

**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
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ASX Release

23 February 2007

BBW APPENDIX 4D AND CONSOLIDATED HALF YEAR FINANCIAL REPORTS

Attached are the following financial reports relating to Babcock & Brown Wind Partners (ASX: BBW):

- Appendix 4D for the Half Year to 31 December 2006;
- BBW Consolidated Half Year Financial Report to 31 December 2006; and
- BBWPT Consolidated Half Year Financial Report to 31 December 2006.

ENDS

Further Information:

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Investor Relations Manager
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Miles George
Acting Chief Executive Officer
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BABCOCK & BROWN WIND PARTNERS

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\$950 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 31 wind farms on three continents that have a total installed capacity of approximately 1,600 MW and are diversified by geography, currency, equipment supplier, customer and regulatory regime. (This includes the US06 Portfolio, which is subject to security holder approval.)

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 3000 MW 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

Consolidated Half Year Report of Babcock & Brown Wind Partners Limited, Babcock & Brown Wind Partners Trust and Babcock & Brown Wind Partners (Bermuda) Limited, together Babcock & Brown Wind Partners, for the Half-Year Ended 31 December 2006

(Babcock & Brown Wind Partners Limited (“BBWPL”) ABN 39 105 051 616)
(Babcock & Brown Wind Partners Trust (“BBWPT”) ARSN 116 244 118)
(Babcock & Brown Wind Partners (Bermuda) Limited (“BBWPB”) ARBN 116 360 715)
together, Babcock & Brown Wind Partners (“BBW”)

This Half Year Report is provided to the Australian Stock Exchange (“ASX”) under ASX Listing Rule 4.2A

This information should be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by BBW during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001

Current Reporting Period: Half-Year from 1 July 2006 to 31 December 2006

Previous Corresponding Period: Half-Year from 1 July 2005 to 31 December 2005

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Babcock & Brown Wind Partners (BBW) comprises Babcock & Brown Wind Partners Limited (BBWPL) (ABN 39 105 051 616), Babcock & Brown Wind Partners Trust (BBWPT) (ARSN 116 244 118) and Babcock & Brown Wind Partners (Bermuda) Limited (BBWPB) (ARBN 116 360 715). Each share in BBWPL is stapled to a unit in BBWPT and a share in BBWPB.

Babcock & Brown Wind Partners Services Limited (BBWPS) (ABN 61 113 813 997) is the responsible entity of BBWPT. BBWPS is a subsidiary of Babcock & Brown Limited (BNB) (ACN 108 614 955).

Babcock & Brown Infrastructure Management Pty Ltd (BBIM) (ACN 113 585 229) is the manager of each of BBWPL, BBWPS and BBWPB pursuant to respective management agreements. BBIM is a wholly owned subsidiary of BNB.

Investments in BBW are not deposits with or other liabilities of BNB or any entity in the Babcock & Brown Group, and are subject to investment risk including possible loss of income and capital invested. Neither BBWPS nor any member of the Babcock & Brown Group (including BNB and BBIM) guarantee the performance of BBW or its stapled securities or the payment of a particular rate of return on BBW stapled securities.

This half year report is not an offer or invitation for subscription or purchase of or a recommendation of stapled securities in BBW. It does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in BBW, an investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

BBWPS, as responsible entity of BBWPT, and BBIM, as the manager of each of BBWPL, BBWPS and BBWPB, are entitled to fees for so acting. BNB and its related corporations, together with their officers and directors and officers and directors of BBW, may hold stapled securities in BBW from time to time.

The combined and consolidated financial report for BBW has been prepared to enable BBWPL, BBWPS (as responsible entity of BBWPT) and BBWPB to comply with their obligations under the Corporations Act, to ensure compliance with the ASX Listing Rules and to satisfy the requirements of the Australian accounting standards in relation to stapled structures. The responsibility for preparation of the combined and consolidated financial report and any financial information contained in this half-year report rests solely with the directors of BBWPL, BBWPS and BBWPB.

Babcock & Brown Wind Partners

Appendix 4D Additional Information for the Half-Year Ended 31 December 2006

Results for Announcement to the Market for the Half-Year Ended 31 December 2006

Revenue and Net Profit		Percentage Change %	Change Amount \$'000
Revenue from ordinary activities	[up]	69.4	21,815
Loss from ordinary activities after tax benefit attributable to members	[down]	94.5	17,302
Net loss attributable to members	[down]	94.5	17,302

Distributions	Amount per security	Franked amount per security
Interim distribution (FY 2007) - per fully paid stapled security	6.25 c	-
Final distribution (FY 2006) - per fully paid stapled security	5.1 c	-
Record date for determining entitlements to the distribution:		
Interim distribution (FY 2007)		29 December 2006
Final distribution (FY 2006)		30 June 2006

Babcock & Brown Wind Partners

Appendix 4D Additional Information for the Half-Year Ended 31 December 2006

Brief Explanation of Revenue, Net Profit and Distributions

Revenue

Following the adoption of UIG INT 4, *Determining whether an Arrangement contains a Lease*, certain income generated by BBW's wind farms is now classified as revenue from the lease of plant and equipment. Previously, this revenue was disclosed as revenue from the sale of energy and products. Comparatives for the half year ended 31 December 2005 have been adjusted to reflect this change.

The aggregate of revenues from the sale of energy and products and from the lease of plant and equipment was \$48,619,000 for the half year ended 31 December 2006, including compensation for loss of revenue of \$273,000, compared to \$25,635,000 in the comparative period.

This represents an increase of 89% which is mostly due to the acquisition of Eifel and certain Spanish wind farms during FY2006, as well as from the Alinta wind farm reaching practical completion during August 2006.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Loss

During the half year ended 31 December 2005, EBITDA before earnings from associates and before incentive fee was \$15,544,000. During the current period, EBITDA before associates was \$29,581,000. The increase is driven largely by the increase in revenue described above, offset by higher corporate costs.

Net loss before tax for the period was \$2,009,000 compared to a net profit before tax, but excluding incentive fee, in the prior period of \$5,945,000.

Depreciation and amortisation expense increased by 137% from \$7,131,000 in the previous corresponding period to \$16,912,000 in the current period due to depreciation on a significantly higher asset base and amortisation on framework agreements as well as licences in relation to the Olivo portfolio.

Net interest costs grew significantly from \$2,402,000 to \$13,622,000 over the same period due to the utilisation of cash balances and increase in borrowings to fund acquisitions.

Distributions

The Board confirmed that the distribution of 6.25 cents per security for the half-year was expected to be paid on 9 March 2007. The directors of BBW today also confirmed their expectations that BBW would pay a full year distribution of 12.5 cents per stapled security for the year ended 30 June 2007. This assumes P50 production, no performance fees and no material reduction in the Spanish Tariff.

Outlook

The directors of BBW and the management team are focused on the continued growth and success of the portfolio through the acquisition of accretive assets, including the acquisition of a portfolio of six US wind farms (the "US06 Portfolio"), which is conditional upon a vote of the security holders on 26 February 2007.

The US06 Portfolio would add significantly to the scale of BBW's business, representing an increase in BBW's generating capacity of approximately 39% and would assist to further build BBW's presence in the US wind energy market.

The directors of BBW have provided distribution guidance for FY08 of 14.0 cents per security. This assumes that the US06 Portfolio acquisition is approved by security holders and acquired in line with the proposed timing; the successful implementation of plans to refinance BBW's debt facilities during the current financial year; P50 production; no performance fee and the Spanish Tariff being no less than as indicated in the Spanish Government draft decree announced on 29 November 2006.

This represents an increase of 12% above the current FY07 distribution guidance of 12.5 cents per security, and is also above the directors' medium term distribution growth rate target of at least 3.5% per annum.

Babcock & Brown Wind Partners

Appendix 4D Additional Information for the Half-Year Ended 31 December 2006

Details Relating to Distributions

Distribution		Date distribution paid /payable	Amount per security ¢	Amount per security of foreign sourced distribution ¢
Interim - Payable	FY 2007	9 March 2007	6.25	-
Final - Paid	FY 2006	29 September 2006	5.1	-

Interim Distribution

	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Ordinary securities	36,256	25,202
Total	36,256	25,202

The interim distribution entitlement covers the six months ended 31 December 2006. The interim distribution entitlement is based on the securities on issue as at the record date, 29 December 2006.

