

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

31 October 2006

ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS AND PRESENTATION

Please see attached:

- Chairman's Address and;
- Presentation Slides.

to be delivered at today's Annual General Meeting of BBW Security Holders.

ENDS

Further Information:

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

Rosalie Duff
Investor Relations Manager
Babcock & Brown Wind Partners
+61 2 9229 1800

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

BABCOCK & BROWN WIND PARTNERS

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

CHAIRMAN'S ADDRESS

Babcock & Brown Wind Partners 2006 Annual General Meeting

10.00am, 31st October 2006

Wentworth Sofitel, 61 Phillip Street, Sydney

Before moving to the formal items of business on the Notice, I would now like to touch on the highlights for 2006 and update security holders on a number of management and strategic issues before handing over to Peter O'Connell to discuss the 2006 operational performance.

Overview/Portfolio

It has been just over a year since BBW first listed on the Australian stock exchange. The 2006 financial year has been a very busy period for BBW, as demonstrated by the level of acquisition activity that was undertaken during the year. As Peter will outline in greater detail in a moment, BBW commenced operations with only 4 fully operational wind farms and during the 2006 financial year acquired a further 12 wind farms to finish the financial year with a portfolio of 16 wind farms and today has a portfolio of 19 fully operational wind farms. In completing such an extensive acquisition program BBW has built an operating business comprised of a global portfolio of wind farms of significant scale and diversity across 3 continents.

Investment rationale for wind energy investment

At the time of the IPO, several factors were identified as underpinning the investment rationale for wind energy investment. These factors include

- the increasing cost competitiveness of wind energy
- the desire for increased security of energy supply, particularly by those countries with limited fossil fuel reserves,
- concerns about rising CO2 emissions and global warming, and
- growing demand for electricity as has been highlighted fairly regularly of late by the Press.

The cost of Wind energy production is currently cheaper than the cost of producing electricity by a new gas power station in most countries where BBW has wind farms and is also competitive with traditional fossil fuels such as coal, particularly if you include the cost of carbon.

As fossil fuels are increasingly concentrated in geopolitical sensitive regions, security of supply is also becoming an important driver for wind energy investment.

Furthermore, with deepening concerns about global warming, wind energy will undoubtedly be a viable alternative in reducing the dependence on non-renewable fuel sources.

Finally, it is forecast that the global demand for electricity will double between 2002 and 2030, and according to the International Energy Agency one third of the current installed capacity will need to be replaced. Against this backdrop wind energy is certainly relevant in providing part of the solution to the world's growing energy needs. These factors continue to gain momentum and remain even stronger today, and will therefore continue to underpin the investment rationale for wind. The global wind energy industry grew by 24% in terms of cumulative installed capacity over the 12 months to March 2006 and BBW remains well positioned to benefit from the continued growth in the global wind energy industry.

Financial summary

This brings me to BBW's Year in Review.

In terms of BBW's financial performance since listing, the 2006 financial year produced a sound performance for shareholders with total revenue of \$73 m and the payment of a fully taxed deferred 10.2 cent distribution. BBW's Total Shareholder Return, being a combination of distributions and security price appreciation over its first 12 months of operation was a healthy 14.6%. Notwithstanding this sound result, there were a number of one-off events and some operational variances which resulted in BBW not achieving the 2006 financial year Director's forecast for revenue and EBITDA and these one-off events will be addressed in greater detail by Peter O'Connell in a moment.

In broad terms, the result contained a number of non-recurring items and operational variances. The non-recurring items included delays in the acquisition of the Olivo wind farms in Spain and delayed construction of the Niederrhein wind farms in Germany. The impact of the delays was further exacerbated by low wind conditions in May and June 2006 across the European portfolio and at the Lake Bonney 1 wind farm.

These items were offset to some extent by the receipt of pre-commissioning revenues from the Alinta wind farm, increased tariffs available under the Spanish market option and revenue from the Eifel wind farm which was not originally included in the Directors' forecasts.

Net interest paid was also \$5.4 million less than the 2006 Directors' forecast, because of interest earned on money set aside for acquisitions that were delayed, which had a positive impact on operational cash flows.

The aggregate impact of operational variances and reduced interest expense had a net positive impact of \$0.3 million on operational cash flows in 2006.

Distribution Upgrade

Going forward BBW's portfolio has significant scale and geographic diversity, and this should assist in ensuring a smoother earnings profile over the longer term. At the time of the annual results, the directors provided updated distribution guidance based on the accretive acquisitions made during the year. The Directors increased the distribution guidance for the 2007 financial year to 12.5 cents, up from 11.2 cps (or 11.6%) from the 2007 distribution contemplated at the time of the IPO. This represents a 22.5% increase on the 2006 distribution. Your boards also remain committed to offering security holders an attractive and growing cash yield, fully tax deferred for 2007. Beyond 2007, the Directors have retained their distribution growth rate target of at least 3.5% per annum.

Balance sheet

Notwithstanding the degree of BBW's acquisition activity over a relatively short time frame, BBW's balance sheet remains in a sound financial position with significant latent borrowing capacity. At the time of the result announcement, management indicated that a focus for BBW would be to review BBW's capital structure to ensure that BBW adopts an optimal capital structure that provides an appropriate mix between operational flexibility, leverage and cost of funding. This initiative is ongoing and we expect that some changes to BBW's balance sheet will be implemented during the course of the next 6 months. Importantly BBW's conservative gearing should allow a substantial, but at the same time prudent, amount of additional debt to be raised and applied towards security holder wealth creation, including potential accretive acquisition opportunities, without a requirement for any material additional ordinary equity in the near term.

