



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

## **Condensed consolidated interim financial information 30 June 2009**

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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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## STATEMENT BY DIRECTORS

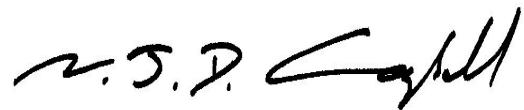
In the opinion of the Directors, the accompanying condensed statement of financial position of the Company as of 30 June 2009 and the related condensed statements of changes in equity of the Company for the three-month and the six-month period then ended, the condensed consolidated statement of financial position of the Group as of 30 June 2009 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the three-month and the six-month period then ended and other explanatory notes, are prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

On behalf of the Board of Directors



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Phil Mackey  
Chairman  
14 August 2009



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Nicholas Campbell  
Director  
14 August 2009

## CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	Group As at 30 Jun 09 S\$'000	Company As at 30 Jun 09 S\$'000	Group As at 31 Dec 08 S\$'000	Company As at 31 Dec 08 S\$'000
<b>Assets</b>					
Cash and cash equivalents		29,467 <sup>1</sup>	21,634	80,224	64,788
Available for sale financial assets		13,490	-	13,604	-
Loans and receivables		90,095	-	94,572	-
Aircraft		39,251	-	39,699	-
Investment in subsidiary		-	132,826	-	143,584
Equity accounted investments		-	-	22,081	-
Intangible assets – music copyright assets		-	-	69,776	-
Deferred tax assets		-	-	2,477	-
Other assets		236	-	972	709
<b>Total assets</b>		<b>172,539</b>	<b>154,460</b>	<b>323,405</b>	<b>209,081</b>
<b>Liabilities</b>					
Interest bearing liabilities	5	24,007	-	157,978	-
Intercompany payable		-	6,017	-	46,185
Other liabilities	6	9,618	9,529	9,041	6,510
<b>Total liabilities</b>		<b>33,625</b>	<b>15,546</b>	<b>167,019</b>	<b>52,695</b>
<b>Net assets attributable to shareholders</b>		<b>138,914</b>	<b>138,914</b>	<b>156,386</b>	<b>156,386</b>
<b>Equity</b>					
Share capital	4	393,844	393,844	393,844	393,844
Available for sale financial asset revaluation reserve		5,536	-	(1,044)	-
Consolidation reserve		(57,745)	-	(57,745)	-
Translation reserves		(30,952)	(33,531)	(32,350)	(35,019)
Retained earnings		(171,769)	(221,399)	(146,319)	(202,439)
<b>Total equity</b>		<b>138,914</b>	<b>138,914</b>	<b>156,386</b>	<b>156,386</b>

<sup>1</sup> Cash and cash equivalents of the Group at 30 June 2009 includes US\$3.0 million (S\$4.3 million) of restricted cash. Refer to the Contingencies note on page 15 for further information.