The interim distribution in respect of securities for the financial half-year ended 31 December 2006 has not been recognised in this report because the interim distribution had not been declared as at 31 December 2006.

Babcock & Brown Wind Partners

Appendix 4D Additional Information for the Half-Year Ended 31 December 2006

Net Tangible Assets Per Security

	31 Dec 2006 \$	31 Dec 2005 \$
Net tangible assets per security	0.76	0.96

Material Interests in Entities Which Are Not Controlled Entities

Name of equity accounted associates and joint venture entities	Ownership interest held at end of period		Contribution to net profit / (loss) after tax	
	31 Dec 2006 %	31 Dec 2005 %	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Babcock & Brown Wind Partners US LLC ¹	100	80	-	219
Blue Canyon Windpower LLC	7.7	-	122	-
Caprock Wind LLC ²	18.6	-	734	-
Crescent Ridge LLC	34.6	-	900	-
Eurus Combine Hills LLC	13.8	-	(67)	-
JB Wind Holdings LLC	23.9	-	71	-
Kumeyaay Holdings LLC	35.2	-	-	-
Sweetwater Wind 1 LLC	11.2	-	-	-
Sweetwater Wind 2 LLC	10.6	-	-	-
Sweetwater Wind 3 LLC	12.2	-	-	-
			1,760	219

1. A U.S. subsidiary of BBWPL purchased the 80% interest in Babcock & Brown Wind Partners US LLC ("BBWPUS") on 30 November 2005. Under the terms of the Capital Contribution and Membership Purchase and Sale Agreement dated 22 September 2005, BBWPL's U.S. subsidiary did not have a controlling interest in BBWPUS at 31 December 2005. Given the U.S. subsidiary's restricted ability to influence financial and operating decisions, BBWPUS qualified as an associate. On 29 June 2006 the U.S. subsidiary of BBWPL acquired the remaining 20% interest in BBWPUS.

2. The 18.6% ownership interest in Caprock Wind LLC is held by B&B Caprock LLC in which a U.S. subsidiary of BBWPL holds an 80% interest. BBW consolidates B&B Caprock LLC and records a minority interest in relation to the remaining 20%.

Babcock & Brown Wind Partners

Appendix 4D Additional Information for the Half-Year Ended 31 December 2006

Information on Audit or Review

This half-year report is based on accounts to which one of the following applies.

- | | | | |
|--------------------------|--|-------------------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | <input checked="" type="checkbox"/> | The accounts have been subject to review. |
| <input type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

Not applicable.

Description of dispute or qualification if the accounts have been audited or subjected to review.

None.

BABCOCK & BROWN WIND PARTNERS GROUP (BBW)

**Comprising Babcock & Brown Wind Partners Limited and its
controlled entities**

ABN 39 105 051 616

**Interim Financial Report
for the Half-Year Ended
31 December 2006**

Babcock & Brown Wind Partners Group

Half-Year Report - 31 December 2006

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by BBW during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Babcock & Brown Wind Partners Group

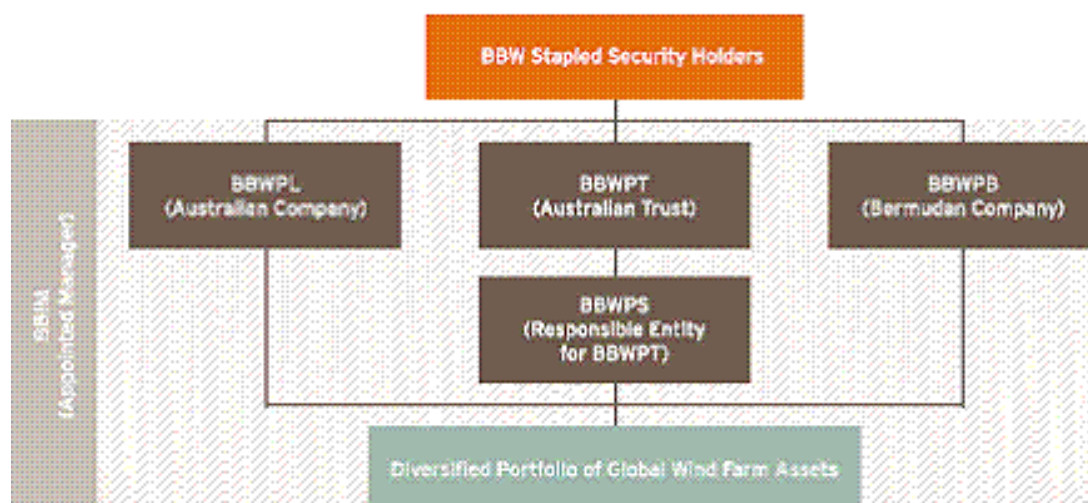
An Overview of the BBW Financial Statements

Babcock & Brown Wind Partners Group (“BBW” or the “Group”) consists of the following entities:

- Babcock & Brown Wind Partners Limited (“BBWPL”);
- Babcock & Brown Wind Partners Trust (“BBWPT”);
- Babcock & Brown Wind Partners (Bermuda) Limited (“BBWPB”); and
- Subsidiary entities of each of BBWPL and BBWPT.

The issued securities in BBWPL, BBWPT and BBWPB have been stapled together and trade as listed stapled securities on the Australian Securities Exchange (ASX code: BBW). Each stapled security represents one share in each of BBWPL and BBWPB and one unit in BBWPT.

The following diagram provides an overview of BBW’s structure.



UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement BBWPL has been identified as the parent of the consolidated group comprising BBWPL and its controlled entities, BBWPT and its controlled entities and BBWPB. Therefore the BBWPL consolidated financial statements attached include all entities forming part of BBW.

As BBWPT is also considered a disclosing entity, separate financial statements for the BBWPT consolidated group at 31 December 2006 have been prepared.

Babcock & Brown Wind Partners Group

Directors' Report

In respect of the half year ended 31 December 2006, the directors of BBWPL submit the following report on the consolidated interim financial report of Babcock & Brown Wind Partners ("BBW").

UIG 1013, *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement BBWPL has been identified as the parent of the consolidated group comprising BBWPL and its controlled entities, BBWPT and its controlled entities and BBWPB.

AASB Interpretation 1002, *Post-Date-of-Transition Stapling Arrangements*, applies to stapling arrangements occurring during annual reporting periods ended on or after 31 December 2005 where the identified parent does not obtain an ownership interest in the entity whose securities have been stapled. As a consequence of the stapling arrangement involving no acquisition consideration and no ownership interest being acquired by the combining entities, no goodwill is recognised in relation to the stapling arrangement and the interests of the equity holders in the stapled securities are treated as minority interests.

Whilst stapled arrangements occurring prior to the application of AASB Interpretation 1002 are grandfathered and can continue to be accounted for in accordance with the principles established in UIG 1013, for disclosure purposes and the fact that BBW has entered into stapling arrangements both pre and post transition to A-IFRS, the interests of the equity holders in all stapled securities (regardless of whether the stapling occurred pre or post transition to A-IFRS) have been treated as a minority interest under the principles established in AASB Interpretation 1002.

The directors report as follows:

Directors

The names of the directors of BBWPL during or since the end of the half-year and to the date of this report are:

BBWPL:

Mr P. Hofbauer

Mr W. Murphy

Mr A. Battle

Mr D. Clemson

Review of Operations

In July 2006, BBW purchased Class B interests in two US wind farms in California and Texas for approximately US\$72 million. These acquisitions were part of the US Framework Agreement (refer to section 12.4 of the IPO Prospectus and Product Disclosure Statement dated 26 September 2005).

These acquisitions were supplemented in December 2006 with the purchase of Class B interests in a further two US wind farms in Pennsylvania and New Jersey for approximately US\$17 million under the US Framework Agreement.

BBW originally purchased 100% of the Class B interests in the Crescent Ridge wind farm in June 2006 and, at that time, entered into an agreement that provided the vendor an option to re-purchase 25% of these interests. In August 2006, the vendor exercised its option paying 25% of the original purchase price to BBW.

In December 2006, BBW agreed to purchase the Fruges II wind farms. The wind farms are under construction and the total enterprise value, once completed, will be approximately \$94 million.