BNB's Relationship and Commitment to BBW

BNB remains committed to BBW's long term success.

BBW has access to the full suite of international BNB resources and competencies. This provides:

- access to more than 150 dedicated infrastructure professionals in 22 offices world wide;
- breadth and depth of industry relationships;
- access to uncontested acquisition opportunities;
- access to first class strategic advice; and
- opportunities for co-investment in acquisitions where appropriate.

The interests of BBW and BNB are closely aligned. BNB has a strong vested interest in BBW performing well for the following reasons: firstly, as Manager of BBW, BNB is paid an incentive fee which is tied strictly to the performance of BBW compared against the S&P ASX 200 accumulation index. I will discuss the incentive fee and clarify some market misconceptions in a moment; secondly, BNB and related entities hold approximately 23% of BBW's Stapled Securities; and thirdly, as a BNB managed and branded fund, strong performance by BBW further enhances the value of the BNB brand.

BNB is an experienced manager and developer of wind farm projects with approximately 20 years in wind energy investment. BNB have extensive industry knowledge with development and financing experience in Europe, the US and Australia. BNB remains totally committed to the ongoing success of BBW and intends to use all resources reasonably available to it to fully support BBW in meeting its business plan and performance targets, both operationally and financially.

BNB has made a significant investment in wind farm development globally, and consequently is ideally positioned to support BBW's future performance through delivering a pipeline of accretive investment opportunities over an extended period of time. In this regard BNB is working on delivering new accretive opportunities for BBW's consideration in 2007. Should BBW elect to proceed with the new investment opportunities, they will provide BBW with a larger more diversified portfolio of quality wind generation assets. The related party nature of some of these transactions may require BBW security holders to consider the transactions at an Extraordinary General Meeting early in the New Year.

Acquisition and Investment Criteria

As always it is the intention of your Boards to uphold strict acquisition and investment criteria in order to only grow via acquisition on an accretive basis. BBW's existing portfolio of wind farms are characterised by strong cash flows, locations with favourable wind resource, long term investment horizons with re-powering opportunities and no development risk. Future investments, whether they are acquired via the BNB pipeline or from BBW's framework agreements, will continue to have these characteristics and be made in accordance with BBW's strict investment criteria.

Corporate Governance

I would now like to discuss BBW's approach to corporate governance and clarify some market misconceptions about the current BNB incentive fee arrangements.

Corporate Governance is important to BBW and we take our commitment to protecting Security Holder's interests very seriously. In your copy of the BBW 2006 Annual Report, you will find our Corporate Governance Statement. BBW is committed to implementing high standards of corporate governance. The ASX Corporate Governance Council has developed a set of guidelines entitled Principles of Good Corporate Governance and best practice recommendations. Our corporate governance practices are, with a couple of exceptions which are noted in the annual report, consistent with the ASX recommendations. Please let me stress, that these are not empty platitudes but rather, an integral part of the operating and management culture of BBW. For example, the make-up of BBW boards, includes independent directors on three of the five responsible entity board seats and two of the four Company board seats. Babcock & Brown considers that strong, majority independent boards are critical to the success of its managed funds such as BBW.

In BBW's 2006 Annual Report you will also find BBW's remuneration report. Whilst the external management structure of BBW means that BBW does not ultimately remunerate its managers (but rather pays a fixed management fee to BNB), both the BBW Board and BNB felt that fulsome and transparent disclosure of the remuneration of key executives comprising BBW's management team was appropriate to demonstrate to Security Holders and the market the level and nature of the remuneration paid and the link between BBW performance and the remuneration. As also noted in the Annual Report, BNB recognise the importance of aligning the interests of executives with the performance of BBW, as well as ensuring that remuneration policies are consistent with market practice and provide incentives to drive superior levels of performance.

Accordingly, BNB is currently reviewing the philosophy and framework of remuneration of members of the executive management team, with a view to ascertaining how it can be improved and how the remuneration structure can be further aligned to BBW performance. In this regard let me stress that BNB's current compensation arrangements are already based on rewarding individuals for their performance and in relation to executive management of BNB managed funds, this performance is primarily assessed against the operational performance of the fund.

Security trading policy

We have also made some changes to the BBW security trading policy. A summary of the BBW security trading policy is on the BBW web site for all stakeholders to review. The security trading policy is clearly defined so that the obligations and procedures for Directors and Staff in relation to trading in BBW securities are conducted in a manner which is lawful and avoids conflicts of interests between their personal interests and the interests of BBW. The policy specifies trading windows as the periods during which trading in BBW securities can occur. In addition, the policy prohibits BBW Directors and staff from trading in BBW securities despite a trading window being open if they are in possession of non public price sensitive information regarding BBW.

Furthermore, the policy sets out pre and post trading compliance notification procedures in relation to Directors and staff trading in BBW securities.

Incentive Fee

As I mentioned earlier we believe that there are some market misconceptions about the current BNB incentive fee arrangements. BBW's IPO Prospectus outlined when the incentive fee would be payable and that any underperformance would be carried forward.

The Prospectus also contained an example calculation over two six month calculation periods. It appears that certain market participants have formed the view that any shortfall in the Stapled Security Return Index which measures BBW's performance will only be carried forward to the next six month incentive calculation period and not carried forward to any subsequent periods.

