

Full year result for the period to 30 June 2008

26 September 2008

Agenda

- Introduction & Highlights
- Financial Result
- Operational Performance
- Industry Conditions
- Outlook
- Appendix

| | | |
|--------------------|----------------|-------------------------|
| Presenters: | Miles George | Chief Executive Officer |
| | Gerard Dover | Chief Financial Officer |
| | Geoff Dutailis | Chief Operating Officer |

For further information please contact:

Rosalie Duff
Investor Relations
+61 2 9216 1362
rosalie.duff@babcockbrown.com

FY08 Highlights

Strong Underlying Operational and Financial Performance

- Generation increased by 121% to 5,145GWh
 - EBITDA from operations increased by 164% to \$333.7m
 - NOCF increased by 115% to \$188.8m
-

Balance Sheet and Risk Management

- Global corporate facility increased by \$1.3bn to \$3.0bn
 - Covenants continue to be comfortably met
 - Recently announced sale will reduce net debt by over 40% at financial close
 - Interest cover ratio of 2.6x
-

Continued coverage of distributions and debt repayment from net operating cash flow

- FY08 distribution increased by 16% to 14.5cps
 - Final distribution of 7.25 cps fully tax deferred
-

Strategic Initiative

- Successful Spanish sale outcome has demonstrated and captured value
 - Total proceeds of \$1.42bn and estimated profit before transaction costs of \$266m
 - Provides financial flexibility to consider reinvestment and capital management initiatives
-



FY08 Highlights

Asset Management

- Strong performance across the portfolio in production and tariff terms
 - High Capacity Factor of 32% reflects quality of assets
 - Rising energy prices captured via selective market exposure
-

Scale & Diversification

- Portfolio remains well diversified post the sale of Spain
-

Acquisition and Construction projects

- Applied \$2.02bn towards accretive acquisitions and construction projects
 - 369MW of construction projects became operational
-

Investment Pipeline

- Gamesa framework agreement extended to include 90MW in Germany
-

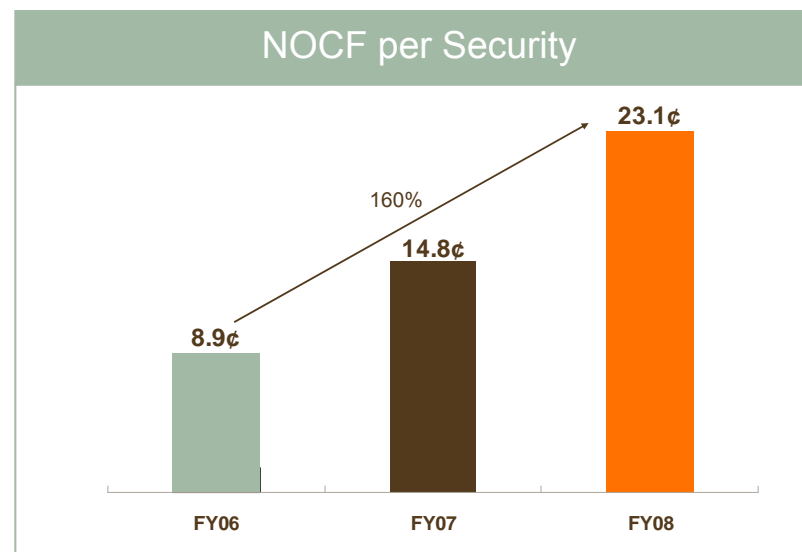
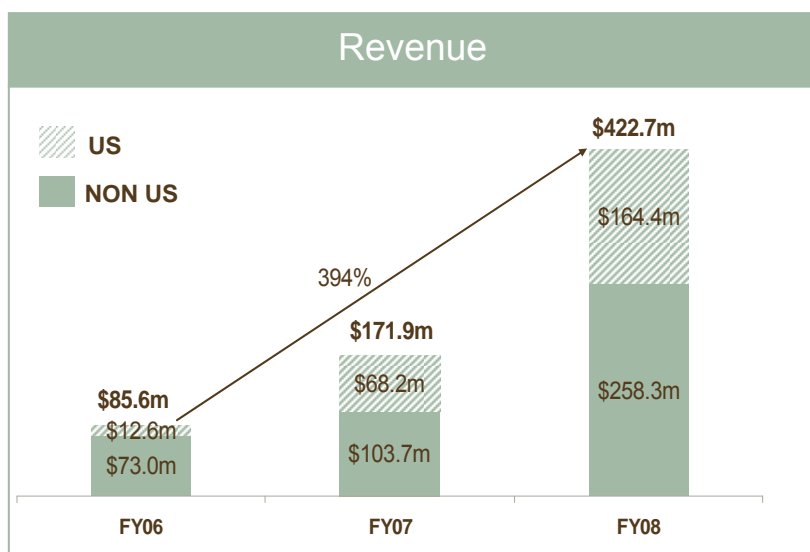
Corporate Governance

- Process to appoint a new independent Chairman underway
-



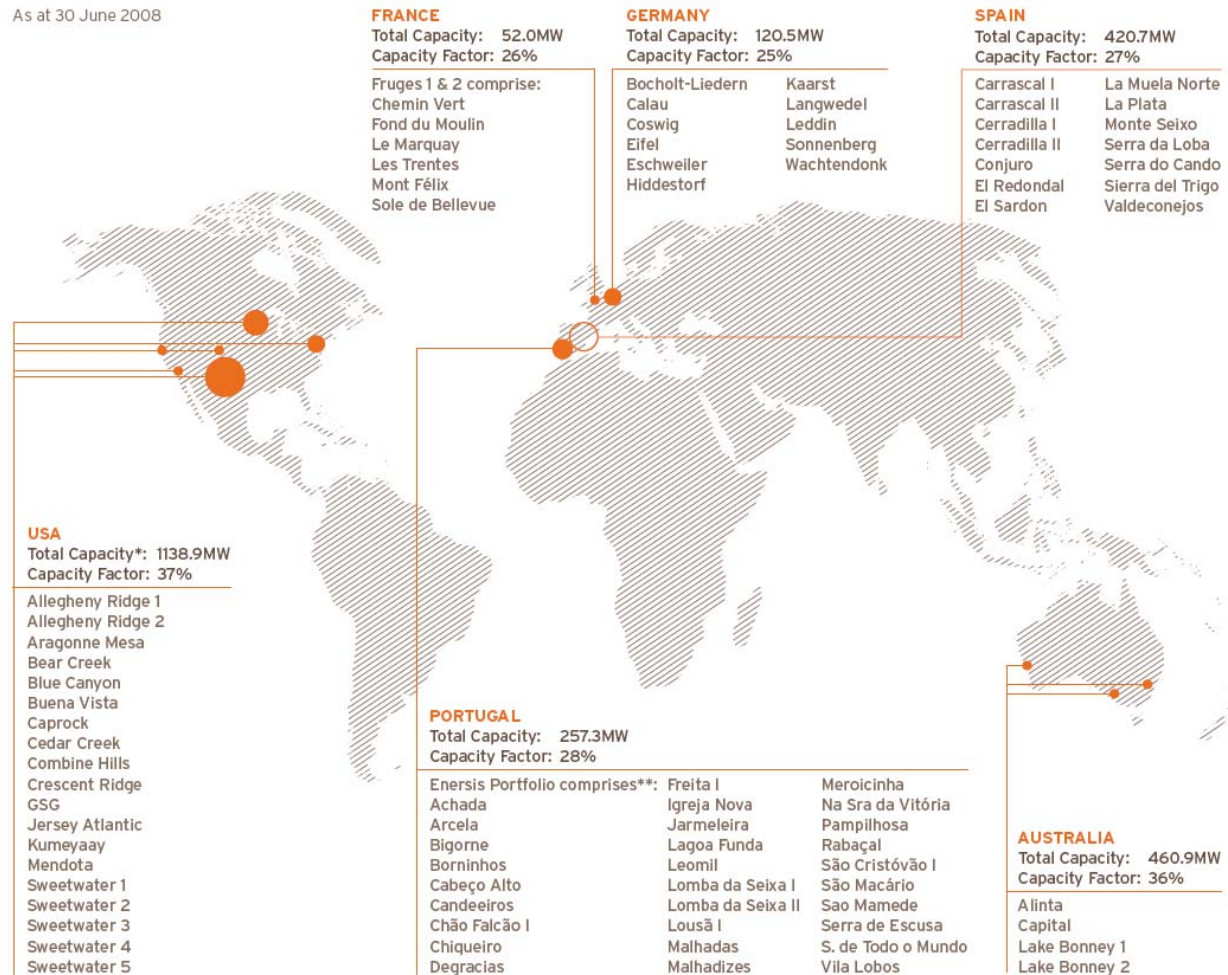
Financial Highlights

| | FY06 | FY07 | FY08 | Increase since FY06 |
|--------------------------------|------|-------|-------|---------------------|
| (\$'M unless stated) | | | | |
| Revenue | 85.6 | 171.9 | 422.7 | ↑ 394% |
| EBITDA from Operations | 64.6 | 126.5 | 333.7 | ↑ 417% |
| Net Operating Cash Flow | 34.2 | 87.8 | 188.8 | ↑ 452% |
| Distributions (cps) | 10.2 | 12.5 | 14.5 | ↑ 42% |



Portfolio diversified across attractive markets

As at 30 June 2008



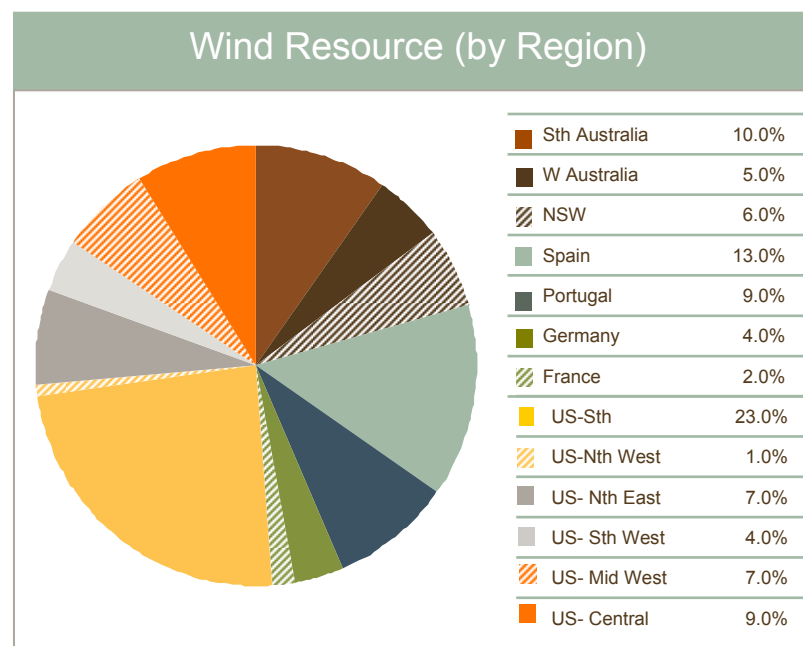
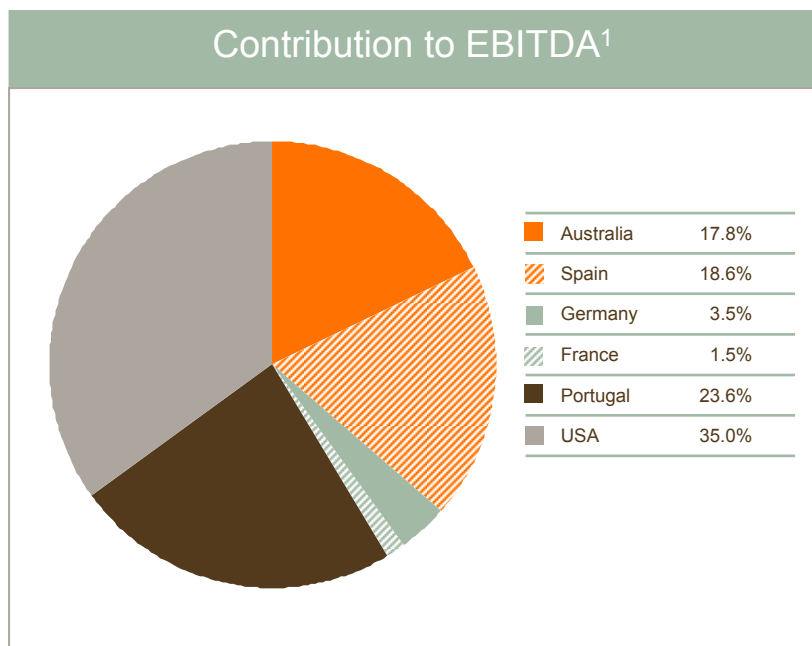
* Represents BBW's % ownership of Class B Member Units. BBW owns 100% of Class B Member Units of a 95% interest in Aragonne Mesa.