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000	Group Quarter ended 30 Jun 08 S\$'000	Group Half year ended 30 Jun 08 S\$'000
<b>Revenue</b>					
Distribution income		282	475	-	-
Dividend income		306	627	715	1,449
Interest income		2,669	6,058	9,463	19,800
Rental income		1,383	2,832	1,292	2,619
Guarantee fee income		-	-	-	1,630
Net foreign exchange gains		16,069	15,779	3,287	5,593
Royalty income		(360)	1,357	1,737	3,522
Gain on sale of investment		2,031	2,031	-	-
Other operating income		-	-	2,210	2,872
<b>Total revenue</b>		<b>22,380</b>	<b>29,159</b>	<b>18,704</b>	<b>37,485</b>
<b>Expenses</b>					
Management fees		(284)	(607)	(909)	(1,940)
Depreciation and amortisation		(414)	(1,328)	(883)	(1,790)
Finance costs		(1,800)	(4,240)	(3,949)	(9,128)
Impairment expense	7	382	(33,942)	(22,772)	(32,683)
Other operating expenses	8	(2,202)	(3,716)	(939)	(1,909)
<b>Total expenses</b>		<b>(4,318)</b>	<b>(43,833)</b>	<b>(29,452)</b>	<b>(47,450)</b>
<b>Share of loss in equity accounted investments</b>		-	-	(1,477)	(2,223)
<b>Profit / (Loss) before tax</b>		<b>18,062</b>	<b>(14,674)</b>	<b>(12,225)</b>	<b>(12,188)</b>
<b>Income tax expense</b>	9	<b>(162)</b>	<b>(2,922)</b>	<b>(311)</b>	<b>(273)</b>
<b>Profit / (Loss) after tax</b>		<b>17,900</b>	<b>(17,596)</b>	<b>(12,536)</b>	<b>(12,461)</b>
<b>Other comprehensive income / (loss)</b>					
Available for sale financial assets revaluation reserve		6,358	6,580	8,178	10,536
Equity accounting reserve		-	-	10,312	424
Foreign currency translation reserve		(7,599)	1,398	(4,727)	(17,752)
<b>Other comprehensive income / (loss) for the period after tax</b>		<b>(1,241)</b>	<b>7,978</b>	<b>13,763</b>	<b>(6,792)</b>
<b>Total comprehensive income / (loss) for the period attributable to shareholders</b>		<b>16,659</b>	<b>(9,618)</b>	<b>1,227</b>	<b>(19,253)</b>
<b>Basic earnings / (loss) per share (cents per share)</b>		<b>4.56</b>	<b>(4.48)</b>	<b>(3.22)</b>	<b>(3.20)</b>
<b>Diluted earnings / (loss) per share (cents per share)</b>		<b>4.56</b>	<b>(4.48)</b>	<b>(3.21)</b>	<b>(3.19)</b>

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Changes in shareholders' equity of the Group for the quarter ended 30 June 2009	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Con-solidation reserve S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Group Quarter ended 30 Jun 08 S\$'000
<b>Total equity at the beginning of the period</b>	393,844	(822)	(57,745)	(23,353)	(181,815)	130,109	290,338
Total comprehensive income / (loss) for the period	-	6,358	-	(7,599)	17,900	16,659	1,227
Transactions with equity holders in their capacity as equity holders: Issue of share capital – reinvestment of management fees	-	-	-	-	-	-	1,013
Dividend for the period	-	-	-	-	(7,854)	(7,854)	(20,327)
<b>Total equity at the end of the period</b>	<b>393,844</b>	<b>5,536</b>	<b>(57,745)</b>	<b>(30,952)</b>	<b>(171,769)</b>	<b>138,914</b>	<b>272,251</b>

Changes in shareholders' equity of the Group for the half year ended 30 June 2009	Note	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Con-solidation reserve S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Group Half year ended 30 Jun 08 S\$'000
<b>Total equity at the beginning of the period</b>		393,844	(1,044)	(57,745)	(32,350)	(146,319)	156,386	309,382
Total comprehensive income / (loss) for the period		-	6,580	-	1,398	(17,596)	(9,618)	(19,253)
Transactions with equity holders in their capacity as equity holders: Issue of share capital – reinvestment of management fees	4	-	-	-	-	-	-	2,449
Dividend for the period	11	-	-	-	-	(7,854)	(7,854)	(20,327)
<b>Total equity at the end of the period</b>		<b>393,844</b>	<b>5,536</b>	<b>(57,745)</b>	<b>(30,952)</b>	<b>(171,769)</b>	<b>138,914</b>	<b>272,251</b>

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the quarter ended 30 June 2009	Share capital S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Company Quarter ended 30 Jun 08 S\$'000
<b>Total equity at the beginning of the period</b>	393,844	(25,723)	(238,012)	130,109	349,980
Total comprehensive income / (loss) for the period	-	(7,808)	24,467	16,659	(15,875)
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital – reinvestment of management fees	-	-	-	-	1,013
Dividend for the period	-	-	(7,854)	(7,854)	(20,327)
<b>Total equity at the end of the period</b>	<b>393,844</b>	<b>(33,531)</b>	<b>(221,399)</b>	<b>138,914</b>	<b>314,791</b>