This interpretation is simply incorrect.

If the BBW Index continues to be less than the Benchmark Index, this shortfall is carried forward to the following periods indefinitely until such time as BBW's performance exceeds the Benchmark index.

This is what had always been intended by BNB and represents a very high benchmark before BNB can earn its incentive.

Why is this, the case?

Well firstly the Benchmark Index is the cumulative return of the ASX top 200 companies taking into account both distributions and security price movements from the date of BBW's listing – so it is a cumulative return that reflects the overall markets performance. So there is a continuous high water mark set before BBW is obliged to pay BNB an incentive fee.

The BBW Index on the other hand is BBW's own cumulative return, again taking distributions and security price movements into account – but importantly taking any underperformance in BBW's security price into account until any under performance has been made up.

So BNB, to earn its incentive fee as Manager of BBW, needs to focus on the long term out performance of BBW, relative to the market. We believe that this is a very strong alignment of interest between BBW's security holders and BNB.

The slide up on the screen now shows a hypothetical example of future performance of BBW index relative to the Benchmark index, based on the data contained in the Appendix. The gray bars reflect the incorrect interpretation of the future performance fee payable to BNB whereas the correct interpretation is reflected by the brown bars, a significantly better position for BBW security holders.

BABCOCK & BROWN
WIND PARTNERS

Just to repeat, the incentive fee is cumulative and requires any underperformance to be carried forward in successive six month periods until that underperformance is made up. Only at that stage could a further incentive fee be paid.

As indicated previously BNB has a long term commitment to the ongoing success of BBW and the incentive fee arrangements are consistent with BNB's appointment as its long term manager and BNB's ability to support the growth and outperformance of BBW through its pipeline of development opportunities.

Given BNB's current level of wind energy development activities and the commitment it has made globally to the wind energy industry, it is reasonable to expect that BBW will be offered further opportunities to invest in BNB originated wind farms. Over the longer term, BNB, as originator, is ideally positioned to deliver value accretive investment opportunities to BBW, which in turn should ultimately be reflected in BBW's security price.

It is because of BNB's confidence in BBW's business model, the current portfolio, its ability to deliver value accretive investment opportunities, that BNB originally proposed the incentive fee arrangements that I have just clarified.

I would now like to briefly mention some announced changes in BBW's management team

As announced to the market this morning, Peter O'Connell has decided to step down as BBW Chief Executive Officer to take up a senior position within the Corporate Finance Division of BNB. Peter has indicated that he is committed to remain in his role as Chief Executive Office of BBW while an executive search is undertaken for a new CEO and to assist during the transition period.

The change in role capitalises on Peter's experience in the telecommunications sector and his recent execution of an extensive acquisition program at BBW. Peter's move is also consistent with a focus of the BNB Corporate Finance Division following the acquisition of the EIRCOM Group by Babcock and Brown Capital.

On behalf of the Boards, I would like to thank Peter O'Connell for his significant contribution to BBW's first year of operation as a listed entity, in particular Peter has been a major contributor to the successful implementation of BBW's strategy of building a global portfolio of wind farms of significant scale and diversity within a short period of time. Peter leaves BBW in a strong position, and the 2007 financial year will be a year in which BBW security holders benefit from the acquisition program and diversification strategy that Peter and his team implemented.

BABCOCK & BROWN
WIND PARTNERS

Up until this point it has been a priority for BBW to acquire and build a portfolio of significant scale and diversity. Whilst this activity will continue, additional management resources are also being applied towards asset management and efficient operations of the portfolio. Building and developing an operational business requires the implementation of automated and consistent systems throughout the BBW group of companies. The current performance monitoring takes place on an intra-month basis by way of a “flash reporting system” that provides information to head office on a timely basis and provides up to date operational information at the wind farm level.

Over the next 12 months, as BBW expands, additional dedicated operational managers will be appointed to the business. In some cases this additional support will be provided by Babcock and Brown with key wind energy executives providing services to BBW, and in other instances, key operational staff will reside in their respective regions.

BBIM as Manager of BBW, has assembled a team of senior executives with extensive experience and expertise. I would like to take this opportunity to thank the members of the management team. In particular, I would like to acknowledge the contributions of:

Peter O’Connell
Geoff Dutailis
Gerard Dover
David Silcock
Catherine Gunning
Rosalie Duff
David Richardson
Brad Hopwood
Dare Whaley
Mark Jaun; and
John Graham.

I also want to recognise the efforts of other members of our BBW team including, Tim Sibley, Judy Ipper, Katarina Zubic, Patience Shirley and Kathryn Coffey. Thank you all for your outstanding effort this year and contribution to the success of BBW in its first year of listing.

In addition I would like to thank my fellow directors for their continued support and commitment to BBW.

Before handing over to Peter O’Connell I would like to briefly touch on how we approach wind energy assessment and the outlook for BBW more generally.

BBW's approach to wind energy assessment

As explained at the time of our IPO, BBW's ability to produce energy is reliant on wind, which whilst a free source of fuel, is also intermittent. In assessing the merits of a particular wind farm site, wind data is collected generally over numerous years at the site, and then correlated to much longer term wind data from the nearest relevant meteorological wind site.

Wind Energy

I would like to show some slides that might give you some further insight into how we approach wind and energy assessment.

