31 December 2007	60,230
Operating profit after tax for the financial period from 1 July to 31 December 2007	46,967
Financial year from 1 January to 31 December 2007 (unaudited)	
Total revenue for the financial period from 1 January to 31 December 2007	96,251
Operating profit after tax for the financial period from 1 January to 31 December 2007	68,718
Financial period from date of incorporation to 30 June 2006 (unaudited)	
Total revenue for the financial period from date of incorporation to 30 June 2006	-
Operating profit after tax for the financial period from the date of incorporation to 30 June 2006	-
Financial period from 1 July to 31 December 2006 (unaudited)	
Total revenue for the financial period from 1 July to 31 December 2006	63,697
Operating profit after tax for the financial period from 1 July to 31 December 2006	62,908
Financial period from date of incorporation to 31 December 2006 (unaudited)	
Total revenue for the financial period from date of incorporation to 31 December 2006	63,697
Operating profit after tax for the financial period from date of incorporation to 31 December 2006	62,908