

**BABCOCK & BROWN  
WIND PARTNERS**

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Babcock & Brown Wind Partners Trust · ARSN 116 244 118  
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**ASX Release**

2 July 2008

**PRESENTATION TO DEUTSCHE BANK WIND ENERGY SEMINAR**

The following presentation by BBW Chief Executive Officer, Miles George, is being presented at the Deutsche Bank Wind Energy Seminar in London on 2 July 2008.

**ENDS**

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## BABCOCK & BROWN WIND PARTNERS

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

Babcock & Brown Wind Partners (ASX: BBW) is a global wind energy business which owns and operates a portfolio of wind farms spanning six countries and three continents. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$1.4 billion.

BBW 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 interests in 83 wind farms that have a total installed capacity of approximately 3,206MW and are diversified by wind resource, currency, equipment supplier, offtake arrangements and regulatory regime.

BBW is managed by Babcock & Brown Wind Partners Management Pty Limited, a 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 has been a longstanding participant in the wind energy sector with 20 years experience. 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 roles as manager and financial advisor for BBW.

BBW's investment strategy is to grow Securityholder wealth through efficient management of its portfolio of wind energy generation assets.

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

# **Babcock & Brown Wind Partners**

## **Investor Discussion Pack**

**Deutsche Bank**  
**Wind Energy Seminar, London**  
**2 July 2008**

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# Agenda

1. Introduction to BBW
2. Industry Overview
3. Asset Update
4. Outlook
5. Questions
6. Appendix

**Presenter:** Miles George Chief Executive Officer

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# Introduction

PORTFOLIO	<ul style="list-style-type: none"> <li>• 83 wind farms, including those under construction</li> <li>• 2,450.3MW in operations &amp; under construction (equity accounted share)<sup>1</sup></li> <li>• Operating in 6 countries on 3 continents</li> <li>• Diversified by wind resource, regulatory regime, energy off-take and turbine supplier</li> <li>• Investment pipeline remains robust</li> </ul>
LISTING	<ul style="list-style-type: none"> <li>• Listed on ASX on 28 October 2005</li> <li>• Approximately 868.6 million securities on issue</li> <li>• Current market capitalisation approximately A\$1.4 billion<sup>2</sup></li> <li>• TSR since listing 47%<sup>3</sup></li> </ul>
TARGET RETURNS	<ul style="list-style-type: none"> <li>• All distributions paid from net operating cash flow</li> <li>• FY08 distribution yield 8.8%<sup>2,4</sup></li> <li>• Prospective FY09 distribution yield 9.4%<sup>2,4</sup></li> <li>• FY08 &amp; FY09 distribution expected to be fully tax deferred</li> <li>• Medium term target growth rate of at least 3.5% p.a.</li> <li>• Additional target of at least 5% pa assuming continued accretive acquisitions</li> </ul>
MANAGEMENT	<ul style="list-style-type: none"> <li>• Managed by Babcock &amp; Brown, a global leader in wind farm development and management</li> <li>• Experienced management team</li> <li>• Majority independent directors on Boards</li> </ul>

1. Includes 50% of Enersis wind farm portfolio, Class B membership interests in US wind farms and Allegheny Ridge wind farm (which is yet to be fully acquired) and wind farms under construction.

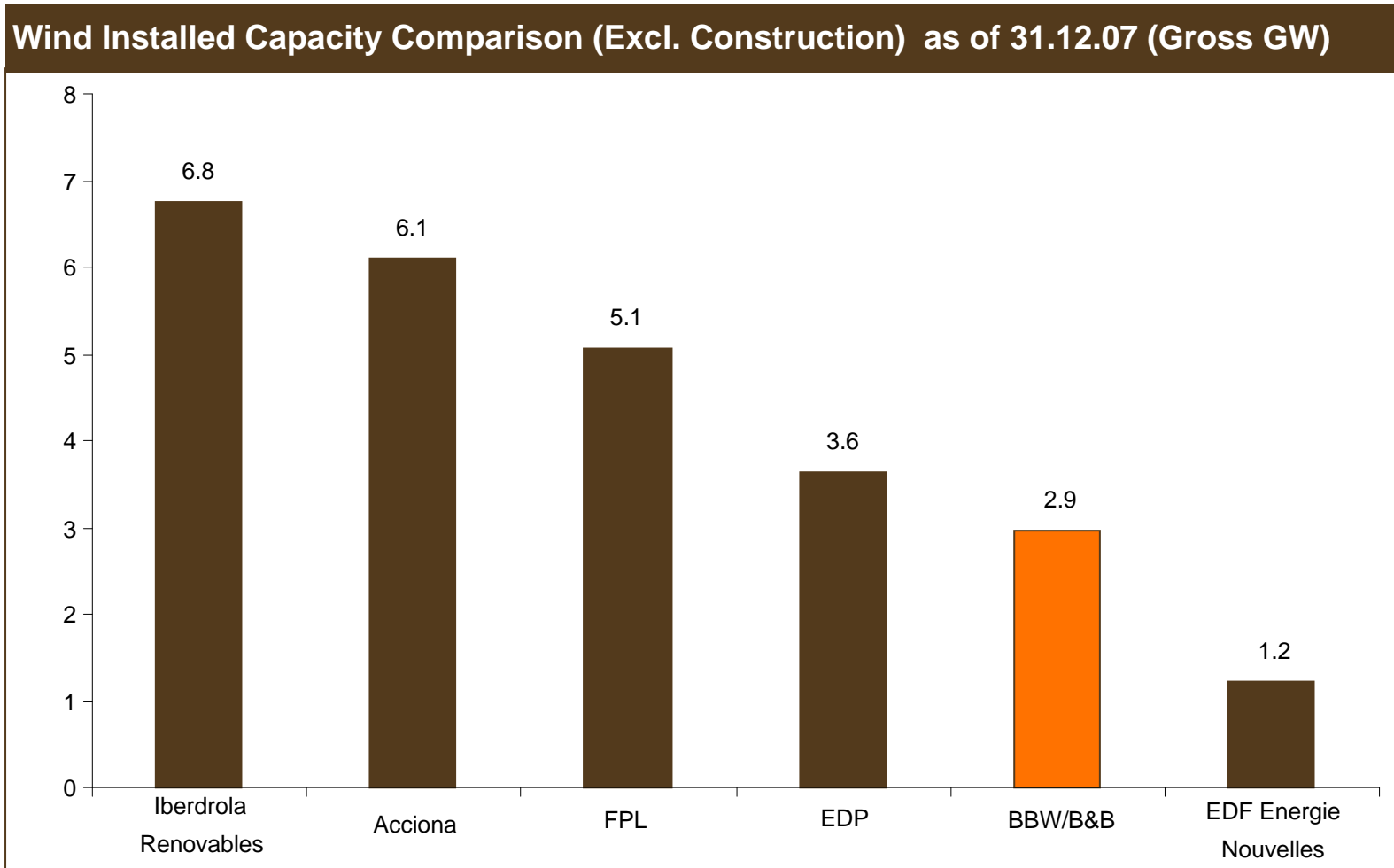
2. Based on BBW price of \$1.65 as at 26 June 2008.

3. Source: Bloomberg based on closing price of \$1.65 as at 26 June 2008

4. Distribution guidance of FY09 15.5 cents per stapled security is subject to P50 performance, no performance fee and is based on current portfolio (excluding any potential disposals from European Asset sales).

Note: Guidance shows what our result would be if certain assumptions, including the assumptions set out above were realised. It is not a forecast, and there can be no guarantee that our actual results will be as shown.

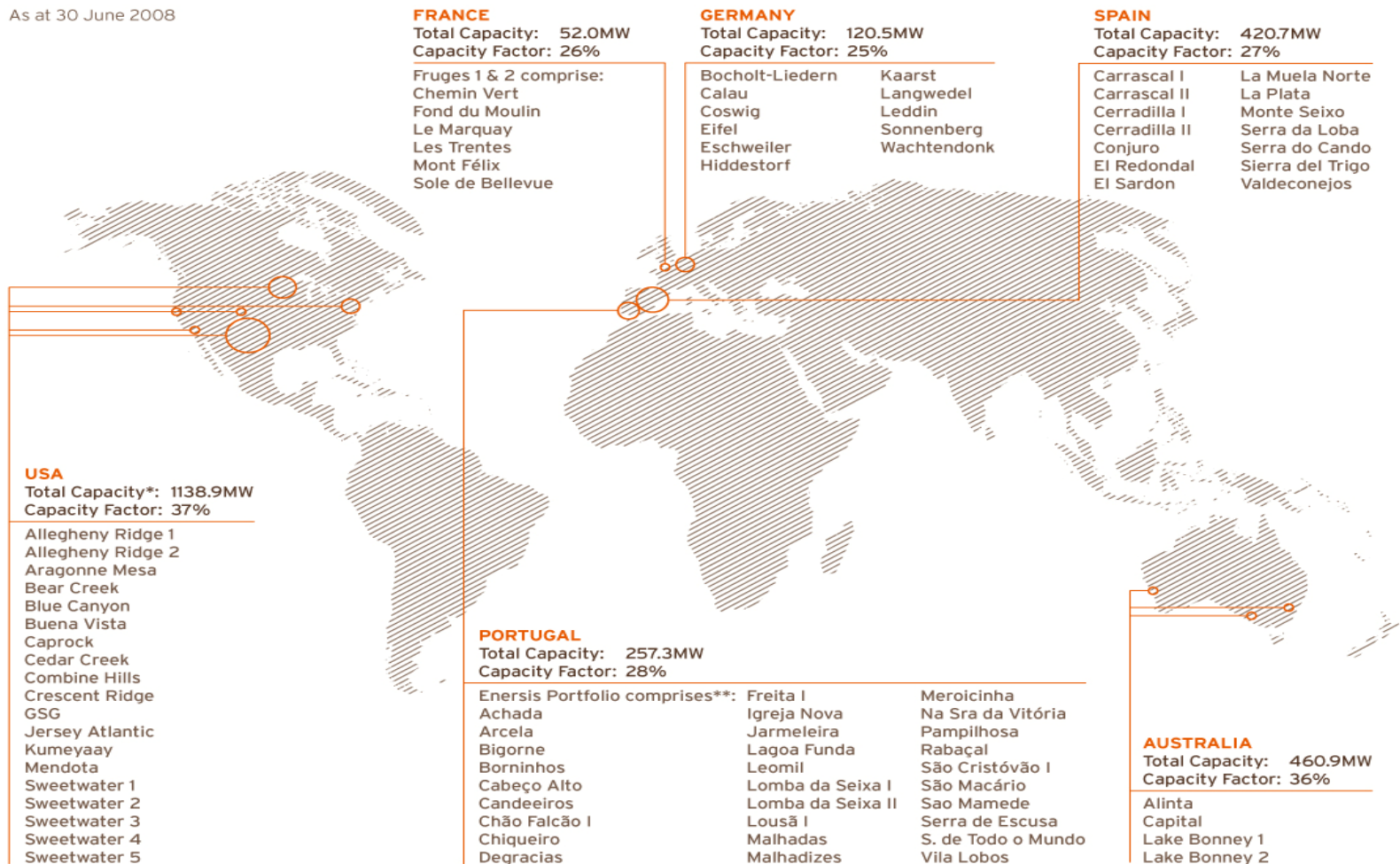
# Top 5 Player Globally In Terms Of Operating Capacity



Source: Company Reports

# Portfolio based in attractive markets

As at 30 June 2008



\* Represents BBW's % ownership of Class B Member Units. BBW owns 100% of Class B Member Units of a 95% interest in Aragonne Mesa.

