



BABCOCK & BROWN GLOBAL INVESTMENTS LIMITED¹

SGX Quarterly Report 30 September 2008

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

¹ On 1 May 2008, the Company changed its name from Babcock & Brown Structured Finance Fund Limited to Babcock & Brown Global Investments Limited.

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REVIEW OF BABCOCK & BROWN GLOBAL INVESTMENTS LIMITED PERFORMANCE

Performance Review

For the quarter the Group recorded a net loss after tax of S\$27.9 million. The result was due to unrealised foreign exchange losses and impairment losses recognised in respect of the Group's investment in Babcock & Brown Air ("B&B Air"), the Class N Note in the Seiza Augustus 2007-1 Trust and the investment in the Mortgages plc transaction. From an Income Statement and Balance Sheet perspective, other line items were in line with internal projections and the results reported for the previous quarter.

The performance of the Group for the quarter has been impacted by the following factors:

- *Reclassification of 'Available for Sale' financial assets to 'Loans and Receivables'*

In October 2008 the International Accounting Standards Board issued amendments to International Accounting Standard 39 *Financial Instruments: Recognition and Measurement* permitting the reclassification of some financial assets. In line with these amendments the Group has reclassified the following investments from the 'Available for Sale' category to 'Loans and Receivables' at 1 July 2008:

- Seiza Augustus 2007-1 Trust – Class N Note
- Seiza Warehouse Note – Class NIM Note
- Pepper Securitisation No. 2 Investment – NIM Note
- Pepper Securitisation No. 3 Investment – NIM Note

The investments were reclassified at their book values at 30 June 2008. Any unrealised losses on these assets which were previously recognised in Equity will be amortised against the carrying values of the assets in line with the amortisation of the underlying principal.

- *Unrealised foreign exchange losses*

Unrealised foreign exchange losses of S\$19.2 million have been recorded in the Income Statement this quarter as a result of the significant strengthening of the United States dollar against the base currencies of the underlying investments. The adjustment is an unrealised accounting adjustment which does not affect cash economic income or dividends to Shareholders.

- *Impairment loss on the investment in B&B Air*

An impairment loss of US\$0.7 million (S\$0.9 million) has been recorded through other operating expenses in the Income Statement as a result of the further decline in the share price of B&B Air during the quarter. The adjustment is an unrealised accounting adjustment which does not affect cash economic income or dividends to Shareholders.

- *Impairment losses on securitisation investments*

A further impairment loss of A\$2.6 million (S\$3.2 million) in the investment in the Class N Note in the Seiza Augustus 2007-1 Trust has been recorded through other operating expenses in the Income Statement this quarter, reducing the carrying value of this investment to nil. A further impairment loss of GBP3.5 million (S\$9.1 million) in the investment in the Mortgages plc transaction has been recorded through other operating expenses in the Income Statement this quarter. Due to the further deterioration of the market for this investment it is not expected that the originally invested principal will be returned in full.

- *Mark-to-market reductions*

The mark-to-market loss of S\$5.6 million recognised in equity during the quarter is net of a gain of S\$0.2 million. The gain was recognised in relation to the amortisation of equity on the financial assets reclassified from 'Available for Sale' to 'Loans and Receivables' at 1 July 2008. The net mark-to-market loss represents less than 1.5% of total assets and has resulted from marking the Avoca VI and VII CLO financial assets to their current market values, reflecting current market conditions. The reduction is an unrealised accounting

adjustment which is not expected to be realised given the total expected returns when acquiring the assets are still expected to be realised in full.

INVESTMENT PORTFOLIO

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

The Group's investment portfolio at 30 September 2008 comprised 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. The Group holds 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 ("PCL")

PCL is a revolving purchase facility provided to specialty inventory financier, Provident Cashflow Limited ("Provident"). Under the facility, the Group purchases loan receivables originated by Provident. The purchased loans are loans Provident has made to its customers, typically small to medium sized enterprises for the purpose of purchasing inventory.

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 commercial and residential mortgage loans originated by the Seiza Group. The Group has invested in the Class G notes and NIM notes.

Mortgages plc Securitisation Investment (“Mortgages”)

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

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 the subordinated note issued by Avoca VI which is secured by collateral consisting of European senior secured and second lien 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**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, including 18 No.1 songs and over 90 top 40 hits. A total of 28 catalogues have been acquired including the master sound recording copyrights and publishing copyrights of 1970’s glam rock band and composer T.Rex / Marc Bolan, prolific Grammy award winning writer Rick Nowels (including hit songs written for Stevie Nicks, Belinda Carlisle, Madonna, Dido, Ronan Keating, Jewel, Santana, Anita Baker, Young Radicals, and Celine Dion), 1990’s British dance group Right Said Fred (world wide hit I’m too Sexy), 1980’s British pop group Wang Chung (hits including Everybody Have Fun Tonight; Dance Hall Days) and other songwriter catalogues including the hit songs Holiday by Madonna, Kokomo by The Beach Boys, Run To You by Whitney Houston, and Gonna Make You Sweat (Everybody Dance Now) and Things That Make You Go Hmmm by C&C Music Factory.

