

Babcock & Brown Structured Finance Fund Limited

Annual General Meeting
Period ended 31 December 2006

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Introduction & Welcome



BBSFF Board and Manager Board

BBSFF Board Members

Richard Lees Umbrecht	Executive Chairman
James Fantaci	Manager Nominated Director
Tara Leonard Railton	Deputy Chairman
Joel Peter Schaefer	Director
Dilhan Pillay Sandrasegara	Director
Lee Soon Kie	Director
Sylvia Ann Wiggins	Alternate Director to James Fantaci

Management Team

Sylvia Ann Wiggins	Managing Director or CEO of the Manager
Julian Blackley	Chief Financial Officer of the Manager
Emma Yim	Legal Counsel of the Manager



Agenda

Item	Presenter
Chairman's Address	Richard Umbrecht
Managing Director's Address	Sylvia Wiggins
Questions from Shareholders	
Formal Proceedings	Richard Umbrecht
Refreshments	

For further information please contact:

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Investor Relations
+65 6309 4684



Chairman's Address



Listing of BBSFF in Singapore

Why launch the fund in Singapore?

Monetary Authority of Singapore/SGX
proactive in encouraging new listings

Depth of Singapore equity market

Access to capital markets outside Australia





BBSFF Overview

BBSFF seeks to invest in a portfolio of diverse assets and economic exposures which provides investors with an attractive yield and competitive rate of return



First listed fund for 2 of BNB's core business groups

Diversified portfolio of initial assets across 3 target sectors

Strategies to deliver growth in shareholder value



- 1 Attractive dividend
- 2 Potential for capital growth
- 3 Access to asset classes not readily available to most investors
- 4 Diversification amongst assets, currency, geography, industry and investment maturity
- 5 Babcock & Brown Group relationship



Highlights

2006 Results

Higher than originally forecasted in the Prospectus

Dividend

On track to meet or exceed our 2007 dividend projection

Over-allotment option

Company has accessed additional capital through the exercise of the over-allotment option

Increase in Debt Facility

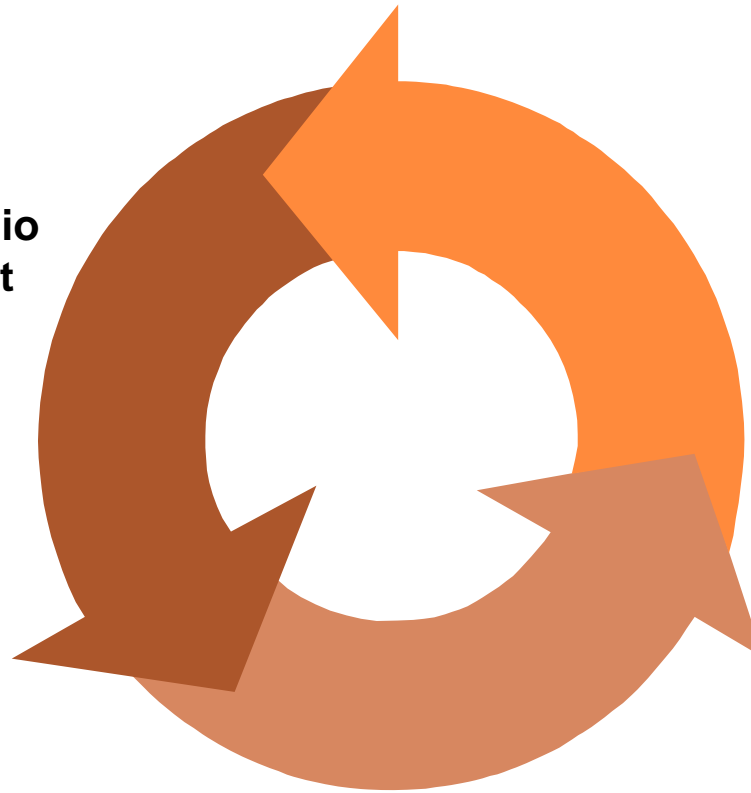
Company has also accessed additional capital through the increase of its Corporate Debt Facility



2007 Goals

**Active portfolio
management
strategy**

**Acquisition
growth strategy**



**Financing and risk
management strategy**



Babcock & Brown Group

BNB Group is an international investment and advisory firm

- Operates in 17 countries with 29 offices worldwide
- Employs over 1,100 staff
- Manages A\$44.1bn of assets including 9 funds listed on ASX, SGX and LSE
- Implied market capitalisation of more than A\$9.5bn
- 40% owned by senior staff



...with skilled expertise across the globe



BNB's co-investment philosophy

Prior to 2004 BNB was a private global partnership

BNB was listed on ASX in October 2004

Today BNB still retains a strong underlying co-investment philosophy.