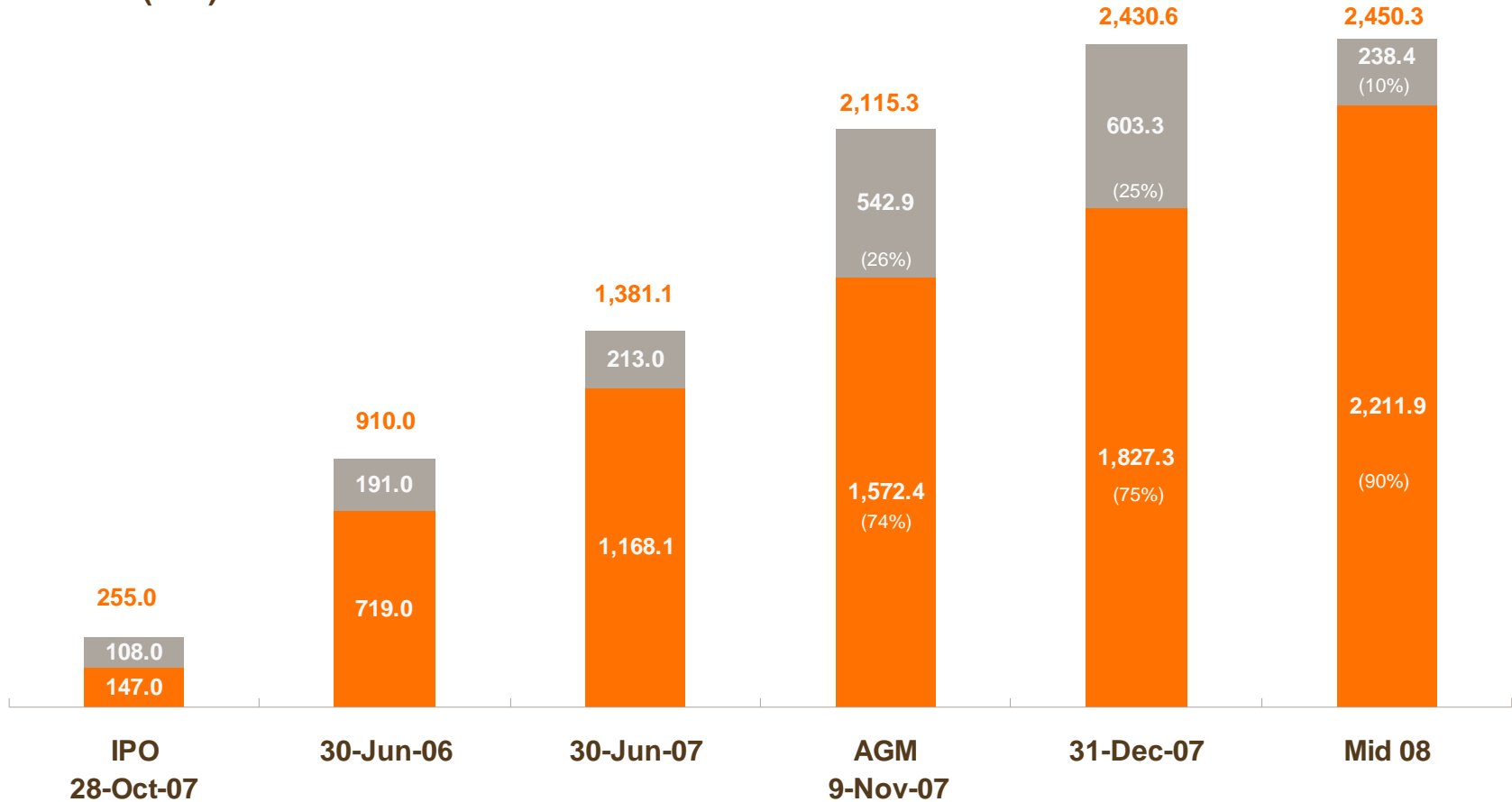
\*\* BBW owns a 50% interest in the Enersis Portfolio of wind farms.

NB: Statistics are on an equity ownership basis



# BBW has consistently delivered growth in installed capacity

(MW)



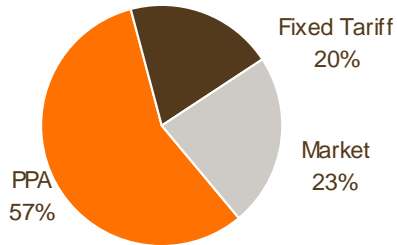
NB: Installed capacity is based on BBW's equity interest (US based on BBW's % B class interest)

■ Operating    ■ Construction



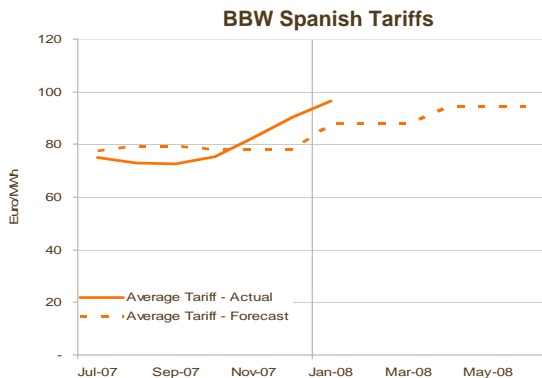
# Portfolio provides certainty of cash flow

## Power Purchase Agreements and feed-in tariffs<sup>1</sup>



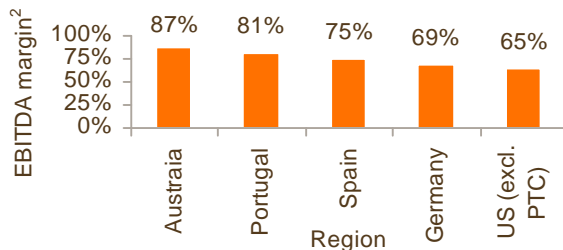
- Generally inflation-linked prices
- Long term regulated tariffs
- PPAs with quality counterparties
- Tax incentives and renewable energy credits

## Retain upside to improving electricity prices



- Exposure to favourable demand-supply conditions
- Historically increasing electricity prices
- 23% of revenue flows from merchant exposure