For the half-year ended 31 December 2006, the results of BBW comprise six months of operations of the Lake Bonney, Alinta, Niederrhein and Eifel wind farms, as well as the wind farms that comprise the Olivo portfolio.

Babcock & Brown Wind Partners Group

Directors' Report

Additionally, six of the ten US wind farms, in which BBW has an investment in Class B interests, contributed six months of earnings. The remaining four were acquired during the period.

BBW's product revenues for the half year were \$48,619,000; which includes compensation for loss of revenue of \$273,000 and represents an increase of 90% on the prior corresponding period (HY2006: \$25,635,000). This increase resulted from the acquisition of Eifel and certain Spanish wind farms during FY2006, as well as from the Alinta wind farm which reached practical completion in August 2006.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) before associates was \$29,581,000 during the current period compared to \$15,544,000 (before incentive fee) in the prior corresponding period. This increase was driven largely by the increase in revenue described above, offset by higher corporate costs.

Cash distributions received from US investments increased from \$503,000 to \$13,528,000 due to the acquisitions described above, as well as a full half year contribution from the US03/04 wind farms acquired in November 2005.

Depreciation and amortisation expense increased by 137% from \$7,131,000 to \$16,912,000 due to depreciation on a significantly large asset base as well as increased amortisation on framework agreements and on intangible assets that were recorded as a result of the acquisition of the Olivo portfolio.

Net interest costs grew significantly from \$2,402,000 to \$13,622,000 due to the utilisation of cash balances and increase in borrowings to fund acquisitions.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 13.

Babcock & Brown Wind Partners Group

Directors' Report

Rounding off of amounts

The Group is of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Signed in accordance with a resolution of directors.

On behalf of the Directors of BBWPL:



Peter Hofbauer

Director

Sydney, 23 February 2007

PricewaterhouseCoopers
ABN 52 780 433 757

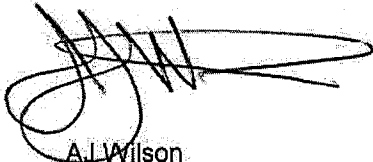
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Auditors' Independence Declaration

As lead auditor for the review of Babcock & Brown Wind Partners Limited for the half year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Babcock & Brown Wind Partners Limited and the entities it controlled during the period.



A.J. Wilson

Partner

PricewaterhouseCoopers

Sydney
23 February 2007

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INDEPENDENT AUDITOR'S REVIEW REPORT to the members of Babcock & Brown Wind Partners Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Babcock & Brown Wind Partners Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Babcock & Brown Wind Partners Limited Group (the consolidated entity). The consolidated entity comprises both Babcock & Brown Wind Partners Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Babcock & Brown Wind Partners Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting

when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

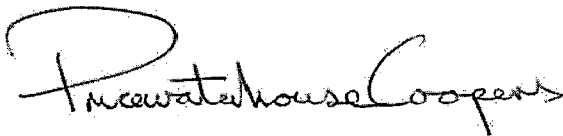
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

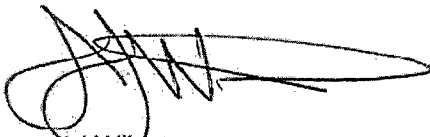
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Babcock & Brown Wind Partners Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



A.J. Wilson
Partner

Sydney
23 February 2007

Babcock & Brown Wind Partners Group

Directors' Declaration on the Consolidated Financial Report of Babcock & Brown Wind Partners Group

In the opinion of the directors of Babcock & Brown Wind Partners Limited ("BBWPL"), the consolidated half-year financial statements and Notes for Babcock & Brown Wind Partners Group as set out on pages 17 to 31:

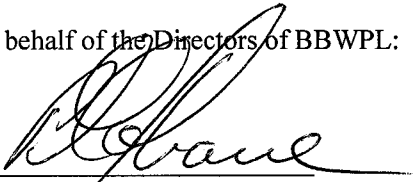
- a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) give a true and fair view of the consolidated half-year financial position of BBWPL as at 31 December 2006 and of its performance, as represented by the results of its operations and cash flows, for the six months ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay their respective debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors of BBWPL:



Peter Hofbauer

Director

Sydney, 23 February 2007

Babcock & Brown Wind Partners Group

Consolidated Income Statements for the Half-Year Ended 31 December 2006

	Note	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Revenue	2	53,236	31,421
Other income	2	1,418	1,736
Operating expenses		(10,314)	(8,356)
Depreciation and amortisation expense		(16,912)	(7,131)
Finance costs		(22,392)	(9,146)
Management charges		(8,805)	(35,783)
Share of net profit of associates accounted for using the equity method		1,760	219
Net loss before income tax expense	2	(2,009)	(27,040)
Income tax benefit		1,154	8,738
Net loss for the half-year		(855)	(18,302)
Attributable to stapled security holders as:			
Equity holders of the parent		(3,351)	(18,243)
Equity holders of the other stapled entities (minority interests)		2,351	(59)
		(1,000)	(18,302)
Other minority interests		145	-
		(855)	(18,302)
Loss per share of the parent based on loss attributable to the equity holders of the parent:			
Basic (cents per share)	6	(0.6)	(6.4)
Diluted (cents per share)	6	(0.6)	(6.4)

The above Consolidated Income Statements should be read in conjunction with the accompanying notes on pages 21 to 31.

Babcock & Brown Wind Partners Group

Consolidated Balance Sheet as at 31 December 2006

	Note	As at 31 Dec 2006 \$'000	As at 30 June 2006 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	174,706	311,195
Receivables		19,561	20,355
Prepayments		4,881	3,722
Other current assets		17,288	26,211
Derivative financial instruments		3,498	194
Total Current Assets		219,934	361,677
Non-Current Assets			
Prepayments		27,203	24,295
Investments accounted for using the equity method		255,496	176,049
Derivative financial instruments		12,883	12,845
Property, plant and equipment		727,781	664,882
Deferred tax assets		5,895	44
Intangibles		166,073	146,154
Goodwill		14,278	16,502
Total Non-Current Assets		1,209,609	1,040,771
Total Assets		1,429,543	1,402,448
LIABILITIES			
Current Liabilities			
Payables		76,979	56,897
Borrowings		32,154	39,878
Derivative financial instruments		3,668	1,966
Provisions		2,254	1,743
Other current liabilities		220	-
Total Current Liabilities		115,275	100,484
Non-Current Liabilities			
Payables		14	-
Borrowings		682,816	631,489
Derivative financial instruments		-	1,662
Deferred tax liability		2,613	2,794
Total Non-Current Liabilities		685,443	635,945
Total Liabilities		800,718	736,429
Net Assets		628,825	666,019
Equity Holders of the Parent			
Contributed equity	8	4,394	4,454
Reserves		(26,055)	(13,868)
Retained earnings		(21,477)	(18,126)
		(43,138)	(27,540)
Equity Holders of the Other Stapled Entities (Minority Interests)			
Contributed equity	8	678,582	701,680
Reserves		(21,635)	(21,635)
Retained earnings		6,558	4,207
		663,505	684,252
Other Minority Interests		8,458	9,307
Total Equity		628,825	666,019

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes on pages 21 to 31.

Babcock & Brown Wind Partners Group

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2006

	Note	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Total equity at the beginning of the half year		666,019	171,156
Adjustment to equity on adoption of AASB 132 and AASB 139			
- Cash flow hedges		-	(7,491)
- Transfer of net assets attributable to security holders from equity to liability*		-	(163,140)
Adjustment in relation to acquisition accounting under AASB 3		-	458
Restated total equity at the beginning of the half year		666,019	983
Movement in fair value of cash flow hedges		1,212	1,450
Exchange differences on translation of foreign operations		(13,398)	2,387
Net income recognised directly in equity		(12,186)	3,837
Net (loss)/ profit for the half year		(1,000)	(18,302)
Total recognised income and expense for the half year		(13,186)	(14,465)
Transactions with equity holders in their capacity as equity holders:			
Transfer of net assets attributable to security holders from liability to equity*		-	161,512
Contributions of equity, net of transaction costs paid		6,182	370,897
Minority interest on acquisition of subsidiary		-	(8,505)
Securities issued as consideration for purchase of interest in subsidiaries		-	68,000
Reserves recognised on purchase of increased interest in a subsidiary**		-	(16,430)
Minority interest recognised on purchase of increased interest in a subsidiary**		-	(33,012)
Outside equity interest		(850)	-
Distributions paid	3	(29,340)	-
Total equity at the end of the half year		628,825	528,980
Total recognised income and expenses for the half year is attributable to:			
Equity holders of the parent		(15,537)	(14,406)
Equity holders of the other stapled entities (minority interests)		2,351	(59)
		(13,186)	(14,465)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 21 to 31.

