



## SGX-ST/Media Release

27 September 2007

### **BBSFF TO REALISE SUBSTANTIAL GAIN FROM MONETISATION OF ITS INVESTMENT IN JET-i HOLDINGS LLC**

On 27 September 2007, Babcock & Brown Air Limited (“B&B Air”) will list on the New York Stock Exchange at an initial public offering (“IPO”) price of US\$23 per Share. The upcoming listing means that the aircraft of JET-i Holdings Group will be sold to B&B Air and Babcock & Brown Structured Finance Fund Limited (“BBSFF” or “the Company”) will effectively monetise its investment in JET-i Holdings.

The total capital gain of BBSFF after all projected fees and expenses is expected to be approximately US\$15.8 million compared with the originally invested capital of US\$15.4 million – a 102% capital gain. This capital gain is in addition to the strong cash running yield which has been received on the investment since BBSFF’s IPO.

BBSFF will, along with other JET-i Holdings investors, reinvest a part of the proceeds from the monetisation of its investment in B&B Air. BBSFF expects to receive approximately US\$7.0 million in cash and US\$24.2 million in B&B Air Shares, based on the IPO price.

Shares held by BBSFF in B&B Air may be disposed of after the escrow period expires in the first half of 2008.

BBSFF’s investment in the commercial paper which secures its obligations under the credit default swap on JET-I Leasing Tranche B Debt is in the process of being liquidated.

Ms Sylvia Wiggins, Managing Director of the Manager of BBSFF, said: “The forthcoming sale of JET-i Group’s aircraft to B&B Air will be a great result for BBSFF shareholders and a reflection of the active portfolio

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*Sponsorship statement: UBS AG, acting through its business group, UBS Investment Bank was the Issue Manager, Global Co-ordinator, Sole Bookrunner and Financial Adviser of the offering in respect of 323,460,000 ordinary shares of par value S\$0.01 each in the capital of BBSFF pursuant to the prospectus of BBSFF dated 12 December 2006.*

management strategy outlined in BBSFF's Listing Prospectus<sup>1</sup> and the value of the Babcock & Brown Group relationship to BBSFF. Through its investment in B&B Air, BBSFF will have a continued investment in a diverse portfolio of commercial aircraft, a portfolio which is expected to continue to grow post IPO."

"Whether B&B Air Shares are held by BBSFF beyond the escrow period is a decision that will be made closer to the time in light of then market conditions. We believe that the demonstrated capacity to realise substantial gains in times of market disruption proves the investment thesis of BBSFF and now hope that the market will begin to value BBSFF by reference to a total return rather than its continuing strong yield," added Ms Wiggins.

The Manager and BBSFF's Board are currently evaluating various options for reinvestment of capital which will be returned to BBSFF shortly. The Company maintains its dividend guidance for the six months ending 31 December 2007 of at least 5.50 Singapore cents per share and FY2008 dividend guidance of at least 10.20 Singapore cents per share.

## **ENDS**

Further Information:  
Jeanette Pang (Ms)  
Babcock & Brown Securities (Singapore) Pte Ltd  
jeanette.pang@babcockbrown.com  
+65 6309 4684

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<sup>1</sup> Babcock & Brown Structured Finance Fund Limited's Listing Prospectus dated 12 December 2006.

**About Babcock & Brown Structured Finance Fund Limited**  
(<http://www.bbstructuredfinance.com>)

Babcock & Brown Structured Finance Fund Limited (“BBSFF”) is a mutual fund company incorporated in Bermuda that 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 is managed by Babcock & Brown Structured Finance Management Pty Ltd, a wholly-owned subsidiary of Babcock & Brown Limited, a global investment and advisory firm. BBSFF presents investors with an opportunity to invest in Babcock & Brown’s first listed fund which sources assets originated and identified by two of the five Babcock & Brown’s core business units, Operating Lease and Structured Finance.