

**BABCOCK & BROWN  
WIND PARTNERS**

Babcock & Brown Wind Partners Limited · ABN 39 105 051 616  
Babcock & Brown Wind Partners Trust · ARSN 116 244 118  
Babcock & Brown Wind Partners Bermuda Limited · ARBN 116 360 715  
Level 39 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia  
T +61 2 9229 1800 · F +61 2 9235 3496 · www.bbwindpartners.com



**ASX Release**

27 September 2006

**PRESENTATION FOR INVESTOR ROAD SHOW**

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The following presentation by BBW Chief Executive Officer, Peter O'Connell, Chief Operating Officer, Geoff Dutailis, and Chief Financial Officer, Gerard Dover, is to be used as support materials for the Asia investor road show commencing today.

**ENDS**

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**Further Information:**

Peter O'Connell  
Chief Executive Officer  
Babcock & Brown Wind Partners  
Phone: +61 2 9229 1800

Rosalie Duff, Investor Relations  
Babcock & Brown Wind Partners  
Phone: +61 2 9216 1362  
Email: [rosalie.duff@babcockbrown.com](mailto:rosalie.duff@babcockbrown.com)

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## **About Babcock & Brown Wind Partners**

Babcock & Brown Wind Partners (ASX: BBW) is a specialist investment fund focused on the wind energy sector. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$850 million.

It is a stapled entity comprising Babcock & Brown Wind Partners Limited (ABN 39 105 051 616), Babcock & Brown Wind Partners Trust (ARSN 116 244 118) and Babcock & Brown Wind Partners (Bermuda) Limited (ARBN 116 360 715).

BBW's portfolio comprises an interest in or agreement to buy 23 wind farms on three continents that have a total installed capacity of approximately 1,150 MW and are diversified by geography, currency, equipment supplier, customer and regulatory regime.

BBW is managed by Babcock & Brown Infrastructure Management Pty Limited, a wholly owned subsidiary of Babcock & Brown Limited (ASX: BNB), a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown has a long history of experience in the renewable energy field and extensive experience in the wind energy sector, having arranged financing for over 3000MW of wind energy projects and companies for nearly 20 years, with an estimated value over US\$3 billion. Babcock & Brown's roles have included acting as an adviser/arranger of limited recourse project financing, arranging equity placements, lease adviser, project developer, principal equity investor and fund manager for wind energy projects situated in Europe, North America and Australia. Babcock & Brown has developed specialist local expertise and experience in the wind energy sector in each of these regions which it brings to its management and financial advisory roles of BBW.

BBW's investment strategy is to grow security holder wealth through management of the initial portfolio and the acquisition of additional wind energy generation assets.

For further information please visit our website : [www.bbwindpartners.com](http://www.bbwindpartners.com)

# Investor Discussion Pack

September 2006

# AGENDA

1. Introduction
2. FY06 result highlights
3. Portfolio Diversification
4. Portfolio Overview
5. Outlook
6. Appendix

<b>Presenters:</b>	Peter O'Connell	Chief Executive Officer
	Geoff Dutailis	Chief Operating Officer
	Gerard Dover	Chief Financial Officer

**For further information please contact:**

Rosalie Duff

+61 2 9216 1362

[rosalie.duff@babcockbrown.com](mailto:rosalie.duff@babcockbrown.com)

# INVESTMENT RATIONALE FOR WIND ENERGY

Support for wind energy investment driven by:

- Rising prices of fossil fuels and therefore cost of traditional sources of energy
- Increasing cost of carbon emission management
- Security and surety of energy supply
- Increasing cost competitiveness of wind energy
- Increased demand for electricity

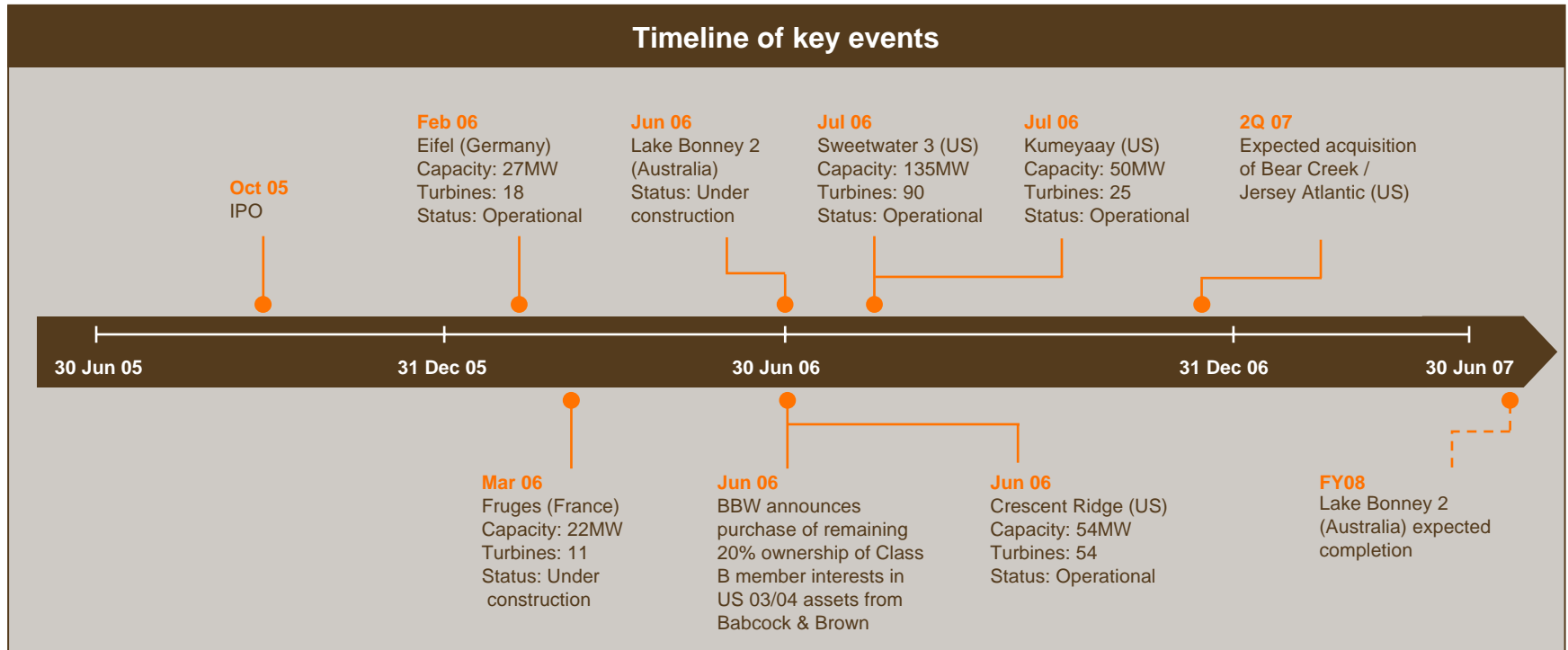


# WHO WE ARE

- A specialised investment fund of scale dedicated to delivering security holder value through acquiring and operating wind energy generation assets across 3 continents
- An owner and operator of a portfolio of quality wind farms diversified by geography, wind resource, currency, equipment supplier, customer and regulatory regime
- A specialised fund managed by BNB, an experienced advisor, manager and investor in the wind energy industry