Changes in shareholders' equity of the Company for the half year ended 30 June 2009	Note	Share capital S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Company Half year ended 30 Jun 08 S\$'000
<b>Total equity at the beginning of the period</b>		393,844	(35,019)	(202,439)	156,386	338,589
Total comprehensive income / (loss) for the period		-	1,488	(11,106)	(9,618)	(5,920)
Transactions with equity holders in their capacity as equity holders:						
Issue of share capital – reinvestment of management fees	4	-	-	-	-	2,449
Dividend for the period	11	-	-	(7,854)	(7,854)	(20,327)
<b>Total equity at the end of the period</b>		<b>393,844</b>	<b>(33,531)</b>	<b>(221,399)</b>	<b>138,914</b>	<b>314,791</b>

The above condensed interim statement of changes in equity should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000	Group Quarter ended 30 Jun 08 S\$'000	Group Half year ended 30 Jun 08 S\$'000
<b>Cash flows from operating activities</b>					
Operating costs		(8,371)	(10,188)	(588)	(1,424)
Interest income		3,177	6,354	8,750	19,091
Guarantee fee income		-	-	818	1,840
Distribution income		282	475	1,860	3,251
Dividend income		244	501	572	1,159
Rental income		481	986	438	858
Royalty income		-	3,027	-	2,678
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(4,187)</b>	<b>1,155</b>	<b>11,850</b>	<b>27,453</b>
<b>Cash flows from investing activities</b>					
Investment in equity accounted investments		-	-	(2,748)	(3,062)
Net Sale / (Purchase) of intangible assets		67,245	67,245	(9)	(2,155)
Purchase of financial assets		-	-	(12,732)	(25,003)
Loan repayments received		6,819	13,214	35,218	54,469
<b>Net cash inflow from investing activities</b>		<b>74,064</b>	<b>80,459</b>	<b>19,729</b>	<b>24,249</b>
<b>Cash flows from financing activities</b>					
Net repayments of borrowings		(80,873)	(141,395)	(3,687)	(49,394)
Borrowing costs paid		(234)	(2,217)	(6,180)	(10,478)
Dividends paid		-	-	-	(23,258)
<b>Net cash outflow from financing activities</b>		<b>(81,107)</b>	<b>(143,612)</b>	<b>(9,867)</b>	<b>(83,130)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(11,230)</b>	<b>(61,998)</b>	<b>21,712</b>	<b>(31,428)</b>
Cash and cash equivalents at beginning of period		31,343	80,224	72,036	126,471
Effects of exchange rate changes on cash and cash equivalents		5,013	6,900	2,104	809
<b>Unrestricted cash and cash equivalents at end of period</b>		<b>25,126</b>	<b>25,126</b>	<b>95,852</b>	<b>95,852</b>
<b>Restricted cash and cash equivalents</b>	17	<b>4,341</b>	<b>4,341</b>	-	-
<b>Cash and cash equivalents at end of period</b>		<b>29,467</b>	<b>29,467</b>	<b>95,852</b>	<b>95,852</b>



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## SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1. General Information

Global Investments Limited ("GIL" or the "Company") was incorporated on 24 April 2006 as a mutual fund company limited by shares. The current address of its registered office is Penboss Building, 2<sup>nd</sup> Floor, 50 Parliament Street Hamilton HM 12 Bermuda. The Company and its subsidiaries together are referred to in this condensed consolidated interim financial information ("this report") as "the Group".

The Company is incorporated and domiciled in Bermuda and is publicly traded on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The principal activities of the Group consist of investing in a diversified portfolio of assets.

The activities of the Company and its subsidiaries are managed by Babcock & Brown Global Investments Management Pty Ltd (the "Manager") pursuant to two management agreements dated 12 December 2006.

The condensed consolidated interim financial statements were authorised for issue in accordance with a directors' resolution dated 13 August 2009.

### 2. Accounting Policies Application

This condensed consolidated interim financial information for the half-year ended 30 June 2009 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the financial year ended 31 December 2008.

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 Company and the Group, except as set out below:

#### Changes in Accounting Policy

The Group has changed its accounting policy relating to segment reporting as a result of the new accounting standard, IFRS 8 *Operating Segments*, which became operative for the annual reporting period commencing on 1 January 2009.