ECONOMIC OUTLOOK

Global equity and debt markets have deteriorated markedly since June 2008 following a number of corporate collapses in the United States. Liquidity has further tightened resulting in the cost of long term debt financing for even the global banks increasing significantly. Credit default spreads have widened as a result of the worsening outlook for the financial sector and LIBOR spreads above the risk free rates have widened considerably reflecting liquidity concerns and the generally deteriorating global macro-economic conditions. The continued turmoil in the financial markets has led to the destabilisation of a number of financial institutions and varying levels of government intervention.

In the period to date post September 2008, the global equity and debt markets have further deteriorated. This continued extreme volatility and further market deterioration is likely to impact the performance of the Group's portfolio of investments over time.

United States ("US")

Economic conditions in the US weaken further with unemployment numbers increasing, consumer spending reducing and further declines in the housing market. Inflationary pressures have eased as a result of reduced energy and commodity prices and it is expected that inflation will continue moderating. The Federal Open Market Committee reduced the federal funds rate to 1.0% as a result of the worsening economic environment and outlook and a reduction in inflationary pressures. Financial markets remain stressed with difficult credit conditions and continued volatility in the equity markets. The announcement of Lehman Brothers filing for bankruptcy and Bank of America acquiring Merrill Lynch has compounded concerns about the health of other financial institutions and the financial sector as a whole which prompted government intervention. The Federal Reserve has introduced additional initiatives to address liquidity pressures as yields on treasury securities continued to fall and credit spreads on corporate bonds widened.

United Kingdom ("UK")

The UK continues to be impacted by the worsening global conditions with reduced business and consumer confidence, increased unemployment numbers, the general outlook for industrial production and exports worsening, and a weakening financial sector which has led to government intervention including the recapitalisation of a number of financial institutions. House prices fell sharply during the quarter and indicators of housing market activity suggest further weakness ahead. The Monetary Policy Committee has moved to reduce the Bank Rate to 3.0%. The sharp reductions were made on the basis that the negative outlook for economic activity in the UK significantly outweighed the short-term inflationary pressures.

Mainland Europe

The outlook for Mainland Europe has deteriorated in light of the weakening global macro-economic decisions. Economic activity has slowed however inflationary pressures continue with further rises in food prices and continued real wage increases. These pressures are expected to ease over coming months with the softening of energy and commodity prices and the general worsening economic conditions. The recent deterioration in financial markets and economic conditions more generally have led to a shift in focus away from inflationary concerns to the increasing downside risk of weak economic growth. This led the Governing Council of the European Central Bank to reduce the official interest rate twice to the current rate of 3.25%.

Australia

The Reserve Bank of Australia reduced the official cash rate twice to 5.25% due to the risks to the economy from softening economic growth outweighing the current inflationary pressures which are expected to ease during 2009. The moves were largely promoted by the significant deterioration in global financial markets and the potential for the deterioration to result in significant impacts to the Australia economy. Moderate rises in unemployment are expected as growth forecasts have slowed and house prices have softened over the last two quarters. However, the Reserve Bank does not expect prices to fall by similar levels as seen in the US and UK.

BUSINESS OUTLOOK

TARGETED ASSET CLASSES

Operating Lease Assets

Worsening economic conditions in the US and the UK have led many commentators to take a more negative view over the outlook for the global aviation sector. Despite the recent reductions in fuel costs, a number of airline operations have reduced fleet sizes and cut travel routes, particularly in the North American market. This has put pressure on aircraft values and lease rates in the relevant markets, particularly for older generation aircraft. There are however a number of positive factors such as the continued strong increase in passenger traffic particularly in Asia, the Middle East and Europe, with AVITAS forecasting air passenger traffic to continue to increase through to 2016. In addition, both airline manufacturers have significant backlogs in terms of unfilled orders. This lack of supply is supporting strong lease rates and values for a number of newer aircraft types.

The troubled US economy has placed pressure on the North American rail sector with railroad car traffic and rail car re-lease rates expected to be strained through to 2009 with a recovery in the sector in 2010. However, demand for younger, higher capacity fleets remains and the rail car leasing market continues to gain ground as a method by which freight forwarders will access equipment.