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

○ Divestment.

Note: Figures are on an equity ownership basis. Note the above does not include 4 wind farms in Portugal with a combined total capacity of 78.0MW.

FY08 Highlights – Diversification and Growth



| | FY07 | FY08 | Change |
|---|-------|--------------|--------------|
| OPERATIONAL² | | | |
| Installed Capacity (MW) | 1,168 | 2,200 | 88% |
| Long Term Mean Energy Production (GWh) | 3,524 | 6,383 | 81% |
| UNDER CONSTRUCTION² | | | |
| Installed Capacity (MW) | 213 | 328 | 17.4% |
| Long Term Mean Energy Production (GWh) | 600.3 | 940 | 56.6% |
| DIVERSIFICATION | | | |
| Total number of wind farms ² | 33 | 87 | |
| Number of wind regions | 9 | 13 | |

¹ EBITDA before corporate costs & management fees.

² MW & GWh are on an equity interest basis.

³ FY07 & FY08: as at 30 June 2007 & 2008 respectively

Strategic Initiative – Status

- Strategic Initiative announced on 28 February 2008 jointly with Babcock & Brown
- BBW will only divest assets if unrecognised value is demonstrated and captured
- Portfolio of operating Spanish wind energy assets totalling 421MW sold
 - Total proceeds of \$1.42bn
 - Estimated profit before transaction costs for BBW of approximately \$266m¹
 - Represents multiple of AUD3.4m/MW
- Sale of the German wind energy assets would not capture value in the short term
- Strategic Initiative extended to allow bidders further time to complete their analysis for Portugal and France
- Portugal assets are offered jointly with Babcock & Brown however both parties can proceed independently
- Anticipated that any potential sale(s) would be agreed in the final quarter of 2008

¹ Transaction costs include tax, fees and other expenses. Sale subject to Regulatory Approval.

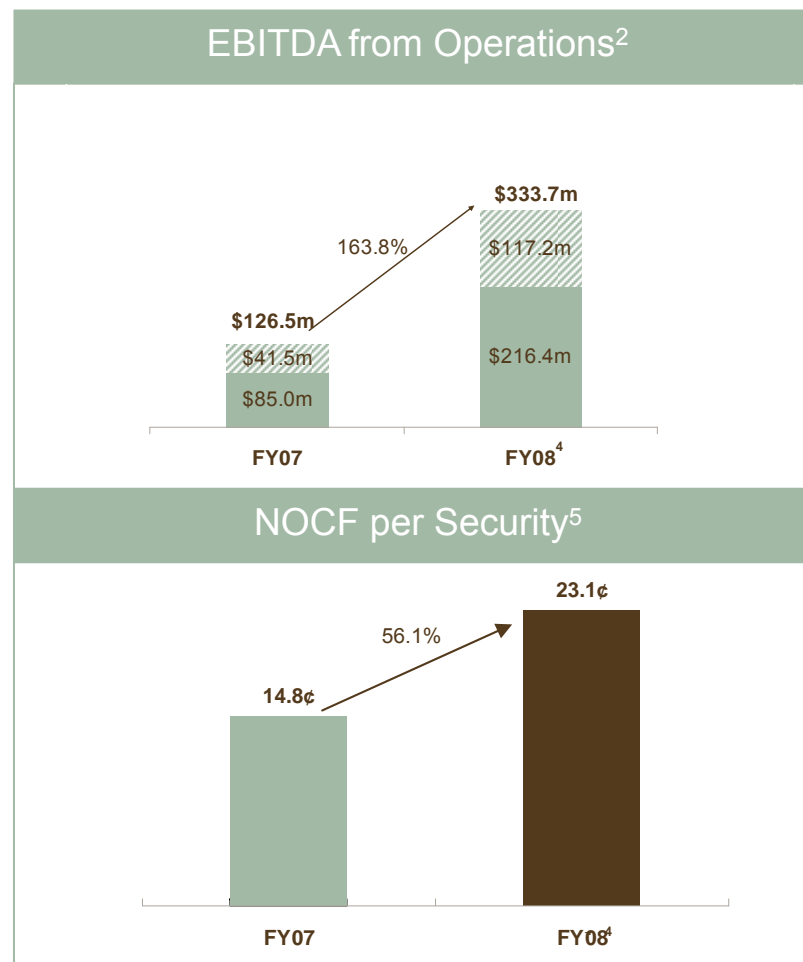
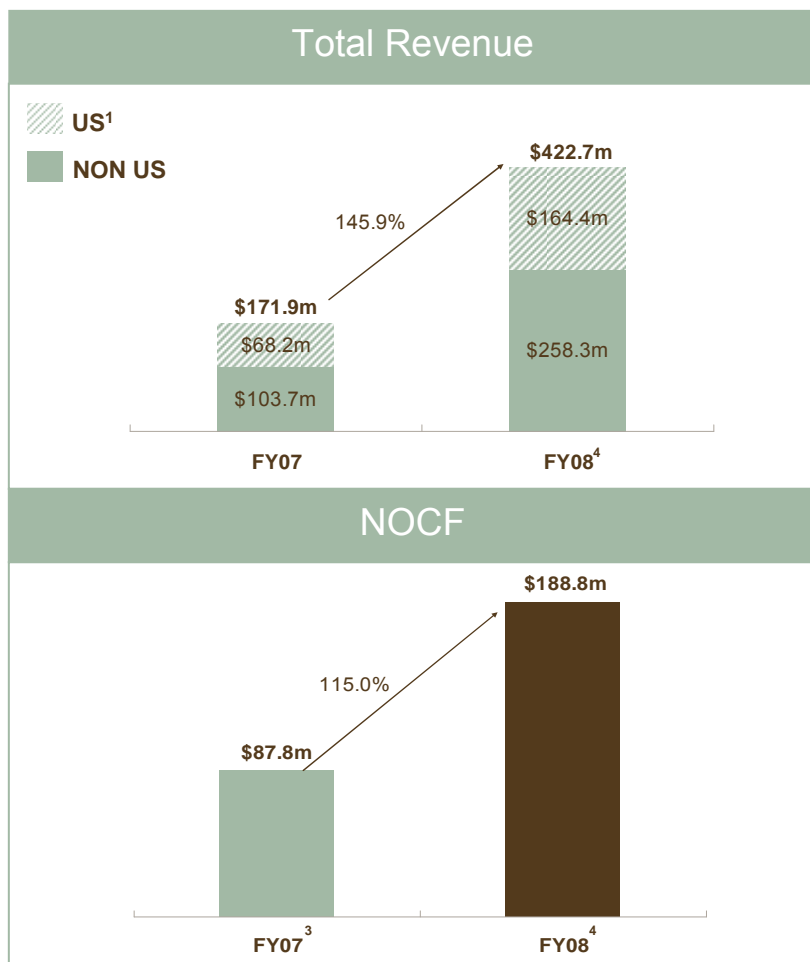
Relationship with Babcock & Brown

- Babcock & Brown holds approximately 11% of issued capital
- Management Services Agreement
- Other Material Agreements – Exclusive Financial Advisory mandate, Strategic Initiative Process Agreement
- BBW and Babcock & Brown have no loans to or security shared with each other
- BBW and other Babcock & Brown managed funds have no loans to or security shared with each other
- BBW's Global Corporate Debt Facility does not reference Babcock & Brown
- Related party transactions require approval of independent directors and if material additional security holder approval

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Financial Result



¹ The US revenue presented represents BBW's B class ownership interest and excludes PTC revenues;

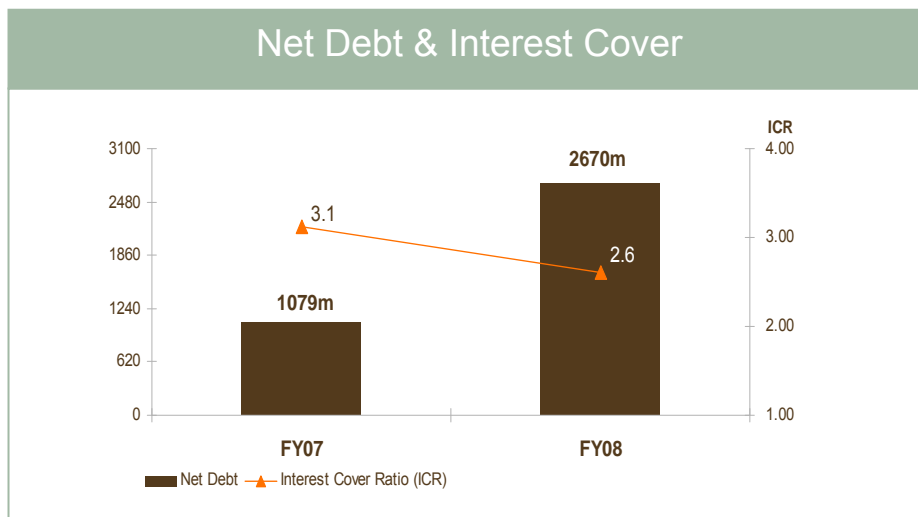
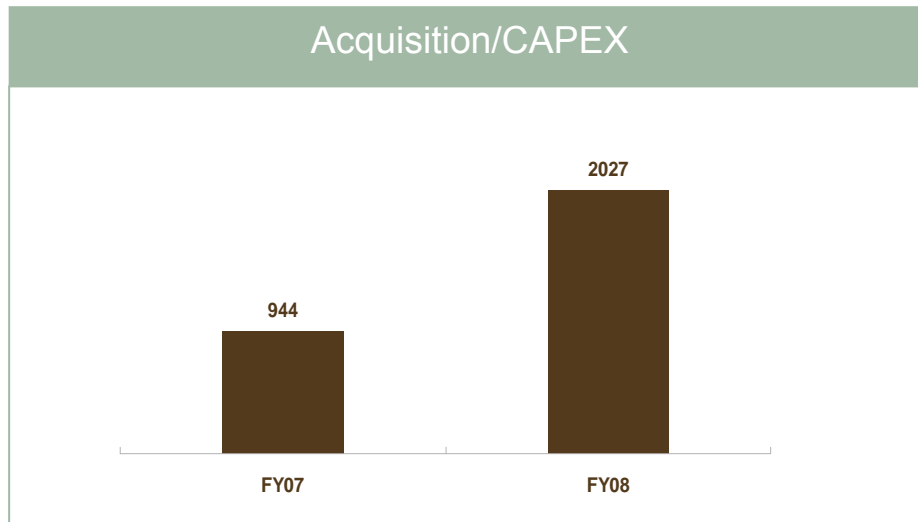
² EBITDA includes BBW's B class ownership interest in the US operations

³ Includes \$8m positive impact of closing out interest rate swaps pursuant to the global refinance

⁴ Includes BBW's economic interest in the Enersis Portfolio (50% interest) from 1Jul07 and in SW4 from 1Jul07.

