

Babcock & Brown Global Investments Limited

2008 Half Year Results
Period ended 30 June 2008

14 August 2008

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AGENDA

1. Half Year Highlights

2. Interim Financial Results

3. Portfolio Update

4. Outlook

For further information, please contact:

Edwin Hsu

Investor Relations

+65 6309 4684

edwin.hsu@babcockbrown.com

HALF YEAR HIGHLIGHTS

1. **STRONG CASH ECONOMIC INCOME**

Continued strong cash economic income from the portfolio despite the challenging and volatile market environment

2. **STRONG 1H 2008 DISTRIBUTION**

1H 2008 distribution of 5.2 Singapore cps, or 10.6% above 1H 2007 distribution¹

3. **REFINANCED CORPORATE DEBT FACILITY**

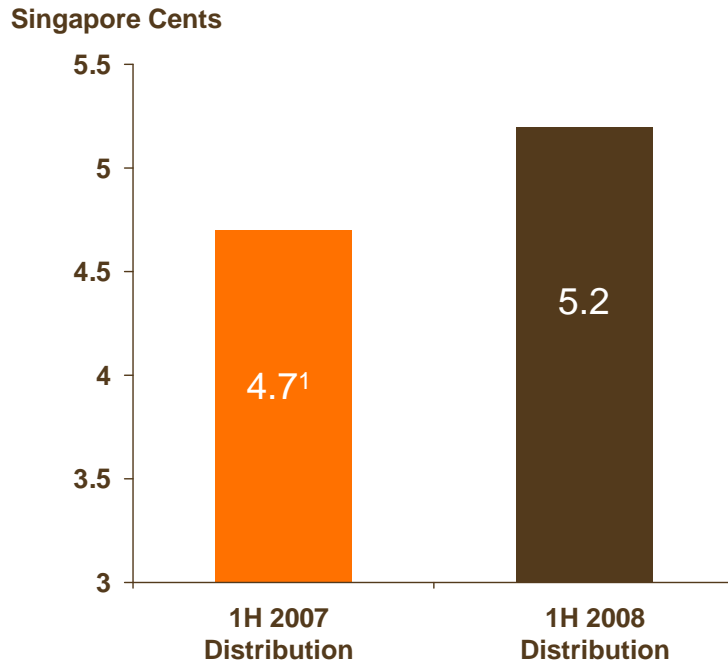
Successfully refinanced the corporate debt facility - no refinancing required from now until December 2009



¹ Excluding the component of the 1H 2007 distribution which related to the period from Listing to 31 December 2006

1H 2008 DISTRIBUTION TO SHAREHOLDERS

Distribution per share



- ❑ 1H 2008 Distribution of 5.2 cps declared (payable on 5 September 2008)

- ❑ Distribution Policy – “to pay out the majority of the economic income received from our investments, after... operating expenses”
 - Not dependent on accounting outcomes
 - Regular and timely distributions with high payout ratio with reference to cash economic income

¹ Excluding the component of the 1H 2007 distribution which related to the period from Listing to 31 December 2006 of 0.53 Singapore cps

DISTRIBUTION GUIDANCE

2H 2008 DISTRIBUTION GUIDANCE

- At least 3.0 Singapore cents per share
- Based on expected cash economic income in respect of 2H 2008
- No cash economic income assumed for BBRNA due to a refinancing requirement in December 2008

RELEVANT FACTORS

Contracted revenues

- More than 75% contracted revenues which provide economic income visibility for 2H 2008

Income hedging

- > 90% of 2H 2008 distribution guidance hedged into Singapore Dollars

Limited interest rate sensitivity

- Managed by natural hedging, i.e. matching fixed and variable incomes with fixed and floating rates, and equity investments with contracted income
- Insignificant impact to cash economic income from interest rate movements

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KEY FINANCIAL DATA FOR 1H 2008

Highlights	1H 2008	Comments
Total Revenue	S\$37.5 mil	Higher than 1H2007 by 4.1% of S\$36.0 mil
Cash Economic Income	S\$21.8 mil	Higher than 1H2007 by 14.7% of S\$19.0 mil
Net Profit After Tax	S\$(12.5) mil	Mainly impacted by impairment losses, i.e., non cash & accounting in nature. Does not impact distribution
Net Asset Value	S\$0.70	As above
1H 2008 Distribution	5.20 cps	Higher than 1H2007 by 10.6% of 4.7 cps
Gearing	~ 12.4% of GIV ¹	29.7% as at 31 Dec 07. Lower gearing deemed prudent in view of volatile and challenging market environment