40% of BNB owned by senior staff

10% of BBSFF owned by BNB

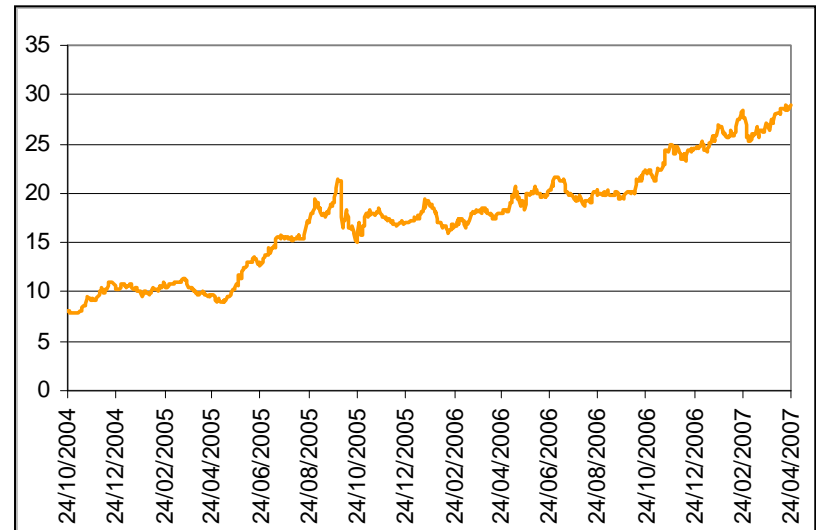
>8% of BBSFF owned by senior staff



manages the Company on the basis of a philosophy that it is managing its own money

BNB Share Price Performance

A\$ Closing Price





BNB has extensive investment & management expertise in BBSFF's asset classes

Operating Lease Assets



- **Aircraft** – Manages over 230 jets with value in excess of US\$6.0bn. 5th largest aircraft lessor in the world
- **North American rail** – Manages 17,500 rail cars with value in excess of US\$1.2bn. 7th largest railcar lessor in North America
- **European rail** – 50/50 JV in Europe with portfolio valued at €256m with €200m in new build orders. 4th largest private rail lessor in mainland Europe

Loan Portfolio and Securitisation Assets



- BNB is an active originator and manager of securitisations and specifically CDOs and MBS
- BNB owns a portfolio of equity and mezzanine debt positions in securitisation transactions
- BNB is an active originator in the specialty finance sector on a global basis

Alternative Assets

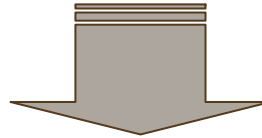


- BNB is active in the development and acquisition of a variety of renewable energy assets
- BNB has 30 years of experience in assessing risk and structuring such transactions and has the capability of originating such transactions across all of its business groups.
- BNB has recently acquired a substantial interest in a music publishing company to augment its team of music specialists and provide the opportunity to increase revenue from BBSFF's ownership of music copyright assets



Corporate Governance Framework

Key Principles of the Corporate Governance Framework



Adoption of the best practices and recommendations of the relevant stock exchange corporate governance guidelines