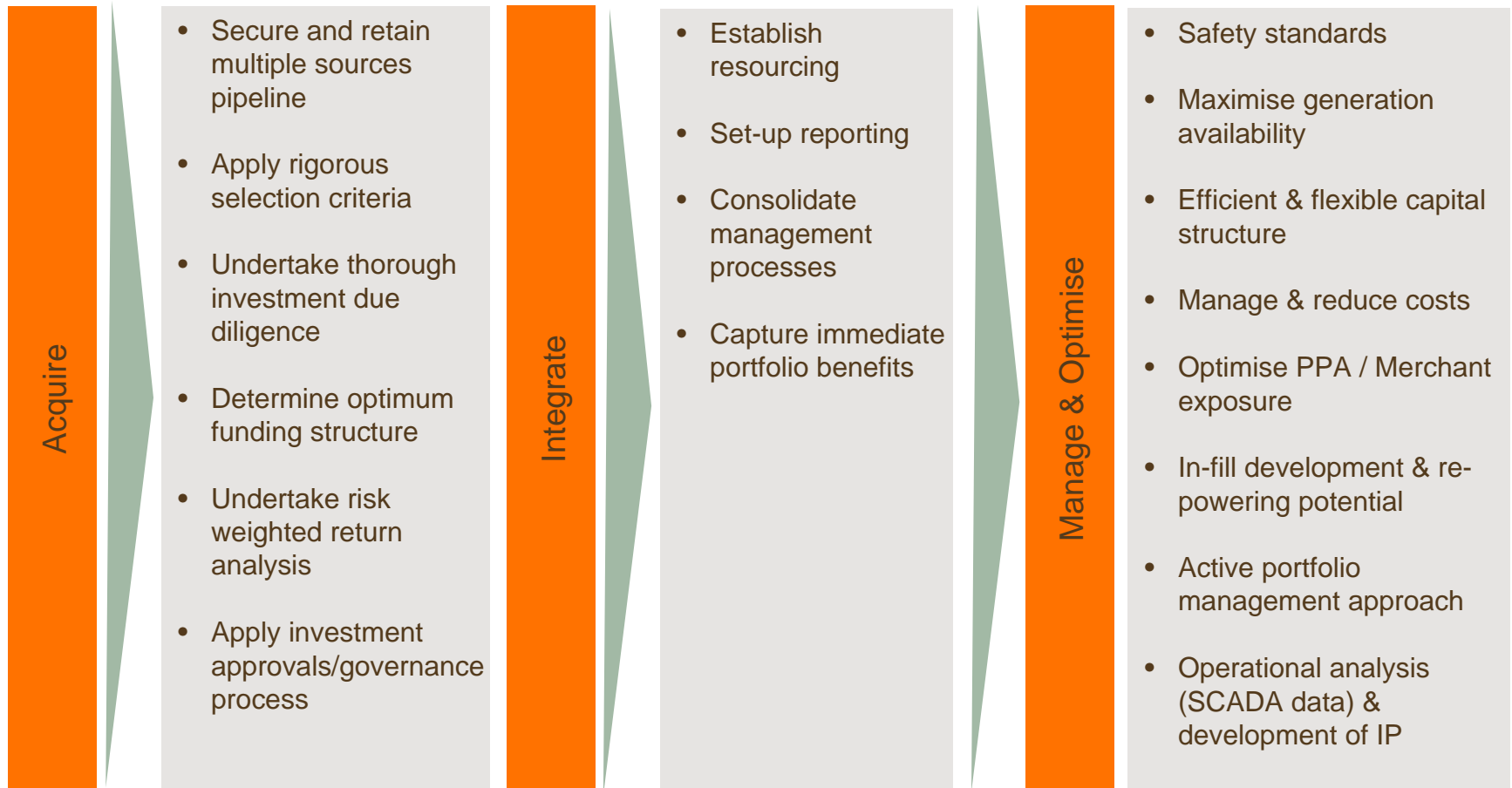
## Operating and financing costs



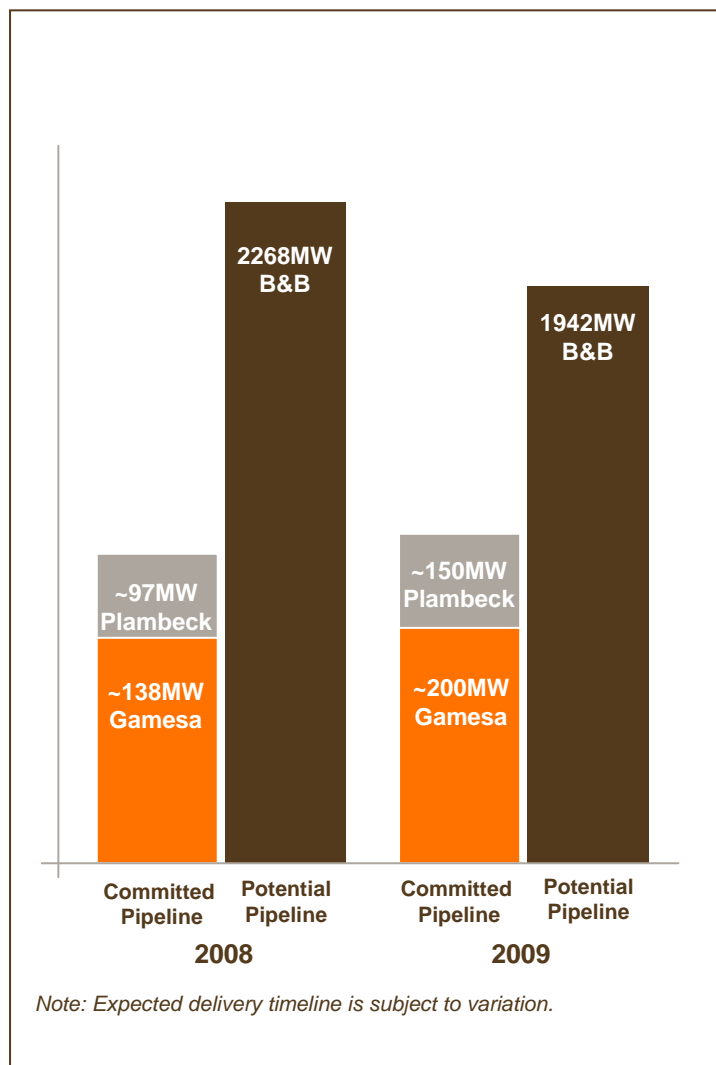
- Wind is a zero fuel cost
- Long term O&M and management agreements
- High and stable EBITDA margins (65%-87%) across regions

1. Calculated on a P50 GWh basis for entire portfolio. Assuming Lake Bonney 2 retains market exposure and assumes Capital wind farm enters into PPA  
 2. EBITDA margins as per 1H08 actual results

# BBW has expanded its portfolio in a disciplined approach



# BBW has a robust & transparent investment pipeline



## Growth and investment pipeline

- B&B has in excess of 16,000MW under development in its wind pipeline, to be delivered over the next 8 years
- BBW has approximately 585MW under Framework Agreements (FA) to be delivered over the next 2 years<sup>1</sup>

## Babcock & Brown (B&B) relationship

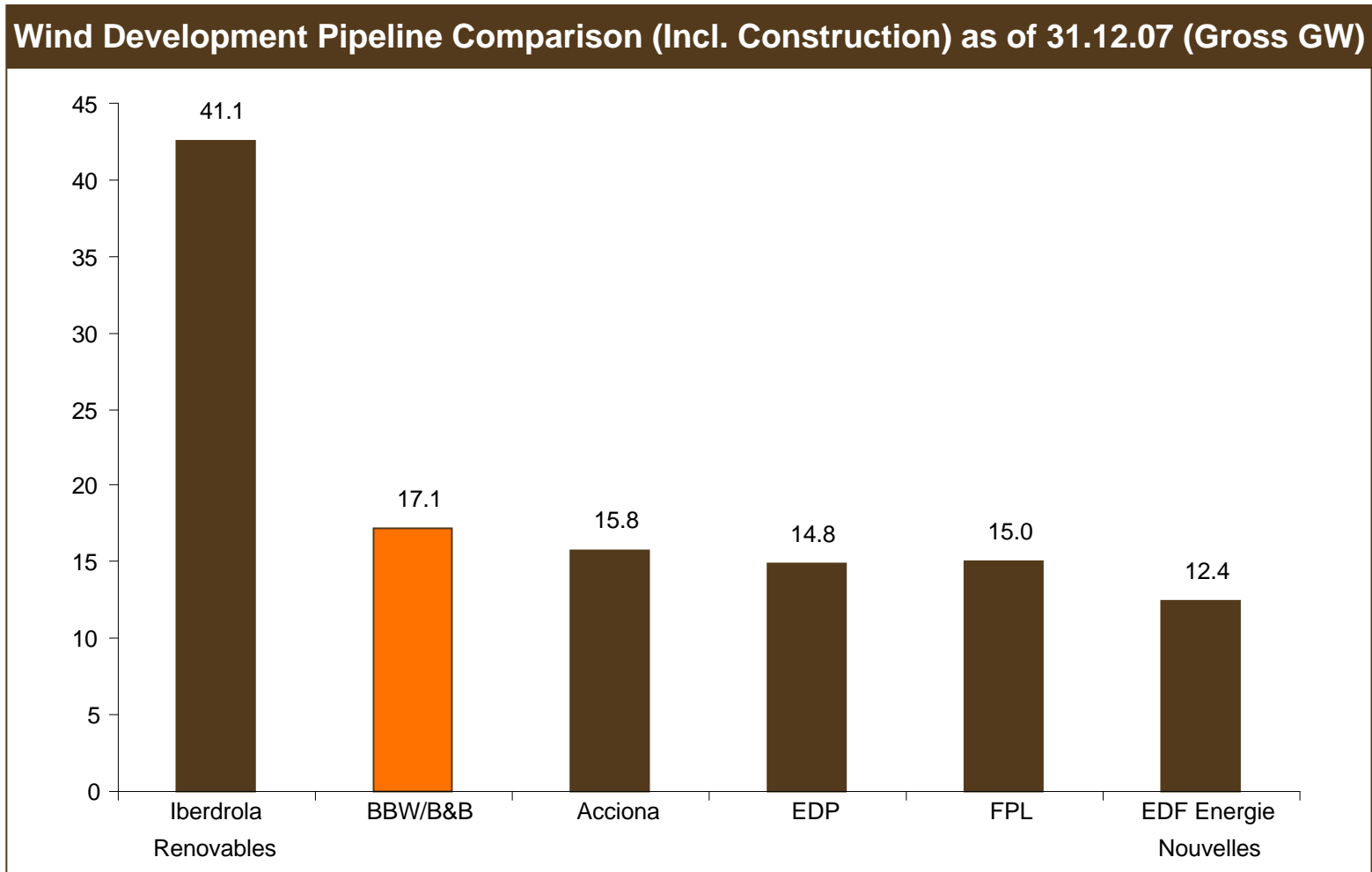
- B&B has an extensive global development pipeline in 12 countries
- BBW has historically been B&B's preferred purchaser of B&B's wind energy development pipeline
- B&B also has alternative purchasers available including a range of geographically focused wholesale infrastructure funds and open market participants
- BBW will only acquire assets from B&B if they meet its acquisition criteria and are accretive

## Framework Agreements

- BBW also has access to extensive wind farm portfolios through the Plambeck FA (Germany) and the Gamesa FA (Spain & Germany)

1. Under the Plambeck Framework Agreement BBW has secured the rights to acquire a portfolio of wind farms comprising potentially up to approximately 247MW in FY08 and FY09. The Gamesa framework agreement contemplates that wind farms with installed capacity of up to approximately 338MW could be available in 2008 and 2009.

# Second Largest Pipeline After Iberdrola Renewables



Source: Company Reports



# Balance Sheet & Interest Rate Statistics

Balance Sheet (\$m)	31 Dec 07	Committed Capex	Pro Forma
Gross Debt	2,809 <sup>2</sup>	531	3,340
Cash	122 <sup>2</sup>	(61)	61
<b>Net Debt</b>	<b>2,687<sup>3</sup></b>	<b>592<sup>1</sup></b>	<b>3,279</b>
Committed Facilities	531	(531)	-
Debt Ratios	31 Dec 07		Pro Forma
Net Debt to EV <sup>7</sup>	65%		69%
EBITDA <sup>10</sup> /Interest	2.0x		2.9x <sup>4</sup>
Net Debt/EBITDA <sup>10</sup>	11.3		6.9 <sup>4</sup>
Average Interest Rate	5.96% <sup>5</sup>		5.99% <sup>6</sup>
Average margin on facilities <sup>9</sup>	79bps		82bps
Average Swap Rate	5.04%		5.08% <sup>6</sup>
Average Maturity of swaps	9.69		N/A

## • Global facilities

- Increased by \$1.1bn to \$2.8bn
- 75% hedged
- Covenants<sup>8</sup> comfortably met
- No refinancing anticipated prior to 2010

## • Enersis Debt facility

- \$629.4m net debt (on 50% basis)
- 100% hedged
- Non-recourse portfolio financing
- Maturity: 2024