The first slide looks at the expected long term annual net energy production for BBW's wind farm at Lake Bonney in South Australia, measured on the previous 9 years wind data. The solid black line represents the forecast long term mean, or P50, net energy production that has been forecast by independent experts based on actual measured wind data at the Lake Bonney site, between 1996 and 2006. P50 simply means that the probability of net energy production being higher or lower than the long term forecast in any one year is 50% - that is P50 is the most probable outcome. P50 is the standard adopted by the wind energy industry globally.

If we now look at the expected annual net energy production in each year we get a different picture. Each of those solid orange lines, represent the forecast annual net energy production in any particular year based on the measured wind data. As you can see forecast annual production is both below and above the expected long term P50 net energy production, but over the long term is expected on average to equate to P50 net energy production as represented by the solid black line. The difference between the forecast annual production and the long term mean can also be shown differently as illustrated by the [red] annual net energy data line. As we all know, wind conditions vary from day to day and this slide illustrates quite clearly that they also vary from year to year, and we may experience wind speeds below or above long term mean forecasts year in year out.

Wind speeds, and therefore net energy production also varies throughout the year. This next slide shows the same solid black line as the previous slide which represents the long term forecast level of net energy production – the long term P50 line. The brown line which is now overlaid on the long term forecast is the monthly net production, which also indicates the seasonal impact of changes in wind speeds.

Now to give you some comfort that actual energy production by wind farms correlates closely with forecast production, I will overlay the actual wind energy production at Lake Bonney since it has commenced operations in January 2005, which is the red line, and as you can see it very closely tracks the forecast monthly production numbers.

BABCOCK & BROWN WIND PARTNERS

I hope this helps illustrate what we already know, that wind speeds vary daily, weekly, monthly and yearly, but that notwithstanding these variations, over the long term, wind has been a consistent part of our lives and the larger and more diverse BBW's portfolio becomes, the more likely wind energy will be being produced at any one point in time.

Outlook

We are confident of the outlook for BBW in 2007.

As at the close of business today, we will have just completed our first four months for the 2007 financial year. I am pleased to report that the results to date are on track to meet our distribution target of 12.5 cents per stapled security and for BBW's distributions to be paid out of operating cash flow. Wind energy production was slightly down in the first quarter with this mostly arising from below P50 production in the month of July however higher tariffs have resulted in operating cash flow being in line with expectations. Whilst we are still collating final data, pleasingly October performance is currently in line with profiled P50 performance, which as we head into the European winter, is a significant step up from the profiled performance in the summer months.

Like all guidance it is subject to the usual caveats including no material adverse change to Spanish regulatory pricing or extremely poor wind generation for an extended period which exceeds the allowance in our business plans. As we stand here today we remain confident of meeting our distribution and growth targets for the 2007 financial year.

Finally, I would like to thank security holders for their ongoing support, and reinforce BBW's commitment to generating value for all security holders.

Thank you.

Peter Hofbauer
Chairman



Investment Rationale for Wind Energy

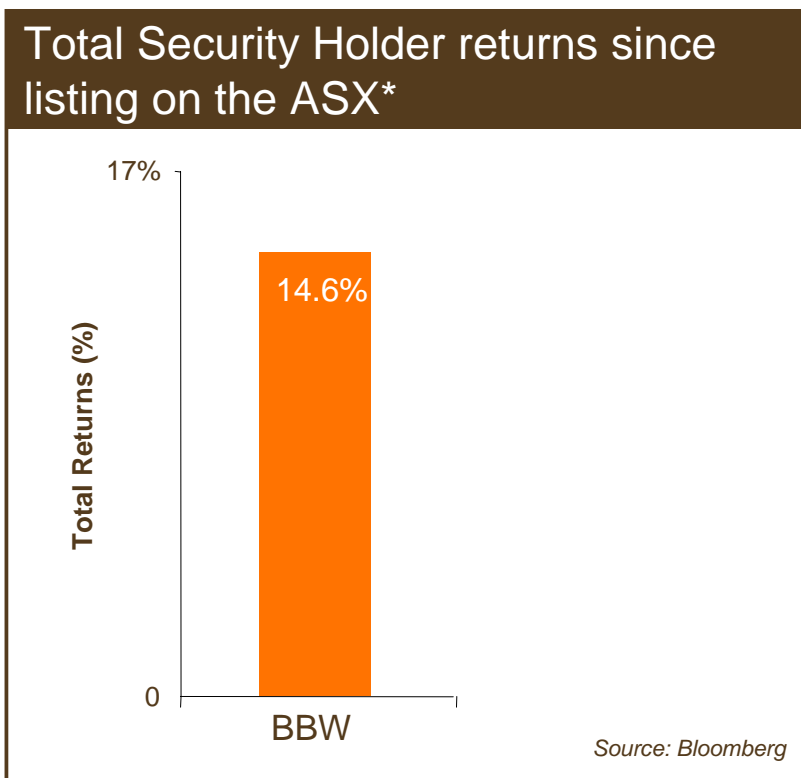
Sound Investment Rationale

Support for wind energy investment driven by:

- Increasing cost competitiveness of wind energy
- Security and surety of energy supply
- Concerns about rising CO² emissions and global warming
- Increased demand for electricity