⁵ Ave # of securities: FY08: 818.3m, FY07: 594.2m, FY06: 386.1m

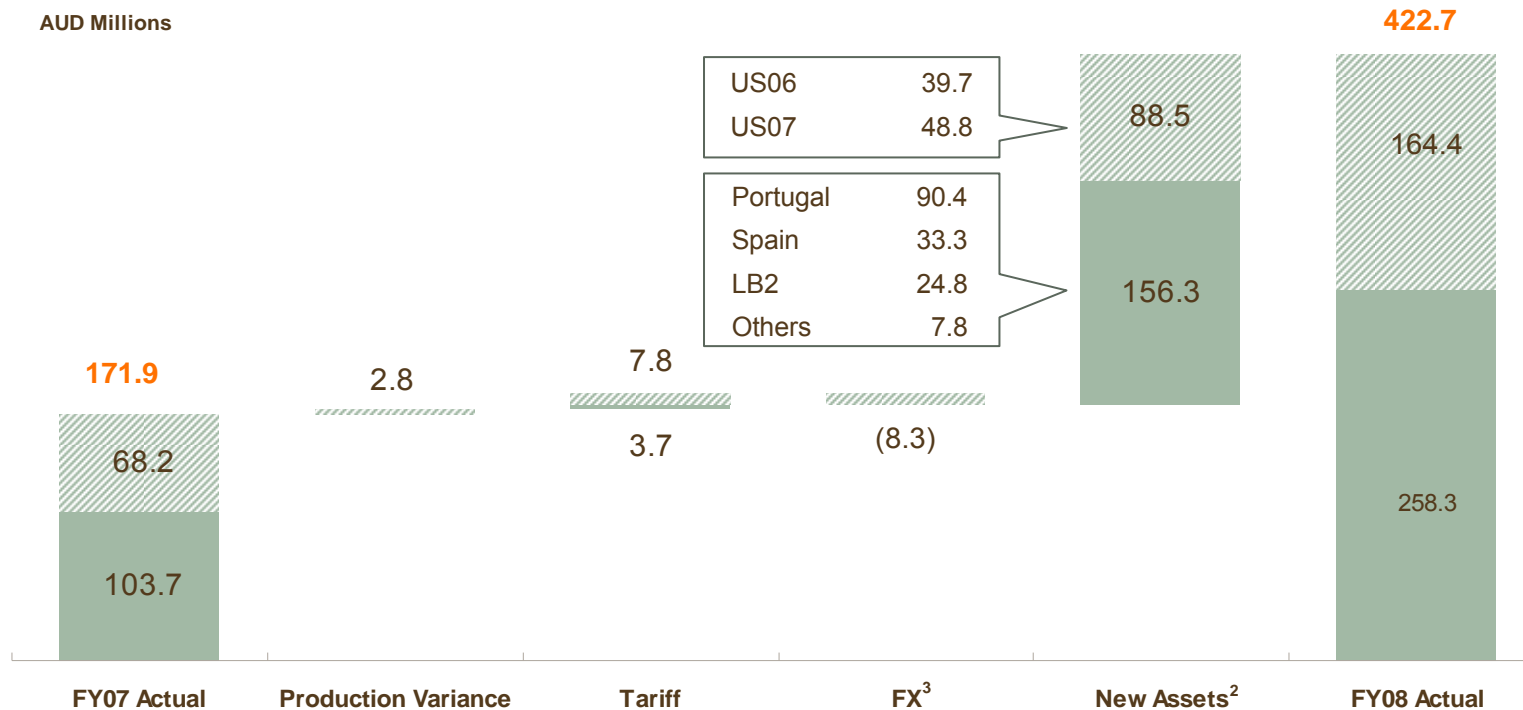
Financial Result



¹ Includes \$182m relating to the 29 June 2007 purchase of the Allegheny Ridge Phase 1 and GSG paid on 2 July 2007

² Includes 50% of net debt relating to the Enersis Portfolio (591.4m)

Revenue FY08 vs FY07



 US
  NON US¹

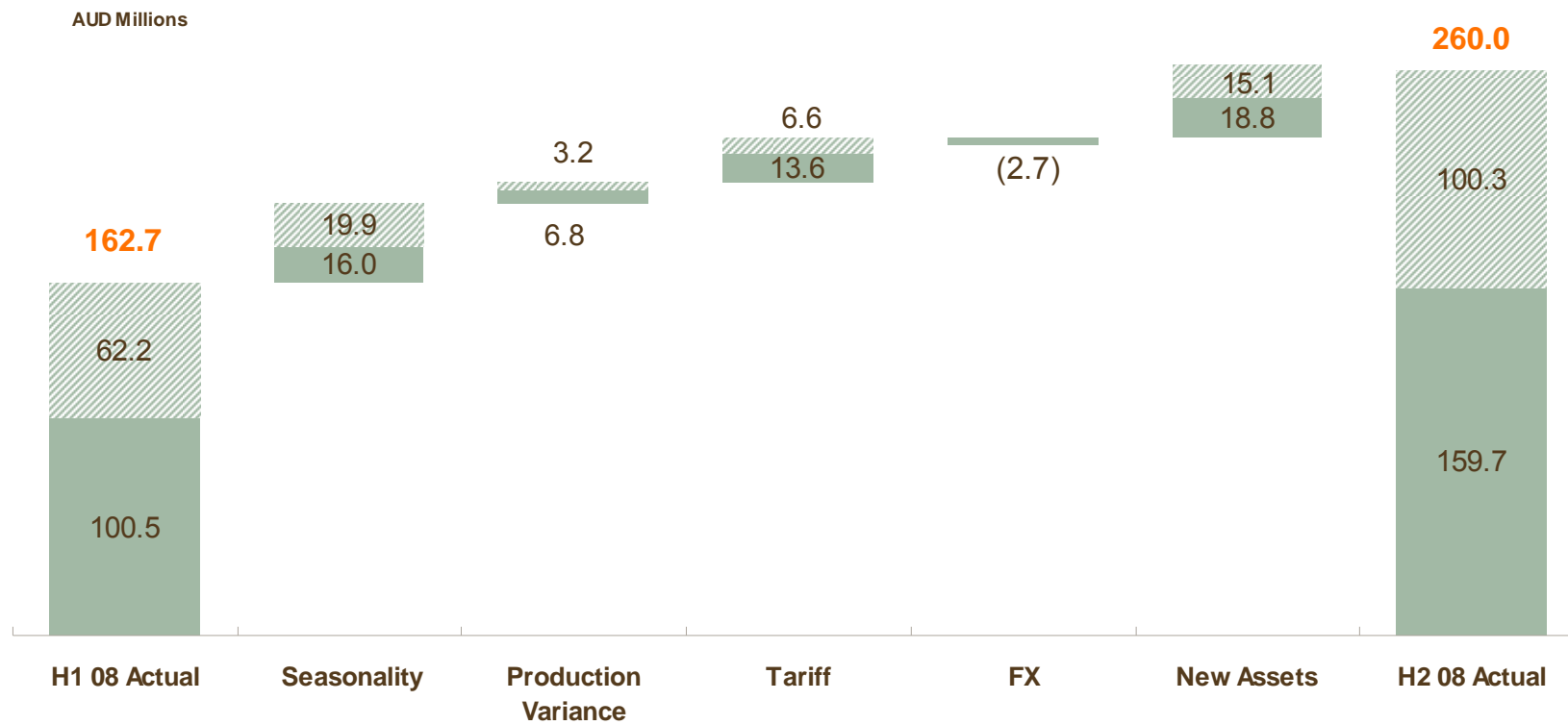
Note: Excluding the "New Operations" variance, all movements reflect the portfolio in existence for all FY07.

¹ Non US includes Australia, Spain, France, Portugal & Germany

² Includes assets under construction that have commenced operations

³ Basis: FY07 Operating Revenue

Revenue H1 08 vs H2 08



 US
  NON US¹

¹ Non US includes Australia, Spain, France, Portugal & Germany

EBITDA from Operations

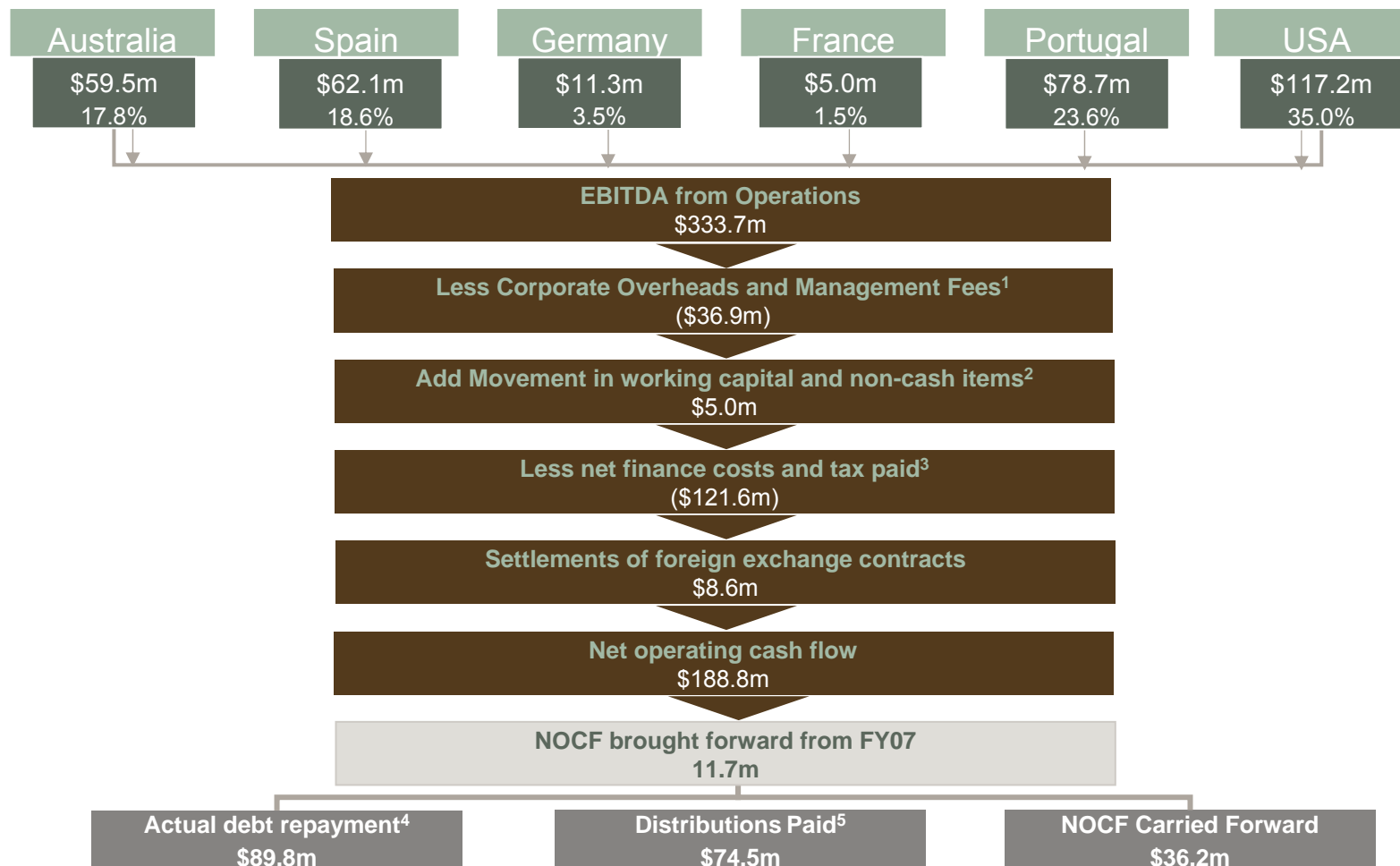


 US
  NON US¹

¹ Non US includes Australia, Spain, France, Portugal & Germany

² US EBITDA of 117.2m is before deducting working capital movements and cash accumulation, totalling \$13.6m, resulting in distributions of \$103.9m

Cash Flow



1. Includes base fees of \$20.5m, management expenses of \$8.7m and ancillary costs of \$7.7m; Excludes \$5.4m of disposal & Bid costs

2. Includes \$11.6m working capital outflow in U.S.

3. Includes FX loss of 1.6m relating to foreign currency cash deposits

4. Actual debt repayment includes repayments under BBW's global facilities and 50% of repayments under Enersis facilities