## • No share price acceleration triggers

## • No off-balance sheet financial liabilities<sup>9</sup>

1. Australia \$289m, Spain \$108m, Germany \$66m, Portugal \$9m, France \$39m, US \$81m

2. Includes 50% of Enersis Portfolio Gross Debt (\$631m) and Cash (\$2m)

3. AUD 493.0m; USD 547.0m; EUR 938.0m

4. Assumes all assets are fully operational

5. Calculated from an average H108 debt values and includes capitalised interest

6. Based on current interest and swap rates

7. Based on 848m securities and security price of \$1.70

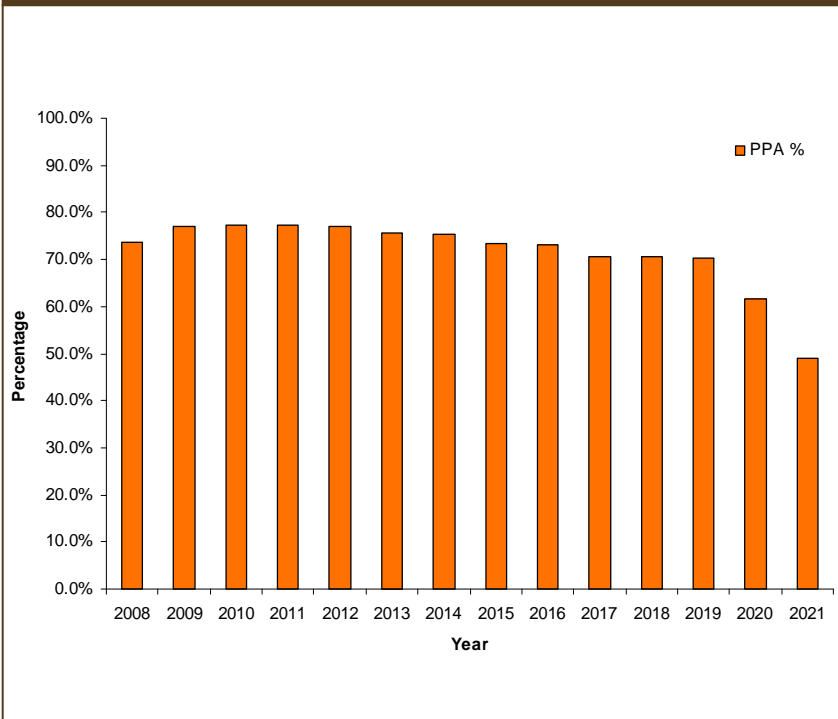
8. Global Facilities/Covenants (applicable from June 2008): Net Debt/EBITDA<11.5X; DCSR: 1X

9. Excludes guarantees

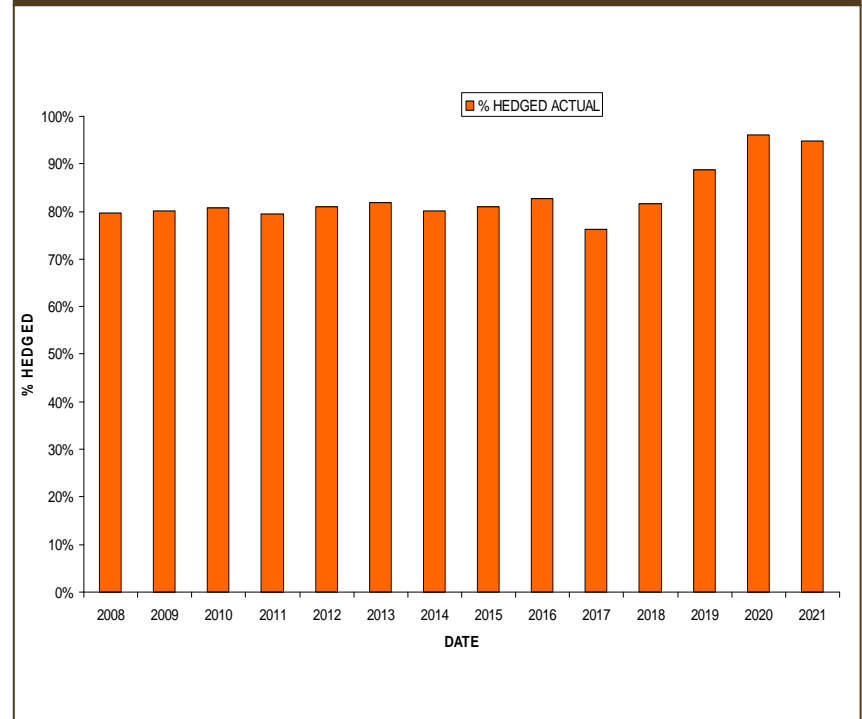
10. Cash flow from operations, plus US Distributions less Corporate costs

# Revenue Assurance & Interest Rate Hedging

## Proportion of Fixed / PPA Revenue<sup>1,2</sup>



## Hedging Profile – Long-term horizon<sup>1</sup>



1. Includes 50% Enersis Portfolio debt

2. Assumes Capital wind farm enters into PPAs & LB2 retains market exposure

# Strategic Initiative – update

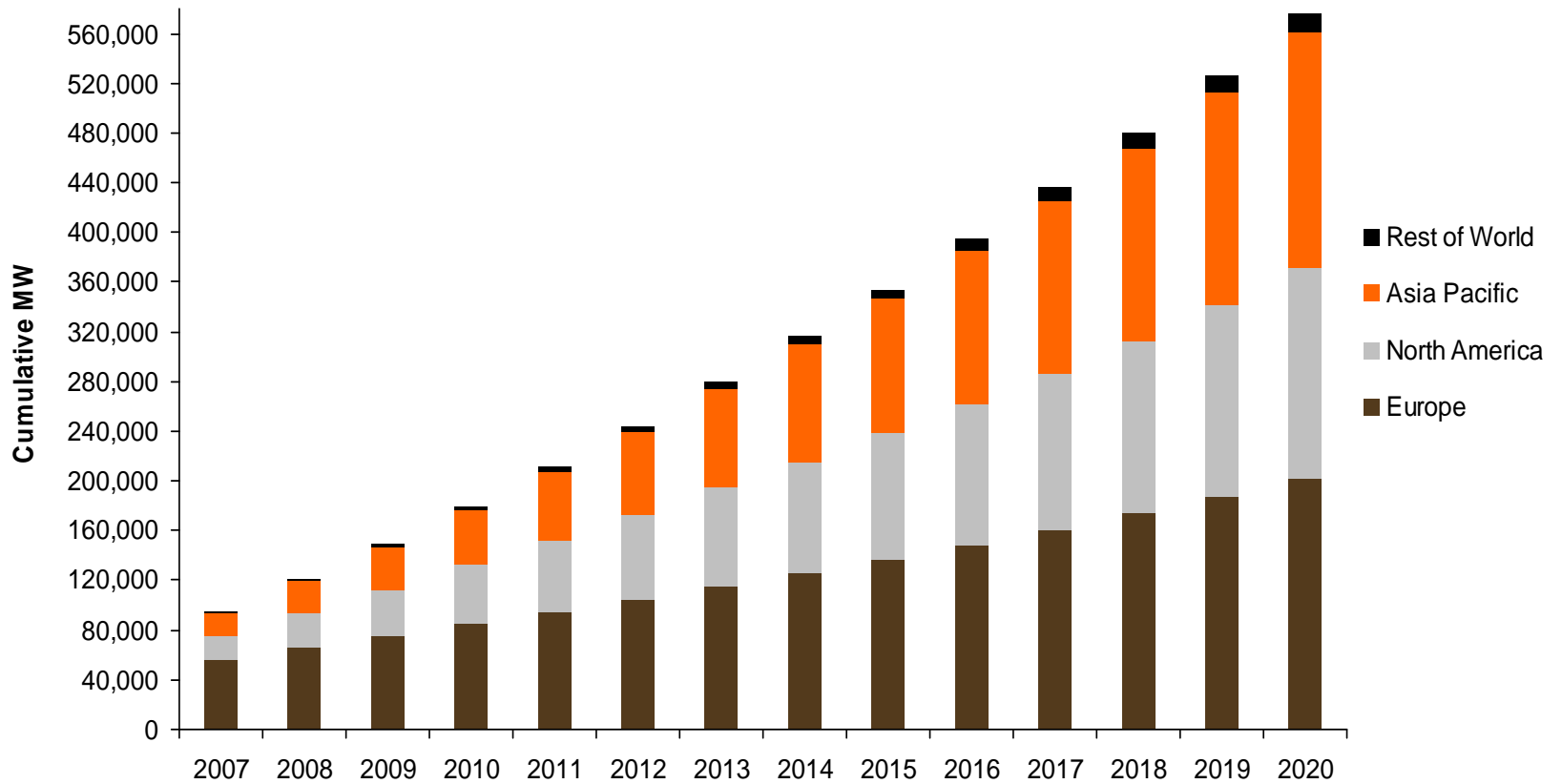
- Joint strategic initiative with B&B announced on 28 February 2008
- First round indicative offers received on time, and covering all country businesses brought to market
- Shortlisting process complete
- Process remains on track to agree a potential sale within the previously indicated 6 months timeframe



# Agenda

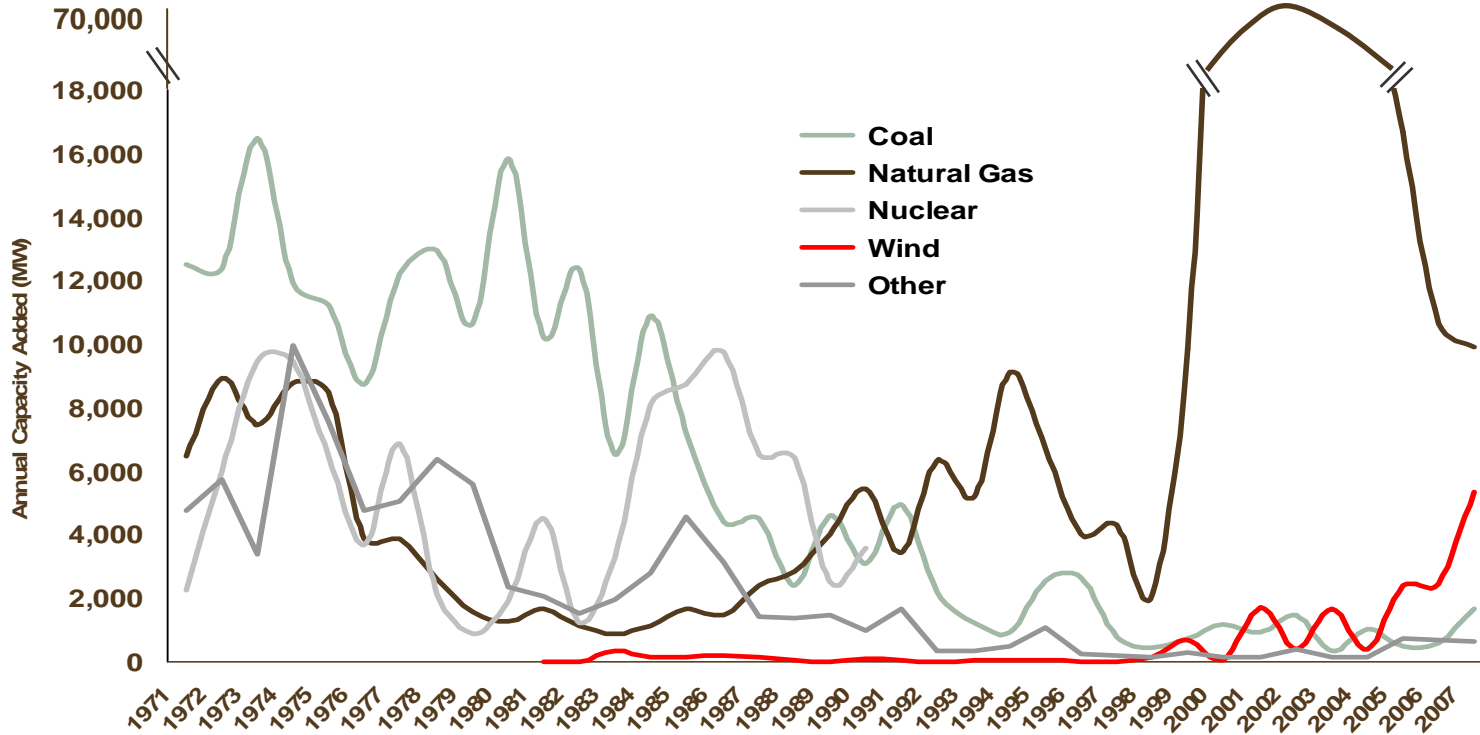
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# Wind Power MW Added by Region, 2007–2020