# KEY MILESTONES



Initial Portfolio Assets at IPO		Initial Portfolio Assets Since IPO			New Aquisitions		
<b>Australia</b> Lake Bonney 1	<b>Spain</b> Sierra de Trigo La Muela Norte La Plata	<b>Australia</b> Alinta	<b>Spain</b> El Sardon El Redondal Serra da Loba1	<b>USA</b> Sweetwater 1 Sweetwater 2 Caprock Blue Canyon Combine Hills	<b>Australia</b> Lake Bonney 2	<b>France</b> Fruges	<b>USA</b> Sweetwater 3 Kumeyaay Crescent Ridge
		<b>Germany</b> Niederrhein Wachtendonk Niederrhein Bocholt-Liedern			<b>Germany</b> Eifel		

# PORTFOLIO CHARACTERISTICS

	At IPO	IPO Forecast for 30 June 2006	At 30 June 2006
<b>Capacity</b>			
<b>Number of Turbines</b>	129	532	614
<b>Installed Capacity MW<sup>1</sup></b>	147	378.5	413.3
<b>Forecast Generation GWh<sup>2</sup></b>	359.7	1093.3	1145.7

<b>Pipeline</b>			
<b>Framework Agreements MW<sup>1</sup></b>	589	589	>800
<b>Under construction MW<sup>1</sup></b>	108.6	0	181
<b>Under construction GWh<sup>2</sup></b>	403.5	0	527.6

<b>Diversification</b>			
<b>Number of wind farms</b>	4	15	16
<b>Number of wind regions</b>	2	6	6

(1) MW calculated on an equity interest basis.

(2) GWh estimated on an equity interest basis.



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# FINANCIAL SUMMARY

	FY2006	IPO Forecast <sup>1</sup>
<b>Revenue</b>	\$73.0m	\$77.0m
<b>EBITDA (after associates)<sup>2</sup></b>	\$51.8m	\$57.5m
<b>Reported Profit after tax</b>	(\$16.2)m	\$13.5m
<b>Net Operating Cash Flow<sup>2</sup></b>	\$34.2m	\$43.3m
<b>Net Debt / EV<sup>3</sup></b>	30.9%	33.5%
<b>FY2006 Distribution per Security</b>	10.2 cents	10.2 cents
<b>Number of Securities on Issue<sup>4</sup></b>	575,301,766	494,164,664

- (1) IPO Forecast figures such as revenue, EBITDA (after associates), Reported profit & net operating cash flow have been sourced from the Prospectus on pages 93 & 95. The distribution forecasts for FY06 & FY07 are discussed on page 19 of the Prospectus. The Debt / EV ratio was previously provided with the IPO presentation pack on slide 12.
- (2) Before Incentive fees of \$33.2m
- (3) EV calculated using share price of \$1.40
- (4) Weighted average numbers of shares 386,136,766

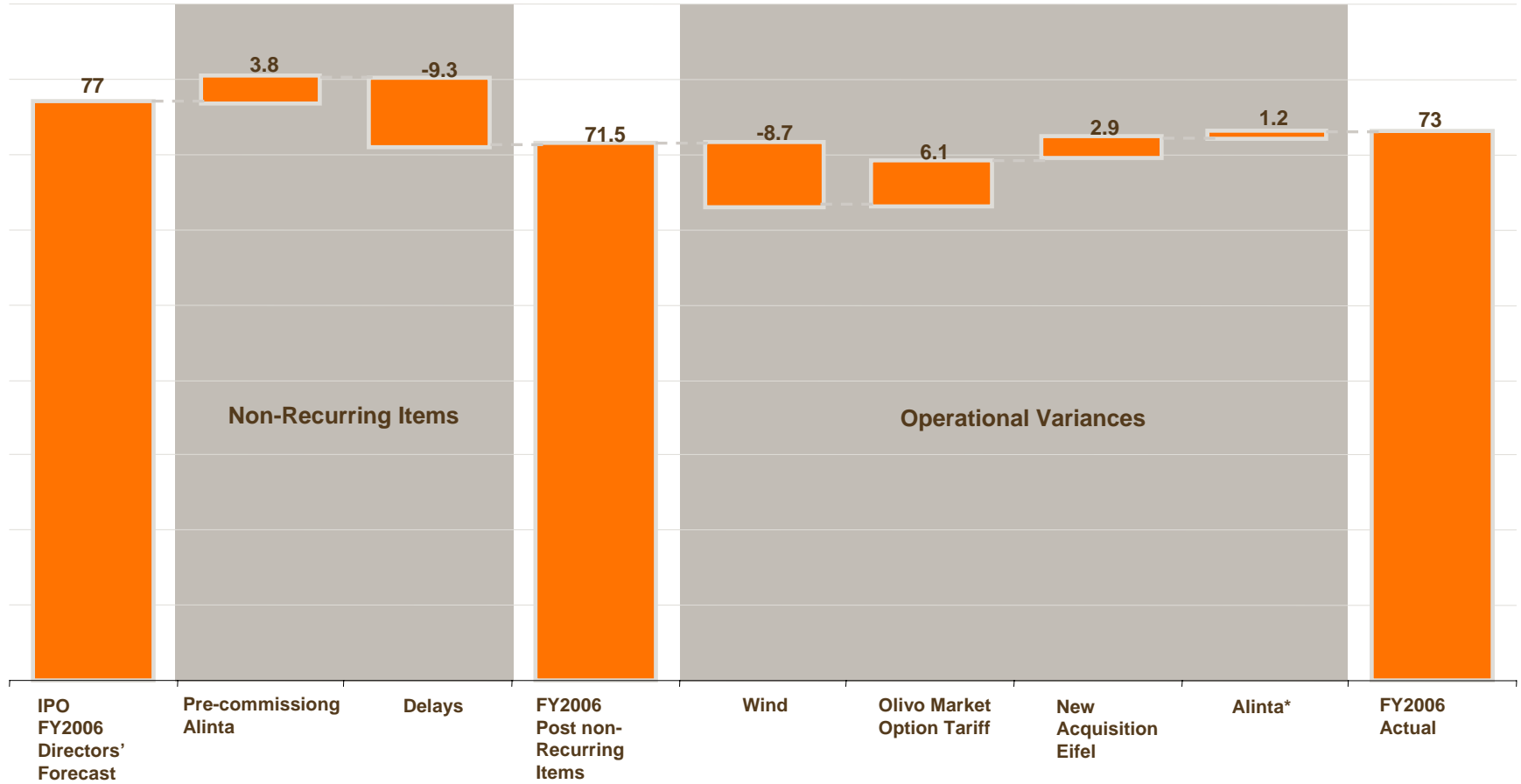
# DISTRIBUTION GUIDANCE

- BBW Boards have revised FY2007 Distribution Guidance to 12.5 cents per security\* up from IPO Forecast of 11.2 cents per security, representing an increase of 11.6%
- Further BBW is targeting at least 3.5% compound annual growth in distributions over the medium term

\* Revised FY07 Distribution guidance assumes: - No material reduction in Spanish tariffs  
- P50 wind performance  
- No performance fee