* Upon the implementation of A-IFRS in the half year ended 31 December 2005, security holder interests were initially accounted for as debt. Following a change in the BBWPT constitution on 12 September 2005, security holder interests were reclassified as equity.

BBWPT paid a distribution of \$1,628,000 in August 2005, prior to the change in the constitution, which has been recognised as a reduction in this debt.

** This item relates to the acquisition of the remaining 25% interest in Walkaway Wind Power Pty Limited ("WWP") (also see notes 5 and 8). Prior to this acquisition BBWPL owned 75% of the share capital of WWP and consolidated WWP accordingly. Hence, this stepped acquisition does not result in a change in control and, consequently, the excess of consideration over the fair value of the net assets purchased is required to be recognised within equity. Since BBWPL has been deemed the parent, the portion that relates to BBWPT's acquisition has been disclosed as a minority interest.

Babcock & Brown Wind Partners Group

Consolidated Cash Flow Statements For the Half-Year Ended 31 December 2006

	Note	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Cash Flows from Operating Activities			
Receipts from customers		55,795	13,810
Payments to suppliers		(10,873)	(4,898)
Interest received		4,724	4,723
Interest and other costs of finance paid		(19,247)	(7,745)
Distributions received from associates		13,528	503
Tax paid		(2,434)	(1,094)
Net Cash Provided By/ (Used In) Operating Activities	9	41,493	5,299
Cash Flows from Investing Activities			
Proceeds on sale of investment		13,763	-
Payment for property, plant and equipment		(77,953)	(40,106)
Payments for investments in associates and controlled entities		(117,983)	(113,785)
Payment for intangible assets		(19,186)	-
Net Cash Used In Investing Activities		(201,359)	(153,891)
Cash Flows from Financing Activities			
Distributions paid to security holders ^{1,2}	3	(22,820)	(1,628)
Proceeds from/costs of issue of securities		(353)	370,897
Proceeds from borrowings		72,659	114,957
Repayment of borrowings		(21,399)	(50,121)
Repayment of borrowings to related parties		-	(8,917)
Net Cash Provided By Financing Activities		28,087	425,188
Net increase/(decrease) in cash held		(131,779)	276,596
Cash and cash equivalents at the beginning of the half-year		311,195	110,114
Effect of exchange rate changes on the balance of cash held in foreign currencies		(4,710)	2,245
Cash and cash equivalents at the end of the half-year		174,706	388,955

The above Consolidated Cash Flow Statements should be read in conjunction with the accompanying notes on pages 21 to 31.

¹ Upon the implementation of A-IFRS in the half year ended 31 December 2005 and prior to a change in the Trust's constitution in September 2005, security holder interests were initially accounted for as debt. BBWPT paid a distribution of \$1,628,000 in August 2005, prior to the change in the constitution, which has been recognised as a reduction in this debt.

² Total distribution was \$29,340,000 of which \$22,820,000 was paid in cash and \$6,520,000 was satisfied through the issue of stapled securities under the Distribution Reinvestment Plan.

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

1. Summary of Significant Accounting Policies

This general purpose financial report for the interim half year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by BBW during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Except for the following, the accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period:

The adoption of UIG INT 4 *Determining whether an Arrangement contains a Lease* in 2006 has impacted the accounting for a number of contractual arrangements relating to electricity supply into which the Group has entered. After assessment of these arrangements, some have been determined to contain terms that should be accounted for as operating leases in accordance with AASB 117 *Leases*. Consequently, for these arrangements, revenue from the sale of electricity will be classified as revenue from the lease of plant and equipment.

As a result, \$13,040,000 of revenue from the sale of energy and products for the six month period ended 31 December 2005 has been reclassified as revenue from the lease of plant and equipment.

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

2. Net Loss for the Half-Year

Revenue	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Revenue from the sale of energy and products	26,497	12,595
Revenue from the lease of plant and equipment ¹	21,849	13,040
	48,346	25,635
Interest income	4,890	5,786
	53,236	31,421
¹ Under UIG INT 4, certain of BBW's contractual arrangements relating to electricity supply have been classified as leases.		
Other income		
Compensation for loss of revenue	273	-
Fair value gains on financial instruments	1,145	-
Foreign exchange gains	-	1,736
	1,418	1,736
Loss before income tax has been arrived at after charging the following expenses:		
Operating expenses:		
Connection fees	887	827
Administration, consulting and legal fees	1,724	2,483
Wind farm operations and maintenance costs	7,703	5,046
	10,314	8,356
Depreciation and amortisation:		
Depreciation of property, plant and equipment	14,202	6,053
Amortisation of intangible assets	2,710	1,078
	16,912	7,131
Finance costs:		
Interest expense	18,512	8,188
Fair value losses on financial instruments	1,504	-
Other finance charges	2,376	958
	22,392	9,146
Management charges:		
Base fees	5,644	1,629
Incentive fee	-	33,150
Management expenses	3,161	1,004
	8,805	35,783

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

3. Distributions and Finance Costs Paid and Proposed

	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Final distribution in respect of 2006 year (2005: finance cost) of 5.1 cents per stapled security (2005: 1.0 cents) paid in September 2006 (2005: August 2005 ¹) from the Trust's contributed equity ²	29,340	1,628
Total finance costs or distributions paid	<u>29,340</u>	<u>1,628</u>

Distributions not recognised at the end of the half-year

In addition to the above finance costs and distributions, since the end of the half year the directors have recommended the payment of an interim dividend of 6.25 cents per stapled security (2006: 5.1 cents). The aggregate amount of the proposed distribution expected to be paid in cash and through the DRP on 9 March 2007 from the Trust's contributed equity, but not recognised as a liability at the end of the half-year, is:

<u>36,256</u>	<u>25,202</u>
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The balance of the franking account at 31 December 2006 is \$ nil (31 December 2005: \$ nil).

¹ Upon the implementation of A-IFRS in the half year ended 31 December 2005 and prior to a change in BBWPT's constitution, security holder interests were initially accounted for as debt. BBWPT paid a distribution of \$1,628,000 in August 2005, which has been recognised as a reduction in this debt as a finance cost.

² Of the \$29,340,000 paid in September 2006, 22% (2006: nil) was settled through the issue of stapled securities under the Distribution Reinvestment Plan. The distribution paid in cash was \$22,820,000 and the amount settled through the issue of stapled securities under the Distribution Reinvestment Plan was \$6,520,000.

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

4. Segment Information

The Group operates in one business segment, the generation of electricity from wind energy.

BBW has investments located in Australia, Spain, Germany, France and the United States. BBW reports its primary segment information on a geographical basis. The French wind farms are in construction and hence no revenue has been generated from that segment.