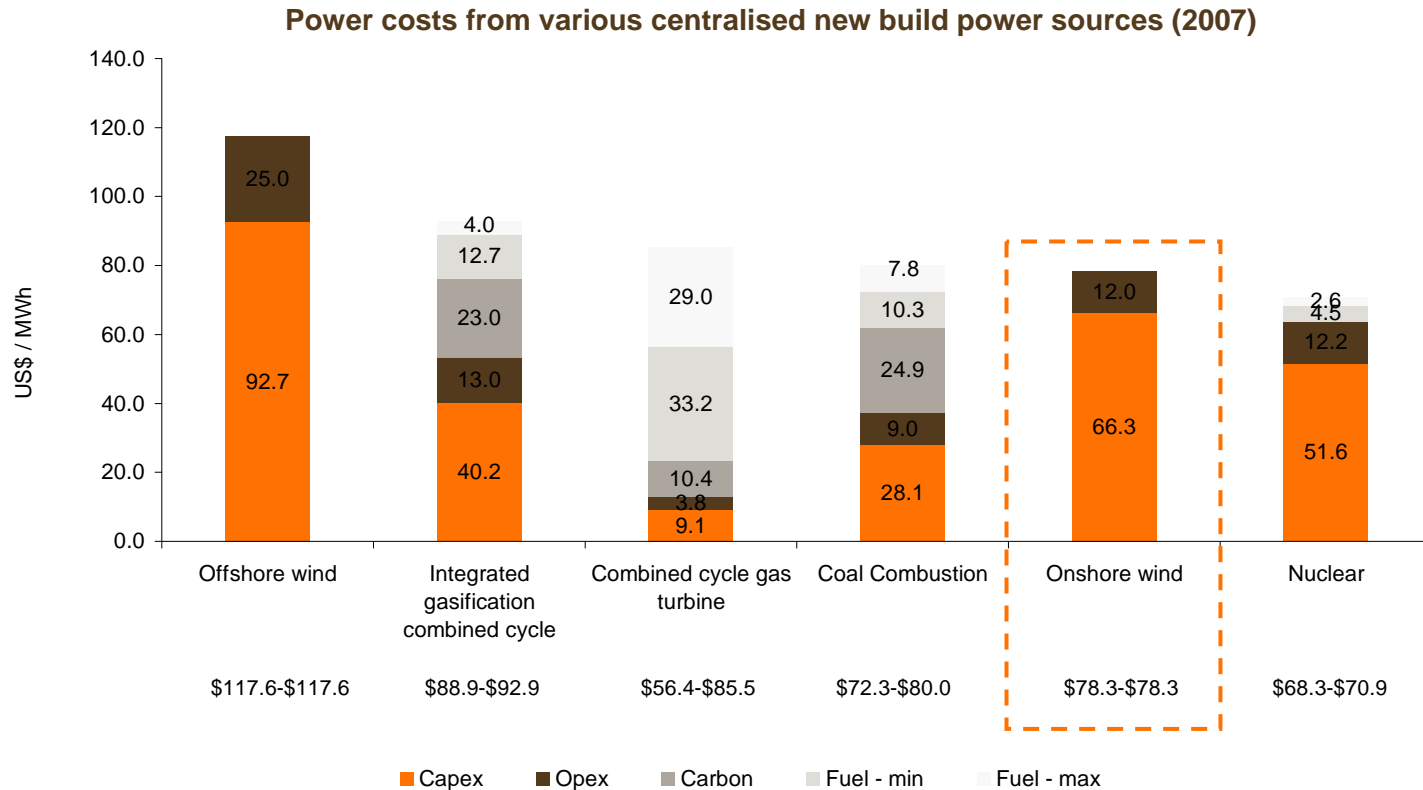
Source: Emerging Energy Research

# US annual capacity by type



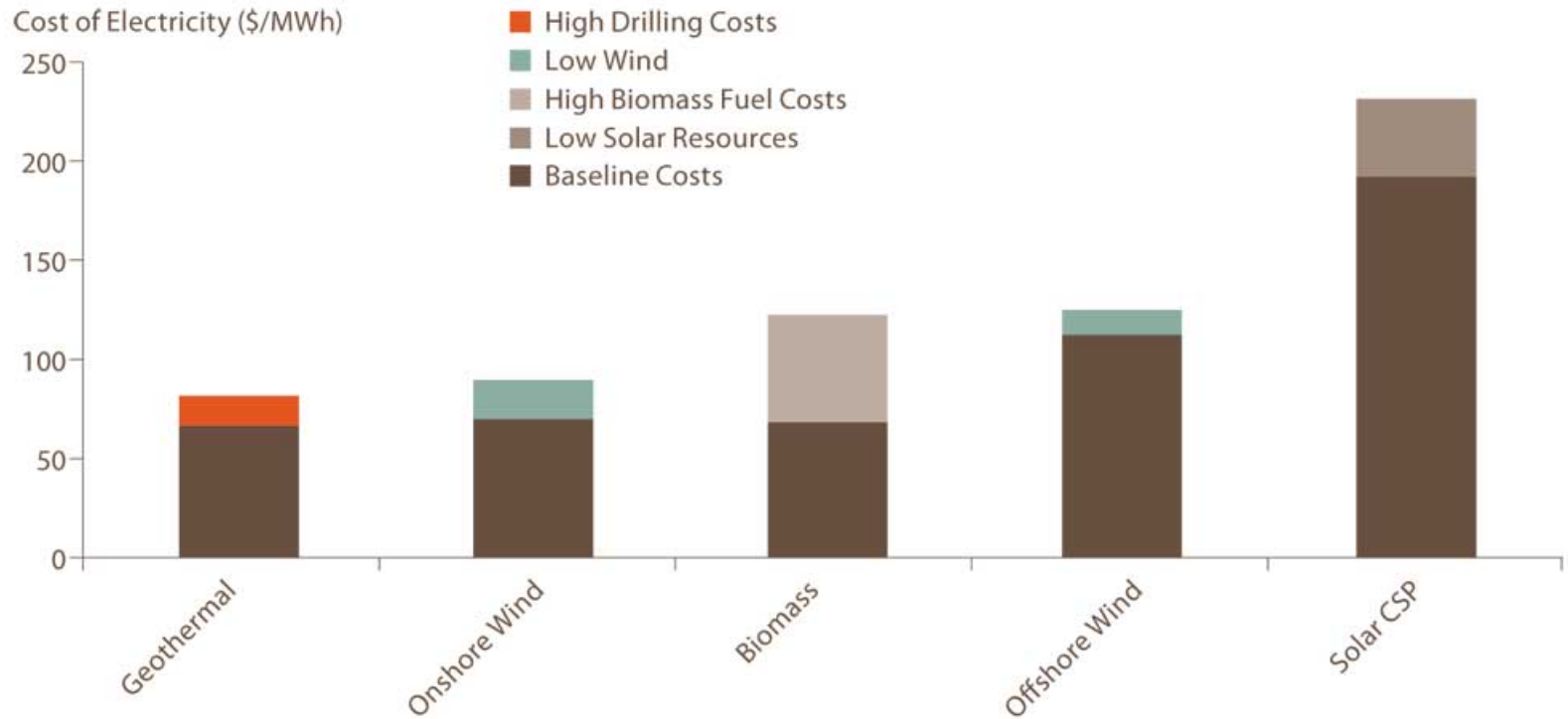
Source: EIA, Emerging Energy Research  
 Note: Other includes Hydro, Fuel Oil and other renewables

# Wind has become a competitive source of energy



Note: Based on reported US, European project costs 2006-2007  
 Source: Emerging Energy Research

# Cost of Electricity from Renewable Energy Sources



Source: Emerging Energy Research

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# Portfolio Summary – June 2008

## PORTFOLIO SUMMARY

June 2008

Country	Wind Region	No. of Wind Farms	Capacity (MW)		No. of Turbines	Long Term Mean Energy Production (GWh pa)		Capacity Factor	Energy Sale <sup>2</sup>
			Total	Ownership <sup>1</sup>		Total	Ownership <sup>1</sup>		
<b>AUSTRALIA</b>	Western Australia		89.1	89.1	54	367	367	47%	
	South Australia		239.5	239.5	99	691	691	33%	
	New South Wales		132.3	132.3	63	415	415	36%	
Sub Total		4	460.9	460.9	216	1,473	1,473	36%	PPA & Market
<b>SPAIN</b>	Spain	14	421.8	420.7	397	1,014	1,011	27%	Market + Fixed
<b>GERMANY</b>	Germany	11	120.7	120.5	74	260	259	25%	Fixed
<b>FRANCE</b>	France	6	52.0	52.0	26	119	119	26%	Fixed
<b>PORTUGAL</b>	Portugal	29	524.8	257.3	267	1,295	635	28%	Fixed
<b>US</b>	US - South		829.6	488.9	607	2,908	1,703	40%	
	US - North West		41.0	20.5	41	120	60	33%	
	US - South West		88.0	88.0	63	273	273	35%	
	US - North East		181.5	168.7	92	540	501	34%	
	US - Central		300.5	200.3	274	959	640	36%	
	US - Mid West		186.2	172.5	136	513	470	31%	
Sub Total		19	1,626.7	1,138.9	1,213	5,313	3,647	37%	PPA & Market
Sub Total - Operational		69	2,611.4	1,862.9	1,926	7,809	5,500	34%	
Sub Total - Under Construction		14	595.4	587.4	267	1,665	1,645	32%	
<b>TOTAL</b>		<b>83</b>	<b>3,206.8</b>	<b>2,450.3</b>	<b>2,193</b>	<b>9,474</b>	<b>7,145</b>	<b>33%</b>	

<sup>1</sup> Ownership represents equity interest. For the USA wind farms this is on the basis of active ownership as represented by the percentage ownership of Class B Member interest.