# REVENUE

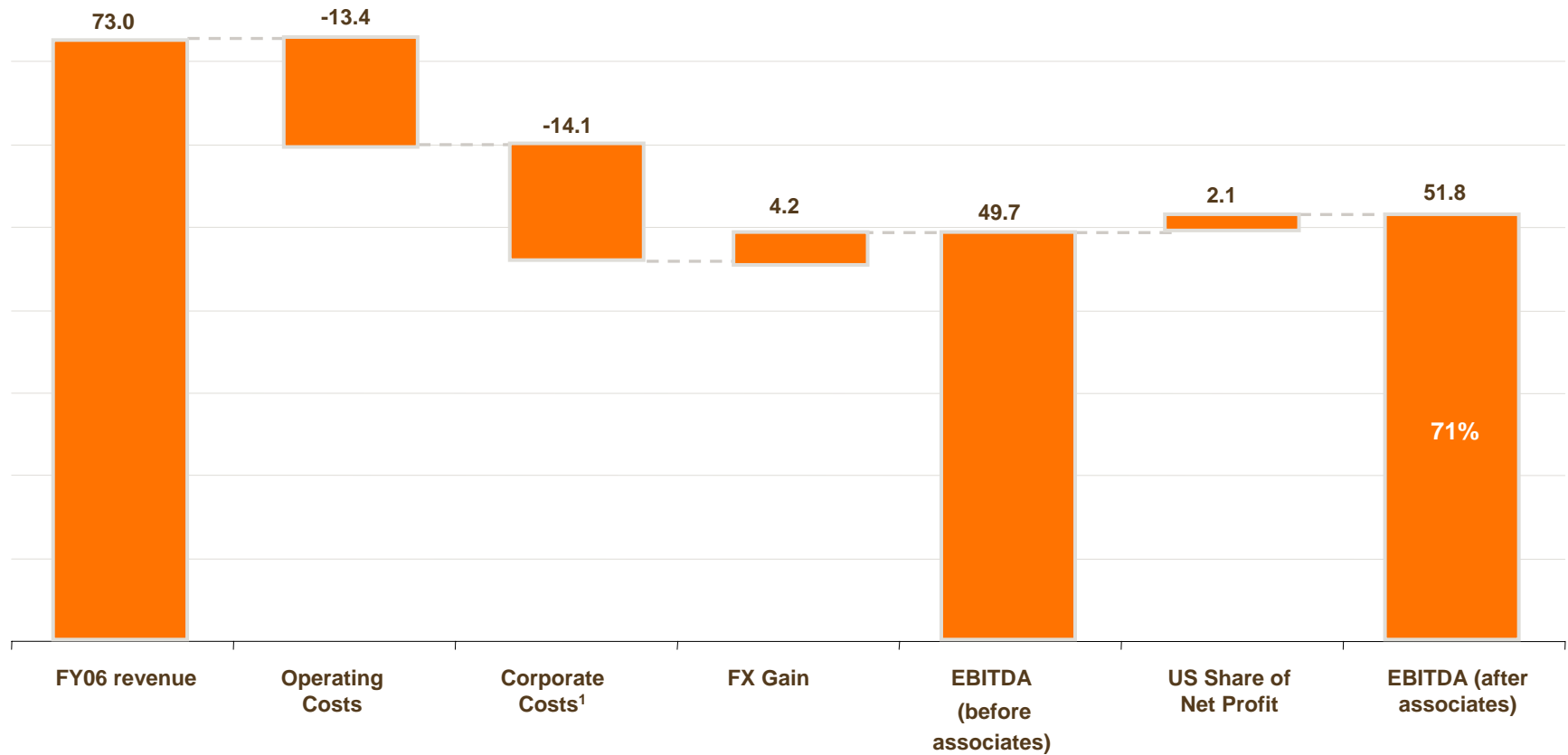
AUD\$m



\* Net revenue after netting availability reductions and compensation for loss of availability

# EBITDA

AUD\$m



(1) Excludes incentive fee

# CASH FLOW SUMMARY

AUD\$m	FY2006	IPO Forecast	Variance
<b>EBITDA after associates</b>	51.8	57.5 <sup>1</sup>	(5.7)
<b>US cash distribution</b>	5.0	4.7	0.3
<b>Net interest paid<sup>4</sup></b>	(12.8)	(18.2) <sup>1</sup>	5.4
<b>Tax paid</b>	(1.8)	0	(1.8)
<b>Working capital</b>	(7.9)	(0.7) <sup>2</sup>	(7.2)
<b>Net operating cash flow</b>	34.3	43.3 <sup>1</sup>	(9.0)
<b>Total distribution<sup>3</sup></b>	(49.7)	(47.6)	(2.1)

(1) IPO Forecast figures EBITDA (after associates), on page 93 of the Prospectus. Net operating cash is on page 95 of the Prospectus.

(2) Working capital and distributions paid are contained in slide 12 of the IPO presentation.

(3) Interim dividend \$26.8m; final dividend \$22.9m (assuming 22% DRP participation).

(4) Net Interest Paid is lower than IPO Forecast because of the delay in acquisitions.

# KEY BALANCE SHEET STATISTICS

	FY2006	IPO Forecast
Net Debt / EV <sup>1</sup>	30.9%	33.5%
Net interest expense	\$11.2m	\$18.2m
Net interest cover <sup>2</sup>	4.6x	3.2x <sup>3</sup>
Average interest rate <sup>4</sup>	4.9%	Not supplied
Proportion of debt at fixed interest rates <sup>5</sup>	86%	Not supplied

(1) Assumes market value of equity calculated at \$1.40. Net Debt / EV is calculated as follows Net Debt / (Net Debt + Equity).

(2) EBITDA /Net Interest.

(3) Calculation 57.5/18.2.

(4) Calculated from a simple average based on opening and closing debt values.

(5) Proportion of project debt at fixed rates divided by total debt.

# BBW'S GEARING IS CONSERVATIVE

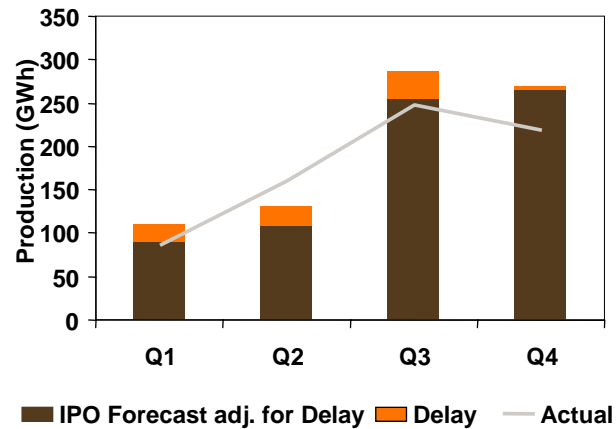
	Gearing (Book)	Gearing (Market value) <sup>2</sup>	Tenure (Years)	Fixed Interest Proportion (%)
<b>Current gearing status</b>				
<b>BBW Consolidated</b>	35% <sup>1</sup>	31% <sup>3</sup>		86%
<b>Australia</b>	46%	N/A	8.5-12	>90%
<b>Spain</b>	64%	N/A	14	88%
<b>Germany</b>	69%	N/A	14	>90%
<b>France</b>	0%	N/A	N/A	N/A
<b>U.S.</b>	0%	N/A	N/A	N/A
<b>Near term alternatives</b>	<ul style="list-style-type: none"> <li>Ongoing capital management initiatives to increase security holder returns</li> </ul>			
<b>Potential Debt capacity</b>	<ul style="list-style-type: none"> <li>Assuming:</li> <li>AUD\$100m of cash utilised on acquisitions since balance date AND</li> <li>AUD\$500m additional debt</li> <li>BBW proforma market gearing only at approximately 55%<sup>1,2</sup></li> </ul>			

(1) Net Debt to net debt plus book equity.  
 (2) Assumes market value of equity calculated at \$1.40.  
 (3) Net Debt / EV is calculated as follows Net Debt / (Net Debt + Equity).

