

Babcock & Brown Global Investments Limited

Full Year Results

Year ended 31 December 2008

27 February 2009

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DEFINITIONS

Carrying Value	The value determined pursuant to the accounting measurement and recognition requirements outlined in International Financial Reporting Standards ("IFRS")
Cash Economic Income	Income received in cash on investments which is referable to the period, and received prior to dividend payment date, after capital amortisation
Gross Investment Value	For each BBGI investment is, initial total cost (including acquisition cost but excluding limited recourse debt) plus interest / capitalised income, less principal returns, less Impairments where income has been impacted, if any
Impairment	A determination for accounting purposes that an asset will NOT deliver its originally expected return over its currently expected holding period
MTM Valuations (or mark-to-market)	A determination for accounting purposes, and based on the IFRS requirements, of the current market value of an investment. Such valuation changes are reflected in equity, and do not affect the income statement, earnings, or Cash Economic Income

AGENDA

1. 2008 Overview

2. Key Points of FY2008 Financial Results

3. Portfolio Update

4. Outlook

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2008 OVERVIEW

- ❑ Exit from AGSO Loan Guarantee – resulted in the release of A\$50.0 million to BBGI which was reinvested in short-term cash deposits to support the Ancora Commercial Paper
- ❑ Exit from Paradox Loan – the loan of US\$15.0 was repaid in full together with all accrued interest
- ❑ Increase in investment in European railcar portfolio – the BBGI Group invested a further Euro 1.2m in Babcock & Brown Rail Investments Limited (BBRIL)
- ❑ Renewal of Corporate Debt Facility and substantially reduced leverage
- ❑ Declared and paid 2008 interim dividend of 5.20 cents per Share in respect of the period from 1 January 2008 to 30 June 2008 (no dividend declared for 2H08 as a result of the discussion to further reduce leverage).

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KEY FINANCIAL DATA FOR FY 2008

1	Total Revenue	S\$55.7 mil
2	Cash Economic Income	S\$25.1 mil
3	Net Profit After Tax	S\$(147.1) mil
4	Net Asset Value	S\$0.40
5	2008 Distributions	5.20 cps
6	Gearing	16.91% of GIV ¹

¹ GIV is Gross Investment Value as defined in the Company's Corporate Debt Facility



CONSOLIDATED BALANCE SHEET

Balance Sheet	Group as at 31 Dec 08 S\$'000	Group as at 31 Dec 07 S\$'000	Change S\$'000
Assets			
Cash and cash equivalents ¹	80,224	126,471	(46,247)
Available for sale financial assets	13,604	116,082	(102,478)
Loans and receivables	94,572	148,439	(53,867)
Guarantee fee receivable	-	4,971	(4,971)
Aircraft	39,699	41,266	(1,567)
Equity accounted investments	22,081	74,989	(52,908)
Intangible assets – music copyright assets	69,776	80,522	(10,746)
Deferred tax assets	2,477	2,909	(432)
Other assets	972	1,107	(135)
Total Assets	323,405	596,756	(273,351)
Liabilities			
Guarantee fees payable	-	4,774	(4,774)
Interest bearing liabilities	157,978	245,788	(87,810)
Other liabilities	9,041	36,812	(27,771)
Total Liabilities	167,019	287,374	(120,355)
Net assets attributable to shareholders	156,386	309,382	(152,996)
Shareholders equity	156,386	309,382	(152,996)

¹ Cash and cash equivalents for the Group as at 31 December 2008 includes S\$60.3 million of short-term deposits used to support cash-backed letters of credit in connection with the Ancora commercial paper program. Cash and cash equivalents for the Group as at 31 December 2007 includes S\$88.8 million of short-term deposits used to support cash-backed letters of credit in connection with the Ancora commercial paper program and the AGSO loan guarantee.