5. Distributions declared for FY08 total \$95.7m net of DRP



Statutory Income Statement

| AUD'm | FY06 | FY07 | FY08 ¹ |
|---|---------------|-------------|-------------------|
| Revenue | 73.0 | 125.4 | 414.5 |
| Operating Costs | (13.3) | (30.2) | (81.8) |
| Corporate Costs & Management fees | (14.2) | (24.7) | (42.3) |
| EBITDA | 45.5 | 70.5 | 290.4 |
| Revaluation of US Wind farms | 2.1 | 12.9 | 24.2 |
| Net cost of institutional equity partnerships | - | - | (9.0) |
| Depreciation and amortisation | (20.0) | (46.0) | (134.3) |
| Net borrowing costs | (14.8) | (33.1) | (125.8) |
| Foreign exchange gains | 4.1 | 2.8 | 10.2 |
| Income tax expense | - | (0.8) | (15.9) |
| Net Profit/ (Loss) | (16.2) | 6.3 | 39.8 |

Net cost of Institutional Equity Partnerships

| | FY06 | FY07 | FY08 |
|---|----------|----------|--------------|
| Benefit of PTC Revenue | - | 16.0 | 52.8 |
| Benefit of Tax Losses | - | 16.6 | 75.6 |
| Benefits deferred | - | (17.3) | (88.2) |
| Allocation of return on outstanding balance (Class A) | - | (13.0) | (39.5) |
| Change in residual interest (Class A) | - | (2.3) | (5.1) |
| Minority interest | - | - | (4.6) |
| Net cost of IEPs | - | - | (9.0) |

Net Borrowing Costs

| | FY06 | FY07 | FY08 |
|--|---------------|---------------|----------------|
| Net interest expense | (11.2) | (32.0) | (119.2) |
| Net loss/gain on financial instruments | (0.9) | (0.8) | 2.8 |
| Other finance charges | (2.7) | (8.2) | (9.4) |
| | (14.8) | (41.0) | (125.8) |
| Net gain resulting from global refinance | - | 7.9 | - |
| Net borrowing costs | (14.8) | (33.1) | (125.8) |

¹ Includes 100% of the results of the Enersis portfolio from the date of acquisition in December 2007

Acquisitions & Investments

| Acquisitions | |
|--|--------------------------------|
| | Amount ¹ (AUD'm) |
| Australia ² - Capital Wind Farm | 47 |
| US07 Portfolio - Sweetwater 4 & 5 and Cedar Creek | 360 |
| Portugal - Enersis Portfolio (50%) | 828 |
| Spain - Conjuero (30%), Valdeconjeos | 104 |
| Germany - Hiddestorf, Calau, Sonnenberg, Coswig, Eschweiler | 33 |
| 1372m | |

| Construction | |
|--|-------------------|
| | Amount (AUD'm) |
| Australia - Lake Bonney ² , Capital | 67 |
| Spain - Carrascal I&II, Cerradilla I&II | 408 |
| France - Le Marquay, Fond du Moulin, Mont Félix, Chemin Vert, Sôle de Bellevue, Les Trentes | 74 |
| Portugal - Chiqueiro, S. Marário I, Leomil, Bornes, Lousã, Chão Falcão II & III | 61 |
| Germany - Langwedel, Leddin, Calau | 45 |
| 655m | |

TOTAL INVESTED IN FY08 = 2027m³

¹ Enterprise value including advisory fees and other transaction costs

² Includes the value of securities issued as part consideration (\$24m)

³ See appendix for reconciliation to statutory cashflow:

Balance Sheet & Interest Rate Statistics

| Balance Sheet (AUD'm) | 30 June 08 | Committed Capex | Sale of Spain | Pro Forma Post Spain |
|------------------------------------|--------------------------|------------------------|---------------------|------------------------|
| Gross Debt | 2,864 ² | 448 | - | 3,312 |
| Cash | 194 ² | (143) | 1,395 ¹⁰ | 1,446 |
| Net Debt | 2,670³ | 591¹ | (1,395) | 1,866 |
| Committed Facilities | 448 | (448) | - | - |
| Debt Ratios | 30 June 08 | | | Pro Forma Post Spain |
| DSCR | 1.45 | Covenant Ratios | | 1.43 |
| Net Debt/EBITDA | 9.01 | | | 4.8⁴ |
| EBITDA/Interest | 2.6x | | | 3.5x ⁴ |
| Net Debt to EV ⁷ | 65.1% | | | 56.6% |
| Average Interest Rate ⁵ | 6.15% | | | 6.46% ⁶ |
| Average margin on facilities | 87bps | | | 98bps |
| Average Swap Rate | 5.07% | | | N/A |
| Average Maturity of swaps | 9.5 years | | | N/A |

Global facilities

- Increased to \$3.0bn
- 75% hedged
- Covenants⁸ comfortably met
- No refinancing anticipated prior to 2010

Enersis Debt facility

- \$591.4m net debt (on 50% basis)
- 100% hedged
- Non-recourse portfolio financing
- Maturity: 2024

No share price acceleration triggers

No off-balance sheet financial liabilities⁹

¹ Australia \$267m, Germany \$58m, Portugal \$151m, France \$21m, US \$94m

² Includes 50% of Enersis Portfolio Gross Debt (\$605m) and Cash (\$14m)

³ AUD: A\$496.0m ;USD: A\$543.0m ; EUR: A\$1,631.0m

⁴ Assumes all assets are fully operational; assumes no repayment of global facility

⁵ Calculated from average debt values and includes capitalised interest

⁶ Based on current interest and swap rates

⁷ Based on 868m securities and security price of \$1.65

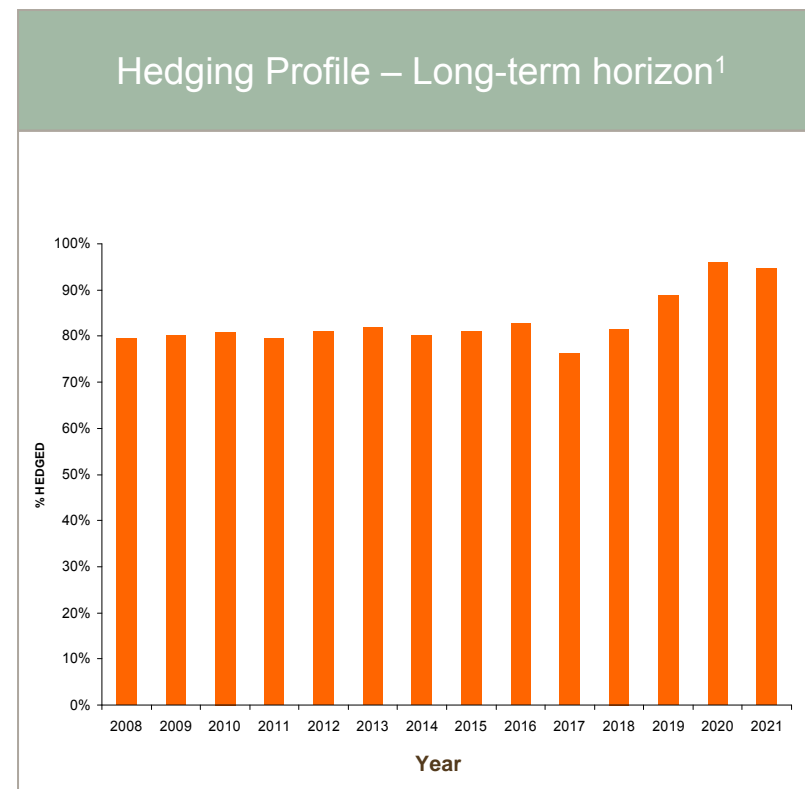
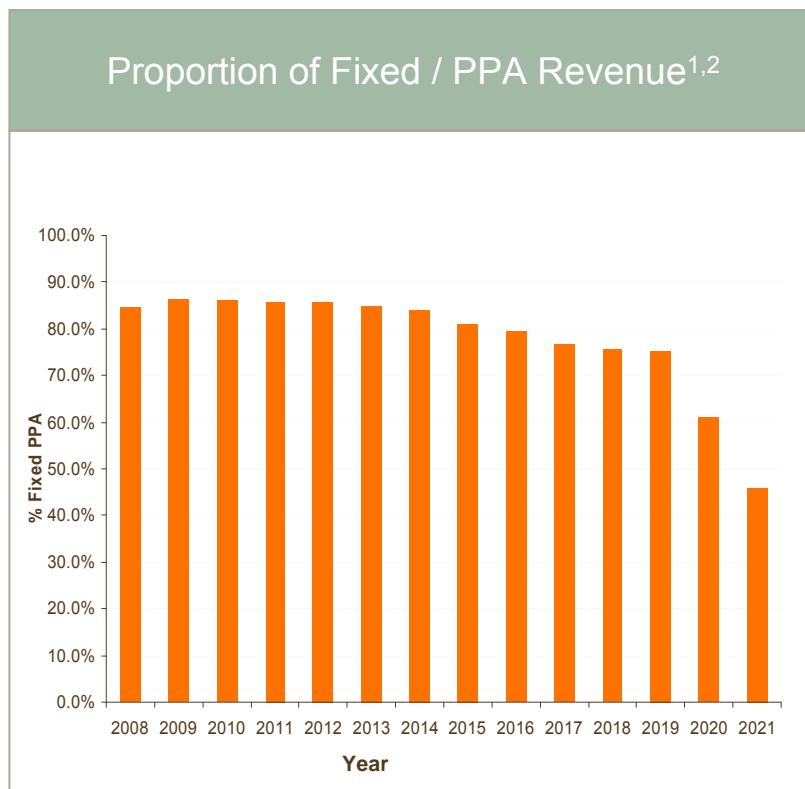
⁸ Global Facilities/Covenants (applicable from June 2008):

NetDebt/EBITDA<11.5X;DCSR: 1X

⁹ Excludes guarantees

¹⁰After estimated taxes and expenses

Revenue Assurance & Interest Rate Hedging



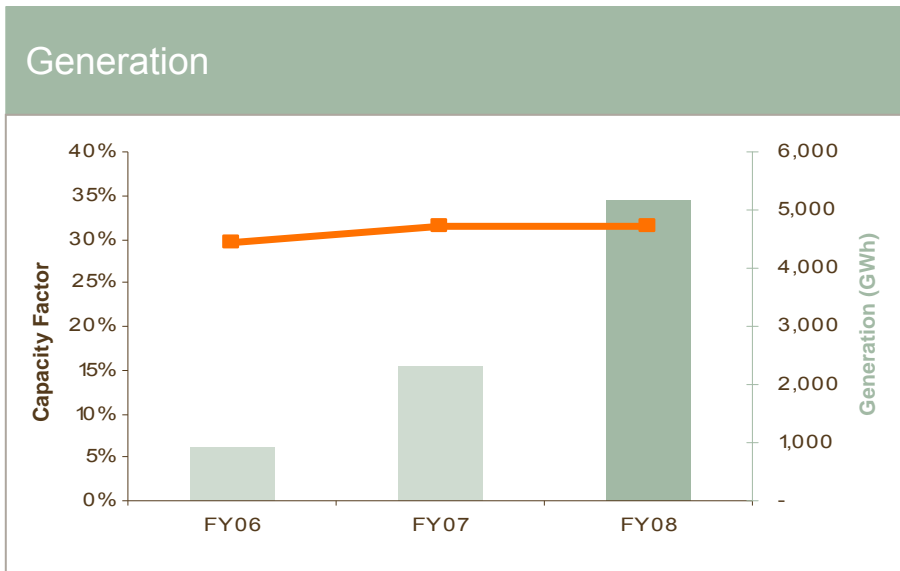
¹ Includes 50% Enersis Portfolio debt

² Assumes Capital wind farm enters into PPA & LB2 retains market exposure and excludes Spain

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Operational Performance – Portfolio



Overview

Generation

- 121% increase in generation to 5,145GWh
- Improvement over FY07 – 98% of forecast
- Actual Capacity Factor of 32%