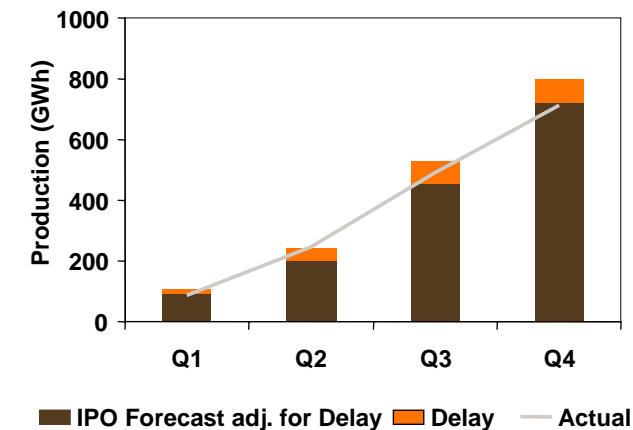


# FY2006 energy generation influenced by acquisition delays and low wind (predominantly FY4th quarter)

## Quarterly Production Profile



## Cumulative Production Profile



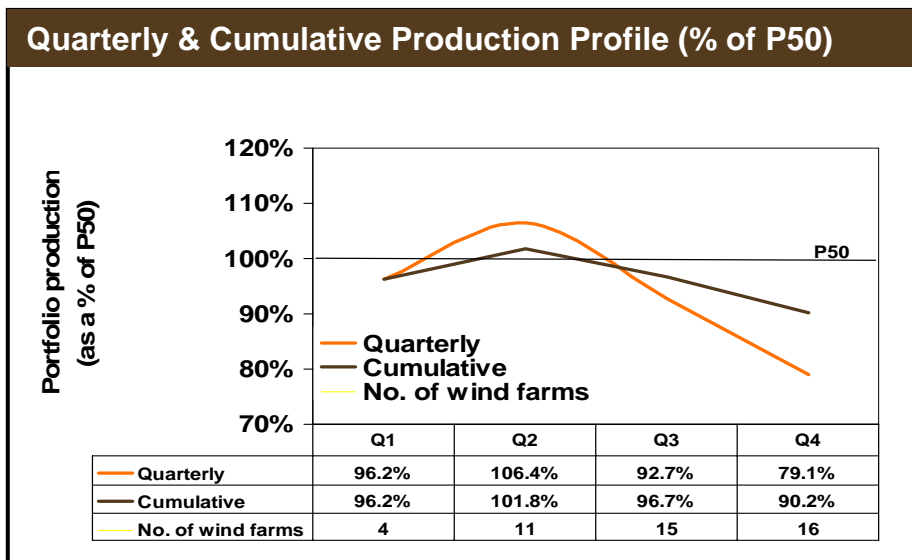
## Key Observations

- IPO generation forecasts were negatively impacted by acquisition delays and low wind, particularly in May and June in the FY4<sup>th</sup> quarter
- Delays resulted in a 78.9GWh reduction in forecast generation, the majority of which was associated with the acquisition of the Olivo wind farms and had been incurred by the end of the FY3<sup>rd</sup> quarter
- Total actual generation fell short of FY2006 generation forecasts (IPO Forecast adjusted for delays) by a further 17.4GWh operational shortfall
- The aggregate shortfall of 96.3GWh represented a 12.1% shortfall from the IPO Forecast generation. Therefore, delays represent 9.9% and wind/operations represent 2.2%
- Actual generation at the end of the FY3<sup>rd</sup> quarter was 29.3GWh or 6% above forecast generation (IPO Forecast adjusted for delays) and approximately 7% below IPO Forecast generation
- FY4<sup>th</sup> quarter shortfall in operational generation (ie. not associated with delays) amounted to 55.6GWh being 7.6% of the forecast generation – May and June represented approximately 44.9GWh of the shortfall
- The FY4<sup>th</sup> quarter shortfall in operational generation needs to be considered in the context of the ramp-up nature of the portfolio and the occurrence of the shortfall during the final FY2006 quarter

### Notes

1. Adjusted budget is the IPO Forecast adjusted for project delays, pre-commissioning, and new acquisitions
2. Capacity and generation shown on a proportional equity interest basis. US proportional interest is projected to increase over time

# Lower wind speed in FY4<sup>th</sup> quarter had a disproportionate impact over the portfolio for FY2006 because of wind farm ramp-up profile



- Production in FY4<sup>th</sup> quarter is 21% below P50 forecast
- The impact of this lower production, assuming the whole portfolio had been operating for the full year, would be approximately 5.2%
- However, because the production capacity was significantly weighted towards the end of the year as BBW ramped up its portfolio, the impact (based on actual production) increased to 9.8%
- Thus impact of lower wind speed in FY3<sup>rd</sup> & FY4<sup>th</sup> quarters is amplified because a large portion of the portfolio was not fully operational in the early part of the year

GWh or otherwise stated	Q1	Q2	Q3	Q4
Actual (IPO Portfolio only)	86.4	116.0	236.9	210.4
P50 (IPO Portfolio only)	89.8	109.0	255.5	265.9
<b>% of P50 – Quarterly</b>	96.2%	106.4%	92.7%	79.1%
<b>Cumulative – Actual</b>	86.4	202.5	439.3	649.7
<b>Cumulative – P50</b>	89.8	198.9	454.4	720.3
<b>Cumulative – % of P50</b>	96.2%	101.8%	96.7%	90.2%
<b>Actual / P50 – Full Year</b>	<b>90.2%</b>			
<b>Average of % of P50 – Quarterly</b>	<b>93.6%</b>			

Note: Capacity and generation based on a proportional equity interest basis. US proportional interest is projected to increase over time

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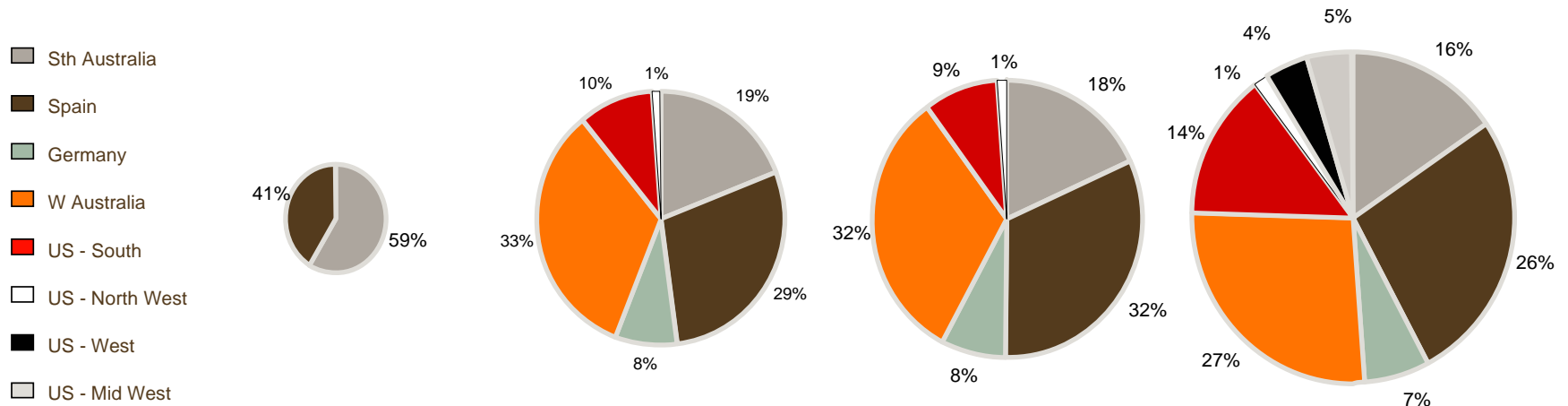
# SOURCES OF PORTFOLIO DIVERSIFICATION

<b>GEOGRAPHY &amp; WIND RESOURCE</b>	BBW operates across 3 continents, 4 countries and 8 wind regions
<b>NUMBER OF WIND FARMS</b>	BBW commenced with 4 operational wind farms with an installed capacity of 147MW
<b>REVENUE ASSURANCE</b>	Revenue is a mix of fixed tariffs, power purchase agreements and market pool sales
<b>REGULATORY FRAMEWORKS</b>	Wind farms operate under a mix of fixed price and fixed quantity regulatory frameworks
<b>EQUIPMENT &amp; SERVICE PROVIDERS</b>	BBW utilises the technology from six of the ten leading global turbine suppliers
<b>CUSTOMERS</b>	Counterparties are electricity distribution & retail companies, as well as market pools