#### Segment Reporting

The Group has applied IFRS 8 *Operating Segments* from 1 January 2009. IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported geographical segments of United Kingdom and Europe, the United States and Australia are now by asset class; Operating Lease Assets, Loan Portfolio and Securitisation Assets and Alternative Assets.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which is the Board of Directors of the Company (the "Board").

Comparatives for 2008 have been restated.

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### **3. Segment Reporting**

#### **Description of segments**

The Board considers the Group from both an asset class and geographic perspective and has identified nine reportable segments. The asset classes consist of Operating Lease Assets, Loan Portfolio and Securitisation Assets and Alternative Assets. These asset classes are disaggregated into the geographical segments of the United Kingdom and Europe, the United States and Australia. Geographical segment is assessed by reference to currency.

Although the Alternative Assets segment does not meet the quantitative thresholds required by IFRS 8 at 30 June 2009, the Group has concluded that this segment should be reported, as financial information on this segment continues to be reported to the Board.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

30 June 2009



**Segment information provided to the Board**

The segment information provided to the Board for the reportable segments for the half year ended 30 June 2009 is as follows:

Group for the half year ended 30 June 2009	Operating Lease Assets			Loan Portfolio and Securitisation Assets			Alternative Assets			Other S\$'000	Total S\$'000
	UK and Europe S\$'000	United States S\$'000	Australia S\$'000	UK and Europe S\$'000	United States S\$'000	Australia S\$'000	UK and Europe S\$'000	United States S\$'000	Australia S\$'000		
Total segment revenue from continuing activities	441	3,459	-	667	-	16,015	3,798	1,958	1	2,820	29,159
Segment (loss) / profit from continuing activities before tax	440	(25,160)	-	(3,201)	-	11,374	2,011	827	1	(966)	(14,674)
<b>Group for the half year ended 30 June 2008</b>											
Total segment revenue from continuing activities	(21)	6,559	-	3,940	1,143	18,722	229	3,971	2,973	(31)	37,485
Segment (loss) / profit from continuing activities before tax	(212)	(16,148)	-	(7,338)	1,143	9,482	(1,267)	2,476	2,973	(3,297)	(12,188)
<b>Total segment assets</b>											
30 June 2009	-	51,320	-	13,782	-	77,992	-	-	-	29,445	172,539
31 December 2008	-	74,740	-	17,715	-	150,593	34,888	37,940	-	7,529	323,405

The Board assesses the performance of the operating segments based on the measure of segment (loss) / profit from continuing activities before income tax. This measure is currently the same as (loss) / profit before income tax from continuing operations.

#### 4. Share Capital

	Company As at 30 Jun 09 Number of shares '000	Par value S\$	Company As at 30 Jun 09 Share capital S\$'000
<b>Authorised share capital</b>			
Authorised share capital as at 1 January 2008	69,612,371	0.01	696,124
Movements in period to 30 June 2008	(3,277)	0.01	(33)
Movements in period 1 July 2008 to 31 December 2008	(1,732)	0.01	(17)
Movements in year to 31 December 2008	(5,009)	0.01	(50)
<b>Balance as at 31 December 2008</b>	<b>69,607,362</b>	<b>0.01</b>	<b>696,074</b>
Movements in period to 30 June 2009	-	0.01	-
<b>Total available authorised share capital for issue</b>	<b>69,607,362</b>	<b>0.01</b>	<b>696,074</b>

	Company As at 30 Jun 09 Number of shares '000	Share capital at par value S\$'000	Share premium reserve S\$'000	Company As at 30 Jun 09 Share capital S\$'000
<b>Issued and fully paid shares</b>				
Opening balance as at 1 January 2008	387,629	3,876	386,627	390,503
Issue of ordinary shares – reinvestment of management fees	3,277	33	2,416	2,449
Movements in period to 30 June 2008	3,277	33	2,416	2,449
Issue of ordinary shares – reinvestment of management fees	1,732	17	875	892
Movements in period 1 July 2008 to 31 December 2008				
Movements in year to 31 December 2008	5,009	50	3,291	3,341
<b>Total share capital as at 31 December 2008</b>	<b>392,638</b>	<b>3,926</b>	<b>389,918</b>	<b>393,844</b>
Movements in period to 30 June 2009	-	-	-	-
<b>Total share capital as at 30 June 2009</b>	<b>392,638</b>	<b>3,926</b>	<b>389,918</b>	<b>393,844</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of the shares held. Each shareholder is entitled to one vote for each share held on all matters submitted to a vote of shareholders.