Site & Turbine Availability

- Generally at, or above forecast

Price/Tariff per MWh

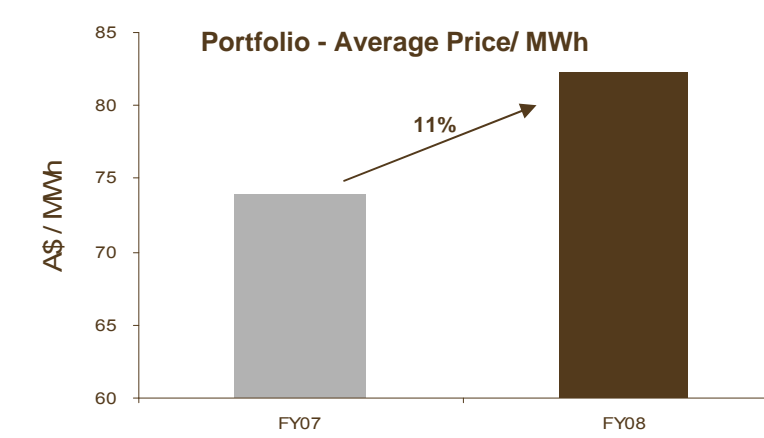
- Average tariff significantly higher than FY07
- Market pool and REC prices above forecast in Spain, Australia and USA

EBITDA Margin

- Improved to circa 79%

| | FY06 | FY07 | FY08 |
|------------------------------|-------|-------|--------------|
| Actual (GWh) | 933 | 2,326 | 5,145 |
| Forecast ¹ (GWh) | 1,015 | 2,596 | 5,256 |
| Actual/Forecast | 92% | 90% | 98% |
| Capacity Factor ² | 29% | 31% | 32% |

| | FY06 | FY07 | FY08 |
|----------------------------|--------|---------|-----------------|
| Revenue ³ (\$m) | \$85.6 | \$171.9 | \$422.7m |
| EBITDA ³ (\$m) | \$67.2 | \$126.5 | \$333.7m |
| EBITDA % | 78.5% | 73.6% | 78.9% |



¹ Forecast based on availability adjusted Long Term Mean Energy Production ('P50')

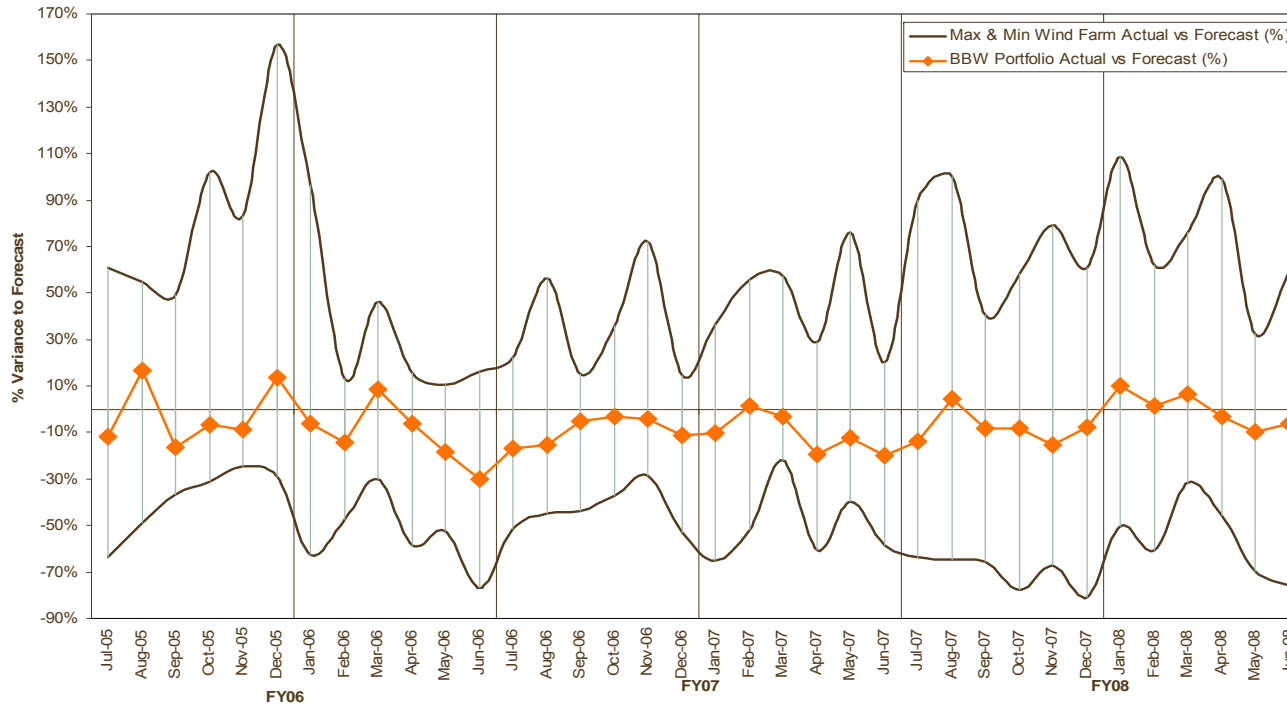
² Capacity Factor is actual production as a percentage of full capacity, or maximum possible production

³ Includes US Revenue and EBITDA



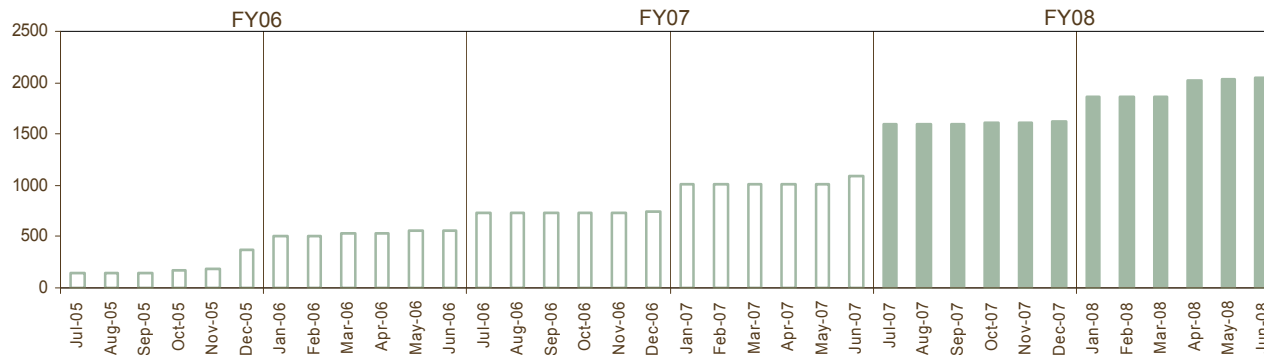
Operational Performance – Reduced Variability

Range of Performance of Portfolio and Individual Wind Farms

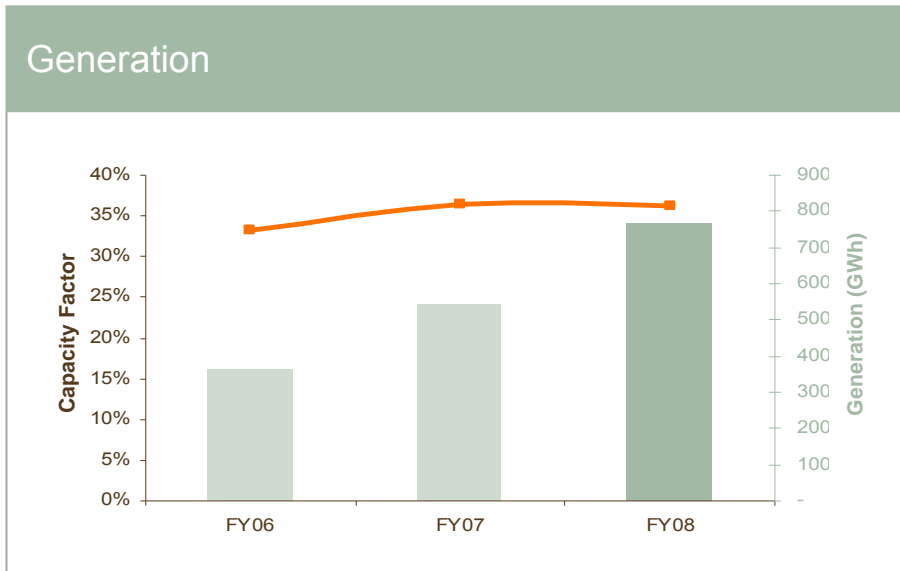


Portfolio Benefit

As BBW's portfolio grows & diversifies, variability around the forecast continues to narrow



Operational Performance – Australia



Overview

Generation

- 42% increase in generation reflects contribution of Lake Bonney 2 in H2
- Actual Capacity Factor of operational wind farms 36%
- Lower than expected pre-completion generation from LB2

Site & Turbine Availability

- In line with forecast

Market Prices – LB2

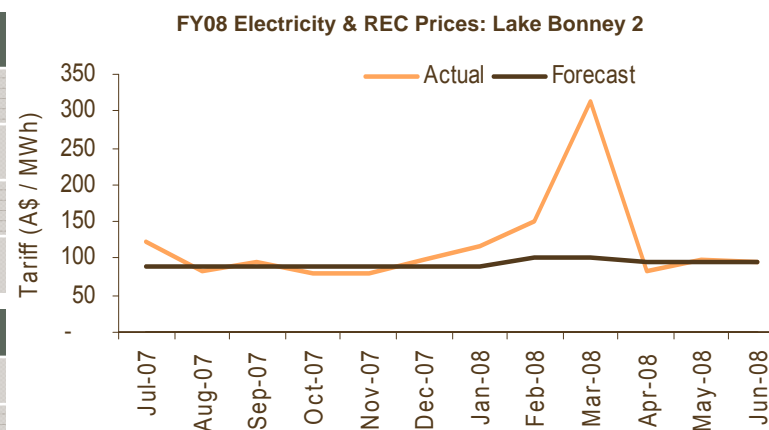
- Average Market pool and REC prices significantly above forecast.

EBITDA Margin

- Improved to circa 85% reflecting increasing scale

| | FY06 | FY07 | FY08 ¹ |
|-----------------|------|------|-------------------|
| Actual (GWh) | 364 | 541 | 768 |
| Forecast (GWh) | 394 | 577 | 858 |
| Actual/Forecast | 93% | 94% | 89% |
| Capacity Factor | 33% | 36% | 36% |

| | FY06 | FY07 | FY08 |
|----------------|---------|---------|---------|
| Revenue (\$Am) | \$35.9m | \$44.9m | \$69.7m |
| EBITDA (\$Am) | \$30.0m | \$37.0m | \$59.5m |
| EBITDA % | 83.6% | 82.4% | 85.3% |

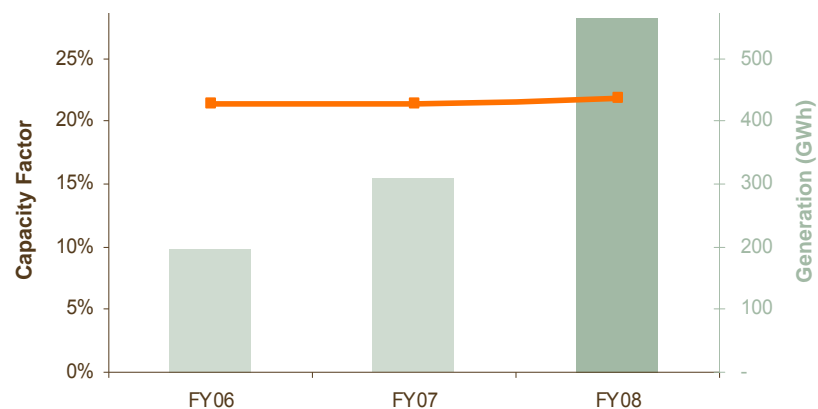


¹ Includes pre-completion contribution from Lake Bonney 2



Operational Performance – Spain

Generation



Overview

Generation

- 82% increase in generation to 564GWh
- Actual Capacity Factor of 22%
- Improvement over FY07 – 90% of forecast