# PORTFOLIO HAS GROWN AND DIVERSIFIED SIGNIFICANTLY

	IPO	Placement (May 06)	End FY06	Start FY07
<b>Regions</b> (being areas with differing wind patterns)	Sth Australia & Spain	Sth Australia, Spain, Germany, W Australia, US-South & US-North West	Sth Australia, Spain, Germany, W Australia, US-South & US-North West	Sth Australia, Spain, Germany, W Australia, US-South, US-North West, US-West & US-Mid West
<b>Number of different wind regions</b>	2	6	6	8
<b>Forecast Generation</b>	359.7GWh	1,102.3GWh	1,145.7GWh	1,360.9GWh

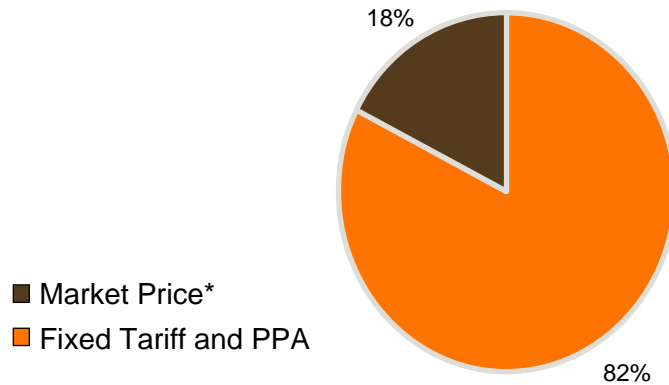
Capacity and generation shown on a proportional equity interest basis for operational wind farms.



Note: Pie charts based on forecast proportionate interest energy generation

# BBW PORTFOLIO ENERGY PRICES

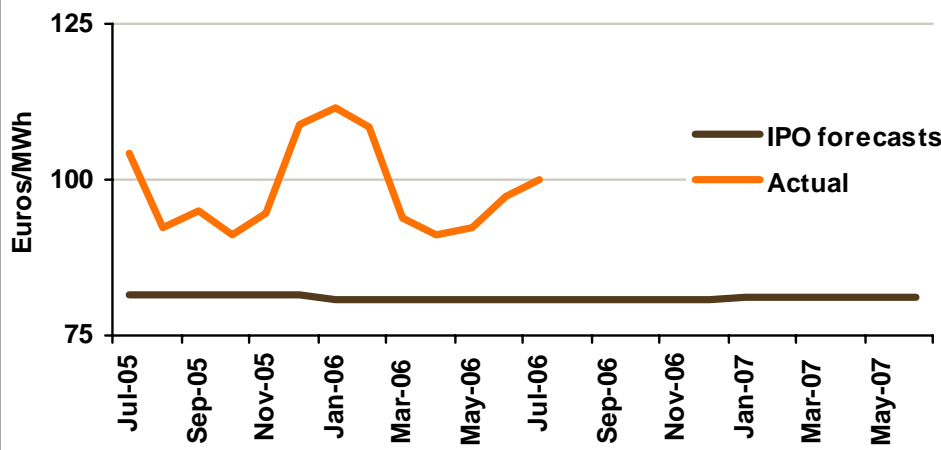
## BBW Portfolio: Fixed/Market Tariff split



## Key Observations

- Revenues are predominantly derived from fixed tariffs
- Fixed tariffs are based on long term Power Purchase Agreements or regulated tariffs
- Spanish market option provides the predominant portion of variable, or market, tariffs
- In addition, Crescent Ridge provides BBW with its first opportunity for market exposure in the US. BBW elected a 100% market tariff for Crescent Ridge as the “PJM grid” is a mature and relatively stable market where currently the market returns are higher than the PPAs available to BBW
- Market tariffs, by their nature, will continue to be subject to variability
- The current Spanish market option tariff has been consistently above BBW’s IPO Forecasts, however there is no certainty that this premium will continue indefinitely

## Spanish Market Option Tariff (July 05 to July 06)



Source: IPO Forecast based on Ilex Energy Consulting  
 \* Reflects market pool component to market option tariff only

# REGULATORY FRAMEWORKS SUPPORTING RENEWABLE ENERGY

Regulatory Mechanisms	Examples	Key Characteristics	Countries	Legislation
<b>Direct Tariff</b>	<ul style="list-style-type: none"> <li>Renewable Energy Feed-in tariffs</li> </ul>	<ul style="list-style-type: none"> <li>Ensures revenue stream and potential return on investment, thus encouraging investment.</li> <li>Does not guarantee investment and growth levels.</li> </ul>	<ul style="list-style-type: none"> <li>Germany</li> <li>Spain</li> <li>France</li> </ul>	<p>Renewable Energy Sources Act (EEG) 2004</p> <p>Electricity Act 1997 &amp; Associated Royal Decrees</p>
<b>Quota Systems</b>	<ul style="list-style-type: none"> <li>Portfolio standards targets Renewable Energy targets.</li> <li>Green certificate market</li> </ul>	<ul style="list-style-type: none"> <li>Ensures investment and growth levels.</li> <li>Perceived as non market friendly, mandates business activity and requires monitoring and tracking initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Australia</li> </ul>	<p>Renewable Energy (Electricity) Act 2000 and Mandatory Renewable Energy Target 2001</p>
<b>Tax Credits</b>	<ul style="list-style-type: none"> <li>Tax incentives</li> </ul>	<ul style="list-style-type: none"> <li>Minimised market impact, perceived as market friendly and no cost to businesses/consumers.</li> </ul>	<ul style="list-style-type: none"> <li>USA</li> </ul>	<p>Energy Policy Act of 2005, Production Tax Credit Incentives</p>

# EQUIPMENT & SERVICE PROVIDERS



BBW utilises the technology from six of the ten leading global turbine suppliers:

- General Electric
- Nordex
- Gamesa
- Vestas
- Enercon
- Mitsubishi/power systems

In addition, operations and maintenance is undertaken by a range of specialist service providers, including the turbine suppliers while under warranty.



# CUSTOMERS



BBW's counterparties for the sale of renewable energy and any associated green certificates include many electricity distribution and retail companies as well as market pools across four countries and many states or regions.

These include:

- Australia – AGL, Country Energy, Alinta
- Germany - RWE Rhein Ruhr
- USA – TXU, Pacific Corp
- Spain - Endesa

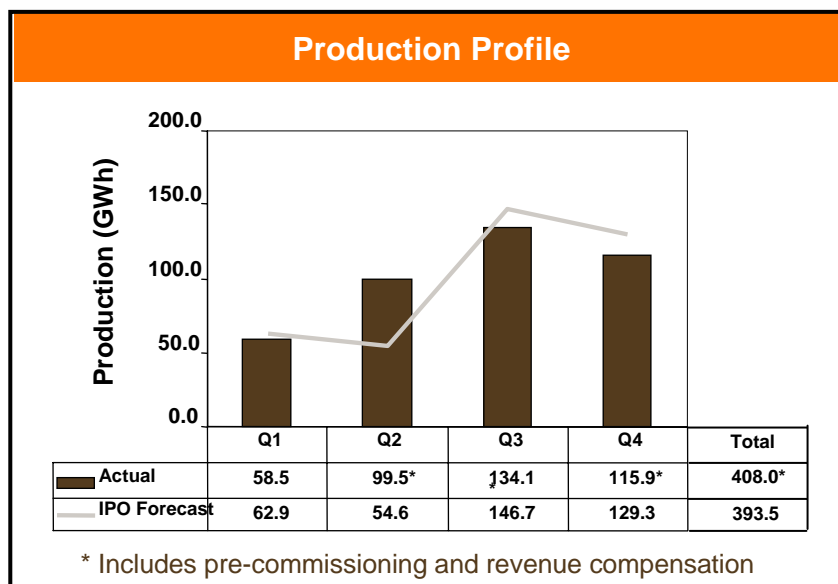
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# PORTFOLIO OVERVIEW: AUSTRALIA

