



Babcock & Brown Structured Finance Fund Limited

## **ABOUT BABCOCK & BROWN AND BABCOCK & BROWN STRUCTURED FINANCE FUND LIMITED**

### **Babcock & Brown Group**

Babcock & Brown Group was founded in 1977 in the United States. Babcock & Brown Limited is listed on the Australian Stock Exchange (ASX Code: BNB). As at 30 June 2007, Babcock & Brown Limited had an implied market capitalisation of A\$9.3 billion and approximately 40% of its shares was owned by senior staff.

Babcock & Brown Group:

- operates from 29 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,000 employees worldwide;
- has five operating divisions: real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance;
- has a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles:
  - Babcock & Brown Japan Property Trust (ASX Code: BJT)
  - Babcock & Brown Residential Land Partners (ASX Code: BLP)
  - Babcock & Brown Infrastructure (ASX Code: BBI)
  - Babcock & Brown Wind Partners (ASX Code: BBW)
  - Babcock & Brown Environmental Investments (ASX Code: BEI)
  - Babcock & Brown Power (ASX Code: BBP)
  - Babcock & Brown Capital (ASX Code: BCM)
  - Babcock & Brown Public Partnerships (LSE Code: BBPP)
  - Babcock & Brown Structured Finance Fund (SGX Code: B73)
- as at 31 December 2006, managed A\$44.1 billion of assets;
- was a private international partnership prior to its IPO in 2004, with a strong philosophy of co-investment, rather than purely funds management. This philosophy continues today with strong employee ownership not only of Babcock & Brown Group, but also of the funds which the Group manages. A portion of executive salaries is invested automatically in both Babcock & Brown Limited and managed funds' securities each year, furthering employees' interests with that of other shareholders and co-investors.

### **Babcock & Brown Structured Finance Fund Limited**

As part of its strategy to expand its global investment portfolio, Babcock & Brown Group is seeking to strengthen its presence in Asia and as at 30 June 2007, the Group has established offices in Kuala Lumpur, Tokyo, Hong Kong and Singapore.

Babcock & Brown Structured Finance Fund Limited ("BBSFF" or "the Company") is Babcock & Brown Group's first listed vehicle in Asia. The Group has chosen to list BBSFF in Singapore for a few reasons:

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- The Monetary Authority of Singapore (“MAS”) and the Singapore Exchange have been very pro-active in encouraging the listing of new asset classes in Singapore. The country’s capital market is also well regulated and has a transparent regime.
- With transparent tax and clear regulatory regimes and by offering attractive incentives, the MAS has been very successful in attracting a significant number of fund managers to set up in Singapore. The country is a leading home for global fund managers with total assets under management exceeding S\$720 billion, and in private banking, assets have grown to more than S\$330 billion as at the end of 2005<sup>1</sup>. This represents an attractive investor base for Babcock & Brown Group to capitalise on.
- The public listing of BBSFF in Singapore provided Babcock & Brown Group with the opportunity to access capital markets outside of Australia and to enhance the breadth and quality of its Asian investor base by offering a listed vehicle with a global asset portfolio.

BBSFF, which was incorporated in Bermuda, provides investors access to a diversified portfolio of assets and economic exposures across three target sectors: operating lease assets, loan portfolio and securitisation assets, and alternative assets. BBSFF also presents investors with an opportunity to invest in Babcock & Brown Group’s first listed fund which sources assets originated and identified by two of the five Babcock & Brown Group’s core business units, Operating Lease and Structured Finance.

BBSFF is managed by Babcock & Brown Structured Finance Management Pty Ltd (“BBSFM”), a wholly-owned subsidiary of Babcock & Brown Group. BBSFF listed on the Singapore Exchange Securities Trading Limited on 20 December 2006, raising gross proceeds of S\$365.8 million through the issue of 345.1 million shares (including new shares issued under the exercise of an over-allotment option) at S\$1.06 per share. As at 30 June 2007, the market capitalisation of the Company registered S\$433.2 million.

BBSFF has access to the worldwide resources of Babcock & Brown Group to identify and advise on acquisitions, divestments and management of its investments and economic exposures.

Consistent with Babcock & Brown Group’s philosophy of co-investment in its specialised funds and asset management platform, the Group intends to retain its long term strategic shareholding of 10% in BBSFF.

Over 8% of BBSFF’s shares are owned by senior staff of Babcock & Brown Group. These include shares owned by entities related to:

- Richard Umbrecht - Co-Head of Babcock & Brown Group’s Global Structured Finance business - 1,458,018 shares;
- James Fantaci - Head of Babcock & Brown Group’s Global Operating Lease Business - 2,916,037 shares;

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<sup>1</sup> Speech by Mr Kola Luu, Executive Director, Financial Markets Strategy Department, Monetary Authority of Singapore, Investment Opportunities in Indian Real Estate and Infrastructure 2007, 3 April 2007

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- Sylvia Wiggins (Alternate Director to James Fantaci) – Co-Head of Structured Finance, Asia - 1,458,018 shares.

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