¹ GIV is Gross Investment Value as defined in the Company's Listing Prospectus

CONSOLIDATED BALANCE SHEET

Balance Sheet	Group as at 30 Jun 08 S\$'000	Group as at 31 Dec 07 S\$'000	Change S\$'000
Assets			
Cash and cash equivalents ¹	95,852	126,471	(30,619)
Available for sale financial assets	80,347	116,082	(35,735)
Loans and receivables	132,194	148,439	(16,245)
Guarantee fee receivable	-	4,971	(4,971)
Aircraft	38,306	41,266	(2,960)
Equity accounted investments	69,800	74,989	(5,189)
Intangible assets – music copyright assets	75,683	80,522	(4,839)
Deferred tax assets	3,191	2,909	282
Other assets	2,342	1,107	1,235
Total Assets	497,715	596,756	(99,041)
Liabilities			
Guarantee fees payable	-	4,774	(4,774)
Interest bearing liabilities	196,505	245,788	(49,283)
Other liabilities	28,959	36,812	(7,853)
Total Liabilities	225,464	287,374	(61,910)
Net assets attributable to shareholders	272,251	309,382	(37,131)
Shareholders equity	272,251	309,382	(37,131)

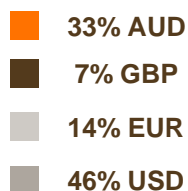
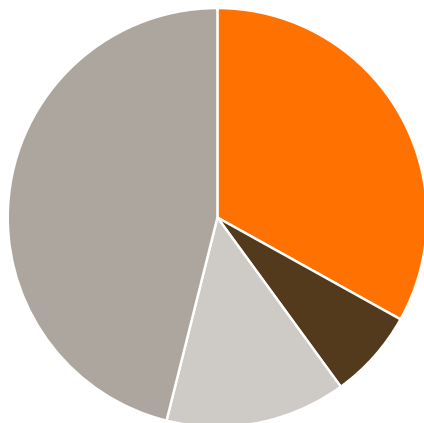
¹ Cash and Cash Equivalents for the Group as at 30 June 2008 is comprised of S\$83.7 million of short term deposits used to support cash-backed letters of credit in connection with the Ancora commercial paper program

CONSOLIDATED INCOME STATEMENT

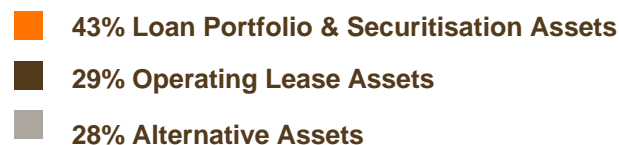
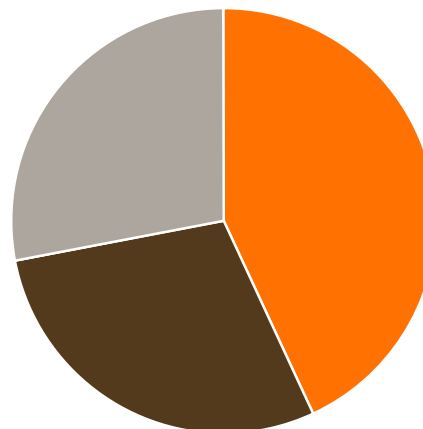
Income Statement	Group for the half year ended 30 Jun 08 S\$'000	Group for the half year ended 30 June 2007 S\$'000	Change S\$'000
Revenue			
Distribution income	-	1,141	(1,141)
Dividend income	1,449	-	1,449
Interest income	19,800	21,350	(1,550)
Rental income	2,619	2,919	(300)
Guarantee fee income	1,630	2,322	(692)
Net foreign exchange gains	5,593	7,182	(1,589)
Royalty income	3,522	1,107	2,415
Other operating income	2,872	-	2,872
Total Revenue	37,485	36,021	1,464
Expenses			
Management fees	(1,940)	(2,917)	977
Depreciation and amortisation	(1,790)	(1,156)	(634)
Finance costs	(9,128)	(7,429)	(1,699)
Other operating expenses	(34,592)	(1,605)	(32,987)
Total Expenses	(47,450)	(13,107)	(34,343)
Share of loss in equity accounted investment	(2,223)	(1,666)	(557)
(Loss) / Profit before tax	(12,188)	21,248	(33,436)
Income tax (expense) / benefit	(273)	503	(776)
(Loss) / Profit after tax	(12,461)	21,751	(34,212)
Basic earnings per share (cents per share)	(3.20)	5.71	(8.91)
Diluted earnings per share (cents per share)	(3.19)	5.70	(8.89)