Segment Revenue

	External sales		Other		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australia	21,849	13,040	2,409	1,907	24,258	14,947
Spain	21,312	12,286	261	35	21,573	12,321
Germany	5,185	309	5	11	5,190	320
USA	-	-	904	-	904	-
Total of all segments	48,346	25,635	3,579	1,953	51,925	27,588
Unallocated					2,729	5,569
Consolidated					54,654	33,157

Segment Results

Half year ended 31 December 2006

	Australia \$'000	Spain \$'000	Germany \$'000	France \$'000	USA \$'000	Total \$'000
Segmental result	2,275	3,608	470	(139)	861	7,075
Share of profits of associates, net of tax	-	-	-	-	1,760	1,760
Unallocated						(10,844)
Loss before income tax						(2,009)
Income tax benefit						1,154
Loss for the period						(855)

Half year ended 31 December 2005

	Australia \$'000	Spain \$'000	Germany \$'000	France \$'000	USA \$'000	Total \$'000
Segmental result	3,722	3,072	(282)	-	-	6,512
Share of profits of associates, net of tax	-	-	-	-	219	219
Unallocated						(33,771)
Loss before income tax						(27,040)
Income tax benefit						8,738
Loss for the period						(18,302)

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

5. Business combination

Half year ended 31 December 2006

Name of Business acquired	Note	Principal Activity	Date of Acquisition	Ownership interest of Shares / units %	Cost of Acquisition \$'000
BBPOP Wind Investment 3 LLC	(a)	Wind energy generation	28 July 2006	100	95,214
B&B Wind Park Jersey LLC	(b)	Wind energy generation	21 December 2006	100	21,698
Société d'Exploitation du Parc Eolien Sole de Bellevue SARL	(c)	Wind energy generation	10 December 2006	100	13
Société d'Exploitation du Parc Eolien Les Trentes SARL	(c)	Wind energy generation	10 December 2006	100	13
Société d'Exploitation du Parc Eolien Le Chemin Vert SARL	(c)	Wind energy generation	10 December 2006	100	13

(a) BBPOP Wind Investment 3 LLC

In July 2006, BBW acquired BBPOP Wind Investment 3 LLC for approximately \$95,214,000. BBPOP Wind Investment 3 owns 50% of the class B membership interests in the Sweetwater 3 wind farm and 100% of the class B membership interests in the Kumeyaay wind farm, both located in the USA.

(b) B&B Wind Park Jersey LLC

In December 2006, BBW acquired B&B Wind Park Jersey LLC for approximately \$21,698,000. B&B Wind Park Jersey LLC owns 59.3% of the class B membership interests in each of the Bear Creek and Jersey Atlantic wind farms, both located in the USA.

(c) Fruges II

In December 2006, BBW acquired 100% of the issued capital of three companies in France, Société d'Exploitation du Parc Eolien Sole de Bellevue SARL, Société d'Exploitation du Parc Eolien Les Trentes SARL and Société d'Exploitation du Parc Eolien Le Chemin Vert SARL. Each of the three companies is in the process of constructing a wind farm in France (the "Fruges II Wind Farms").

The Fruges II Wind Farms are in the construction phase and contributed no amount of revenue to the Group's result.

The purchase price paid was approximately \$13,000 for each company. The book value of the net assets comprised cash of approximately \$13,000. Total expenditure, including the costs associated with construction, is expected to be approximately \$94,000,000.

(d) Crescent Ridge

During the period, BBW disposed of a 25% interest in the class B membership of Crescent Ridge Holdings LLC ("Crescent Ridge") to Eurus Energy America ("Eurus"). BBW originally acquired Crescent Ridge from Eurus and at that time entered into an agreement whereby Eurus had the option to repurchase 25% of the class B interests. On 17 August Eurus exercised this option and acquired the class B interests for 25% of the

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

original purchase price, approximately \$13,763,000.

Half year ended 31 December 2005

Name of Business acquired	Note	Principal Activity	Date of Acquisition	Ownership interest of Shares / units %	Cost of Acquisition \$'000
Babcock & Brown Wind Partners (Bermuda) Limited	(e)	Wind energy generation	September 2005	100	-
CS Walkaway Pty Limited	(f)	Wind energy generation	September 2005	100	49,442
CS Walkaway Trust				100	
B&B Walkaway Pty Limited				100	
B&B Walkaway Trust				100	
NPP Projects V LLC				100	
Montes de Leon S.A.U.	(g)	Wind energy generation	October 2005	100	18,157

(e) Babcock & Brown Wind Partners (Bermuda) Limited

The shares in Babcock & Brown Wind Partners (Bermuda) Limited are stapled to shares in BBWPL and units in BBWPT.

As a consequence of the stapling arrangement involving no acquisition consideration and no ownership interest being acquired by the combining entities, no goodwill is recognised in relation to the stapling arrangement and the interests of the equity holders in the stapled securities are treated as minority interests.

(f) Alinta Wind Farm

These entities indirectly own 25% of Walkaway Wind Power Pty Limited ("WWP"). This acquisition resulted in the Group increasing its ownership interest in the share capital of WWP from 75% to 100%.

The fair value of the net assets of the purchased group was nil. Given that there was no goodwill recognised upon the initial transaction, in which 75% of WWP was purchased, no goodwill is recognised as a result of this transaction. The purchase price of \$49,442,000 has been recognised within equity.

(g) Olivo

Montes de Leon S.A.U. ("MdL") operates the Redondal wind farm in Spain. AASB 3, Business Combinations, allows an acquiring entity a period of twelve months from acquisition date to finalise the acquisition accounting. The fair value of the net assets acquired in relation to MdL are incorporated into the 30 June 2006 Annual Report.

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

6. Loss Per Security

	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Loss per Share of the Parent		
Basic and diluted loss per share (cents)	(0.6)	(6.4)
Loss used in calculation of basic and diluted earnings per share to security holders (\$'000)	(3,351)	(18,243)
Weighted average number of shares on issue used in calculation of loss per share ('000)	577,725	284,997
Loss per Stapled Security of the Stapled Entity		
Basic and diluted loss per stapled security (cents)	(0.2)	(6.4)
Loss used in calculation of basic and diluted earnings per stapled security to security holders (\$'000)	(1,000)	(18,302)
Weighted average number of stapled securities on issue used in calculation of loss per stapled security ('000)	577,725	284,997

7. Contingent Liabilities

	As at 31 Dec 2006 \$'000	As at 30 June 2006 \$'000
Letters of credit	108,663	108,540
Guarantees	154,466	59,211
	<u>263,129</u>	<u>167,751</u>
Arising from equity accounted investments		
Consolidated entity's share of associates' contingent liability	<u>1,963</u>	<u>874</u>

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

8. Issuances, Repurchases, and Repayments of Securities

Half year ended 31 December 2006

There were no issuances, repurchases or repayments of securities other than that relating to the Distribution Reinvestment Plan.

Distribution Reinvestment Plan

BBW has established a distribution reinvestment plan under which holders of fully paid stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than being paid in cash. On 29 September 2006, BBW issued 4,794,000 stapled securities at a price of \$1.36 in relation to the payment of the final distribution for the year ended 30 June 2006.

The following table provides the movement in contributed equity during the period:

	Stapled Securities (No. '000s)	Stapled Securities (\$'000)
Opening balance at 1 July 2006	575,302	706,134
Distribution reinvestment plan	4,794	6,520
Distributions	-	(29,340)
Equity raising costs	-	(338)
Closing balance at 31 December 2006	580,096	682,976

Half year ended 31 December 2005

Lake Bonney 2

In September 2005 BBWPL and BBWPS, as responsible entity of BBWPT, entered into a Share Sale and Project Development Agreement with a subsidiary of Babcock & Brown Limited and a subsidiary of National Power Partners LLC ("LB2 Vendors") with respect to the Lake Bonney 2 wind farm ("LB2 Agreement").

The consideration payable to the LB2 Vendors under the LB2 Agreement was \$20,000,000 and was satisfied through the issue of shares and units by BBWPL and BBWPS, respectively ("LB2 Consideration Securities").

The combined fair value of each share and unit that comprised the LB2 Consideration Securities was \$1.40, which was based on the offer price of stapled securities at the subsequent initial public offering in October 2005. Correspondingly, BBWPL issued 14,286,000 shares and BBWPS issued 14,286,000 units. The 14,286,000 stapled securities were subject to a restriction agreement, as well as a holding lock arrangement, until the point that the LB2 Vendors satisfy the terms of the LB2 Agreement. These stapled securities have now been released.

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

Subsequently, pursuant to the initial public offering in October 2005, each share in BBWPL and each unit in BBWPT was stapled to a share in BBWPB.

Alinta Wind Farm

In September 2005, BBWPL and BBWPS entered into a Sale and Purchase Agreement to purchase the remaining 25% of Walkaway Wind Power Pty Limited ("Walkaway Acquisition Agreement") that was not previously owned by BBWP. The consideration payable under the Walkaway Acquisition Agreement was \$48,000,000, which was satisfied through the issue of shares and units by BBWPL and BBWPS, respectively ("Walkaway Purchase Price Securities"). In addition to the issue of shares and units, ancillary costs of \$1,442,000 were incurred.

The combined fair value of each share and unit that comprised the Walkaway Purchase Price Securities was \$1.40, which was based on the offer price of stapled securities at the subsequent initial public offering in October 2005. Correspondingly, BBWPL issued 34,286,000 shares and BBWPS issued 34,286,000 units.