Key Financials	Actual	IPO
Revenue	\$35.9m	\$33.7m
EBITDA <sup>1</sup>	\$30.0m	\$26.9m
Contribution to EBITDA <sup>2</sup>	48.6%	40.1%

(1) Includes pre-commissioning and revenue compensation for Alinta wind farm which has been settled with the contractor  
 (2) EBITDA after associates excluding corporate costs and FX gain



### OUTLOOK

#### Existing Assets

- Settlement negotiated with the contractor to achieve final completion for Alinta wind farm

#### New Assets

- In June 2006, finalised agreements for the construction of Lake Bonney Stage 2 (LB2)
  - 159 MW with forecast generation of 478GWh
  - Completion mid 2008
  - LB2 expected to be largest wind farm in Australia

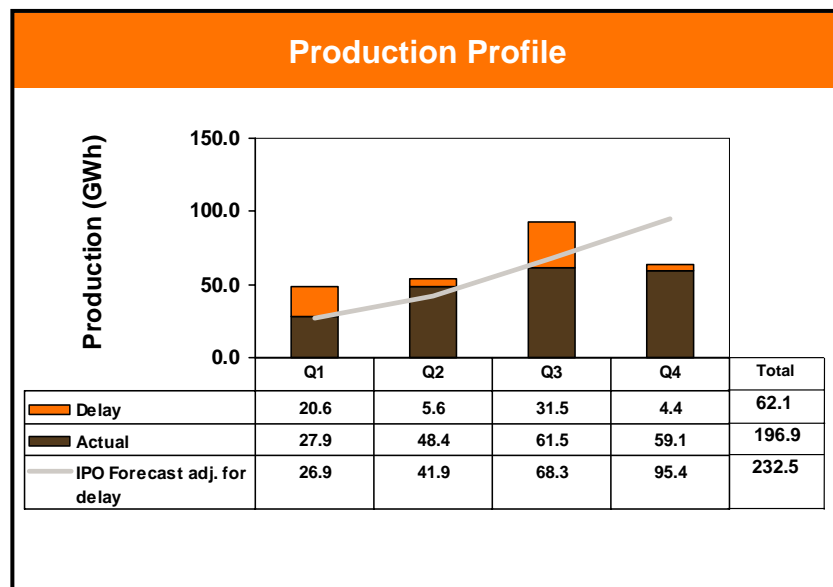
#### Regulatory / Industry

- The Mandatory Renewable Energy Target ("MRET") is largely satisfied. A number of States are promoting separate targets e.g. South Australia 20% by 2014 (draft legislation)

# PORTFOLIO OVERVIEW: SPAIN

Key Financials	Actual	IPO
Revenue	\$32.4m	\$39.4m
EBITDA	\$25.9m	\$33.7m
Contribution to EBITDA <sup>1</sup>	41.9%	50.6%

(1) EBITDA after associates excluding corporate costs and FX gain



### OUTLOOK

#### Existing assets

- BBW portfolio will benefit from the first full year of production

#### New Assets

- Further capacity of 450MW subject to framework agreement

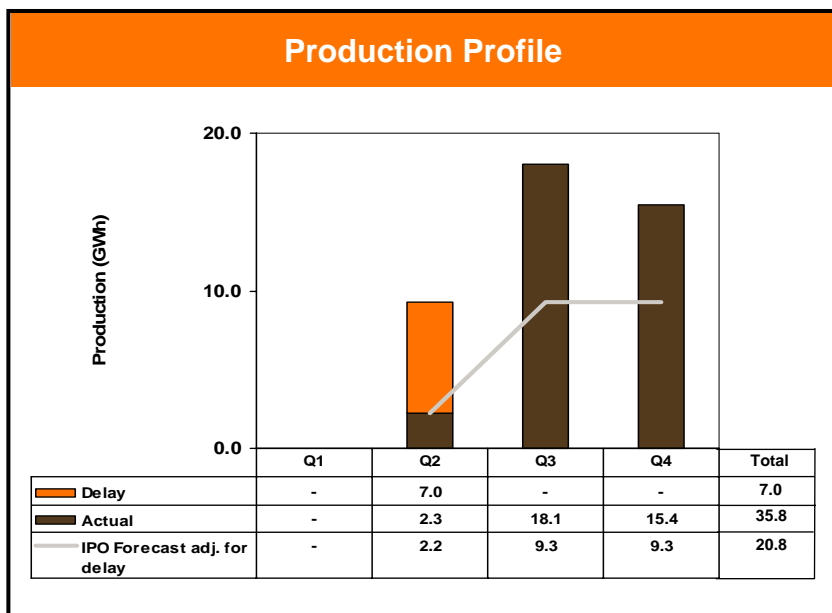
#### Regulatory / Industry

- Pricing under current market option is very attractive and at a considerable premium to the fixed tariff
- The pricing mechanism for the market option is up for review by the late 2006
- Forecast is considered appropriate in terms of the expected outcome from review of the market option

# PORTFOLIO OVERVIEW: GERMANY

Key Financials	Actual	IPO
Revenue	\$4.7m	\$3.9m
EBITDA	\$3.8m	\$3.1m
Contribution to EBITDA <sup>1</sup>	6.1%	4.7%

(1) EBITDA after associates excluding corporate costs and FX gain



### OUTLOOK

#### Existing Assets

- BBW portfolio will benefit from the first full year of production

#### New Assets

- Further capacity of 400MW subject to framework agreements which will only be delivered over several years

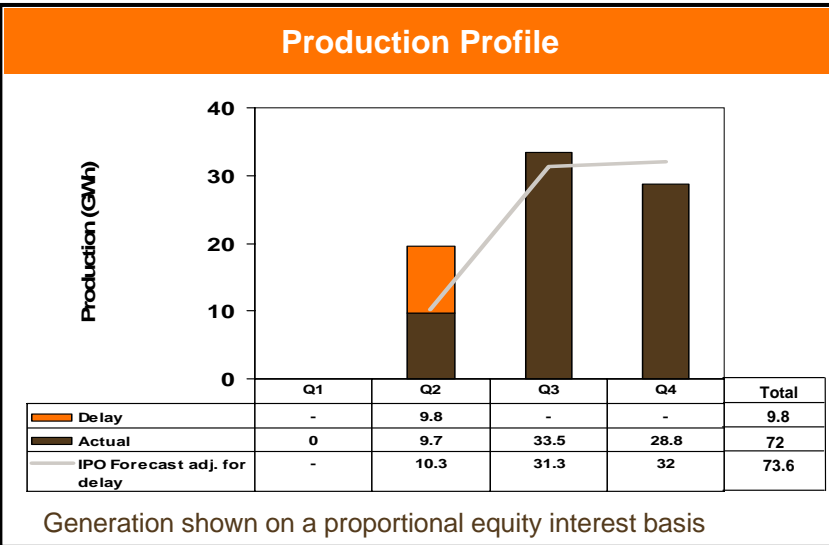
#### Regulatory / Industry

- Wind market very mature, turbine manufacturers continuing to pass on cost increases, placing pressure on return hurdles
- Will consider re-powering opportunities on a selective basis due to maturity of German market