CASH ECONOMIC INCOME FOR 1H 2008

Cash Economic Income by Currency¹



Cash Economic Income by Asset Class¹



Cash Economic Income is comprised of net income which is both referable to the period (i.e., 1 Jan 08 – 30 Jun 08) and is expected to be received prior to the distribution payment date, i.e. 5 Sept 08

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

¹ Income and expenses not directly attributable to a particular currency or asset class have been pro-rated based on Gross Investment Value

CASH ECONOMIC INCOME FOR 1H 2008

Base currency (\$m)

OPERATING LEASE ASSETS	Investment in B&B Air	USD 0.84*
	B&B Aircraft Lessor No.2 ¹	USD 0.61
	Class A Membership Interest in BBRNA	USD 2.36
	Babcock & Brown Rail Investments	EUR 0.30*
LOAN PORTFOLIO & SECURITISATION ASSETS	Ancora – Pepper Securitisation No.2 Investment ¹	AUD 0.44
	Ancora – Pepper Securitisation No.3 Investment ¹	AUD 0.68
	Ancora – Provident Cashflow Limited ¹	AUD 0.22
	Ancora – Seiza Augustus Series 2007 ¹	AUD 0.25
	Ancora – Seiza Warehouse Note Investment ¹	AUD 1.62
	Mortgages plc Securitisation Investment	GBP 0.51
	Paradox Capital LLC – Subordinated Loan	USD 0.83
	Avoca VI CLO Investment	EUR 0.22
	Avoca VII CLO Investment	EUR 0.78
ALTERNATIVE ASSETS	AGSO Loan Guarantee	AUD 2.01
	Paramount Mezzanine Loan	USD 1.13*
	Music Copyrights ¹	USD 1.15*

¹ Net of asset specific debt

* Includes estimated income expected to be received prior to the distribution payment date, i.e. 5 September 2008

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PORTFOLIO COMPOSITION AS AT 30 JUNE 2008

- By Gross Investment Value

Mortgages plc Securitisation – (6%)
B&B Aircraft Lessor No.2 – (4%)



Avoca VI CLO – (2%)
Avoca VII CLO – (8%)
CBRail – (3%)

Music Copyright – (12%)
a truly global asset

B&B Air shares listed on NYSE– (8%)
Class A Membership Interest in BBRNA – (19%)
Paramount Mezzanine Loan – (5%)



Ancora-Pepper Securitisation No.2 – (3%)
Ancora-Pepper Securitisation No.3 – (6%)
Ancora-Provident Cashflow Limited – (5%)
Ancora-Seiza Augustus Series 2007 – (5%)
Ancora-Seiza Warehouse Note – (14%)



OPERATING LEASE ASSETS

Summary	<ul style="list-style-type: none"> • Mission critical assets, leased to end users where BBGI receives: <ul style="list-style-type: none"> - rent - benefits of ownership e.g. increased rent / residual upside
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Attractions	<ul style="list-style-type: none"> • Stable contracted cash flows • Opportunity for capital appreciation by ownership of the asset • Ability to increase contracted lease cash flows through active lease management and remarketing
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Our Approach	<ul style="list-style-type: none"> • Invest only in sectors where B&B has deep expertise and strong management platform • Favourable medium-long term macroeconomic conditions • Amortise debt faster than expected depreciating value (increasing potential for capital lift on exit) • Residuals determined by third party values • Debt matches lease terms (maturity, coupon, currency)
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Our Assets	As at 30 June 2008	Description	Investment Date	Carrying Value (base currency)
	B&B Air Shares	Aircraft	27 Sep 2007	USD 10.5m
	B&B Aircraft Lessor No.2	Aircraft	IPO	USD 28.2m*
	Investment in BBRNA	Rail	IPO, 6 Apr & 24 Dec 2007	USD 32.0m
	Investment in CBRail	Rail	31 Dec 2007	EUR 5.6m

*Includes limited recourse debt of US\$18.1m

LOAN PORTFOLIO & SECURITISATION ASSETS

Summary

- Loans secured by multiple borrowers:
 - residential / commercial mortgages
 - pools of senior secured loans

Attractions

- Risk diversification
- Return enhancement through optimisation (structuring with originators)
- Capital structure with different risk profiles
- Attractive risk-return profile