Subsequently, pursuant to the initial public offering in October 2005, each share in BBWPL and each unit in BBWPT was stapled to a share in BBWPB.

Initial Public Offering

During the half-year reporting period, BBWP issued 282,837,000 stapled securities pursuant to its initial public offering. Each stapled security was valued at \$1.40 and total proceeds amounted to \$395,972,000 before costs of \$25,075,000.

The following table provides the movement in contributed equity during the period:

	Stapled Securities (No. '000s)	Stapled Securities (\$'000)
Opening balance at 1 July 2005	162,756	164,888
Transfer of net assets attributable to security holders from equity to liability*	-	(163,140)
Transfer of net assets attributable to security holders from liability to equity*	-	161,512
Lake Bonney 2	14,286	20,000
Alinta wind farm	34,286	48,000
Initial public offering, net of costs	282,837	370,897
Closing balance at 31 December 2005	494,165	602,157

* Upon the implementation of A-IFRS in the half year ended 31 December 2005, security holder interests were initially accounted for as debt. Following a change in the BBWPT constitution on 12 September 2005, security holder interests were reclassified as equity.

BBWPT paid a distribution of \$1,628,000 in August 2005, prior to the change in the constitution, which has been recognised as a reduction in this debt.

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

9. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

As at 31 Dec 2006 \$'000	As at 30 June 2006 \$'000
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For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	174,706	311,195
	174,706	311,195

(b) Restricted cash balances

As at balance date, \$69,263,000 of cash held is restricted and includes amounts held under debt service and project cost reserves, as well as funds that have been cash collateralised in relation to guarantees (30 June 2006: \$79,012,000).

(c) Reconciliation of profit for the period to net cash flows from operating activities

	31 Dec 06 \$'000	31 Dec 05 \$'000
Loss for the period	(855)	(18,302)
Net loss on fair value of financial assets	359	-
Share of associates' profit	(1,760)	(219)
Distributions received from associates	13,528	503
Depreciation and amortisation of non-current assets	16,912	7,131
Amortisation of borrowing costs capitalised	1,573	285
Increase/(decrease) in current tax liability	(1,729)	(1,094)
Increase in deferred tax balances	(1,858)	(8,738)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
Receivables	795	(7,074)
Prepayments and other current assets	10,849	(13,322)
Payables	3,679	46,129
Net cash flow from operating activities	41,493	5,299

Babcock & Brown Wind Partners Group

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2006

10. Events occurring after the balance sheet date

On 15 January 2007, BBW announced that it had agreed to acquire 100% of the Kaarst windfarm from German developer Plambeck Neue Energien AG for approximately \$30,000,000.

On 18 January 2007, BBW announced that it had signed a conditional Portfolio Purchase, Sale and Contribution Agreement with Babcock & Brown for the acquisition of a portfolio of six US wind farms for approximately \$497,000,000 (US\$387,000,000), plus transaction costs. The proposed acquisition is a related party transaction and is subject to security holder approval in accordance with ASX Listing Rule 10.1. Security holders vote on 26 February 2007.

BABCOCK & BROWN WIND PARTNERS TRUST

ARSN 116 244 118

**Interim Financial Report
for the Half-Year Ended
31 December 2006**

Babcock & Brown Wind Partners Trust

Half-Year Report - 31 December 2006

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2006 and any public announcements made by BBW during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Babcock & Brown Wind Partners Trust

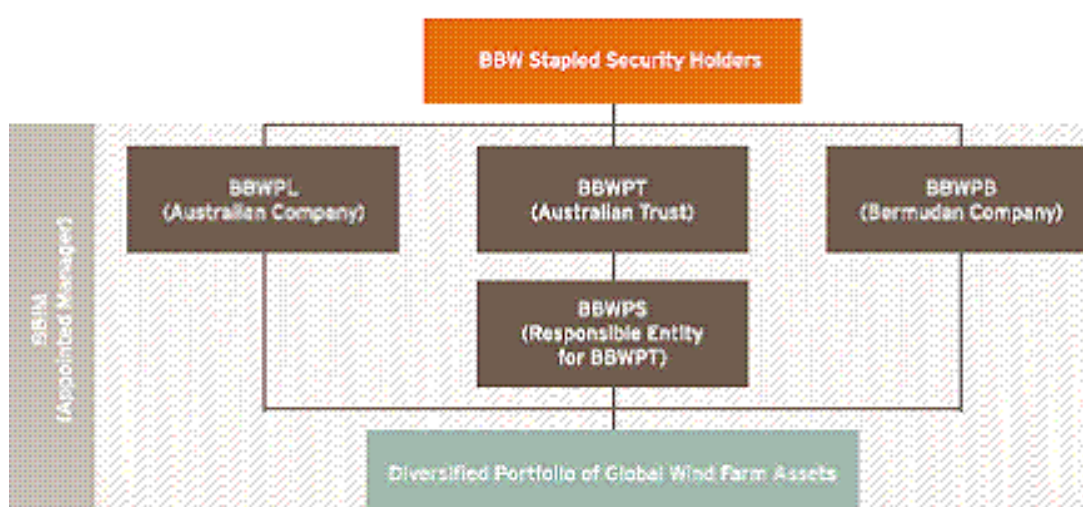
An Overview of the BBW Financial Statements

Babcock & Brown Wind Partners Group (“BBW” or the “Group”) consists of three entities:

- Babcock & Brown Wind Partners Limited (“BBWPL”);
- Babcock & Brown Wind Partners Trust (“BBWPT” or the “Trust”);
- Babcock & Brown Wind Partners (Bermuda) Limited (“BBWPB”) and;
- Subsidiary entities of each of BBWPL and BBWPT.

The issued securities in BBWPL, BBWPT and BBWPB have been stapled together and trade as listed stapled securities on the Australian Securities Exchange (ASX code: BBW). Each stapled security represents one share in each of BBWPL and BBWPB and one unit in BBWPT.

The following diagram provides an overview of BBW’s structure.



UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement BBWPL has been identified as the parent of the consolidated group comprising BBWPL and its controlled entities, BBWPT and its controlled entities and BBWPB and has prepared financial statements on this basis.

Additionally, BBWPT is a disclosing entity and is required to prepare financial statements for BBWPT and its controlled entities. The attached financial statements have been prepared for the BBWPT consolidated group at 31 December 2006 and should be read in conjunction with BBWPL’s consolidated financial statements.

Babcock & Brown Wind Partners Trust

Directors' Report

In respect of the half year ended 31 December 2006, the directors of Babcock & Brown Wind Partners Services Limited, the Responsible Entity for BBWPT ("BBWPS" or the "Responsible Entity"), submit the following report on the consolidated interim financial report of BBWPT and its controlled entities.

The directors report as follows:

Directors

The names of the directors of BBWPS during or since the end of the half-year and to the date of this report are:

BBWPS:

Mr P. Hofbauer

Mr W. Murphy

Mr N. Andersen

Mr A. Battle

Mr D. Clemson

Review of Operations

BBWPT's net profit after tax for the six months ended 31 December 2006 is \$3,287,000 (six months ended 31 December 2005: profit \$700,000). The profit generated in the six months to 31 December 2006 is comprised mainly of interest income, equity accounted profits in Walkaway Wind Power Pty Limited and costs payable to Babcock & Brown Infrastructure Management Pty Limited ("BBIM" or the "Manager") in accordance with the Management Agreement between BBWPS and BBIM dated 15 September 2005.

Auditor's Independence Declaration


The auditor's independence declaration is included on page 5.

Rounding Off of Amounts

The Trust is a registered scheme of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Signed in accordance with a resolution of directors.

On behalf of the Directors of BBWPS:



Peter Hofbauer
Director

Sydney, 23 February 2007

PricewaterhouseCoopers
ABN 52 780 433 757

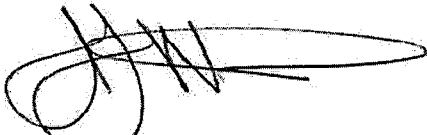
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201 Sussex Street
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Auditors' Independence Declaration

As lead auditor for the review of Babcock & Brown Wind Partners Trust for the half year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Babcock & Brown Wind Partners Trust and the entities it controlled during the period.