The European rail leasing market is progressing positively driven by concessions given to market participants, government funding constraints and growth in rail passenger volume. An increased number of private operators are entering 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 remains very positive with high and rapidly increasing congestion in production, further increasing the back log for new freight car orders.

Loan Portfolio and Securitisation Assets

In Australia, economic conditions remain relatively sound as outlined in the economic outlook section.

There is an increased level of uncertainty with respect to the general economic backdrop in the UK. House prices have further declined during the quarter and the general consensus is that further declines are likely to be seen. The recent interest rate reductions will provide relief to borrowers and this is expected to provide some support to property prices and loss / default levels.

Market conditions for European leverage loans remain technically difficult however the large overhang of underwritten loans continues to clear. Company fundamentals continue to be positive for most European leveraged loans however while absolute levels of interest and required amortisation through 2011 remain low, defaults are expected to increase in light of the worsening global backdrop.

Alternative Assets

The music publishing industry continues to grow in size and investor understanding. BBGI 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 tightening of available leverage in the buy out market and the virtual elimination of second lien loans. Investments in this sector are opportunistic, but very abundant.

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For the quarter ended 30 September 2008

CONSOLIDATED INCOME STATEMENT

	Group Quarter ended 30 Sep 08 S\$'000	Group Year to date 30 Sep 08 S\$'000	Group Quarter ended 30 Sep 07 S\$'000	Group Year to date 30 Sep 07 S\$'000
Revenue				
Distribution income	-	-	653	1,794
Dividend income	738	2,187	-	-
Interest income	8,732	28,532	12,279	33,629
Rental income	1,333	3,952	1,435	4,354
Guarantee fee income	-	1,630	1,232	3,554
Royalty income	1,750	5,272	1,092	2,199
Other operating income	358	3,230	-	-
Total revenue	12,911	44,803	16,691	45,530
Expenses				
Management fees	(533)	(2,473)	(1,453)	(4,369)
Depreciation and amortisation	(904)	(2,694)	(726)	(1,882)
Finance costs	(4,079)	(13,207)	(5,056)	(12,486)
Net foreign exchange (losses) / gains	(19,220)	(13,627)	2,701	9,883
Other operating expenses	(14,389)	(48,981)	(115)	(1,720)
Total expenses	(39,125)	(80,982)	(4,649)	(10,574)
Share of (loss) / profit in equity accounted investment	(2,287)	(4,510)	727	(939)
(Loss) / Profit before tax	(28,501)	(40,689)	12,769	34,017
Income tax benefit / (expense)	591	318	(300)	203
(Loss) / Profit after tax	(27,910)	(40,371)	12,469	34,220
Basic earnings per share (cents per share)	(7.14)	(10.36)	3.23	8.95
Diluted earnings per share (cents per share)	(7.14)	(10.34)	3.23	8.93

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BALANCE SHEETS

	Group As at 30 Sep 08 S\$'000	Group As at 31 Dec 07 S\$'000	Company As at 30 Sep 08 S\$'000	Company As at 31 Dec 07 S\$'000
Assets				
Cash and cash equivalents ¹	82,486	126,471	74,109	27,015
Available for sale financial assets	29,546	116,082	-	-
Loans and receivables	139,727	148,439	-	-
Guarantee fees receivable	-	4,971	-	-
Aircraft	39,870	41,266	-	-
Investment in subsidiary	-	-	309,515	333,291
Equity accounted investments	65,153	74,989	-	-
Intangible assets – music copyright assets	74,536	80,522	-	-
Deferred tax assets	5,068	2,909	-	-
Other assets	2,151	1,107	1,875	5,151
Total assets	438,537	596,756	385,499	365,457
Liabilities				
Guarantee fees payable	-	4,774	-	-
Interest bearing liabilities	179,361	245,788	-	13
Intercompany payable	-	-	53,396	2,161
Other liabilities	9,019	36,812	7,137	24,694
Total liabilities	188,380	287,374	60,533	26,868
Net assets attributable to shareholders	250,157	309,382	324,966	338,589
Shareholders equity	250,157	309,382	324,966	338,589
Net assets per share (\$ per share)	0.64	0.79	0.83	0.87