Wind Resource

- Low wind conditions continued across much of Spain

Site & Turbine Availability

- Generally at, or above forecast

Tariffs

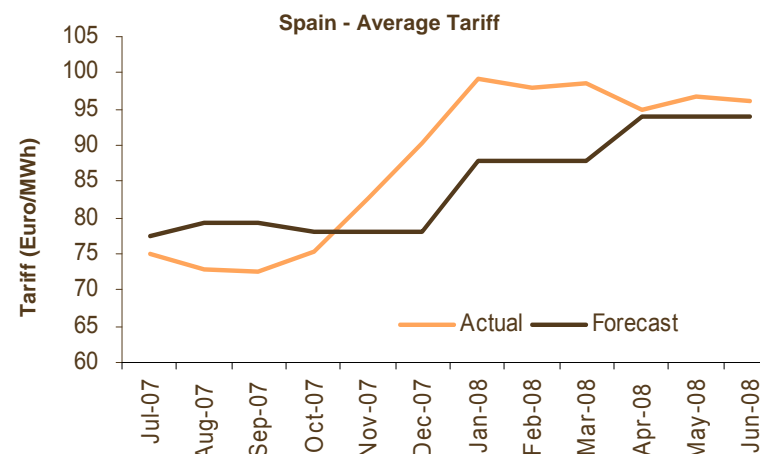
- Average market option tariff materially higher than Forecast

EBITDA Margin

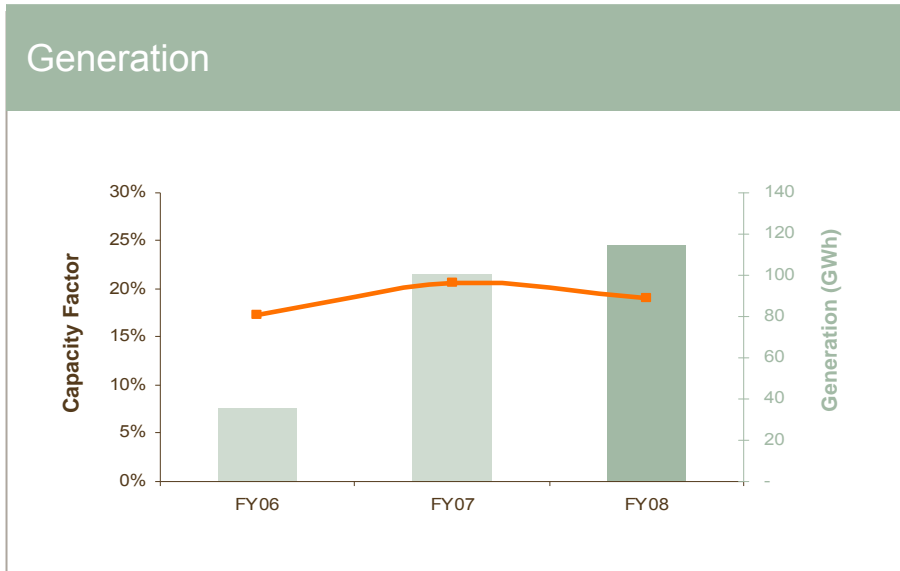
- Steady at circa 81%

| | FY06 | FY07 | FY08 ¹ |
|-----------------|---------|---------|-------------------|
| Actual (GWh) | 197 | 309 | 564 |
| Forecast (GWh) | 233 | 378 | 626 |
| Actual/Forecast | 85% | 82% | 90% |
| Capacity Factor | 21% | 21% | 22% |
| | FY06 | FY07 | FY08 |
| Revenue (\$Am) | \$32.4m | \$44.6m | \$76.6m |
| EBITDA (\$Am) | \$25.9m | \$36.6m | \$62.1m |
| EBITDA % | 79.9% | 82.1% | 81.0% |

¹ FY08 includes Pre-completion production from Carrascal I & II and Cerradilla I & II



Operational Performance – Germany



Overview

Generation

- 13% increase in generation to 115GWh
- Actual Capacity Factor of 19%
- 85% of forecast

Wind Resource

- Low wind conditions continued across much of Germany

Site & Turbine Availability

- Blade rectification issues impacted turbine availability

Tariffs

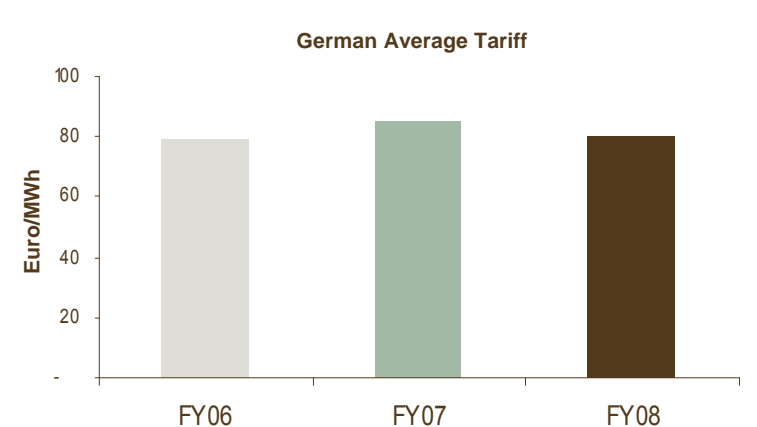
- Legislated tariff under Renewable Energy law

EBITDA Margin

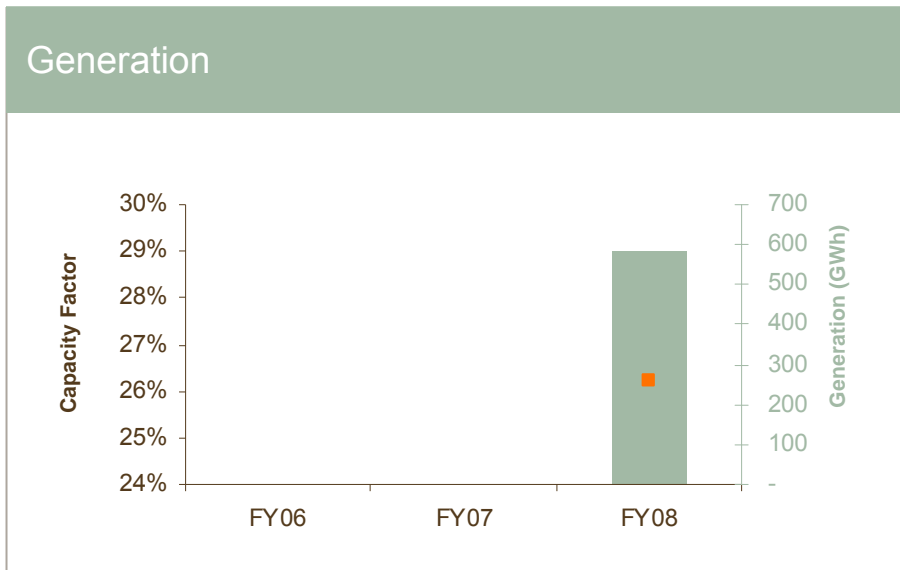
- Reduced slightly to Circa 78%, reflecting lower generation

| | FY06 | FY07 | FY08 |
|-----------------|------|------|------|
| Actual (GWh) | 36 | 101 | 115 |
| Forecast (GWh) | 49 | 110 | 136 |
| Actual/Forecast | 73% | 92% | 85% |
| Capacity Factor | 17% | 21% | 19% |

| | FY06 | FY07 | FY08 |
|----------------|--------|---------|---------|
| Revenue (\$Am) | \$4.7m | \$14.2m | \$14.6m |
| EBITDA (\$Am) | \$3.8m | \$11.4m | \$11.3m |
| EBITDA % | 80.9% | 80.3% | 77.5% |



Operational Performance – Portugal



Overview

Generation

- Actual Capacity Factor of 26%

Wind Resource

- Low wind conditions continued across much of Portugal

Site & Turbine Availability

- Generally at, or above forecast

Tariffs

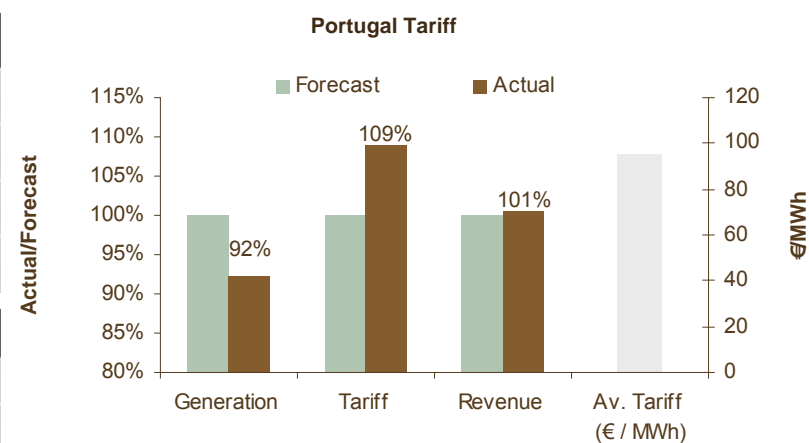
- Tariff structure provides revenue assurance

EBITDA Margin

- Circa 86%

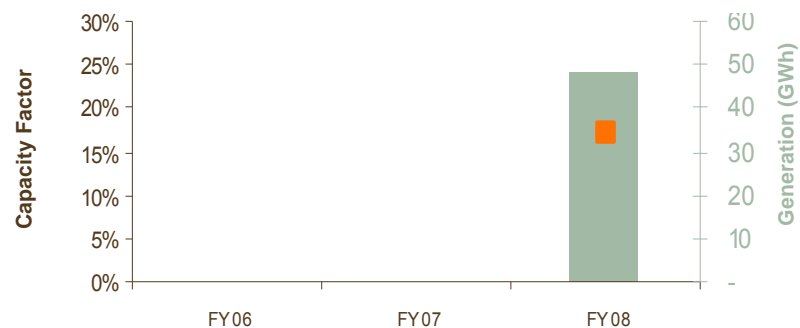
| | FY06 | FY07 | FY08 |
|-----------------|------|------|------|
| Actual (GWh) | - | - | 584 |
| Forecast (GWh) | - | - | 633 |
| Actual/Forecast | - | - | 92% |
| Capacity Factor | - | - | 26% |

| | FY06 | FY07 | FY08 |
|----------------|------|------|---------|
| Revenue (\$Am) | - | - | \$91.7m |
| EBITDA (\$Am) | - | - | \$78.7m |
| EBITDA % | - | - | 85.8% |



Operational Performance – France

Generation



Overview

Generation

- Actual Capacity Factor of 25%

Wind Resource

- Low wind conditions continued across much of France

Tariffs

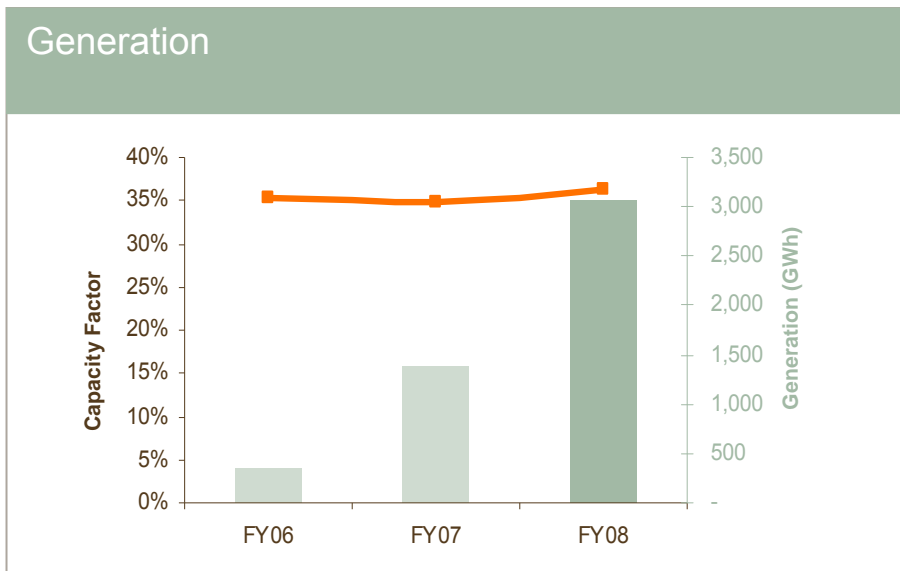
- Fixed Tariff

EBITDA Margin

- High margin reflects inclusion of initial O&M cost in Capital Cost

| | FY06 | FY07 | FY08 |
|-----------------|------|------|--------|
| Actual (GWh) | - | - | 49 |
| Forecast (GWh) | - | - | 53 |
| Actual/Forecast | - | - | 92% |
| Capacity Factor | - | - | 25% |
| | FY06 | FY07 | FY08 |
| Revenue (\$Am) | - | - | \$5.5m |
| EBITDA (\$Am) | - | - | \$5.0m |
| EBITDA % | - | - | 90.1% |