<sup>2</sup> "PPA": Power Purchase Agreement.

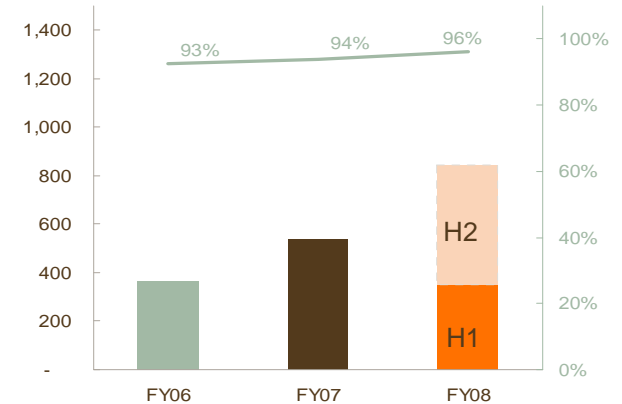
# Asset update—Australia

<b>Industry update</b>	<p><b>Mandatory Renewable Energy Target (MRET)</b></p> <ul style="list-style-type: none"> <li>Federal Policy first introduced 1 April 2000.</li> <li>Initially, main driver of wind industry expansion</li> <li>Original Federal target: 9,500 GWh by 2010, now fully subscribed</li> <li>State based targets developed alongside Federal Scheme</li> </ul> <p><b>New Federal target announced: 45,000 GWh by 2020 (20% share for renewable energy by 2020)</b></p> <ul style="list-style-type: none"> <li>Federal &amp; State Governments working towards single expanded Scheme by early 2009</li> <li>Scheme design to be announced in Sept 2008</li> </ul>
<b>Acquisition / Operational update</b>	<ul style="list-style-type: none"> <li>Lake Bonney Stage 2 (159MW): final stages of commissioning activities, on schedule to achieve final completion by mid 2008. Currently generating up to full capacity and selling energy into market at above forecasted prices</li> <li>Capital (132MW): Full construction activities commenced in February 2008</li> </ul>

Key financials	FY06	FY07	H108
Revenue <sup>1</sup>	\$35.9m	\$44.9m	\$26.6
EBITDA	\$30.0m <sup>2</sup>	\$37.0m	\$23.2
EBITDA Margin	83.6%	82.4%	87.0%
Contribution to EBITDA <sup>3</sup>	45.0%	29.7%	20.8%

- Includes pre-completion revenue from Lake Bonney 2
- Includes pre-commissioning and revenue compensation for Alinta wind farm which has been settled with the contractor
- EBITDA including US Distributions before corporate costs

## Australian Production



Note: H108 Actual  
H208 Forecast



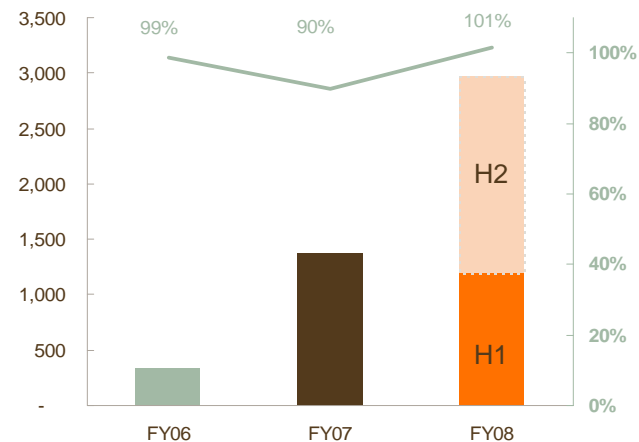
# Asset update—United States

<b>Industry update</b>	<ul style="list-style-type: none"> <li>• Production Tax Credits, primary fiscal incentive in the US</li> <li>• Extended to 2008; provides a tax credit to wind farm owners for 10 years. Tax credit is 1.9 US cents per kWh of production, adjusted annually for inflation</li> <li>• State Based Schemes: 29 States &amp; 1 District with RPS targets / goals</li> <li>• Expect PTC to be extend</li> </ul>
<b>Acquisition / operational update</b>	<ul style="list-style-type: none"> <li>• US06 Portfolio (approx 410MW):             <ul style="list-style-type: none"> <li>– First &amp; second closings completed. (Buena Vista, Aragonne, Mendota, Allegheny 1 &amp; GSG acquired)</li> <li>– Allegheny Ridge Phase 2: Currently under construction, delays encountered due to blade issues at Allegheny Phase 1 &amp; GSG. Expected to reach completion in 2008.</li> </ul> </li> <li>• US07 Portfolio acquisition (approx 620MW):             <ul style="list-style-type: none"> <li>– Sweetwater 4 &amp; 5, Cedar Creek wind farms completed</li> </ul> </li> </ul>

Key financials	FY06	FY07	H108
Distribution	\$7.0m	\$39.4m	\$62.2m
EBITDA margin <sup>1</sup>	62.5%	60.9%	65.0%
Contribution to EBITDA <sup>2</sup>	10.5%	31.7%	24.8%

1. Based on BBW proportionate interest of results at a US wind farm level  
 2. EBITDA including US Distributions before corporate costs

## US Production



Note: H108 Actual  
 H208 Forecast

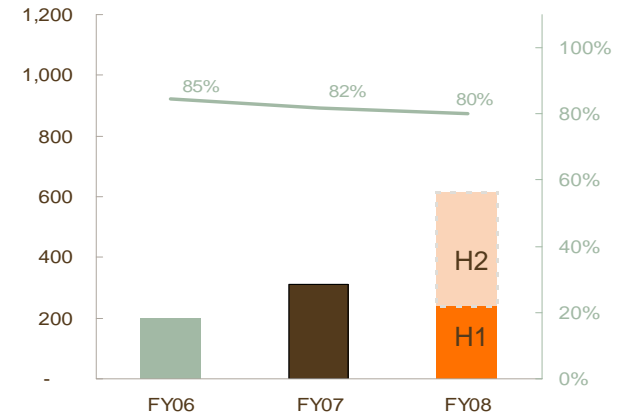
# Asset update—Spain

<b>Industry update</b>	<ul style="list-style-type: none"> <li>Spanish Government announced Royal Decree 661/2007</li> <li>RD 661/2007 supportive of wind energy</li> <li>Fixed tariff &amp; market options remain, together with a 5 year transition period for operational wind farms as at 1/1/08</li> </ul>
<b>Acquisition / operational update</b>	<ul style="list-style-type: none"> <li>Carrascal I &amp; II &amp; Cerradilla I &amp; II (150MW). Staged completion occurring between May and early July 2008</li> </ul>

Key financials	FY06	FY07	H108
Revenue	\$32.4m	\$44.6m	\$29.7
EBITDA	\$25.9m	\$36.6m	\$22.4
EBITDA Margin	79.9%	82.1%	75.0%
Contribution to EBITDA <sup>1</sup>	38.8%	29.4%	20.1%

1. EBITDA including US Distributions before corporate costs

## Spanish Production



Note: H108 Actual  
H208 Forecast

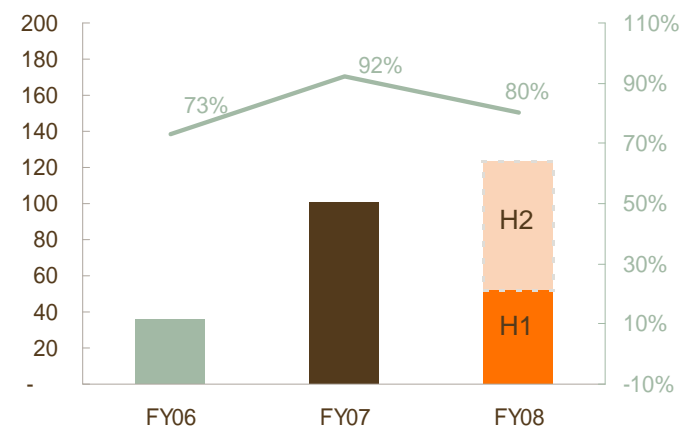
# Asset update—Germany

<b>Industry update</b>	<ul style="list-style-type: none"> <li>Market is supported by EEG regulations which allow for priority grid connections &amp; access, power dispatch &amp; fixed tariffs</li> <li>Wind farms are paid a fixed tariff for electricity produced for 20 years</li> <li>The EEG is renewed every 3 years. Recently proposed changes seek to increase support in pursuit of an increased target for renewable energy of 27% in 2020, up from 20%</li> </ul>
<b>Acquisition / operational update</b>	<ul style="list-style-type: none"> <li>Calau wind farm (8MW) acquired from the Plambeck Framework Agreement. Currently in construction; to be completed early 2009</li> <li>Coswig, Eshweiler, Sonnenberg acquired from the Gamesa Framework Agreement (11.65MW in aggregate). All fully operational</li> <li>Leddin (10MW), Langwedel (20MW) expected be operational by late 2008</li> </ul>

Key financials	FY06	FY07	H108
Revenue	\$4.7m	\$14.2m	\$7.2m
EBITDA	\$3.8m	\$11.4m	\$5.0m
EBITDA Margin	80.9%	80.3%	69.0%
Contribution to EBITDA <sup>1</sup>	5.7%	9.2%	4.5%

1. EBITDA including US Distributions before corporate costs

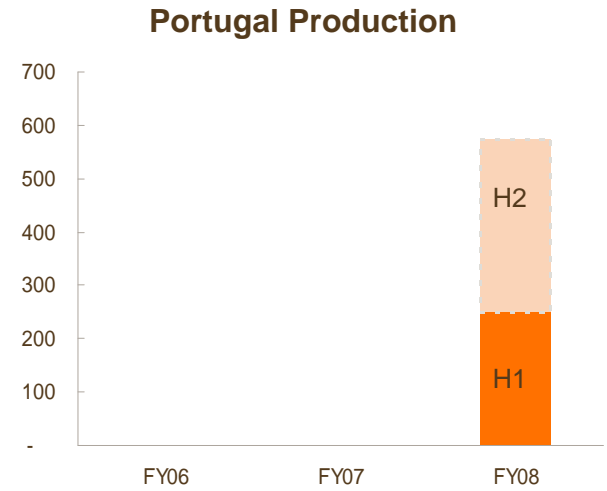
## German Production



Note: H108 Actual  
H208 Forecast

# Asset update—Portugal

<b>Industry update</b>	<ul style="list-style-type: none"> <li>Market is supported by fixed price tariffs</li> <li>January 2007, government announced renewable energy target of 45% by 2010</li> <li>Between 2007 – 2012, government will spend €8.1 billion on renewable energy projects, with wind projected to receive approximately €5.1 billion</li> </ul>
<b>Acquisition / operational update</b>	<ul style="list-style-type: none"> <li>BBW currently holds joint ownership of the Enersis portfolio with Babcock &amp; Brown</li> </ul>