Key financials

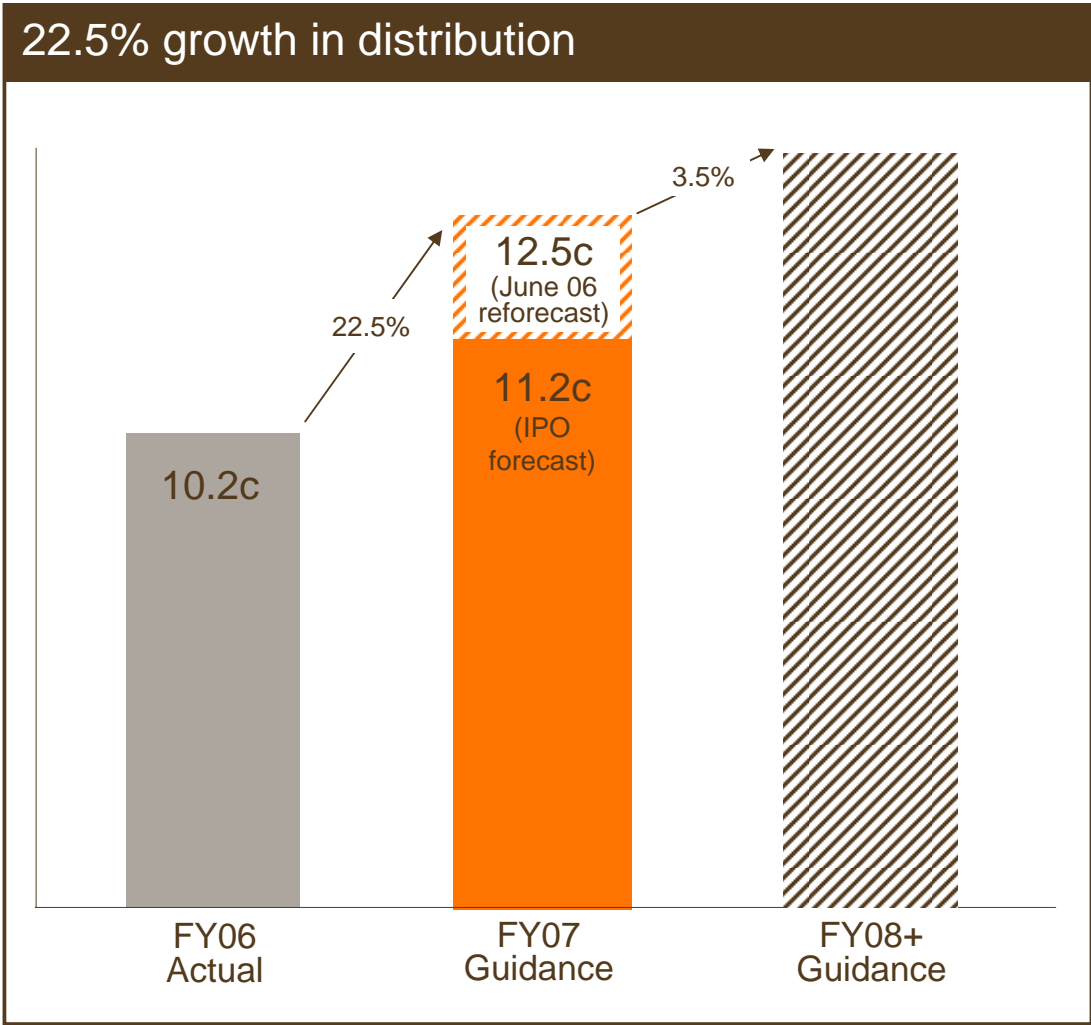


* Based on BBW closing price of \$1.51 as at 27 October 2006 including both distributions and increase in Stapled Security price

Key Information

Securities on issue	580,096,134
Market Capitalisation*	A\$876 million
FY06 Revenue	\$73.0 million
FY06 Distribution (100% tax deferred per Stapled Security)	10.2 cents

BBW Distributions



- Increase in 2007 distribution guidance to 12.5 cents* per Stapled Security
- Represents a 22.5% increase in distributions
- Distributions fully tax deferred
- 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

BBW'S gearing is conservative

Current Gearing Status

BBW Consolidated Gearing (Market Value)¹: 31%²

Near Term Alternatives

- Ongoing capital management initiatives to increase security holder returns

Potential Debt Capacity

Assuming:

- AUD\$100m of cash utilised on acquisitions since balance date AND
- AUD\$500m additional debt
- BBW proforma market gearing only at approximately 55%^{1, 2}

¹ Net Debt to net debt plus book equity

² Assumes market value of equity calculated at \$1.40. Net Debt / EV is calculated as follows Net Debt / (Net Debt + Equity)

BNB – committed to BBW's success

Access to BNB Resources

- 150 dedicated infrastructure professionals in 22 offices worldwide
- Breadth and depth of industry relationships
- Access to uncontested acquisition opportunities
- Access to first class strategic advice; and
- Opportunities for co-investment in acquisitions where appropriate

Strong Alignment between BNB & BBW

- Manager's remuneration is linked to BBW's performance
- BNB is a significant security holder
- BNB has brand equity in BBW
- BNB, through its global wind business, has capacity to support BBW's future growth and success

Investment Strategy and 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:

Selective Investment Criteria

- No development risk
- Appropriate construction risk or commissioning risks
- Superior asset quality
- Favourable locations – with wind resource based on historic onsite wind data assessed by leading independent experts

Sound Financial Characteristics

- Attractive off-take arrangements/market conditions
- Predictable operating costs
- Long-term investment horizons with re-powering opportunities
- Portfolio diversification