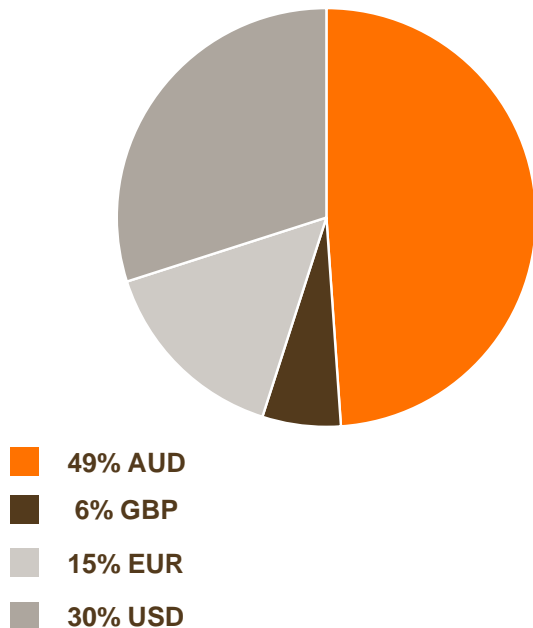
² The reduction in the carrying value of available for sale financial assets has resulted in principally from impairment charges and the reclassification of certain available for sale financial assets to loans and receivables at 1 July 2008, in line with the amendment to International Accounting Standard 39 *Financial Instruments: Recognition and Measurement*.

CONSOLIDATED INCOME STATEMENT

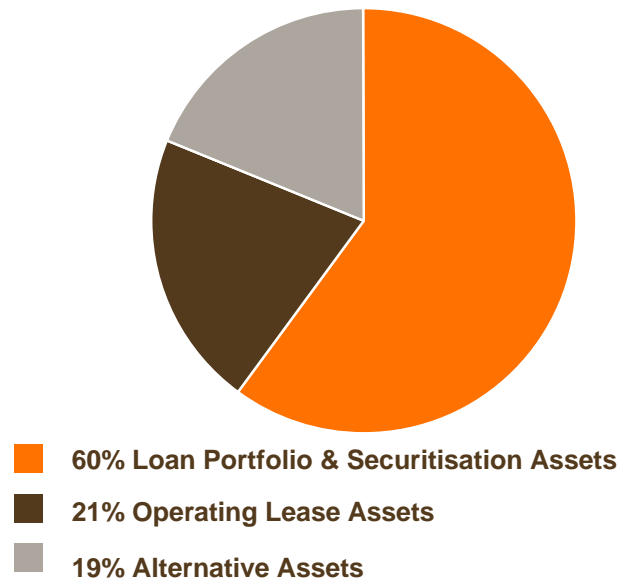
Income Statement	Group for the full year ended 31 December 2008 S\$'000	Group for the full year ended 31 December 2007 S\$'000	Change S\$'000
Revenue			
Distribution income	-	1,771	(1,771)
Dividend income	2,962	-	2,962
Interest income	34,652	43,651	(8,999)
Rental income	5,354	5,726	(372)
Guarantee fee income	1,630	4,732	(3,102)
Royalty income	7,108	3,254	3,854
Other operating income	3,955	27,367	(23,412)
Total Revenue	55,661	86,501	(30,840)
Expenses			
Management fees	(2,827)	(5,821)	(2,994)
Depreciation and amortisation	(3,605)	(2,579)	1,026
Finance costs	(16,355)	(16,300)	55
Net foreign exchange (losses) / gains	(29,426)	9,750	39,176
Impairment expense	(136,718)	-	136,718
Other operating expenses	(6,156)	(3,031)	3,125
Total Expenses	(195,087)	(17,981)	177,106
Share of (loss) / Profit in equity accounted investment	(18,266)	304	(18,570)
(Loss) / Profit before tax	(157,692)	68,824	(226,516)
Income tax benefit / (expense)	1,137	(106)	1,243
(Loss) / Profit after tax	(156,555)	68,718	(225,273)
Basic (loss) / earnings per share (cents per share)	(40.11)	17.93	(58.04)
Diluted (loss) / earnings per share (cents per share)	(40.11)	17.89	(58.0)

CASH ECONOMIC INCOME FOR FY2008

Cash Economic Income by Currency



Cash Economic Income by Asset Class



Cash Economic Income is comprised of income, net of any asset specific debt, which is referable to the period (i.e., 1 Jan 08 – 31 Dec 08)