All shares issued rank parri passu with previously issued shares. Details of the dividends can be found in Note 11.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2009



### 5. Interest bearing liabilities

	Group as at 30 Jun 09 S\$'000	Company as at 30 Jun 09 S\$'000	Group as at 31 Dec 08 S\$'000	Company as at 31 Dec 08 S\$'000
Term loans <sup>1</sup>	24,007	-	66,212	-
Commercial paper notes <sup>2</sup>	-	-	91,766	-
<b>Total interest bearing liabilities</b>	<b>24,007</b>	<b>-</b>	<b>157,978</b>	<b>-</b>
Amount repayable in one year or less, or on demand	1,939	-	95,380	-
Amount repayable after one year	22,068	-	62,598	-
<b>Total interest bearing liabilities</b>	<b>24,007</b>	<b>-</b>	<b>157,978</b>	<b>-</b>
Amount secured	24,007	-	157,978	-
Amount unsecured	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>24,007</b>	<b>-</b>	<b>157,978</b>	<b>-</b>

<sup>1</sup> The balance of the term loans has decreased during the quarter ended 30 June 2009 due to the full repayment and cancellation of the Bank of Ireland facility in connection with the sale of the Group's Music Copyright Assets on 7 April 2009 and the Company's corporate facility on 30 April 2009.

<sup>2</sup> Under the LC Procurement Agreement dated 27 October 2006, between GIL and the 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 30 June 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.

### 6. Other liabilities

	Group as at 30 Jun 09 S\$'000	Company as at 30 Jun 09 S\$'000	Group as at 31 Dec 08 S\$'000	Company as at 31 Dec 08 S\$'000
Base management fees payable to the Manager	266	266	336	336
Fees payable on monetisation of the Class B membership interest in JET-i Holdings LLC	-	-	3,583	-
Dividend payable	7,854	7,854	-	-
Other payables	1,498	1,409	5,122	6,174
<b>Total other liabilities</b>	<b>9,618</b>	<b>9,529</b>	<b>9,041</b>	<b>6,510</b>

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

30 June 2009



**7. Impairment expense**

	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000	Group Quarter ended 30 Jun 08 S\$'000	Group Half year ended 30 Jun 08 S\$'000
Class A Membership Interest in BBRNA	-	22,919	-	-
Investment in Babcock & Brown Air Limited	-	3,933	8,958	18,869
Seiza Augustus Note Investment – G Note	-	3,221	-	-
Avoca VII CLO Investment – F Note	-	2,194	-	-
Avoca VII CLO Investment – G Note	-	1,338	-	-
Avoca VI CLO Investment – M Note	-	337	-	-
Mortgages plc Securitisation Investment	-	-	10,803	10,803
Seiza Augustus Note Investment – NIM Note	-	-	3,011	3,011
Impact of movement in foreign exchange rates <sup>1</sup>	(382)	-	-	-
<b>Total other operating expenses</b>	<b>(382)</b>	<b>33,942</b>	<b>22,772</b>	<b>32,683</b>

<sup>1</sup> Reflects the movement in the base currencies of the Group's investments during the quarter.

**8. Other operating expenses**

	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000	Group Quarter ended 30 Jun 08 S\$'000	Group Half year ended 30 Jun 08 S\$'000
Professional fees	1,808	2,969	361	666
Investor relations expenses	120	132	155	282
Directors fees	71	109	49	138
Music copyright performance-based expenses	19	267	252	511
Other expenses	184	239	122	312
<b>Total other operating expenses</b>	<b>2,202</b>	<b>3,716</b>	<b>939</b>	<b>1,909</b>