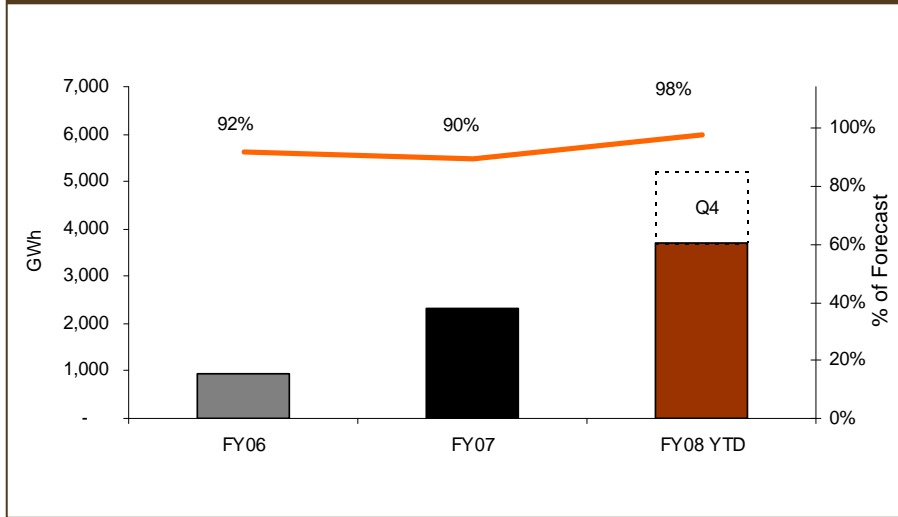
Note: H108 Actual  
H208 Forecast

Key financials	H108
Revenue	\$36.3m
EBITDA	\$33.3m
EBITDA Margin	92.0%
Contribution to EBITDA <sup>1</sup>	29.8%

1. EBITDA including US Distributions before corporate costs

# Operational Performance – Portfolio

## Generation: FY06, FY07 and FY08 YTD



	FY06	FY07	FY08 YTD
Forecast (GWh) <sup>1</sup>	1,015	2,596	3,781
Actual (GWh)	933	2,326	3,702
Actual / Forecast	92%	90%	98%

## Overview

### Generation

- Improvement over 1H08 due to strong 3Q FY08
- FY08 YTD 98% of forecast compared to 94% at 31 Dec 07

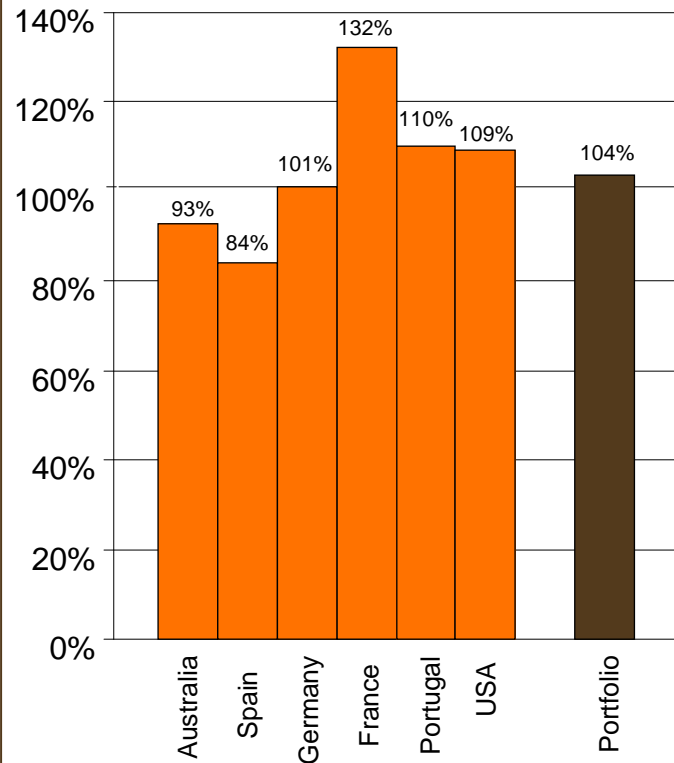
### Revenue

- Market Pool and REC prices have offset lower than forecast generation

1. Availability adjusted Long Term Mean Energy Production ('P50')

# Operational Performance – Portfolio

## Generation: Actual vs Forecast 3Q FY08



## Overview 3Q FY08

### Generation

- Strong portfolio performance in 3Q FY08 – 104% of forecast
- Demonstrates portfolio diversification & scale benefits
- Strong performance in France, Portugal, USA and Germany

### Availability

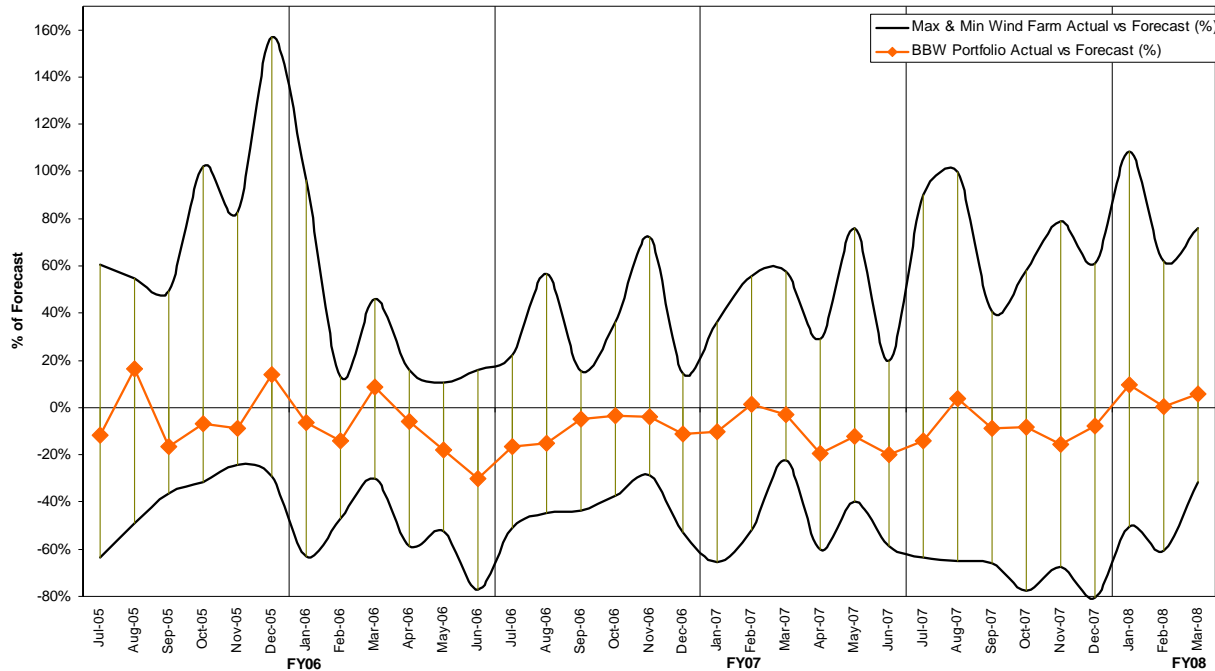
- Above forecast during 3Q FY08

### Market Prices

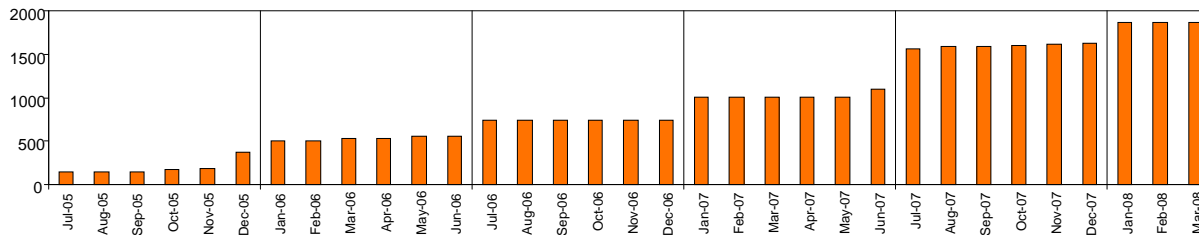
- Above forecast in most markets
- Particularly good in Spain & Australia

# Operational Performance – Reduced Variability

Range of Performance of Portfolio and Individual Wind Farms



- Increased portfolio scale and diversity has reduced variability around forecast
- Monthly production in 3Q FY08 at or above forecast



BBW's Operational Capacity (MW)

# Agenda

1. Introduction to BBW
2. Industry Overview
3. Asset Update
4. Outlook
5. Questions
6. Appendix



# Net Operating Cash Flow Guidance<sup>1</sup>

FY07 Actual	\$'M	FY08		FY09	
		NOM <sup>6</sup>	Guidance <sup>7</sup>	NOM <sup>6</sup>	Guidance <sup>7</sup>
87.8	Net operating cash flow	177.4	168.3	213.1	243.2
(16.4)	Notional debt repayment <sup>2</sup>	(54.6)	(55.4)	(67.7)	(88.0)
<b>71.4</b>	<b>Net operating cash flow after notional debt repayment</b>	<b>122.8</b>	<b>112.9</b>	<b>145.4</b>	<b>155.2</b>
(59.7)	Net Distributions	(90.1)	(86.9)	(98.1)	(96.9)
11.7	NOCF after distributions	32.7	26.0	47.3	58.3
11.7	NOCF carried forward	44.4	37.7	91.7	96.0
Per Security <sup>3</sup>					
17.5	Net Operating Cash Flow	21.7	19.7	25.6	27.9
14.2	Net Operating Cash Flow after notional debt repayment	15.0	13.2	17.4	17.8
12.5	Distribution per security	14.5 <sup>4</sup>	14.5 <sup>5</sup>	15.5 <sup>4</sup>	15.5 <sup>5</sup>

1. This cash flow guidance shows what our result would be if certain assumptions, including the assumptions shown in footnotes 2-5 were realised. It is not a forecast, and there can be no guarantee that our actual results will be as shown. The guidance excludes any potential disposal from European asset sales.

2. Notional debt repayment assumes average net debt balance repaid over 25 years on a straight-line basis with a 30% residual balance

3. Based on FY07 weighted number of securities of 501.5m: actual weighted number of securities (594.2m) less securities attributable to assets under construction (92.7m) based on assets under construction (\$238m); average gearing in FY07 (36%) and FY07 volume weighted average price (\$1.64). Assumes total securities of 819m in FY08 and 834m in FY09 for Notice of Meeting (NOM, Oct 07) and 856m in FY08 and 872m in FY09 for Guidance.