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

CASH ECONOMIC INCOME FOR FY 2008

Base currency (\$m)

OPERATING LEASE ASSETS	Investment in B&B Air	USD 1.43
	B&B Aircraft Lessor No.2 ¹	USD 1.29
	Class A Membership Interest in BBRNA	USD 2.36
	Babcock & Brown Rail Investments	EUR 0.43
LOAN PORTFOLIO & SECURITISATION ASSETS	Ancora – Pepper Securitisation No.2 Investment	AUD 1.45
	Ancora – Pepper Securitisation No.3 Investment	AUD 2.43
	Ancora – Provident Cashflow Limited	AUD 1.72
	Ancora – Seiza Augustus Series 2007	AUD 1.67
	Ancora – Seiza Warehouse Note Investment	AUD 6.55
	Mortgages plc Securitisation Investment	GBP 0.61
	Paradox Capital LLC – Subordinated Loan	USD 0.83
	Avoca VI CLO Investment	EUR 0.43
	Avoca VII CLO Investment	EUR 1.58
ALTERNATIVE ASSETS	AGSO Loan Guarantee	AUD 2.01
	Paramount Mezzanine Loan	USD 1.15
	Music Copyrights ¹	USD 2.33*

¹ Net of asset specific debt

* Includes estimated income yet to be received relating to FY08

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PORTFOLIO COMPOSITION AS AT 31 DECEMBER 2008

- By Carrying Value

Mortgages plc Securitisation – (0%)
B&B Aircraft Lessor No.2 – (9%)



Avoca VI CLO – (1%)
Avoca VII CLO – (10%)
CBRail – (0%)

Music Copyright – (16%)
a truly global asset

B&B Air shares listed on NYSE – (6%)
Class A Membership Interest in BBRNA – (13%)
Paramount Mezzanine Loan – (2%)



Ancora-Pepper Securitisation No.2 – (4%)
Ancora-Pepper Securitisation No.3 – (7%)
Ancora-Provident Cashflow Limited – (4%)
Ancora-Seiza Augustus Series 2007 – (6%)
Ancora-Seiza Warehouse Note – (24%)



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MACROECONOMIC OUTLOOK



United States of America

- Economic conditions in the US have worsened with unemployment increasing. Exports are not expected to support the economy as the largest trading partners of the US are in recession.
- Federal Reserve is continuing attempts to stabilise the economy through liquidity measures, asset purchases (such as mortgage-backed securities), recapitalisations and guarantees.
- The Federal Open Market Committee has reduced rates further and established a target range for the federal funds rate of 0-0.25%.



Australia

- The Reserve Bank of Australia reduced the official cash rate to 3.25% due to the risks to the economy
- Demand, consumer confidence, spending and housing prices are all showing signs of softening and many commentators are predicting unemployment to increase through 2009 and economic conditions to worsen.
- Weakening commodity demand is impacting exports negatively however this has been partially offset by the significant falls in the Australian Dollar over recent months.
- Many are predicting further interest rate reductions over the coming months in an effort to stabilise the economy.



Mainland Europe

- The outlook for Mainland Europe has deteriorated in light of the weakening global macro-economic conditions.
- Economic activity has slowed and inflationary pressures have eased.
- The Governing Council of the European Central Bank to further reduce the official interest rate to the current rate of 2%.



United Kingdom

- The UK economy has worsened considerably, not unlike the US, unemployment is increasing
- Inflation is expecting to continue to fall as a result of further weakness in retail spending, reduced fuel and commodity prices and the stabilisation of food prices.
- Net exports should benefit from the significant deterioration of the British Pound which has fallen almost 30% against the USD over the last 12 months.
- Bank of England as well as other parties such as the Financial Services Authority have introduced a number of fiscal initiatives to bring stability to the markets.
- The Monetary Policy Committee has moved to reduce the Bank Rate to 1% and further reductions have not been ruled out.

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

- BBGI is continuing to work with the independent strategic adviser to determine the future direction of the Company
- Continual operational focus on asset management to deliver and maximise returns to Shareholders and protect capital

QUESTIONS



THANK YOU

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