Our Approach

- Invest only in sectors where B&B has deep expertise and strong management platform
- Invest with strategic partners / typically involved in deal structuring
- Favourable macroeconomic conditions
- Premier originator / servicers with at risk capital
- Expected returns calculated using historically conservative assumptions

Our Assets

As at 30 June 2008	Description	Investment Date	Carrying Value (base currency)
Ancora–Pepper Securitisation No.2 Investment	AU residential property	IPO	AUD 8.9m
Ancora–Pepper Securitisation No.3 Investment	AU residential property	26 Mar 2007	AUD 17.4m
Ancora–Provident Cashflow Limited	Inventory Financing	IPO	AUD 16.1m
Ancora–Seiza Augustus Series 2007	AU res & comm property	23 Apr 2007	AUD 12.9m
Ancora–Seiza Warehouse Note Investment	AU res & comm property	IPO	AUD 41.8m
Mortgages plc Securitisation Investment	UK residential property	IPO	GBP 5.5m
Avoca VI CLO Investment	Collateralised EU loan obligations	IPO	EUR 2.4m
Avoca VII CLO Investment	Collateralised EU loan obligations	5 Apr 2007	EUR 12.7m

ALTERNATIVE ASSETS

Summary	<ul style="list-style-type: none"> Relative value opportunities, focused on by private equity and institutional investors. Current focus: <ul style="list-style-type: none"> - music copyright assets - single obligor structured finance loans
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Attractions	<ul style="list-style-type: none"> Potential for attractive returns Potential to broaden investment community appeal to realise value Single obligor loans well priced in liquidity crisis Music copyright not adversely impacted by technology progress, piracy or interest rates
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Our Approach	<ul style="list-style-type: none"> Invest only in sectors where B&B has expertise and strong management platform Mispriced secured loan opportunities Creation of a quality portfolio of music copyright assets which can be sold in due course for shareholder value creation
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Our Assets	As at 30 June 2008	Description	Investment Date	Carrying Value (base currency)
	Paramount Mezzanine Loan	US property development loan	IPO	USD 17.5m
	Music Copyright Assets	Music catalogues	15 Mar, 2 Apr & 31 Dec 2007	USD 55.6m*

*Includes limited recourse debt of US\$30.5m

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MACROECONOMIC OUTLOOK

United States

- Economic slowdown continues
- US rates likely to remain on hold in short term
- Labour market continues to weaken
- US housing sector remains difficult

Australia

- Economic growth has slowed and further slowdowns expected which leads to speculation of a decline in interest rates late 2008 / early 2009
- Consumer and business confidence at decade lows
- House price appreciation has flattened overall and declined in certain areas
- RBA has opened way to consider interest rate cuts
- Growth outcomes will depend on decline (or not) of resources sector which is China dependent

United Kingdom

- Continued declines in the housing sector
- Continued declining in retail and consumer confidence
- Short-term inflation pressures are expected to ease
- Liquidity crisis remains deep and widespread

Mainland Europe

- Economic growth is slowing and some commentators are predicting significant decline and corporate difficulties
- Unemployment levels at 25 year lows
- July interest rate rise in response to continued inflationary pressures

COMPANY OUTLOOK

□ GLOBAL ECONOMIC CRISIS

- Market volatility, liquidity issues, economic slowdown and continued uncertainty exist in global markets and sectors and BBGI is and will continue to be affected by these conditions
- The crisis and its unknown depth and time-frame make predicting outcomes impossible

□ FUTURE DIRECTION AND GROWTH

- B&B Group is undertaking a strategic review of its listed funds which includes BBGI to remove gap between underlying asset values and current trading prices
- Continual operational focus on asset management to deliver and maximise returns to Shareholders and protect capital

□ DISTRIBUTION GUIDANCE

- 1H 2008 distribution of 5.2 cps declared, payable in early September 2008
- 2H 2008 distribution guidance of at least 3.0 cps - no cash economic income assumed for BBRNA due to a refinancing requirement in December 2008



QUESTIONS



THANK YOU

For further information, please contact:

Julian Blackley

+61 2 9229 1800

julian.blackley@babcockbrown.com

Level 23, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Edwin Hsu

+65 6309 4684

edwin.hsu@babcockbrown.com

Level 10, 21/22 UOB Plaza 2
80 Raffles Place
SINGAPORE 048624

Sylvia Wiggins

+61 2 9229 1800

sylvia.wiggins@babcockbrown.com

Level 23, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

www.bbglobalinvestmentslimited.com