Operational Performance – USA



Overview

Generation

- 123% Increase in generation to 3065GWh
- Actual Capacity Factor of 36%
- Improvement over FY07 – 104% of forecast

Wind Resource

- At expected levels

Site & Turbine Availability

- Generally above forecast

Price per MWh

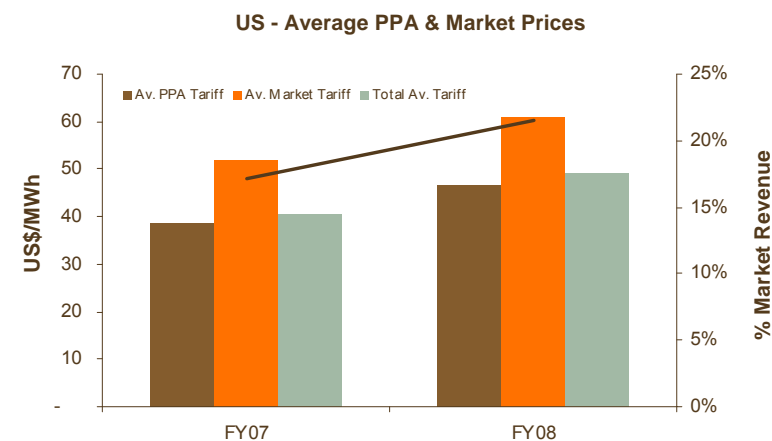
- Average tariff significantly higher than FY07

EBITDA Margin

- Improved to circa 71%

| | FY06 | FY07 | FY08 |
|-----------------------------|---------|---------|--------------|
| Actual (GWh) | 336 | 1,375 | 3,065 |
| Forecast (GWh) | 340 | 1,531 | 2,951 |
| Actual/Forecast | 99% | 90% | 104% |
| Capacity Factor | 35% | 35% | 36% |
| | FY06 | FY07 | FY08 |
| Revenue ¹ (\$Am) | \$12.6m | \$68.2m | \$164.4m |
| EBITDA (\$Am) | \$7.5m | \$41.5m | \$117.2m |
| EBITDA % | 59.5% | 60.9% | 71.3% |

¹ Excludes PTC Revenue



Operational Performance - Construction

369MW of new capacity operational during FY08

- Lake Bonney 2 (159MW) in Australia
- Carrascal I & II and Cerradilla I & II (150MW) in Spain
- Le Marquay, Fond du Moulin, Mont Félix, Chemin Vert & Sôle de Bellevue (42MW) in France
- Extension to the Kaarst wind farm in Germany (2MW)
- Chiqueiro (2MW), San Macario (5.8MW) & Leomil (8.1MW) in Portugal

Current Construction program

- Australia - Capital Wind Farm (132.3MW) commenced Feb 2008 with expected completion mid 2009
 - France - Les Trentes (10MW), the final Fruges project on schedule to be completed by October 2008
 - Portugal - Cháo Falcão II (25.3MW), Chão Falcão III (20MW), Lousã II (51MW), Serra de Bornes (60MW) to be completed in 2009
-



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Favourable Long term drivers

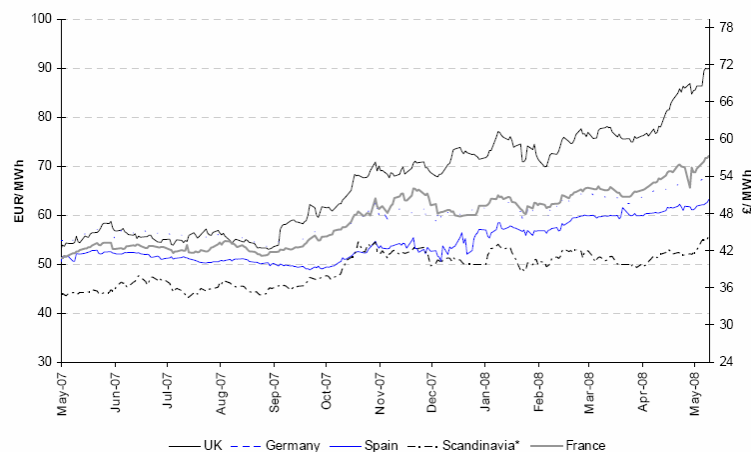
| | |
|-----------|---|
| General | <ul style="list-style-type: none">• Acceptance of Climate Change and urgency of action• Ensuring security of supply – reducing dependence on imports• Reducing impact of fossil fuel prices on economic competitiveness• Energy efficiency + Renewable energy targets + Emissions reductions |
| Europe | <ul style="list-style-type: none">• Has led policy development in recent years• Strengthened commitment to emissions reductions of 20% up from 8%• Increased “20% by 2020” renewable energy commitment• Strengthened ETS Phase III in 2013 – auction for power, reducing cap, etc |
| USA | <ul style="list-style-type: none">• Federal PTC and state RPS schemes expected to continue and strengthen• National RPS and ETS schemes now on political agenda• Lieberman-Warner Climate Security Act, cap-and-trade, in Senate |
| Australia | <ul style="list-style-type: none">• Expanded “20% by 2020” MRET commitment• New ETS scheme proposal – Government Green Paper following Garnaut Review |

Electricity Prices

Strong escalation driven by higher gas, coal & CO₂ emission prices

- Coal prices have more than doubled in many markets over the last year
- Similarly Gas prices – linked to oil, with lag
- Wind in line with new entrant costs for coal & gas: €85 -90/MWh
- EU(ETS) emissions prices are now trading above €25/t

Figure 1: One-year forward baseload electricity prices



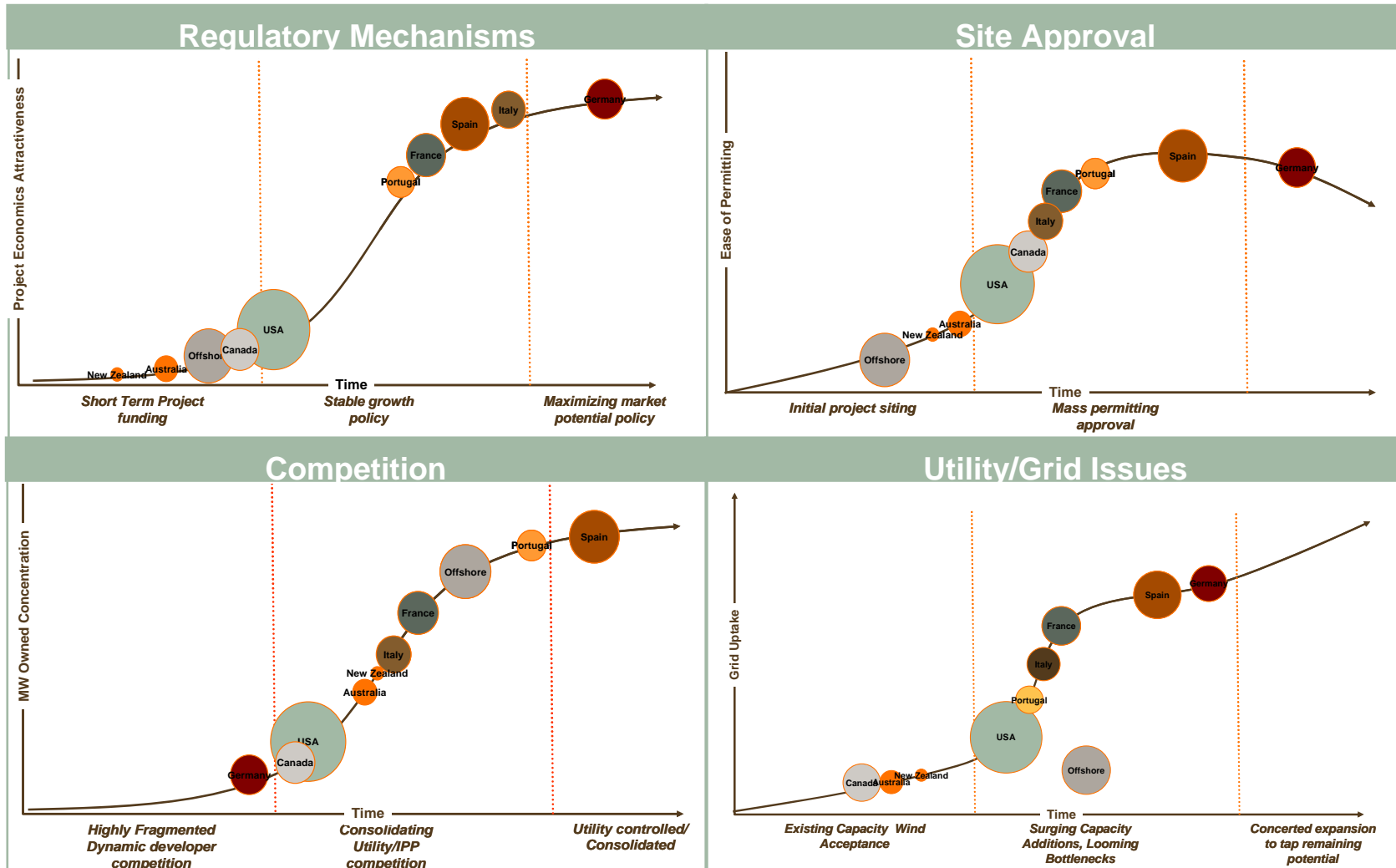
Source: Reuters, Platts, Deutsche Bank estimates
* Nord Pool forwards: Includes Norway, Denmark, Finland and Sweden

Table 9: Current commodity prices

| Commodity | FY contract | Last 6 months (%) |
|---------------------|-------------|-------------------|
| Gas (NBP FY, p/wh) | 82 | 70% |
| Coal (API2, \$/t) | 153 | 38% |
| Co2 (2008, €/t) | 25.2 | 11% |
| Oil (Brent, \$/bbl) | 122 | 32% |

Source: Bloomberg

Wind Energy Market Maturity



Source: Emerging Energy Research

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Outlook - Management priorities

| | |
|---|---|
| Strategic Initiative | <ul style="list-style-type: none">• Agree any potential sale(s)• France & Portugal extended to allow bidders further time to complete their analysis• Consider reinvestment & capital management initiatives |
| Near term growth and reinvestment opportunities | <ul style="list-style-type: none">• Incremental acquisitions from Framework Agreements• Domestic “infill” opportunities which include an extension to LB2 |
| Secondary Listing | <ul style="list-style-type: none">• Accelerate secondary listing option• Commenced process to appoint an adviser to review available options• On the basis this is beneficial, seek to list in the first half of 2009 |

¹ Represents total installed capacity, includes third party Class B membership interests.