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2009



9. Income tax expense

	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000	Group Quarter ended 30 Jun 08 S\$'000	Group Half year ended 30 Jun 08 S\$'000
<b>Income tax expense</b>				
Current tax	(162)	(351)	(882)	(1,029)
Deferred tax	-	(2,571)	571	756
<b>Total income tax expense</b>	<b>(162)</b>	<b>(2,922)</b>	<b>(311)</b>	<b>(273)</b>
<b>Tax expense on profit differs from the amount that would arise using the Bermuda standard rate of income tax due to the following:</b>				
Profit / (Loss) from continuing operations before income tax expense	18,179	(17,317)	(12,225)	(12,188)
Tax at the Bermuda tax rate of 0%	-	-	-	-
Difference in overseas tax rates	(162)	(2,922)	(311)	(273)
<b>Income tax expense</b>	<b>(162)</b>	<b>(2,922)</b>	<b>(311)</b>	<b>(273)</b>

The income tax expense for the half year ended 30 June 2009 has arisen from dividend withholding tax relating to Babcock & Brown Aircraft Lessor No. 1 Limited (S\$0.1 million), interest withholding tax relating to Global Investments Limited (S\$0.2 million), and the reversal of the deferred tax asset balance relating to the interest in BBRNA (S\$2.6 million).

The income tax expense for the half year ended 30 June 2008 has arisen from dividend withholding tax relating to Babcock & Brown Aircraft Lessor No. 1 Limited (S\$0.3 million), effectively connected income withholding tax relating to Babcock & Brown Aircraft Lessor No. 1 Limited and the investment in JET-i Holdings LLC (S\$0.7 million), offset by a S\$0.8 million benefit from temporary differences relating to the interest in BBRNA.

10. Earnings per share

	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000	Group Quarter ended 30 Jun 08 S\$'000	Group Half year ended 30 Jun 08 S\$'000
<b>Basic earnings / (loss) per share</b>				
Earnings / (loss) used in calculation of basic earnings / (loss) per share (S\$'000)	17,900	(17,596)	(12,536)	(12,461)
Weighted average number of shares on issue used in calculation of basic earnings / (loss) per share ('000)	392,638	392,638	389,498	388,966
<b>Basic earnings / (loss) per share (cents per share)</b>	<b>4.56</b>	<b>(4.48)</b>	<b>(3.22)</b>	<b>(3.20)</b>
<b>Diluted earnings / (loss) per share</b>				
Diluted earnings / (loss) used in calculation of diluted earnings / (loss) per share (\$'000)	17,900	(17,596)	(12,536)	(12,461)
Weighted average number of shares on issue used in calculation of diluted earnings / (loss) per share ('000)	392,638	392,638	390,907	390,200
<b>Diluted earnings / (loss) per share (cents per share)</b>	<b>4.56</b>	<b>(4.48)</b>	<b>(3.21)</b>	<b>(3.19)</b>

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2009



### 11. Dividends

On 4 June 2009 the Company declared a 2009 interim dividend of 2.00 cents per Share in respect of the period from 1 January 2009 to 30 June 2009. The 2009 interim dividend is expected to be paid on 20 August 2009.

The Company did not pay a final dividend in respect of the half year ended 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.

	Interim dividend 2009	Final dividend 2008
<b>Ordinary shares</b>		
Dividends per Share (cents)	2.00	-
Dividends paid/declared (\$'000)	7,854	-

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.

### 12. Net asset value

	Group as at 30 Jun 09 S\$'000	Company as at 30 Jun 09 S\$'000	Group as at 31 Dec 08 S\$'000	Company as at 31 Dec 08 S\$'000
<b>Net asset value</b>				
Total net asset value (\$'000)	138,914	138,914	156,386	156,386
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	392,638	392,638	392,638	392,638
<b>Net asset value per ordinary share (\$ per share)</b>	<b>0.35</b>	<b>0.35</b>	<b>0.40</b>	<b>0.40</b>

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.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