Corporate Governance

Strong emphasis on Corporate Governance

- BNB as Manager and BBW committed to good Corporate Governance
- BBW group has a majority of independent directors

Alignment of interests and transparent disclosure

- Key Management Personnel compensation fully disclosed
- Remuneration linked to BBW's performance to ensure appropriate alignment of interest
- Clear and transparent security trading policy

Incentive Fee Calculation

BNB, as Manager of BBW, is paid an incentive fee for out-performance compared to the benchmark

- **Incentive Fee = 20% x (Stapled Security Return – Benchmark Return)**
 - Stapled Security Return = $AMC_w \times SSRI$; and
 - Benchmark Return = $AMC_w \times BRI$, where:
 - AMC_w is the VWAP multiplied by the average closing number of BBW Stapled Securities over the last 20 ASX trading days of the period (the average market cap)
 - $SSRI$ is the % movement in the Stapled Security Accumulation Index (formulated by BBIM) over the period based on the average daily closing value of this index over the last 20 ASX trading days of the period of the BBW Stapled Securities
 - BRI is the % movement in the S&P/ASX 200 Accumulation Index over the period based on the average daily closing value of this index over the last 20 ASX trading days of the period

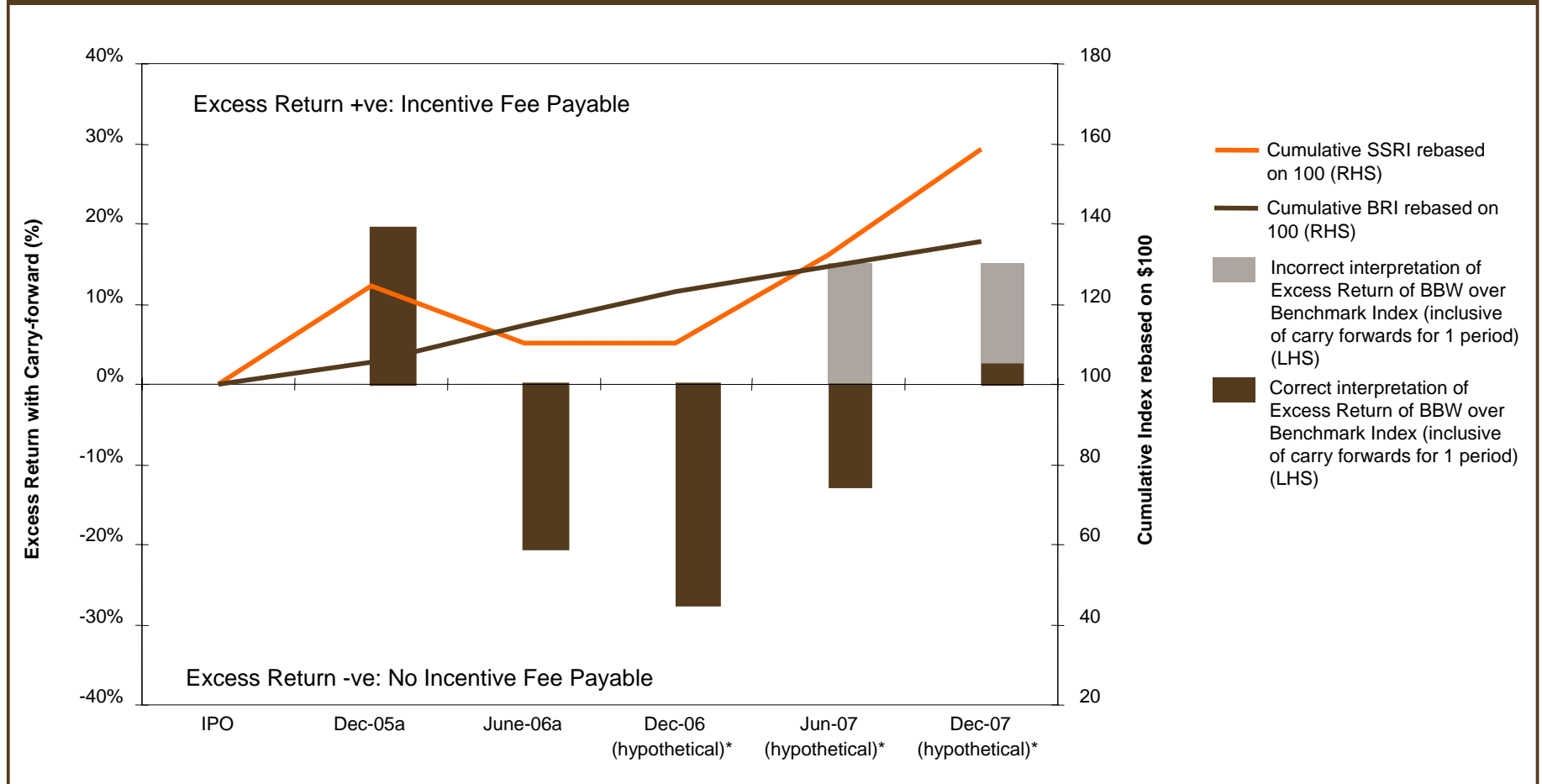
Incentive Fee Calculation

Any under-performance is carried forward into subsequent periods

- Incentive Fee is only payable in any 6-month period where the SSRI is greater than the BRI
- If the SSRI is less than BRI in any 6-month period, the number of basis points by which SSRI is less than BRI will be carried forward and deducted from the SSRI of the subsequent period for the purpose of calculating the Incentive Fee
- Consequently, any underperformance of the SSRI compared to the BRI must be “made back” before any further Incentive Fees are paid to B&B