Composition of the board of each managed fund be predominantly independent

Creation of separate managers for each fund, including the Company

Compliance with the Babcock & Brown Code of Conduct

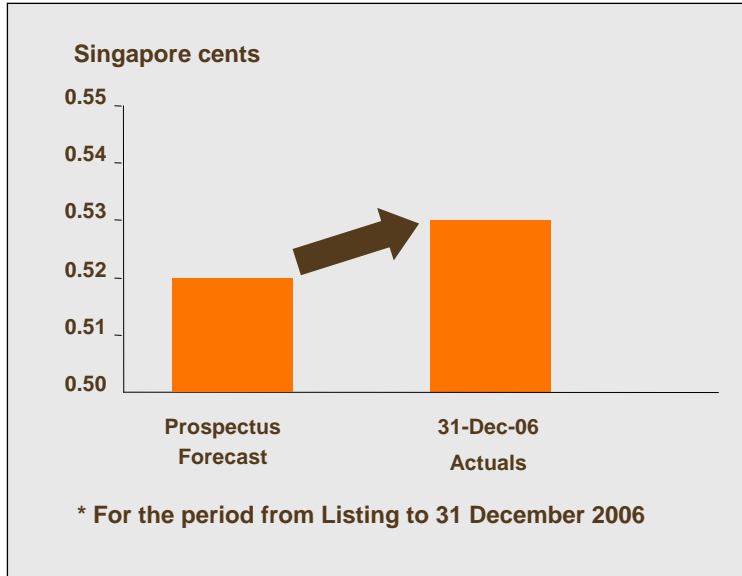


Managing Director's Address



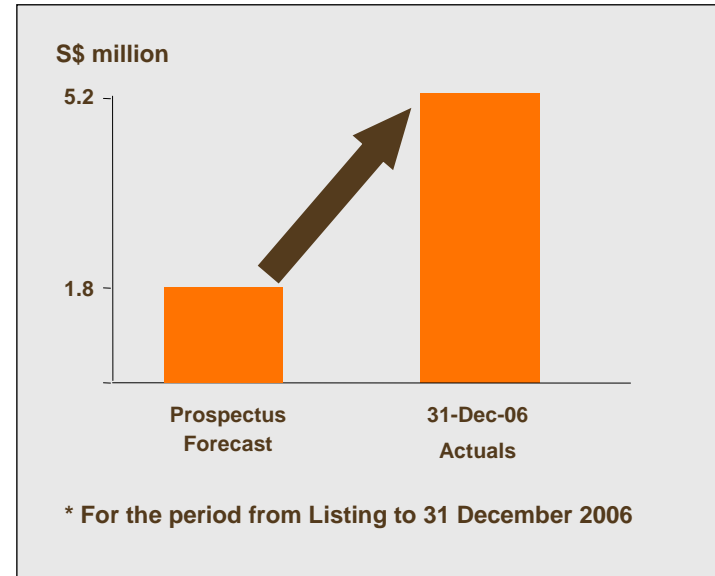
2006 Results

Cash Economic Income per Share*



- Increase primarily due to a higher outstanding balance for the Ancora – Seiza Warehouse Note Investment than forecast
- BBSFF remains confident of delivering the 2007 dividend projections

Net Profit After Tax*



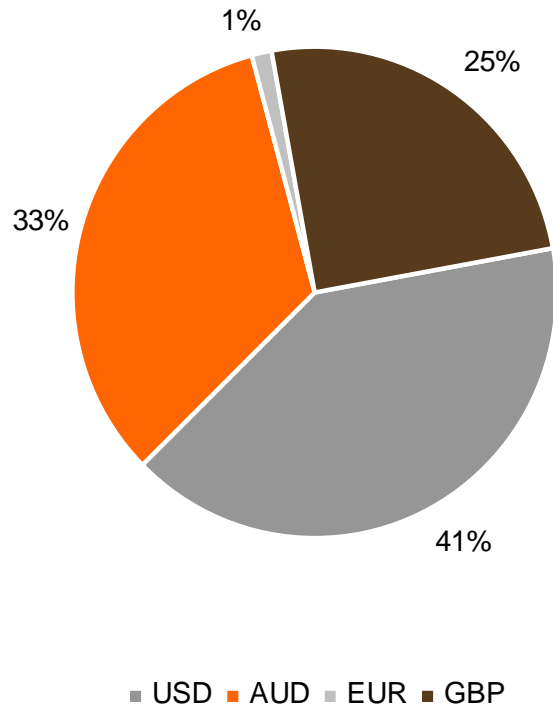
Increase largely due to:

- Foreign exchange gains
- A higher outstanding balance for the Ancora – Seiza Warehouse Note Investment than forecast