30 June 2009

**13. Commitments**

	Group as at 30 Jun 09 S\$'000	Group as at 31 Dec 08 S\$'000
<b>Capital and credit commitments</b>		
<b>Commitments for the acquisition of assets and economic exposure for at the reporting date but not recognised as liabilities payable</b>		
Within one year	3,286	783
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Total capital and credit commitments</b>	<b>3,286</b>	<b>783</b>
	<b>Group As at 30 Jun 09 S\$'000</b>	<b>Group as at 31 Dec 08 S\$'000</b>
<b>Lease Commitments – Operating Leases where a group company is a lessor</b>		
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are receivable as follows:</b>		
Within one year	5,557	5,515
Later than one year but not later than five years	15,745	18,385
Later than five years	-	-
<b>Total lease commitments – operating leases where a group company is a lessor</b>	<b>21,302</b>	<b>23,900</b>
	<b>Group As at 30 Jun 09 S\$'000</b>	<b>Group as at 31 Dec 08 S\$'000</b>
<b>Lease Commitments – Operating Leases where a group company is a lessee</b>		
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</b>		
Within one year	97	-
Later than one year but not later than five years	153	-
Later than five years	-	-
<b>Total lease commitments – operating leases where a group company is a lessee</b>	<b>250</b>	<b>-</b>

**14. Non-cash financing and investing activities****Group half year ended 30 June 2009**

The Group did not enter into any investing or financing transactions which did not require the use of cash or are not included in the Consolidated Statement of Cash Flows.

**Group half year ended 30 June 2008**

Not included in the Consolidated Statement of Cash Flows is the settlement of the base management fees (S\$2.4 million) to the Manager in respect of the quarters ended 31 December 2007 and 31 March 2008 via the issuance of new shares.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

30 June 2009

**15. Related-party transactions****Director's remuneration**

Phil Mackey and Julian Blackley are executive directors of GIL and are not entitled to any remuneration from GIL, other than reimbursement of expenses incurred on behalf of GIL, such as travel costs and accommodation.

Tara Leonard Railton, Joel Peter Schaefer, Dilhan Pillay Sandrasegara, Lee Soon Kie, Adrian Chan, Nicholas Campbell and Sanjiv Misra are each entitled to an annual directorship fee of US\$50,000 per annum, pro rated from the date of appointment and 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. At 30 June 2009 a total of US\$25,000 in directorship fees has been paid by GIL in respect of the period from 1 January 2009 to 30 June 2009 (Half year ended 30 June 2008: US\$50,000).

**The Manager**

Babcock & Brown Global Investments Management Pty Limited (the "Manager") of GIL 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:

	<b>Group Half year ended 30 Jun 09 S\$'000</b>	<b>Group Half year ended 30 Jun 08 S\$'000</b>
<b>Transactions</b>		
Base management fee	570	1,906
Expense Reimbursement <sup>1</sup>	590	-
Acquisition fee	-	39
Debt raising fee	-	245
Divestment fee	596	-
Dividends paid	-	253

	<b>Group as at 30 Jun 09 S\$'000</b>	<b>Company as at 30 Jun 09 S\$'000</b>	<b>Group as at 31 Dec 08 S\$'000</b>	<b>Company as at 31 Dec 08 S\$'000</b>
<b>Balances</b>				
Accrued base management fee	266	266	335	335
Dividend payable	185	185	-	-
Expense Reimbursement <sup>1</sup>	323	323	2,000	2,000
<b>Total liabilities payable to the Manager</b>	<b>774</b>	<b>774</b>	<b>2,335</b>	<b>2,335</b>

<sup>1</sup> The expense reimbursement relates to those costs which have been paid or are payable by the Manager on behalf of the Company and are required to be reimbursed by the Company pursuant to the management agreements between the Company and the Manager.

As at 30 June 2009 the Manager holds 9,230,308 (2008: 7,498,945) ordinary shares in the Company through its nominee, AGSO Property Pty Ltd ATF Babcock & Brown Prime Broking Trust.

## 16. Critical accounting estimates and judgments in applying accounting policies

GIL makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated on an ongoing basis and take account of historical experience and expectations of future events.

### (i) Fair value of Available for Sale financial assets

The fair values of Available for Sale financial assets that are quoted in active markets are determined by reference to published price quotations in an active market.

The fair values of Available for Sale financial assets that are not quoted in active markets are determined by using valuation techniques such as discounted cash flow analysis, valuation of similar investments and reference to recent sales transactions of the same or similar assets. A variety of assumptions such as prepayment rates, delinquency rates, credit spreads and loss rates are made which are based on historical data as well as current market conditions.