¹ Cash and cash equivalents for the Group as at 30 September 2008 includes S\$71.5 million of short-term deposits used to support cash-backed letters of credit in connection with the Ancora commercial paper program.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Sep 08 S\$'000	Group Year to date 30 Sep 08 S\$'000	Group Quarter ended 30 Sep 07 S\$'000	Group Year to date 30 Sep 07 S\$'000
Cash flows from operating activities				
Operating costs	(478)	(1,902)	(1,854)	(5,543)
Interest income	8,545	27,636	11,352	29,444
Guarantee fee income	-	1,840	1,375	4,435
Distribution income	1,919	5,170	1,886	4,268
Dividend income	591	1,750	-	-
Rental income	463	1,321	455	1,353
Royalty income	2,993	5,671	978	978
Net cash inflow from operating activities	14,033	41,486	14,192	34,935
Cash flows from investing activities				
Investment in equity accounted investments	(16)	(3,078)	-	(10,248)
Purchase of intangible assets	(213)	(2,368)	-	(46,504)
Purchase of financial assets	(971)	(25,974)	(28,578)	(156,083)
Loan repayments received	10,984	65,453	40,994	126,634
Net cash inflow / (outflow) from investing activities	9,784	34,033	12,416	(86,201)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	-	-	-	25,268
Net (repayments of) / proceeds from borrowings	(3,787)	(53,181)	(22,012)	92,103
Capital raising costs	-	-	-	(1,713)
Borrowing costs paid	(2,107)	(12,585)	(4,649)	(8,960)
Dividends paid	(20,327)	(43,585)	(20,060)	(20,060)
Net cash (outflow) / inflow from financing activities	(26,221)	(109,351)	(46,721)	86,638
Net increase / (decrease) in cash and cash equivalents	(2,404)	(33,832)	(20,113)	35,372
Cash and cash equivalents at beginning of period	95,852	126,471	127,584	64,953
Effects of exchange rate changes on cash and cash equivalents	(10,962)	(10,153)	1,142	8,288
Cash and cash equivalents at end of period	82,486	82,486	108,613	108,613

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter ended 30 Sep 2008	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Con-solidation reserve S\$'000	Equity accounting reserve S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Group Quarter ended 30 Sep 07 S\$'000
Total equity at the beginning of the period	392,952	(10,221)	(57,745)	(5,445)	(45,065)	(2,225)	272,251	329,134
Profit for the period	-	-	-	-	-	(27,910)	(27,910)	12,469
Available for sale financial assets revaluation reserve	-	(5,621)	-	-	-	-	(5,621)	15,076
Equity accounting reserve	-	-	-	(1,620)	-	-	(1,620)	(3,706)
Foreign currency translation reserve	-	-	-	-	13,057	-	13,057	(9,203)
Total recognised gain / (loss) for the period	-	(5,621)	-	(1,620)	13,057	(27,910)	(22,094)	14,636
Transactions with equity holders in their capacity as equity holders:								
Issue of share capital – reinvestment of management fees	-	-	-	-	-	-	-	2,876
Dividend for the period	-	-	-	-	-	-	-	-
Total equity at the end of the period	392,952	(15,842)	(57,745)	(7,065)	(32,008)	(30,135)	250,157	346,646

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the year to date ended 30 Sep 2008	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Con-solidation reserve S\$'000	Equity accounting reserve S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Group Period ended 30 Sep 07 S\$'000
Total equity at the beginning of the year / period	390,503	(20,757)	(57,745)	(5,869)	(27,313)	30,563	309,382	303,810
Profit for the period	-	-	-	-	-	(40,371)	(40,371)	34,220
Available for sale financial assets revaluation reserve	-	4,915	-	-	-	-	4,915	15,076
Equity accounting reserve	-	-	-	(1,196)	-	-	(1,196)	(3,706)
Foreign currency translation reserve	-	-	-	-	(4,695)	-	(4,695)	(9,449)
Total recognised gain / (loss) gain for the period	-	4,915	-	(1,196)	(4,695)	(40,371)	(41,347)	36,141
Transactions with equity holders in their capacity as equity holders:								
Issue of share capital	-	-	-	-	-	-	-	25,447
Issue of share capital – reinvestment of management fees	2,449	-	-	-	-	-	2,449	3,033
Dividend for the period	-	-	-	-	-	(20,327)	(20,327)	(20,060)
Transaction costs	-	-	-	-	-	-	-	(1,725)
Total equity at the end of the period	392,952	(15,842)	(57,745)	(7,065)	(32,008)	(30,135)	250,157	346,646

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the quarter ended 30 Sep 2008	Share capital S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Total S\$'000	Company Quarter ended 30 Sep 07 S\$'000
Total equity at the beginning of the period	392,952	(29,236)	(48,925)	314,791	367,800
Profit for the period	-	(5,866)	-	(5,866)	29,416
Foreign currency translation reserve	-	-	16,041	16,041	(10,739)
Total recognised (loss) / gain for the period	-	(5,866)	16,041	10,175	18,677
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital – reinvestment of management fees	-	-	-	-	2,876
Dividend for the period	-	-	-	-	-
Total equity at the end of the period	392,952	(35,102)	(32,884)	324,966	389,353