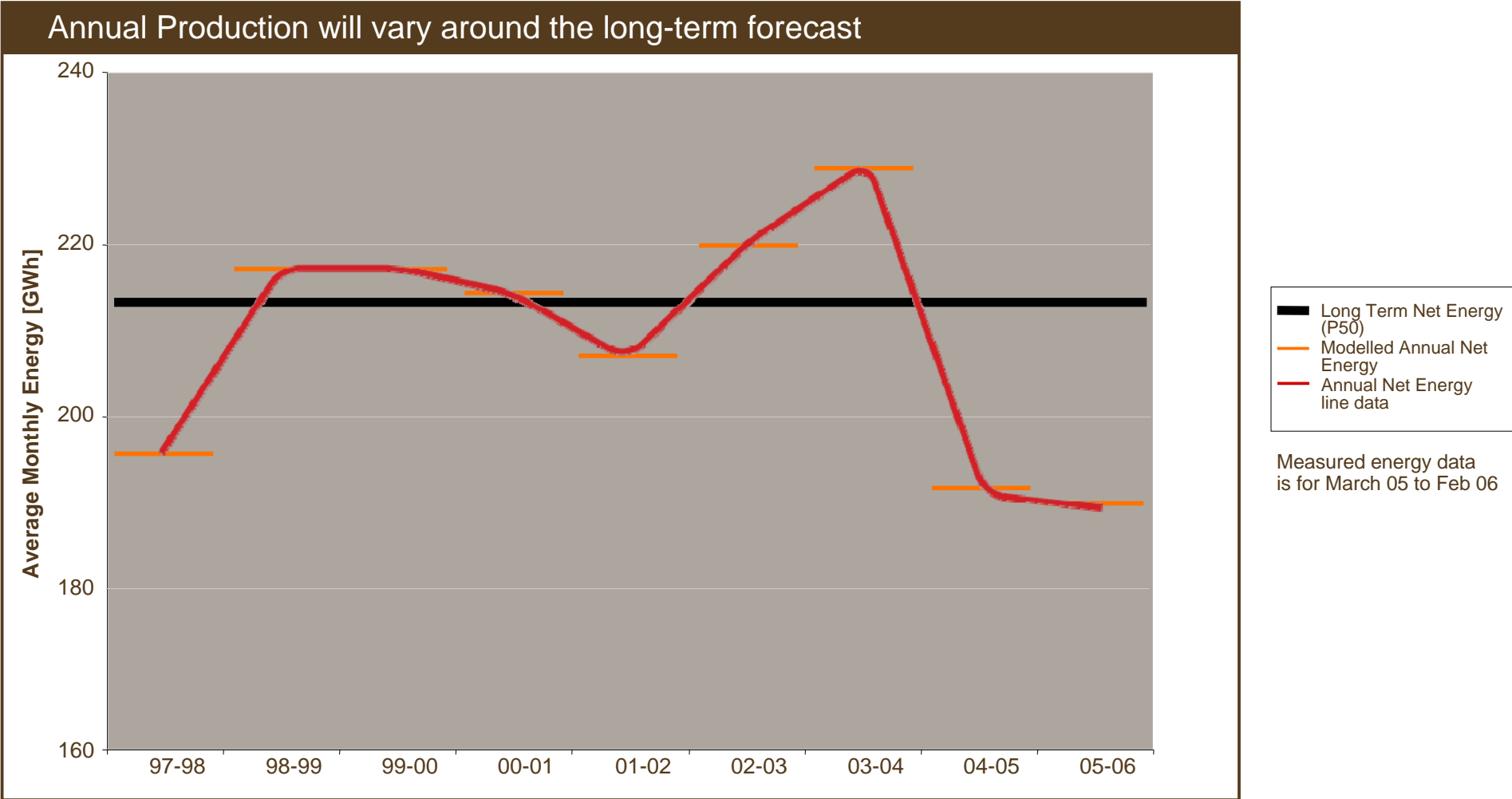
Any underperformance of BBW relative to the benchmark must be “made back” before any further Incentive Fees are payable