# PORTFOLIO OVERVIEW: U.S.A.

Key Financials	Actual	IPO
US share of net profit	\$2.1m	\$2.9m
Additional US cash distribution	\$5.0m	\$4.7m
<b>TOTAL</b>	<b>\$7.1m</b>	<b>\$7.6m</b>
<b>Contribution to EBITDA<sup>1</sup></b>	<b>3.4%</b>	<b>4.4%</b>

(1) EBITDA after associates excluding corporate costs and FX gain



## OUTLOOK

### Existing Assets

- Sale of renewable energy for Crescent Ridge into the open market currently selling at attractive prices and higher than available PPA terms

### New Assets

- Acquisition of the additional US05 assets, being Bear Creek and Jersey Atlantic possible in H107
- Further pipeline opportunities available over several years

### Regulatory / Industry

- Expect significant growth in line with extension of the PTC scheme, and State based renewable targets
- PTC likely to be extended beyond 2007

# PORTFOLIO OVERVIEW: FRANCE



## OUTLOOK

### Existing Assets

- Fruges is under construction and is currently running on time and on budget
- Expected completion date mid 2007

### New Assets

- Construction of Fruges 2 expected to commence in 2008

### Regulatory / Industry

- French market highly attractive, total installed capacity increased by 182% in 2005<sup>1</sup> albeit off a low base.

1 2005 BTM consult statistics

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# WIND ENERGY DRIVERS REMAIN ROBUST

## Cost Competitiveness

- Increasing volatility and uncertain fossil fuel price trajectory
- Wind energy increasingly cost competitive
- Competitive with new entrants: 4-7US c/kWh or 4-9€c/kWh<sup>1</sup>

## Security of energy supply

- Wind energy represents an indigenous fuel source
- Fossil fuels concentrated in geopolitically sensitive regions
- Historic dependence on imports

## Environmental Factors

- Deepening concerns about threat of global warming
- Reducing dependence on and depletion of non-renewable resources
- Reduction in emissions shaped by Kyoto Protocol: 5.2% by 2012

## Increased demand for electricity

- New global capacity of 4,800GW required by 2030<sup>2</sup>
- Demand will double between 2002 & 2030<sup>2</sup>
- Need to replace 1/3 of the current installed capacity<sup>2</sup>

# MANAGING OUR CHALLENGES

Challenge	Management
Consolidation of existing portfolio in conjunction with managing growth	<ul style="list-style-type: none"> <li>• Resources and systems enhancement</li> <li>• Apply investment criteria</li> </ul>
Ongoing integration of global operations and reporting and risk management systems across the portfolio	<ul style="list-style-type: none"> <li>• Automation &amp; timeliness of reporting</li> <li>• Direct lines of reporting in each region</li> <li>• Monitoring all operational, financial &amp; regulatory risks</li> </ul>
Capital Management	<ul style="list-style-type: none"> <li>• Evaluate funding options</li> <li>• Optimise capital structure</li> <li>• Use Balance Sheet capacity to maximise security holder wealth</li> </ul>
Reduce impact of wind variability	<ul style="list-style-type: none"> <li>• Continue diversification</li> <li>• Consider acquisition of assets in productive wind regions</li> <li>• Provide relevant data to the market</li> </ul>

# PORTFOLIO POSITIONED TO DELIVER VALUE

## Portfolio consolidation

- Ongoing integration of operating, risk management & reporting systems
- Increased scale & penetration within existing regions in FY07

## Managed Growth

- BBW pipeline remains robust
- Balance sheet capacity enables BBW to deliver security holder wealth, including through undertaking further accretive acquisitions without the need to raise material ordinary equity in the near term

## Distribution Guidance

- FY07 Distribution guidance increased to 12.5 cents<sup>1</sup>
- Distribution growth rate remains at least 3.5% pa

(1) FY07 Distribution guidance assumes:

- No material reduction in Spanish tariffs
- P50 wind performance
- No performance fee

# CONCLUSIONS

## FY2006

- Investment rationale for wind energy continues to improve
- Characterised by acquisition activity

## FY2007 Outlook

- Consolidation and continued focus on optimising the portfolio
- Capital management initiative a high priority and likely to minimise need for equity raising in the near term
- Potential accretive growth opportunities via BNB and BBW pipeline
- As at July 2006, total P50 generation of 1,361GWh pa 21% ahead of IPO FY2007 generation forecast
- **Distribution guidance: upgrade to 12.5 cents**
- **Continue to target 3.5% compound annual growth in distributions**

# AGENDA

1. Introduction
2. FY06 result highlights
3. Portfolio Diversification
4. Portfolio Overview
5. Outlook
6. Appendix

# PORTFOLIO SUMMARY

Wind Farm	Location	BBWP's Equity Interest (%) <sup>1</sup>		Status (Acquisition Date)	Installed Capacity -		Turbines			Long Term Mean Energy		Energy Sale
					Total	Equity Interest	No. of Turbines	Type	Rating	Total	Equity Interest	
<b>AUSTRALIA</b>												
Alinta Wind Farm	Western Australia	100%		Operational (Aug 2004)	89.1	89.1	54	NEG Micon NM82	1.65 MW	366.5	366.5	PPA <sup>2</sup>
Lake Bonney Stage 1	South Australia	100%		Operational (Jun 2003)	80.5	80.5	46	Vestas V66	1.75 MW	213.4	213.4	PPA
Lake Bonney Stage 2	South Australia	100%		Under-construction <sup>3</sup> (Sep 2005)	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	Vestas V90	3 MW	n/a <sup>3</sup>	n/a <sup>3</sup>	PPA & Market
<b>SPAIN</b>												
Olivio Portfolio												
Sierra del Trigo	Andalucia	100%		Operational (Dec 2004)	15.2	15.2	23	Gamesa G47	660 kw	32.3	32.3	Market Option
La Muela norte	Aragon	100%		Operational (Dec 2004)	29.8	29.8	35	Gamesa G58	850 kw	70.6	70.6	Market Option
El Redondal	Castille & Leon	100%		Operational (Oct 2005)	30.6	30.6	36	Gamesa G58/52	850 kw	66.5	66.5	Market Option
Serra de Loba	Galicia	100%		Operational (Mar 2006)	36.0	36.0	18	Gamesa G83	2 MW	99.9	99.9	Market Option
La Plata <sup>4</sup>	Castille La Mancha	100%		Operational (Jun 2005)	21.3	21.3	25	Gamesa G58	850 kw	45.6	45.6	Market Option
El Sardon	Andalucia	100%		Operational (May 2006)	25.5	25.5	30	Gamesa G58	850 kw	47.9	47.9	Market Option
<b>GERMANY</b>												
Niederrhein												
Wachtendonk	Northrhine-Westphalia	99%		Operational (Mar 2005)	12.0	11.9	8	Nordex S77	1.5 MW	23.7	23.7	Fixed Tariff
Bocholt Liedern	Northrhine-Westphalia	99%		Operational (Mar 2005)	7.5	7.4	5	Nordex S70	1.5 MW	13.3	13.3	Fixed Tariff
Eifel	Rhineland-Palatinate	100%		Operational (Feb 2005)	27.0	27.0	18	Nordex S70/77	1.5 MW	53.0	53.0	Fixed Tariff
<b>FRANCE</b>												
Fruges	Pas de Calais	100%		Under-construction <sup>3</sup> (Mar 2006)	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	Enercon E70 E4	2 MW	n/a <sup>3</sup>	n/a <sup>3</sup>	Fixed Tarrif
<b>USA</b>												
US 03/04												
Sweetwater 1	Texas	50%	11.1%	Operational (Dec 2005 & Jun 2006)	37.5	4.2	25	GE 1.5 S	1.5 MW	141.7	15.8	PPA
Sweetwater 2	Texas	50%	11.1%	Operational (Dec 2005 & Jun 2006)	91.5	10.2	61	GE 1.5 SLE	1.5 MW	361.8	40.2	PPA
Caprock	New Mexico	80%	15.9%	Operational (Dec 2005 & Jun 2006)	80.0	12.7	80	Mitsubishi MWT 1,000A	1 MW	316.6	50.2	PPA
BlueCanyon	Oklahoma	50%	8.4%	Operational (Dec 2005 & Jun 2006)	74.3	6.3	45	NEG Micon NM72	1.65 MW	264.1	22.3	PPA
Combine Hills	Oregon	50%	13.6%	Operational (Dec 2005 & Jun 2006)	41.0	5.6	41	Mitsubishi MWT 1,000A	1MW	119.6	16.3	PPA
US 05												
Sweetwater 3	Texas	50%	12.6%	Operational (Jul 2006)	135.0	17.0	90	GE 1.5 SLE	1.5 MW	508.5	64.1	PPA
Kumeyaay	California	100%	37.0%	Operational (Jul 2006)	50.0	18.5	25	Gamesa G87	2 MW	164.6	60.9	PPA
Crescent Ridge	Illinois	75%	35.6%	Operational (Jul 2006)	54.5	19.4	33	Vestas V82	1.65 MW	171.9	61.2	Market Pool
<b>TOTAL</b>					<b>938.1</b>	<b>468.0</b>	<b>698.0</b>			<b>3,081.5</b>	<b>1,363.7</b>	