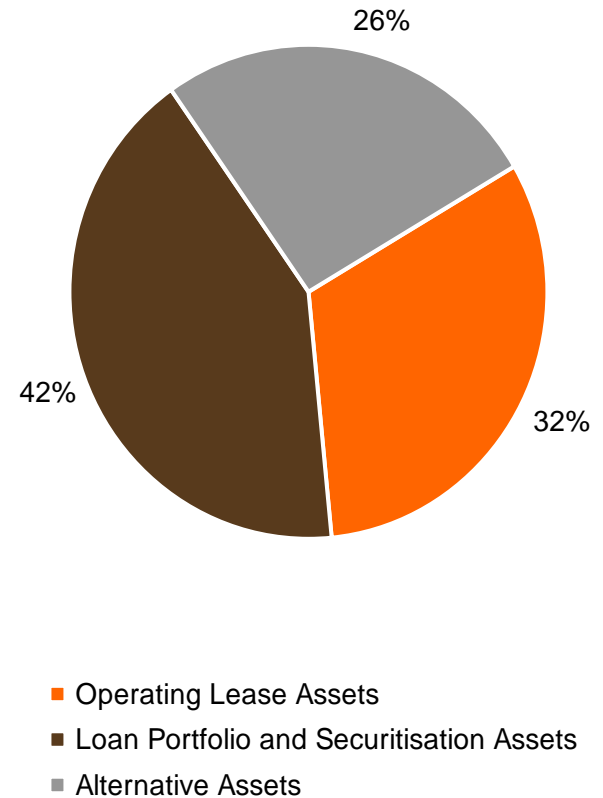


2006 Results

Cash Economic Income by Currency*



Cash Economic Income by Asset Class*

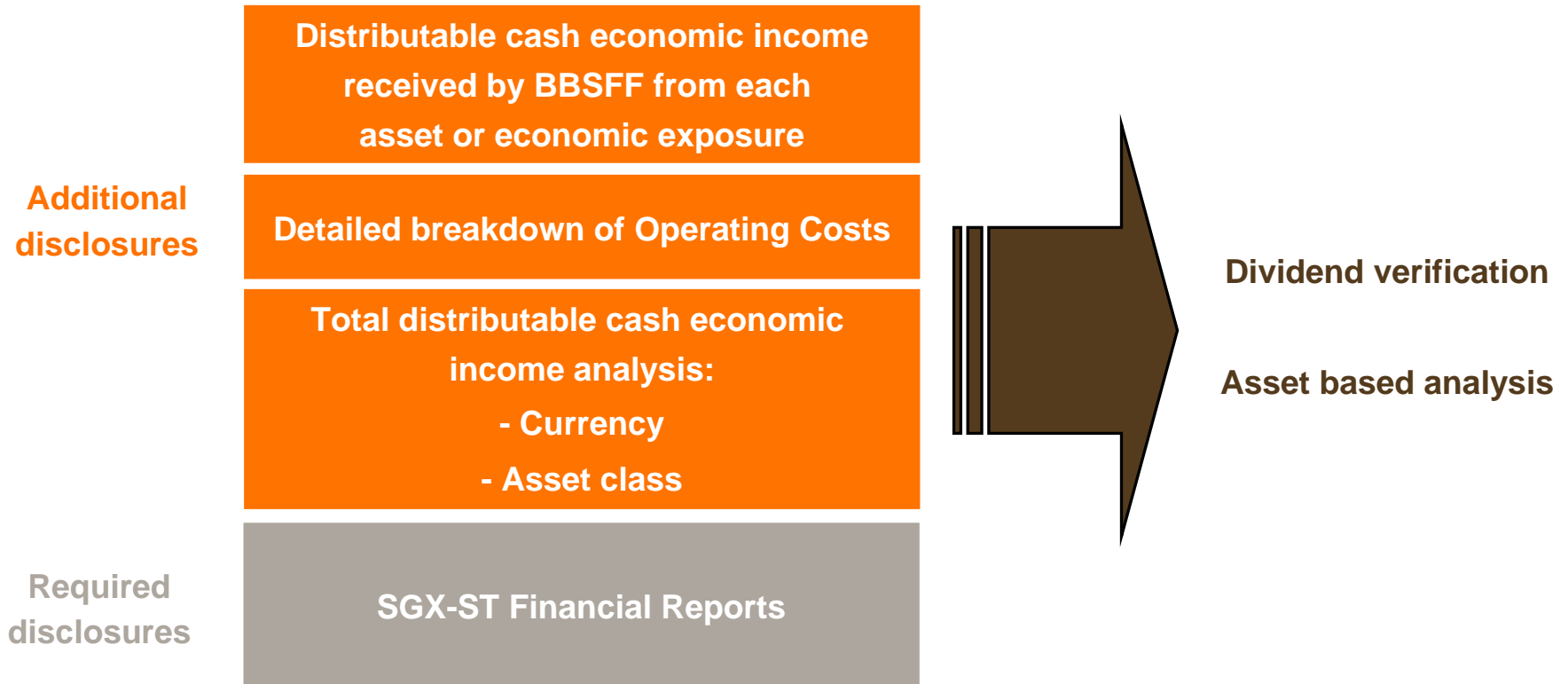


* Income and expenses not directly attributable to a particular currency or asset class have been pro-rated