Illustration of under-performance being carried forward



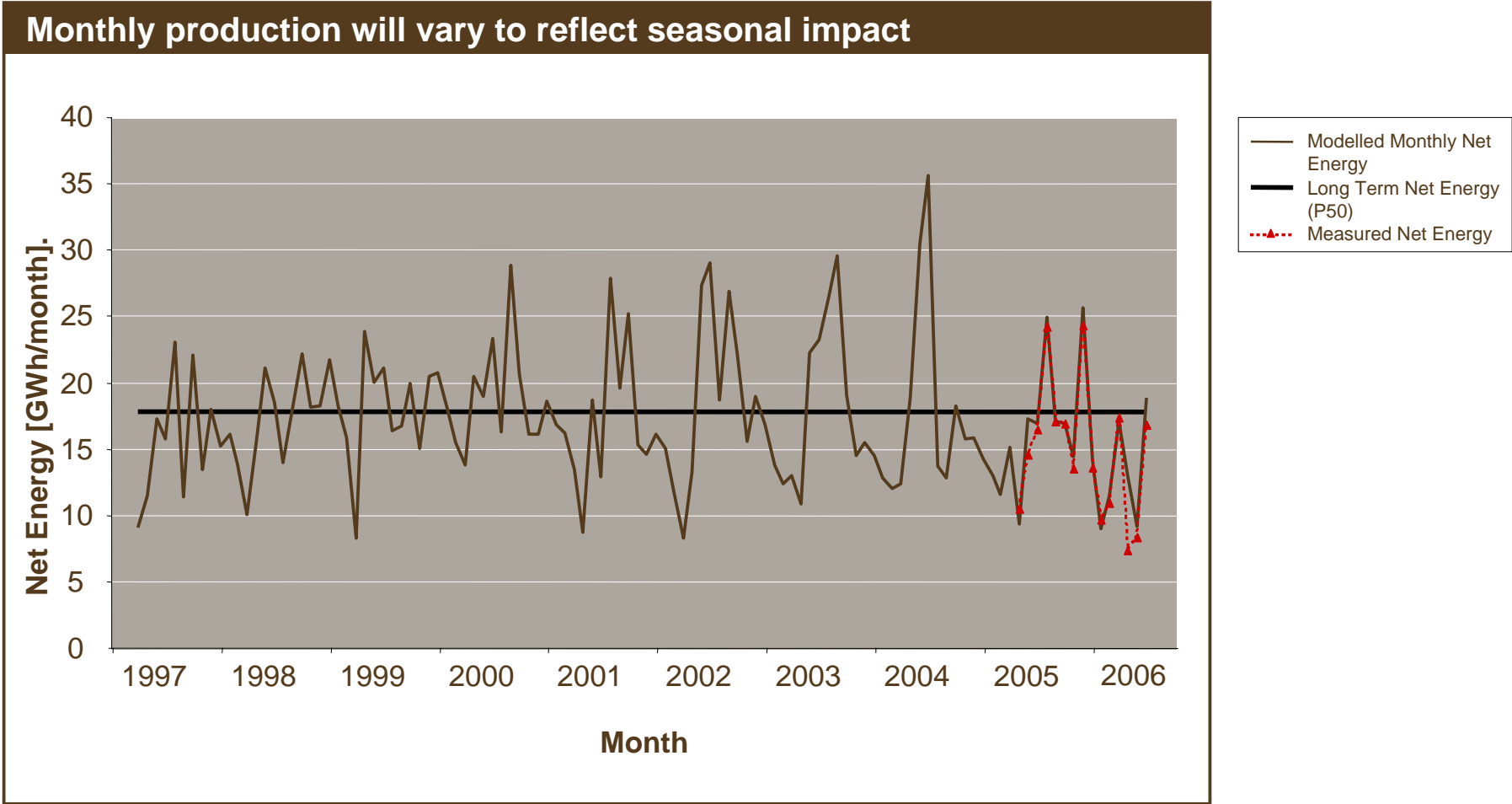
* The period ending Dec-06 is based on the SSRI as at 24 Oct 06 and assumes a 5.1c distribution was paid during the period. The periods ending Jun-07 and Dec-07 assume a distribution of 6.25c per period and are purely hypothetical for illustrative purposes only

P50 Net Energy Production based on long term forecasts



Source: Garrad Hassan Wind/Energy Assessments and measured data

BBW – Energy Generation



Source: Garrad Hassan Wind/Energy Assessments and measured data

Outlook

Distribution Guidance Reaffirmed

- 12.5 cents per Stapled Security
- To be paid out of operating cash flow

Production Update

- YTD 07 wind energy production slightly down; offset in part by higher tariffs
- Immaterial to FY07 Net Operating Cash Flow
- October performance in line with P50 profile

FY07

- Confident of meeting distribution and growth targets for 2007

Appendices

Any underperformance of BBW relative to the benchmark must be “made back” before any further Incentive Fees are payable

Example of Incentive Fee calculations					
Six months ending...	Dec-05a	June-06a	Dec-06 (hypothetical)*	Jun-07 (hypothetical)*	Dec-07 (hypothetical)*
Carried forward under-performance	-	-	(20.4)%	(27.6)%	(12.6)%
SSRI (for the period)	24.5%	(11.5)%	0.0%	20.0%	20.0%
SSRI (inclusive of carry forwards)	24.5%	(11.5)%	(20.4)%	(7.6)%	7.4%
BRI (for the period)	5.4%	8.9%	7.2%	5.0%	5.0%
Excess return of BBW over Benchmark Index (inclusive of carry forwards)	19.1%	(20.4)%	(27.6)%	(12.6)%	2.4%
Average Market Cap of BBW (\$m)	\$863m ¹	\$802m ²	\$845m ³	\$977m ³	\$1,136m ³
Excess return of BBW over Benchmark Index based on average market cap of BBW	\$165m	\$(164)m	\$(233)m	\$(123)m	\$27
Incentive Fee payable (20% of excess return based on market cap)	\$33m	Nil	Nil	Nil	\$5m

* The period ending Dec-06 is based on the SSRI as at 24 Oct 06 and assumes a 5.1c distribution was paid during the period. The periods ending Jun-07 and Dec-07 assume a distribution of 6.25c per period and are purely hypothetical for illustrative purposes only

¹ Average closing number of BBW Stapled Securities during last 20 ASX trading days of 494.2m

² Average closing number of BBW Stapled Securities during last 20 ASX trading days of 534.5m

³ Average closing number of BBW Stapled Securities during last 20 ASX trading days of 580.1m