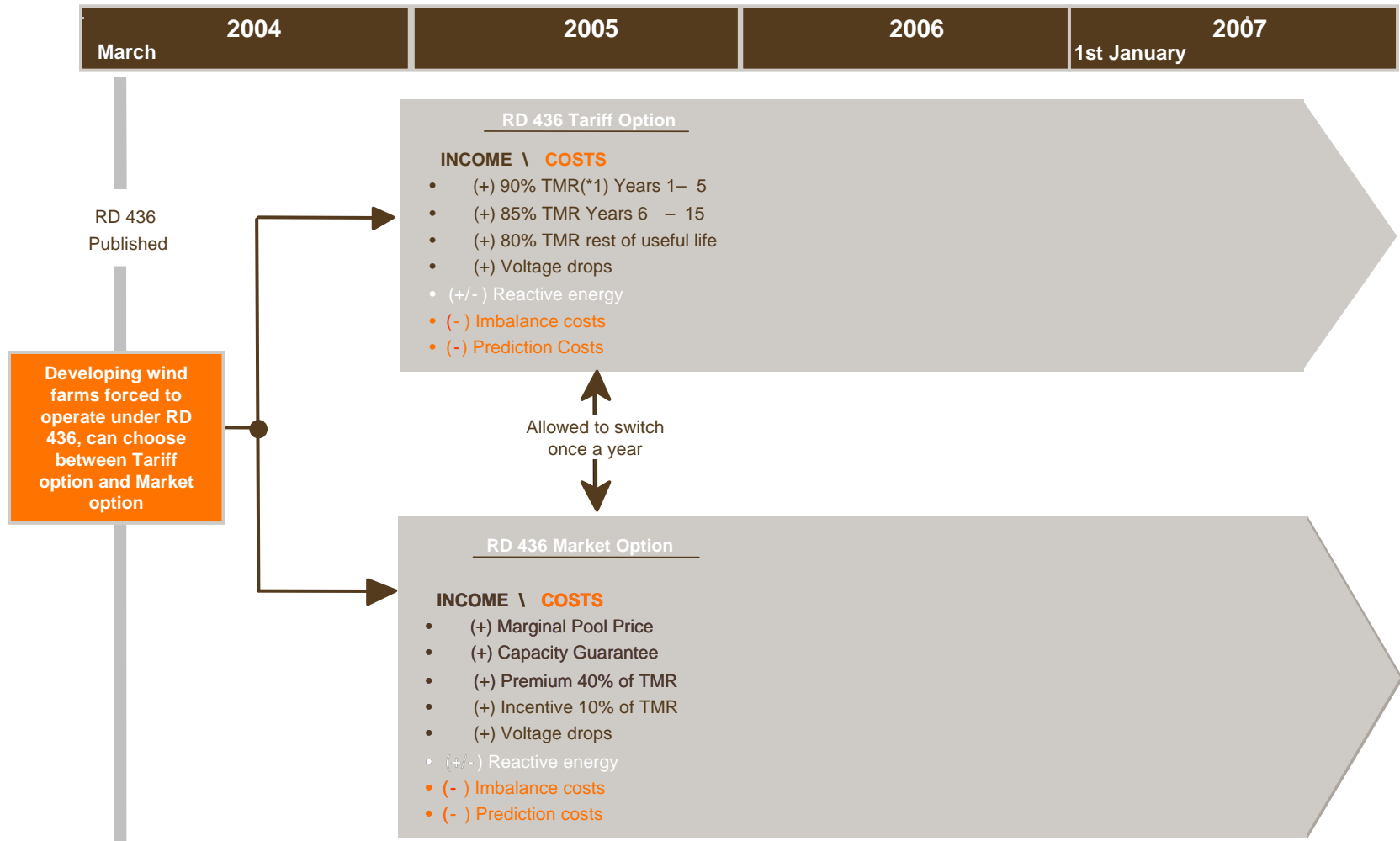
1 Percentages for US wind farms constitute percentage ownership of Class B Member Units of project entity and proportionate HLBV equity interest respectively as at July 2006

2 PPA - Power Purchase Agreement

3 Lake Bonney 2 will have installed capacity of 159MW, 53 turbines and a forecast long term mean energy production of 477.9GWh p.a. Fruges will have an installed capacity of 22MW, 11 turbines and a forecast long term mean energy production of 49.7GWh p.a.

4 The current grid connection limits the capacity to 10MW. A new grid connection is under construction, however Gamesa must compensate for the loss of revenues due to limited capacity.

# SPANISH REGULATORY FRAMEWORK (RD 436)



(\*1) TMR = Average Reference Tariff (see slide 23)

# APPENDIX AIFRS AND ACCOUNTING ISSUES

- Goodwill
  - No impairment
  - No amortisation under AIFRS
- Cash flow and net investment hedges
  - Effectiveness tests achieved
  - Gains/losses recognised through equity; net of deferred tax
- BBW must comply with UIG INT 4 which is effective from 1 July 2006
  - Take-or-pay contract = lease agreement
  - Applicable to Wind Farms where:
    - Power purchase agreements (PPAs) acquire all supplier's power output AND
    - Fixed pricing structure
  - In FY07 income from wind farms that do not supply into a market pool will be treated as operating lease income<sup>1</sup>
  - Estimated impact yet to be determined

(1) Operating lease treatment given no minimum lease payments (AASB 117 Leases).



# INVESTMENT STRATEGY & ACQUISITION CHARACTERISTICS

- BBW's investment strategy is to build strong cash flows and earnings through management of its portfolio of diversified wind farms and, where appropriate, through accretive acquisition of additional assets
- BBW's existing investments were selected based on the following characteristics:
  - ☑ Attractive off-take arrangements/market conditions
  - ☑ Predictable operating costs
  - ☑ Favourable locations – with wind resource based on historic onsite wind data assessed by leading independent experts
  - ☑ Superior asset quality
  - ☑ Portfolio diversification
  - ☑ Appropriate construction risk or commissioning risks
  - ☑ Long-term investment horizons with re-powering opportunities
  - ☑ No development risk

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