Financial Information to be provided

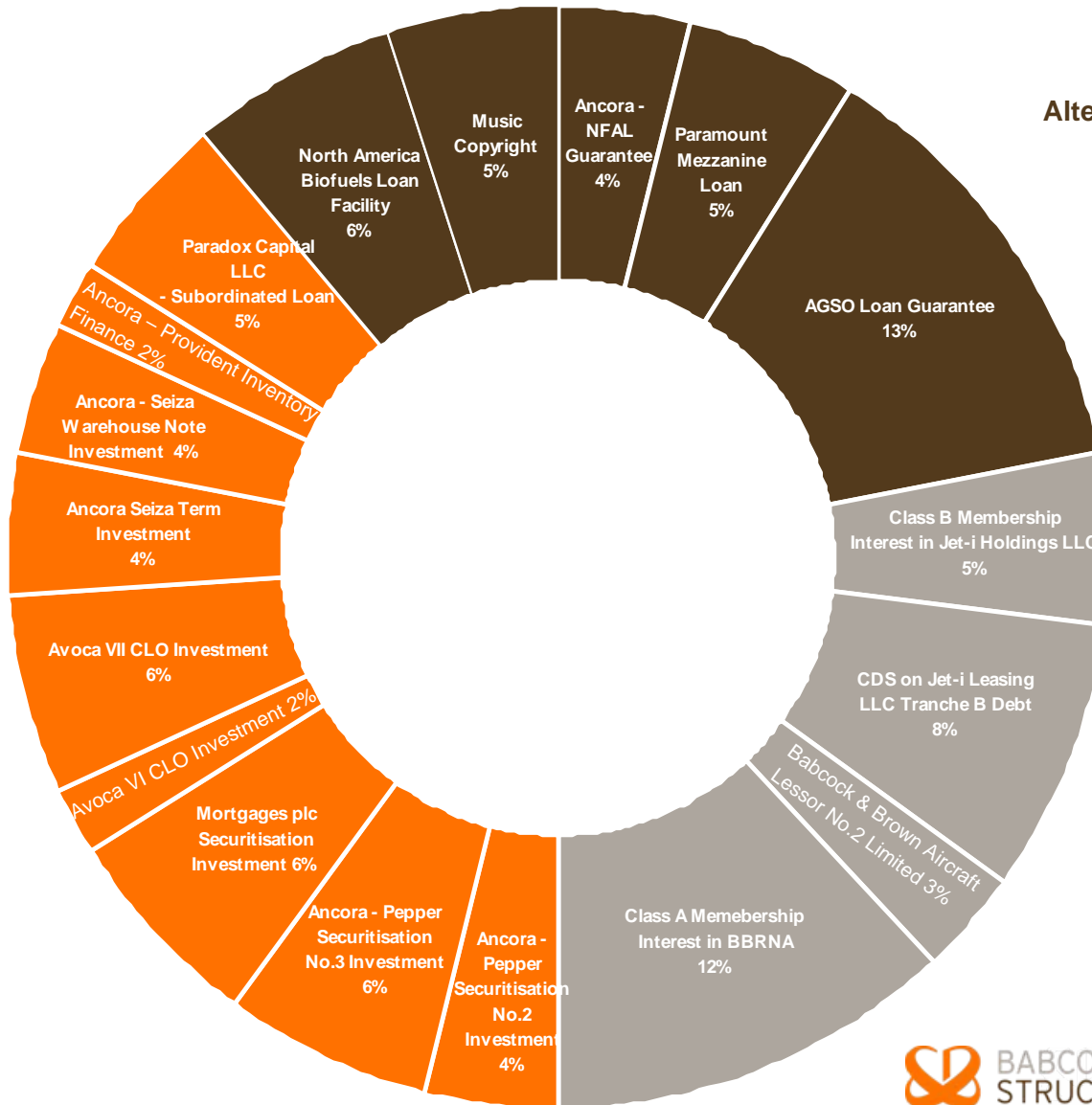
Each Half and Full Year Results Presentation will provide the following economic information in addition to SGX-ST required financial statements