Changes in shareholders' equity of the Company for the year to date ended 30 Sep 2008	Share capital S\$'000	Retained earnings S\$'000	Translation reserves S\$'000	Total S\$'000	Company Period ended 30 Sep 07 S\$'000
Total equity at the beginning of the year / period	390,503	(21,730)	(30,184)	338,589	356,440
Profit for the period	-	6,955	-	6,955	37,282
Foreign currency translation reserve	-	-	(2,700)	(2,700)	(11,064)
Total recognised gain / (loss) for the period	-	6,955	(2,700)	4,255	26,218
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital	-	-	-	-	25,447
Issue of share capital – reinvestment of management fees	2,449	-	-	2,449	3,033
Dividend for the period	-	(20,327)	-	(20,327)	(20,060)
Transaction costs	-	-	-	-	(1,725)
Total equity at the end of the period	392,952	(35,102)	(32,884)	324,966	389,353

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 for the year to date ended 30 September 2008.

DIVIDENDS

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. The 2007 final dividend of 6.00 Singapore cents per Share in respect of the period from 1 July 2007 to 31 December 2007 was paid on 14 March 2008.

No dividend has been declared or recommended and the Company does not intend to declare a dividend in respect of the half year ending 31 December 2008.

	Interim dividend 2008	Final dividend 2007
Ordinary shares		
Dividends per Share (cents)	5.20	6.00
Dividends paid/declared (\$'000)	20,327	23,258

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

There was no change in share capital during the quarter ended 30 September 2008. The total shares in issue at 30 September 2008 was 390,906,723. The total shares in issue at 31 December 2007 was 387,630,166.

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NET ASSET VALUE

	Group As at 30 Sep 08 S\$'000	Group As at 31 Dec 07 S\$'000	Company As at 30 Sep 08 S\$'000	Company As at 31 Dec 07 S\$'000
Net asset value				
Total net asset value (\$'000)	250,157	309,382	324,966	338,589
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	390,907	387,630	390,907	387,630
Net asset value per ordinary share (\$ per share)	0.64	0.79	0.83	0.87

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 30 Sep 08 S\$'000	Group Year to date 30 Sep 08 S\$'000	Group Quarter ended 30 Sep 07 S\$'000	Group Year to date 30 Sep 07 S\$'000
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S\$'000)	(27,910)	(40,371)	12,469	34,220
Weighted average number of ordinary shares on issue used in calculation of basic earnings per share ('000)	390,907	389,611	385,571	382,347
Basic earnings per share (cents per share)	(7.14)	(10.36)	3.23	8.95
Diluted earnings per share				
Diluted earnings used in calculation of diluted earnings per share (\$'000)	(27,910)	(40,371)	12,469	34,220
Weighted average number of ordinary shares on issue used in calculation of diluted earnings per share ('000)	390,907	390,438	386,210	383,018
Diluted earnings per share (cents per share)	(7.14)	(10.34)	3.23	8.93

INTEREST BEARING LIABILITIES

	Group As at 30 Sep 08 S\$'0000	Group As at 31 Dec 07 S\$'0000
Term loans ¹	65,962	110,520
Commercial paper notes ²	113,399	135,268
Total interest bearing liabilities	179,361	245,788
Amount repayable in one year or less, or on demand	116,307	177,248
Amount repayable after one year	63,054	68,540
Total interest bearing liabilities	179,361	245,788
Amount secured	179,361	245,788
Amount unsecured	-	-
Total interest bearing liabilities	179,361	245,788

¹ The term loans are secured against the two Boeing 757-200 aircraft leased to TUI AG / Thomsonfly Limited and the music copyright assets held by the Group.

² Under the LC Procurement Agreement dated 27 October 2006, between BBGI and Ancora Group, BBGI has 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 has established.

AUDIT OR REVIEW

The figures in this quarterly report have not been audited or reviewed by the external auditor, PricewaterhouseCoopers.

SUBSEQUENT EVENTS

On 16 October 2008, the SGX-ST provided its in-principle approval for the listing and quotation of 1,731,363 ordinary shares to AGSO Property Pty Ltd ATF Babcock & Brown Prime Broking Trust, the nominee of the Manager, in satisfaction of the Base Management Fee for the quarter ended 30 June 2008.

Following the issue of the new ordinary shares, the total shares in issue was 392,638,086.

CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

On behalf of the Board of Directors of Babcock & Brown Global Investments Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 September 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors



Sylvia Wiggins
Director
14 November 2008



Tara Railton
Director
14 November 2008