### (ii) Impairment of assets

The carrying values of all assets are reviewed on a quarterly basis for indications of impairment. Indicators such as changes in interest rates, creditworthiness of borrowers in the case of loans, performance of the investment, assessment of the performance of the underlying collateral, where applicable, and other asset-specific and industry and economic factors are considered as part of the assessment. To the extent that an indication of impairment is identified, a detailed assessment of the recoverable amount is performed.

### (iii) Special purpose entities

The Group has dealings with special purpose entities ("SPEs") primarily for the purpose of holding investments, for asset securitisation transactions and for buying or selling credit protection. The Group does not consolidate SPEs that it does not control. As it can sometimes be difficult to determine whether the Group does control an SPE, management makes judgements about the Group's exposure to the risk and rewards, as well as about the Group's ability to make operational decisions for the SPE in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over an SPE but when considered together make it difficult to reach a clear conclusion. In such cases, management makes judgements as to whether the Group does indeed control an SPE.

## 17. Contingencies

### Contingent Liabilities

In connection with the sale of the Music Assets, Bank of Ireland ("BOI"), the lender to BBSFF Music Copyright Holdings Limited ("BMCH") has asserted that it is entitled to be paid certain break costs of approximately US\$2.1 million (S\$3.1 million) arising from the repayment of the corresponding asset-level debt facility. The Company rejects this assertion. No provision in relation to BOI's claim has been recognised at 30 June 2009.

The Company has agreed with BOI the release of all but US\$3.0 million (S\$4.3 million) of the net proceeds received upon the sale of the Music Assets over which BOI asserted a security interest. Whilst this sum is included in the balance of Cash and cash equivalents for the Group at 30 June 2009 it is not readily available. The Company continues to liaise with BOI on this issue.

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## 18. Subsequent Events

### **Change of Company Secretary, Administrator and Registered Office**

On 3 July 2009 the Company announced the appointment of Ms Anne-Bennett-Smith as its Company Secretary and ISIS Fund Services Ltd as its Administrator. These appointments were effective 1 July 2009 and take over such roles from Ms Sasha Castle and Citi Hedge Fund Services, Ltd respectively.

As a result of these appointments, the Company's registered office and principal place of business changed to the following:

Penboss Building, 2nd Floor  
50 Parliament Street  
Hamilton, HM12, Bermuda

### **Disposal of Paramount Mezzanine Loan ("Paramount") Investment**

On 15 July 2009 the Company announced that it had finalised an agreement to dispose of the Group's investment in Paramount for consideration of US\$75,000. The Group's investment in Paramount has been acquired by the senior lenders to the Paramount project, namely Corus Bank, N.A. and iStar Tara LLC.

At 30 June 2009 the Group's investment in Paramount was recorded in the financial report at nil. The proceeds from the disposal of the Company's interest has therefore resulted in an accounting gain on sale of US\$75,000.

### **Repayment of Senior NIM Note in Pepper Securitisation No. 2 Investment ("Pepper 3")**

On 15 July 2009 the Group received payment in full for its investment in the Pepper 2 senior NIM note. This repayment was anticipated as disclosed in the 2008 Annual Report.

### **Update on the GIL Strategic Review**

On 7 August 2009 the Company announced that it had resolved to change the manager of the Company and to engage with one candidate in negotiations for its appointment as the new manager of the Company.

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF  
GLOBAL INVESTMENTS LIMITED (“COMPANY”) AND ITS SUBSIDIARIES (“GROUP”)**

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2009**

*Introduction*


We have reviewed the accompanying condensed statement of financial position of the Company as of 30 June 2009 and the related condensed statements of changes in equity of the Company for the three-month period and six-month period then ended, the consolidated condensed statement of financial position of the Group as of 30 June 2009 and the related consolidated condensed statements of comprehensive income, changes in equity and cash flows of the Group for the three-month period and six-month period then ended, and other explanatory notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.



PricewaterhouseCoopers LLP  
Public Accountants and Certified Public Accountants

Singapore, 14 August 2009