Portfolio Composition

Loan Portfolio and Securitisation Assets



Alternative Assets

Operating Lease Assets



Operating Lease Assets



- Class B Membership interest in Jet-i Group is expected to be liquidated in the third quarter of 2007



- 2007 has already seen the acquisition of the fourth portfolio of leased railcars by BBRNA
- Yield on the investment is expected to be 9.5% current cash



- BBSFF contracted to become 35% foundation investor in CB Rail Operating Lease Group



- Anticipate the right to participate in further wholesale aircraft or railcar portfolios as they are formed by the Babcock & Brown Group



- Management team also continues to look at an investment in the shipping industry



Loan Portfolio & Securitisation Assets

BBSFF has already taken a number of new investments and economic exposures in the first quarter of 2007



Pepper 6

secured residential mortgages



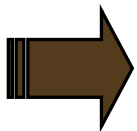
Seiza Augustus Term Securitisation

secured against Australian residential and commercial real property



Avoca VII CLO

transaction of European collateralised loans in Europe



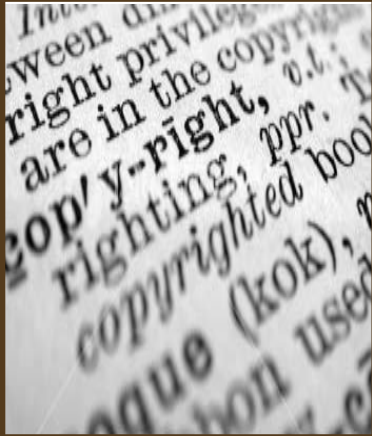
Each transaction represents a continuation of BBSFF's relationships with strategic partners



Alternative Assets

There are currently 3 main target asset classes:

Music Copyright Assets



- Investment of US\$28.5 million in close to 1000 musical compositions

Secured Loans in the alternative Energy Market



- Market environment for biofuels has deteriorated however BBSFF's investments are secured loans rather than equity investments

Single Obligor Structured Finance Loans



- BBSFF's two primary investments in this asset class continue to perform to expectation and provide strong cash flows to the Company
- Through the relationship with the Babcock & Brown Group, BBSFF continues to be presented with substantial opportunities for investment in this asset class



Outlook

1

Confident of meeting or exceeding 2007 dividend projections

2

Utilising available capital resources efficiently to fund future growth

3

Continue to look for not only acquisitions but divestments of assets



Formal Business



Summary Of Resolutions

1. Receive and adopt Financial Statements and Reports
2. Re-elect Joel Schaefer as Director
3. Re-elect Dilhan Pillay Sandrasegara as Director
4. Re-appointment of PricewaterhouseCoopers as auditor
5. Renew general mandate to issue new shares and other instruments



Resolution 1

FINANCIAL REPORT – BOTH GROUP AND COMPANY

To consider, and if thought fit, to pass the following resolution as an ordinary resolution

“That the consolidated financial report of the BBSFF Group and the separate financial report of the Company and the reports of the Directors and Auditor for the year ended 31 December 2006 be adopted.”



Resolution 2

ELECTION OF JOEL SCHAEFER

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Joel Schaefer, being a director of the Company who retires by rotation under Bye-law 56(f) of the Company’s Bye-laws and, being eligible, offers himself for re-election is re-elected as a director of the Company.”



Resolution 3

ELECTION OF DILHAN PILLAY SANDRASEGARA

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Dilhan Pillay Sandrasegara, being a director of the Company who retires by rotation under Bye-law 56(f) of the Company’s Bye-laws and, being eligible, offers himself for re-election is re-elected as a director of the Company.”



Resolution 4

RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That PricewaterhouseCoopers be re-appointed as the Company’s Auditor and that the Directors be authorised to fix its remuneration”



Resolution 5

RENEWAL OF GENERAL MANDATE TO ISSUE NEW SHARES AND OTHER INSTRUMENTS

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or*
(ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:*
 - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to Shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution does not exceed 20% of the issued shares in the capital of the Company (as calculated in accordance with paragraph (2) below);*

 - (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for:*
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and*
 - (ii) any subsequent consolidation or subdivision of shares; Notice of Annual General Meeting*

 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGXST) and the Bye-laws for the time being of the Company; and*

 - (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier”*



Questions



Thankyou

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