AJ Wilson

Partner

PricewaterhouseCoopers

Sydney
23 February 2007

PricewaterhouseCoopers
ABN 52 780 433 757

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**INDEPENDENT AUDITOR'S REVIEW REPORT
to the members of Babcock & Brown Wind Partners Trust**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Babcock & Brown Wind Partners Trust, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Babcock & Brown Wind Partners Trust Group (the consolidated entity). The consolidated entity comprises both Babcock & Brown Wind Partners Trust (the registered scheme) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Babcock & Brown Wind Partner Services Limited (the responsible entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Babcock & Brown Wind Partners Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

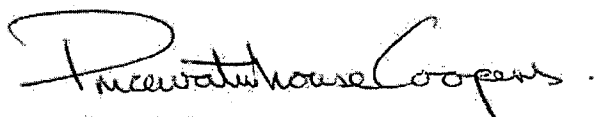
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

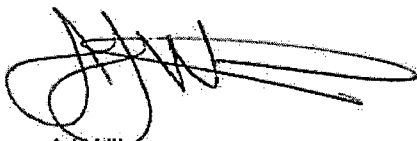
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Babcock & Brown Wind Partners Trust is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



AJ Wilson
Partner

Sydney
23 February 2007

Babcock & Brown Wind Partners Trust

Directors' Declaration on the Consolidated Financial Report of Babcock & Brown Wind Partners Trust

In the opinion of the directors of Babcock & Brown Wind Partners Services Limited ("BBWPS"), the consolidated financial statements and Notes for Babcock & Brown Wind Partners Trust ("BBWPT" or the "Trust") (as defined in Note 1) as set out on pages 9 to 18:

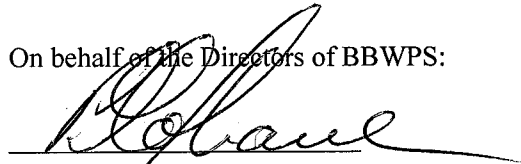
- a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) give a true and fair view of the consolidated financial position of BBWPT as at 31 December 2006 and of its performance, as represented by the results of its operations and cash flows, for the six months ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- b) there are reasonable grounds to believe that the Trust will be able to pay their respective debts as and when they become due and payable.

This declaration is made in accordance with a signed resolution of directors pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors of BBWPS:



Peter Hoffbauer

Director

Sydney, 23 February 2007

Babcock & Brown Wind Partners Trust

Consolidated Income Statements for the Half-Year Ended 31 December 2006

	Note	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Interest income		3,625	321
Share of net profit or loss of associates accounted for using the equity method		903	935
Operating expenses		(370)	-
Finance costs		(1)	-
Management charges		(581)	(257)
Profit from operating activities		3,576	999
Finance costs - net profit attributable to the minority interest*		(289)	(299)
Net operating profit		3,287	700
Net operating profit attributable to the unit holders		3,287	700
Net operating profit attributable to minority interests		-	-
		3,287	700
Basic and diluted earnings per unit (cents)	5	0.6	0.2

The above Consolidated Income Statements should be read in conjunction with the accompanying notes on pages 13 to 18.

* This represents the net profit attributable to the minority interest relating to a subsidiary trust of BBWPT. The trust deed of the subsidiary trust contains a finite life clause. Consequently, the units of the subsidiary trust are classified as debt for accounting purposes and the minority interest represented above is classified as finance costs.

Babcock & Brown Wind Partners Trust

Consolidated Balance Sheets as at 31 December 2006

	Note	As at 31 Dec 2006 \$'000	As at 30 June 2006 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		144	919
Receivables		7,399	3,813
Other current assets		164	175
Total Current Assets		7,707	4,907
Non-Current Assets			
Receivables		652,712	675,943
Investments accounted for using the equity method		52,302	51,398
Total Non-Current Assets		705,014	727,341
Total Assets		712,721	732,248
LIABILITIES			
Current Liabilities			
Payables		535	478
Total Current Liabilities		535	478
Non-Current Liabilities			
Payables		494	494
Share of net assets attributable to minority interests*		28,272	28,623
Total Non-Current Liabilities		28,766	29,117
Total Liabilities		29,301	29,595
Net Assets		683,420	702,653
Equity			
Contributed equity	7	674,671	697,831
Retained profits		7,401	4,114
Reserves		1,348	708
Total Equity and net assets attributable to the unit holders		683,420	702,653

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes on pages 13 to 18.

* This represents the share of net assets attributable to the minority interest relating to a subsidiary trust of BBWPT. The trust deed of the subsidiary trust contains a finite life clause. Consequently, the units of the subsidiary trust are classified as debt for accounting purposes and the minority interest represented above is classified as a non current liability.

Babcock & Brown Wind Partners Trust

Consolidated Statements of Changes in Equity for the Half-Year Ended 31 December 2006

	Note	Half-Year Ended 31 December 2006 \$'000	Half-Year Ended 31 December 2005 \$'000
Total equity at the beginning of the half year		702,653	163,140
Adjustment to equity on adoption of AASB 132 and AASB 139			
- Transfer of net assets attributable to security holders from equity to liability*		-	(163,140)
Restated total equity at the beginning of the half year		702,653	-
Net income recognised directly in equity - share of movement in associates hedge reserve		640	-
Net profit for the half year		3,287	700
Total recognised income and expense for the half year		3,927	700
Transactions with equity holders in their capacity as equity holders:			
Transfer of net assets attributable to security holders from liability to equity*		-	161,512
Contributions of equity, net of transaction costs paid		6,180	365,988
Securities issued as consideration for purchase of interest in subsidiaries		-	67,320
Distributions paid	2	(29,340)	-
Total equity at the end of the half year		683,420	595,520

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes on pages 13 to 18.

* Upon the implementation of A-IFRS in the half year ended 31 December 2005, security holder interests were initially accounted for as debt. Following a change in the constitution on 12 September 2005, security holder interests were reclassified as equity.

BBWPT paid a distribution of \$1,628,000 in August 2005, prior to the change in the constitution, which has been recognised as a reduction in this debt.

Babcock & Brown Wind Partners Trust

Consolidated Cash Flow Statement For the Half-Year Ended 31 December 2006

Note	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
	Inflows / (Outflows)	Inflows / (Outflows)
Cash Flows from Operating Activities		
Payments to suppliers	(884)	-
Interest and other costs of finance paid	39	328
Net Cash Provided By/ (Used In) Operating Activities	(845)	328
Cash Flows from Financing Activities		
Distributions paid to security holders ^{1,2}	(22,820)	(1,628)
Proceeds from issue of units, net of costs	(275)	365,988
Borrowings provided to related parties	-	(365,988)
Proceeds from repayment of borrowings from related parties	23,165	1,524
Net Cash Provided By/ (Used In) Financing Activities	70	(104)
Net increase in cash held	(775)	224
Cash and cash equivalents at the beginning of the half-year	919	103
Cash and cash equivalents at the end of the half-year	144	327

The above Consolidated Cash Flow Statements should be read in conjunction with the accompanying notes on pages 13 to 18.

¹ Upon the implementation of A-IFRS in the half year ended 31 December 2005 and prior to a change in the Trust's constitution in September 2005, security holder interests were initially accounted for as debt. BBWPT paid a distribution of \$1,628,000 in August 2005, prior to the change in the constitution, which has been recognised as a reduction in this debt.

² Total distribution was \$29,340,000 of which \$22,820,000 was paid in cash and \$6,520,000 was satisfied through the issue of stapled securities under the Distribution Reinvestment Plan.

Babcock & Brown Wind Partners Trust

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2006

1. Summary of Significant Accounting Policies

This general purpose financial report for the interim half year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by BBW during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period.

	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
2. Distributions and Finance Costs Paid and Proposed		
Final distribution in respect of 2007 year (2006: finance cost) of 5.1 cents per stapled security (2006: 1.0 cents) paid in September 2006 (2006: August 2005 ¹) from the Trust's contributed equity ²	29,340	1,628
Total finance costs or distributions paid	<u>29,340</u>	<u>1,628</u>
Distributions not recognised at the end of the half-year		
In addition to the above finance costs and distributions, since the end of the half year the directors have recommended the payment of an interim dividend of 6.25 cents per stapled security (2006: 5.1 cents). The aggregate amount of the proposed distribution expected to be paid on 9 March 2007 out of the Trust's contributed equity, but not recognised as a liability at the end of the half-year, is:	<u>36,256</u>	<u>25,202</u>

The balance of the franking account at 31 December 2006 is \$ nil (31 December 2005: \$ nil).