4. FY08 and assumes P50 production and no performance fee.

5. FY09 assumes P50 production and no performance fee and is based on the current BBW portfolio (excluding any potential disposal from European asset sales). The FY08 and the FY09 distribution are expected to be tax deferred assuming current portfolio.

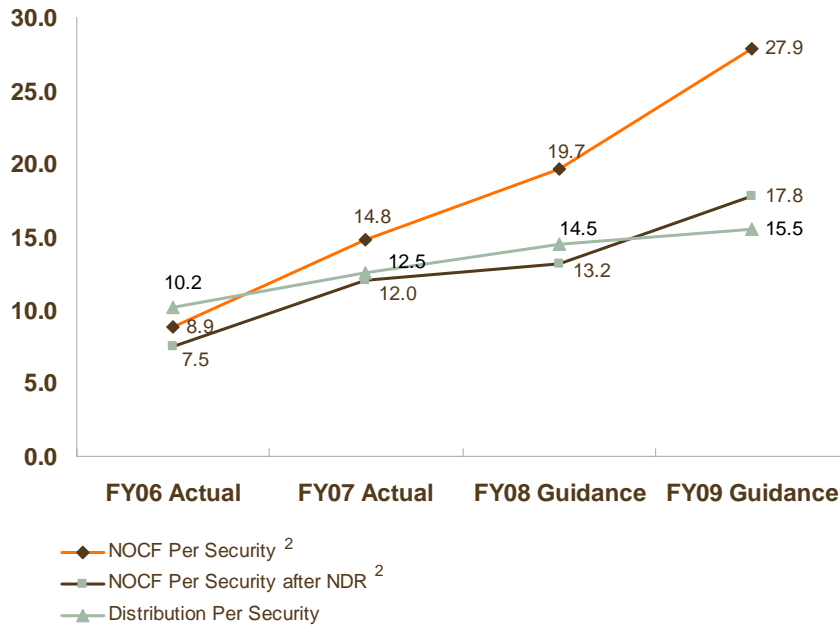
6. Assumes FX rates of AUD:EUR 0.6021 and AUD:EUR 0.5868 and AUD:USD 0.8224 and AUD:USD 0.8035 used in FY08 and FY09, respectively

7. Assumes FX rates of AUD:EUR 0.6121 and AUD:EUR 0.5890 and AUD:USD 0.8818 and AUD:USD 0.8473 used in FY08 and FY09, respectively



**BABCOCK & BROWN**  
WIND PARTNERS

# Cash Flow Cover of Distributions



- **FY08 and FY09 distributions reconfirmed**
- **Growth of at least 5% assuming continued accretive acquisitions**
- **Net Operating Cash flow cover of FY08 distribution: >135%**
- **Distributions**
  - Paid from net operating cash flow
  - Expected to be fully tax deferred<sup>1</sup>

FY09 NOCF Sensitivity	
	\$Am
+/- 1% in Production	+/- 5m

1. For Australian tax purposes in FY08 and FY09; assumes current portfolio and excludes any potential disposal from European asset sales  
 2. Not adjusted for the number of securities attributable to assets under construction

# Distributions

## Distribution Approach

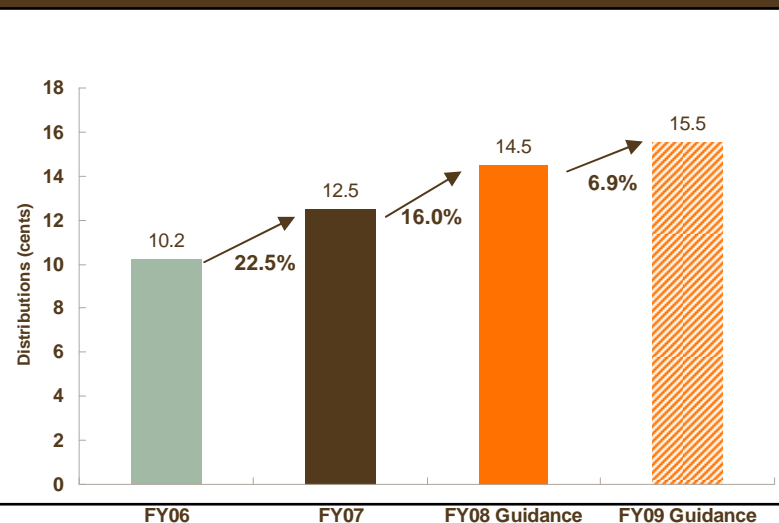
Pay distributions from net operating cash flow:

- EBITDA + US distributions
- Less corporate costs, interest & tax paid
- Adjusted for changes in working capital

And after taking account of:

- Principal debt repayments and DRP<sup>1</sup>
- Future funding requirements
- Investment opportunities

## Strong Growth in Distributions



## Distribution Guidance

- FY08 Final Estimated Distribution: 7.25 cps for half year to 30 June 2008. Expected to be paid on or about 18 Sept 2008.
- FY09 Guidance of 15.5 cps<sup>2</sup>
- FY08 & FY09 distribution expected to be fully tax deferred<sup>3</sup>
- Distribution growth target: at least 3.5% pa from current portfolio; additional medium term target of 5% pa assuming continued accretive acquisitions

1. Distribution Reinvestment Plan

2. FY08 and FY09 distribution guidance assumes P50 production and no performance fee and excludes any potential disposal from European asset sales.

3. Based on the current portfolio and excludes any potential disposal from European asset sales.

Note: Guidance shows what our result would be if certain assumptions, including the assumptions set out above were realised. It is not a forecast, and there can be no guarantee that our actual results will be as shown.

# Outlook

BBW	GLOBALLY DIVERSIFIED PURE WIND ENERGY BUSINESS
<b>REGULATION</b>	<ul style="list-style-type: none"> <li>• Long term regulatory support for renewable energy continues to strengthen</li> </ul>
<b>INDUSTRY</b>	<ul style="list-style-type: none"> <li>• Global top 5 wind farm owner and operator</li> </ul>
<b>PORTFOLIO</b>	<ul style="list-style-type: none"> <li>• Construction assets in final stages of completion</li> </ul>
<b>NOCF</b>	<ul style="list-style-type: none"> <li>• NOCF per security has grown in line with accretive acquisitions and continues to fully cover distributions</li> </ul>
<b>ACQUISITION PIPELINE</b>	<ul style="list-style-type: none"> <li>• Investment pipeline remains robust with a high degree of transparency</li> <li>• Only acquire where financial capacity and cost of capital will support such acquisitions</li> </ul>
<b>FUNDING &amp; RISK MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• Approximately 75% of BBW's debt is hedged</li> <li>• No refinancing anticipated prior to 2010</li> </ul>
<b>DISTRIBUTIONS</b>	<ul style="list-style-type: none"> <li>• FY08 distribution of 14.5 cps<sup>1</sup>; FY09 Guidance of 15.5 cps<sup>1</sup></li> <li>• Both expected to be fully tax deferred<sup>2</sup></li> </ul>
<b>STRATEGIC INITIATIVE</b>	<ul style="list-style-type: none"> <li>• Strategic initiative underway to demonstrate &amp; capture underlying value of portfolio</li> <li>• First round indicative offers received; Next stage in the process currently being progressed</li> </ul>

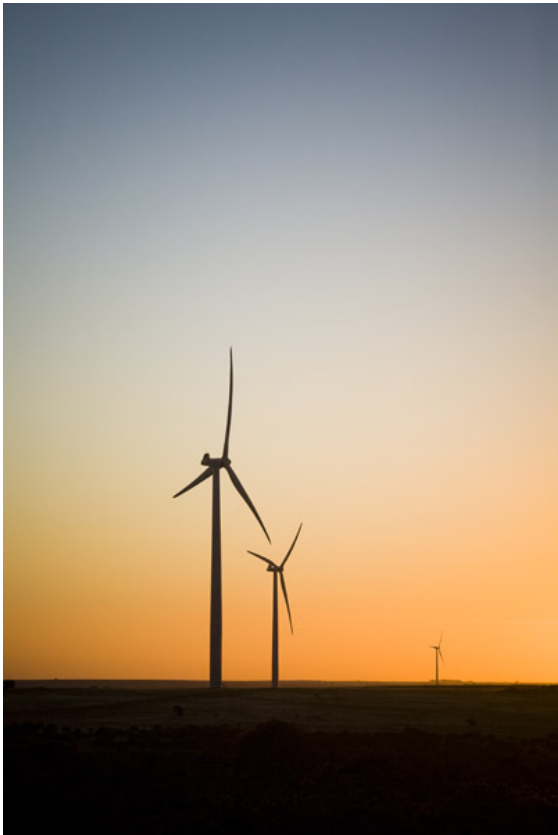
1. FY08 and FY09 assumes P50 production and no performance fee and excludes any potential disposal from European asset sales

2. Based on the current portfolio

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1. to BBW
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# Questions



# Agenda

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# MANAGED WIND ENERGY PORTFOLIO AND DEVELOPMENT PIPELINE BY GEOGRAPHY\*

GLOBAL	
Total Capacity	20,085.3MW
Operation ▲	2,948.2MW
Construction ▲	1,121.7MW
Development	16,015.4MW

NORTH AMERICA	
Total Capacity	13,983.6MW
Operation ▲	1,584.5MW
Construction ▲	452.0MW
Development	11,947.1MW

SPAIN	
Total Capacity	787.6MW
Operation ▲	370.8MW
Construction	150.0MW
Development	266.8MW

FRANCE	
Total Capacity	594.5MW
Operation ▲	90.5MW
Construction	116.9MW
Development	387.1MW

GERMANY	
Total Capacity	516.6MW
Operation ▲	99.0MW
Construction	74.0MW
Development	343.6MW

ITALY	
Total Capacity	1,101.1MW
Operation	108.0MW
Construction	28.5MW
Development	964.6MW

GREECE	
Total Capacity	120.0MW
Operation	-
Construction	42.0MW
Development	78.0MW

PORTUGAL	
Total Capacity	1,242.5MW
Operation ▲	525.8MW
Construction	-
Development	716.7MW

AUSTRALIA	
Total Capacity	1,519.4MW
Operation ▲	169.6MW
Construction ▲	258.3MW
Development	1,091.5MW

NEW ZEALAND	
Total Capacity	220.0MW
Operation	-
Construction	-
Development	220.0MW

## KEY

- Gross MW's. Includes MW owned by BBW and managed by Babcock & Brown
- ▲ Includes projects in BBW's Portfolio
- Current BBW portfolio equity interests in 2430MW
  - Operational 1,858MW
  - Construction 572MW



# Total return for a typical US wind farm with a 20 year PPA