¹ Upon the implementation of A-IFRS in the half year ended 31 December 2005 and prior to a change in BBWPT's constitution, security holder interests were initially accounted for as debt. BBWPT paid a distribution of \$1,628,000 in August 2005, which has been recognised as a reduction in this debt.

²Of the \$29,340,000 paid in September 2006, 22% (2006: nil) was paid through Distribution Reinvestment Plan. The distribution paid was comprised of cash payments of \$22,820,000 and \$6,520,000 through the Distribution Reinvestment Plan.

Babcock & Brown Wind Partners Trust

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2006

3. Segment Information

The principal activities of the consolidated entity during the period were to lend and manage funds to entities carrying on wind farm businesses. During the half year ended 31 December 2005, the Trust also acquired a non-controlling interest in entities that carry on wind farm businesses. These activities were based in Australia.

4. Business combination

Half year ended 31 December 2006

There were no changes in the composition of the consolidated entity during the half-year ended 31 December 2006.

Half year ended 31 December 2005

Name of Business acquired	Notes	Principal Activity	Date of Acquisition	Ownership Interest of Shares / Units %	Cost of Acquisition \$'000
CS Walkaway Trust	(a)	Wind energy	September	100	
B&B Walkaway Trust	(a)	generation	2005	100	21,639

Babcock & Brown Wind Partners Trust

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2006

4. Business combination (cont.)

(a) Together these entities control approximately 68% of the voting rights of Renewable Power Ventures Investment Trust ("RPVIT"). RPVIT has significant influence over the financial and operating decisions of Walkaway Wind Power Pty Limited ("WWP") and equity accounts WWP. BBWPT consolidates RPVIT and records a minority interest relating to the portion of RPVIT it does not control. BBWPL owns the remaining interest in RPVIT.

Details of the fair values of the assets and liabilities acquired are as follows:

	\$'000
Purchase consideration:	
Securities issued	20,890
Direct costs relating to the acquisition	749
Total purchase consideration	<u>21,639</u>
Fair value of net identifiable assets acquired	<u>(21,639)</u>
Goodwill on acquisition	<u>-</u>

The assets and liabilities acquired are as follows:

	Carrying value \$'000	Fair value \$'000
Investment in Walkaway Wind Power	8,505	49,000
Loans receivable	2,234	1,216
Loans payable	(10,734)	(495)
Net assets	<u>5</u>	49,721
Minority interests*		<u>(28,082)</u>
Net identifiable assets acquired		<u>21,639</u>

The acquired entities contributed a share of net profit from associates, net of minority interests, of \$1,150,000 to BBWPT for the period from 14 September 2005 to 31 December 2005. Consolidated revenue and net profit would have been no different had this acquisition taken place at 1 July 2005.

* The minority interest represents BBWPL's interest in RPVIT. Due to the finite life clause contained within the RPVIT trust deed, units in RPVIT have been treated as debt for accounting purposes.

Babcock & Brown Wind Partners Trust

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2006

5. Earnings Per Unit

	Half-Year Ended 31 Dec 06 \$'000	Half-Year Ended 31 Dec 05 \$'000
Earnings per Unit		
Basic and diluted earnings per unit (cents)	0.6	0.2
Earnings used in calculation of basic and diluted earnings per unit to unit holders (\$'000)	3,287	700
Weighted average number of units on issue used in calculation of earnings per unit ('000)	577,725	284,997

6. Contingent Liabilities

	As at 31 Dec 2006 \$'000	As at 30 June 2006 \$'000
<i>Share of associates contingent liabilities</i>		
Letters of credit	3,800	3,800
	<u>3,800</u>	<u>3,800</u>

7. Issuances, Repurchases, and Repayments of Securities

Half year ended 31 December 2006

Distribution Reinvestment Plan

BBW has established a distribution reinvestment plan under which holders of fully paid stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than being paid in cash. On 29 September 2006, BBWPT issued 4,794,000 stapled securities at a price of \$1.36 as payment of the final distribution for the year ended 30 June 2006.

Babcock & Brown Wind Partners Trust

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2006

The following table provides the movement in contributed equity during the period:

	Units (No. '000s)	Units (\$'000)
Opening balance at 1 July 2006	575,302	697,831
Distribution Reinvestment Plan issue	4,794	6,455
Distributions paid	-	(29,340)
Equity raising costs	-	(275)
Closing balance at 31 December 2006	580,096	674,671

Half year ended 31 December 2005

Alinta Wind Farm

In September 2005, BBWPL and BBWPS entered into a Sale and Purchase Agreement to purchase the remaining 25% of Walkaway Wind Power Pty Limited ("Walkaway Acquisition Agreement") that was not previously owned by BBWP. The consideration payable under the Walkaway Acquisition Agreement was \$48,000,000, which was satisfied through the issue of shares and units by BBWPL and BBWPS, respectively ("Walkaway Purchase Price Securities"). In addition to the issue of shares and units, ancillary costs of \$1,442,000 were incurred.

The combined fair value of each share and unit that comprised the Walkaway Purchase Price Securities was \$1.40, which was based on the offer price of stapled securities at the subsequent initial public offering in October 2005. Correspondingly, BBWPL issued 34,286,000 shares and BBWPS issued 34,286,000 units.

Subsequently, pursuant to the initial public offering in October 2005, each share in BBWPL and each unit in BBWPT was stapled to a share in BBWPB.

Of the total purchase consideration, BBWPT's portion amounted to \$33,012,000 and represents an approximate interest of 17% in Walkaway Wind Power Pty Limited. This investment is equity accounted and has been revalued upwards by \$33,999,000 being the excess of consideration over net liabilities acquired.

Lake Bonney 2

In September 2005 BBWPL and BBWPS, as responsible entity of BBWPT, entered into a Share Sale and Project Development Agreement with a subsidiary of Babcock & Brown Limited and a subsidiary of National Power Partners LLC ("LB2 Vendors") with respect to the Lake Bonney 2 wind farm ("LB2 Agreement").

The consideration payable to the LB2 Vendors under the LB2 Agreement was \$20,000,000 and was satisfied through the issue of shares and units by BBWPL and BBWPS, respectively ("LB2 Consideration Securities").

The combined fair value of each share and unit that comprised the LB2 Consideration Securities was \$1.40, which was based on the offer price of stapled securities at the subsequent initial public offering in October 2005. Correspondingly, BBWPL issued 14,286,000 shares and BBWPS issued 14,286,000 units. The 14,286,000 stapled securities were subject to a restriction agreement, as well as a holding lock arrangement, until the point that the LB2 Vendors satisfy the terms of the LB2 Agreement. These stapled securities have now been released.

Subsequently, pursuant to the initial public offering in October 2005, each share in BBWPL and each unit in BBWPT was stapled to a share in BBWPB.

Initial Public Offering

During the half-year reporting period, BBWPT issued 282,837,000 units pursuant to its initial public offering. Total proceeds, net of costs, amounted to \$365,988,000.

Babcock & Brown Wind Partners Trust

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2006

The following table provides the movement in contributed equity during the period:

	Units (No. '000s)	Units (\$'000)
Opening balance at 1 July 2005	162,756	163,140
Transfer of net assets attributable to unit holders from equity to liability*	-	(163,140)
Transfer of net assets attributable to unit holders from liability to equity*	-	161,512
Lake Bonney 2	14,286	19,800
Alinta wind farm	34,286	47,520
Initial public offering, net of costs	282,837	365,988
Closing balance at 31 December 2005	494,165	594,820

* Upon the implementation of A-IFRS in the half year ended 31 December 2005, unit holder interests were initially accounted for as debt. Following a change in the constitution on 12 September 2005, unit holder interests were reclassified as equity.

BBWPT paid a distribution of \$1,628,000 in August 2005, prior to the change in the constitution, which has been recognised as a reduction in this debt.

8. Events occurring after the balance sheet date

There were no material events after balance sheet date.