Outlook – FY09

Net operating cash flow

- FY09 net operating cash flow guidance re-stated to 21.4 cents per security¹
- Revised to reflect Spanish Sale and associated reduction in interest cost
- Assumes no further reinvestment or divestment

Indicative Capital Allocation

- Debt repayment: Expected to be between €600m and €700m
- Pipeline Acquisitions:
 - Near term, high IRR opportunities
 - Wind Farm extensions; Framework Assets
 - Approximately 180MW
- Capital Management Initiatives

¹ Assumes sale of Spain completes in November 2008

Continued coverage of distributions from cash flow

Distribution Policy

Pay distributions from net operating cash flow:

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

After taking account of:

- Principal debt repayments and DRP¹
- Future funding requirements
- Investment opportunities

Coverage of distributions



Distribution Guidance

- FY09 Guidance of not less than 9.0cps²
- FY09 distribution expected to be fully tax deferred²
- Distribution growth target: at least 3.5% pa from current portfolio; Medium term target of 5% pa assuming continued accretive acquisitions

¹ Distribution Reinvestment Plan

² FY09 distribution guidance assumes P50 production and no performance fee. Based on current Portfolio and assumes no further reinvestment or divestment

Wrap up

Solid Operational Performance and Financial result

- Contracted business model underpins stable returns
- NOCF increased by 115% to \$188.8m

Continued coverage of distributions and debt repayments from net operating cash flow

- FY09 Distribution guidance of not less than 9 cents per stapled security

Ongoing prudent financial risk management

- 75% of debt hedged, with no refinancing anticipated prior to 2010
- Spanish sale proceeds will reduce net debt by over 40%

Strategic initiative: Successful sale of Spain completed

Investment pipeline

- Incremental acquisitions from Framework Agreements
- Domestic “infill” opportunities

Global Positioning

- Globally diversified portfolio
 - Major player in the global wind energy industry
 - Long term regulatory support continues to strengthen
-



Questions



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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 ² |
|--------------------------------------|-------------------|-------------------|---------------|------------------------|-----------------|---|------------------------|-----------------|--------------------------|
| | | | Total | Ownership ¹ | | Total | Ownership ¹ | | |
| AUSTRALIA | Western Australia | 1 | 89 | 89 | 54 | 367 | 367 | 47% | |
| | South Australia | 2 | 240 | 240 | 99 | 691 | 691 | 33% | |
| | New South Wales | 1 | 132 | 132 | 63 | 415 | 415 | 36% | |
| Sub Total | | 4 | 461 | 461 | 216 | 1,473 | 1,473 | 36% | PPA & Market |
| SPAIN | Spain | 14 | 422 | 421 | 397 | 997 | 994 | 27% | Market + Fixed |
| GERMANY | Germany | 11 | 121 | 120 | 74 | 260 | 259 | 25% | Fixed |
| FRANCE | France | 6 | 52 | 52 | 26 | 119 | 119 | 26% | Fixed |
| PORTUGAL | Portugal | 33 | 681 | 335 | 331 | 1,688 | 832 | 28% | Fixed |
| US | US - South | 8 | 830 | 489 | 607 | 2,908 | 1,703 | 40% | |
| | US - North West | 1 | 41 | 21 | 41 | 120 | 60 | 33% | |
| | US - South West | 2 | 88 | 88 | 63 | 273 | 273 | 35% | |
| | US - North East | 4 | 182 | 169 | 92 | 540 | 501 | 34% | |
| | US - Central | 1 | 301 | 200 | 274 | 959 | 640 | 36% | |
| Sub Total | US - Mid West | 3 | 186 | 173 | 136 | 513 | 470 | 31% | |
| Sub Total | | 19 | 1,627 | 1,139 | 1,213 | 5,313 | 3,647 | 37% | PPA & Market |
| Sub Total - Operational ³ | | 77 | 2,957 | 2,200 | 2,071 | 8,712 | 6,383 | 33% | |
| Sub Total - Under Construction | | 10 | 406 | 328 | 186 | 1,137 | 940 | 33% | |
| Total as at 30 June 2008 | | 87 | 3,363 | 2,528 | 2,257 | 9,849 | 7,324 | 33% | |

Post Balance Date Divestments

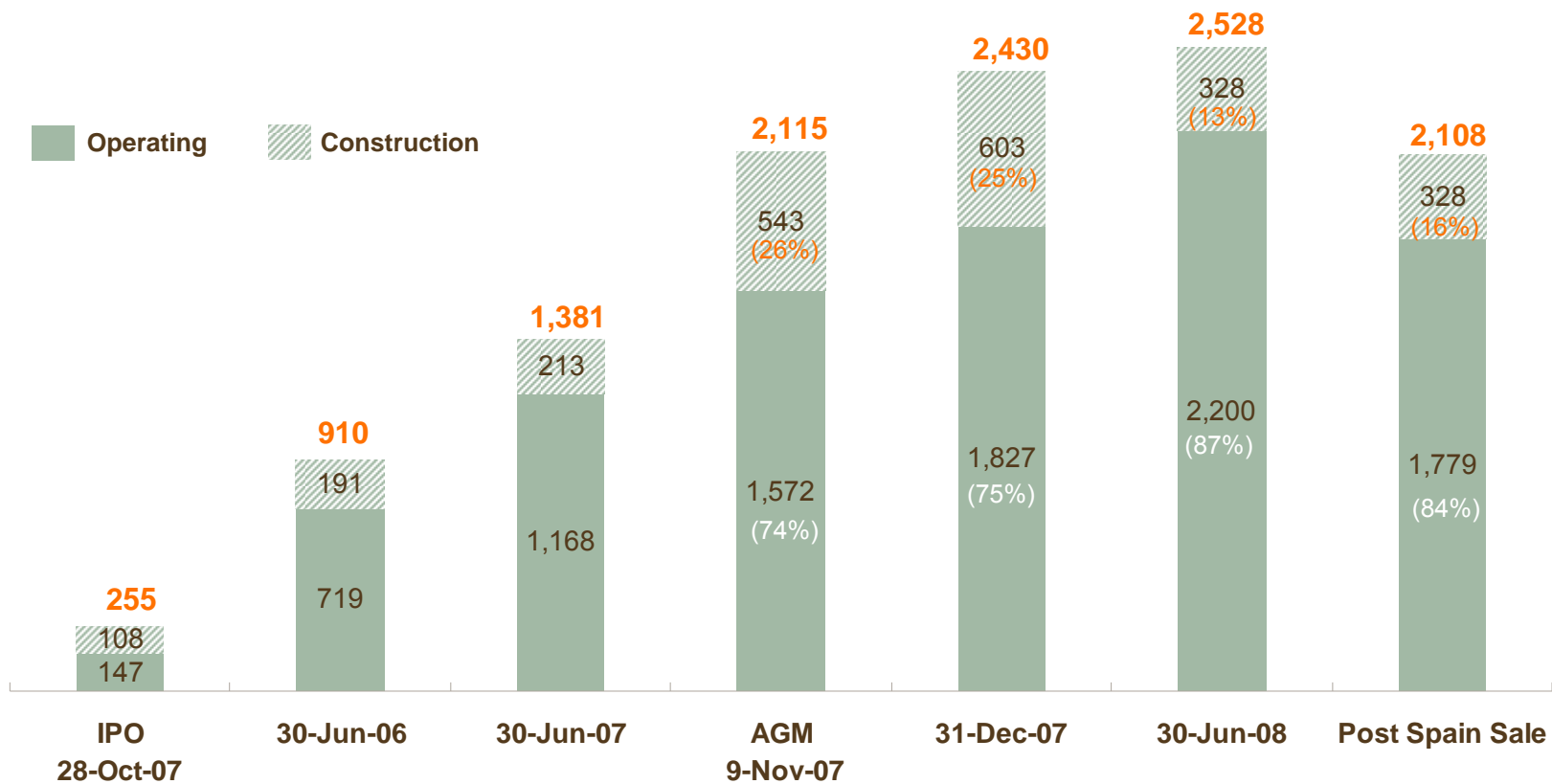
| | | | | | | | | | |
|--------------------------------------|----|-----|-------|-------|-------|-------|-------|-----|----------------|
| Spain | 14 | 422 | 421 | 397 | 0 | 997 | 994 | 27% | Market + Fixed |
| Sub Total - Operational | | 63 | 2,535 | 1,779 | 1,674 | 7,716 | 5,390 | 35% | |
| Sub Total - Under Construction | | 10 | 406 | 328 | 186 | 1,137 | 940 | 33% | |
| Total including proposed divestments | | 73 | 2,941 | 2,108 | 1,860 | 8,853 | 6,330 | 34% | |

¹ 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.

² "PPA": Power Purchase Agreement.

³ Lake Bonney 2 had not reached final completion as at 30 June but all turbines were operational.

Installed Capacity (MW)



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

Pipeline Opportunities

Growth and investment pipeline

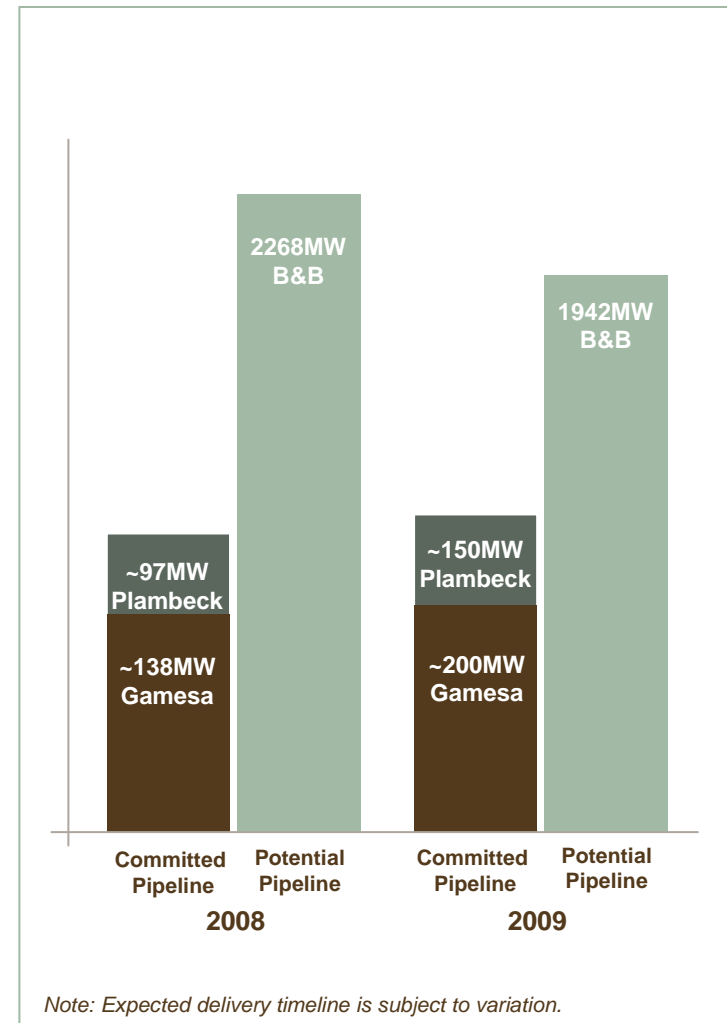
- B&B has in excess of 16,000MW under development in its wind pipeline, to be delivered over the next 8 years
- BBW has approximately 585MW under Framework Agreements (FA) to be delivered over the next 2 years¹

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.

Industry Conditions

| | |
|---|--|
| Mainstream generation technology | <ul style="list-style-type: none">• Wind energy is now competitive with new entrant CCGT and coal in EU & US• Long term drivers favour wind – emissions reduction / fuel price rises / security of supply / increasing energy demand• 30+% of new generation capacity in 2007 in the US and EU was wind energy |
| Growth constraints appearing | <ul style="list-style-type: none">• Turbine supply – tight amid soaring demand but capacity increasing medium term• Site availability – saturating European markets <u>vs</u> opening-up markets• Transmission capacity - resolution is key to tapping potential• People – shortage of skill & experience |
| Growing role of Utilities in the wind energy industry | <ul style="list-style-type: none">• Driven by regulatory objectives, particularly for European utilities• Witnessed by recent M&A and trade sales at high prices• Established European players listing renewable energy units to access capital• US and Aust utilities starting to participate, in anticipation of ‘carbon policy’ |
| Increasing focus on Asset management to secure lifetime performance | <ul style="list-style-type: none">• Key area to create value and manage risk – and ensure lifetime performance• Challenges ahead in supply chain management and technical expertise• Turbine manufacturer vs third party vs in-house asset management• Warranty protection focus of manufacturers highlights poor performance alignment |

Australian Regulatory Overview

Mandatory Renewable Energy Target (MRET)

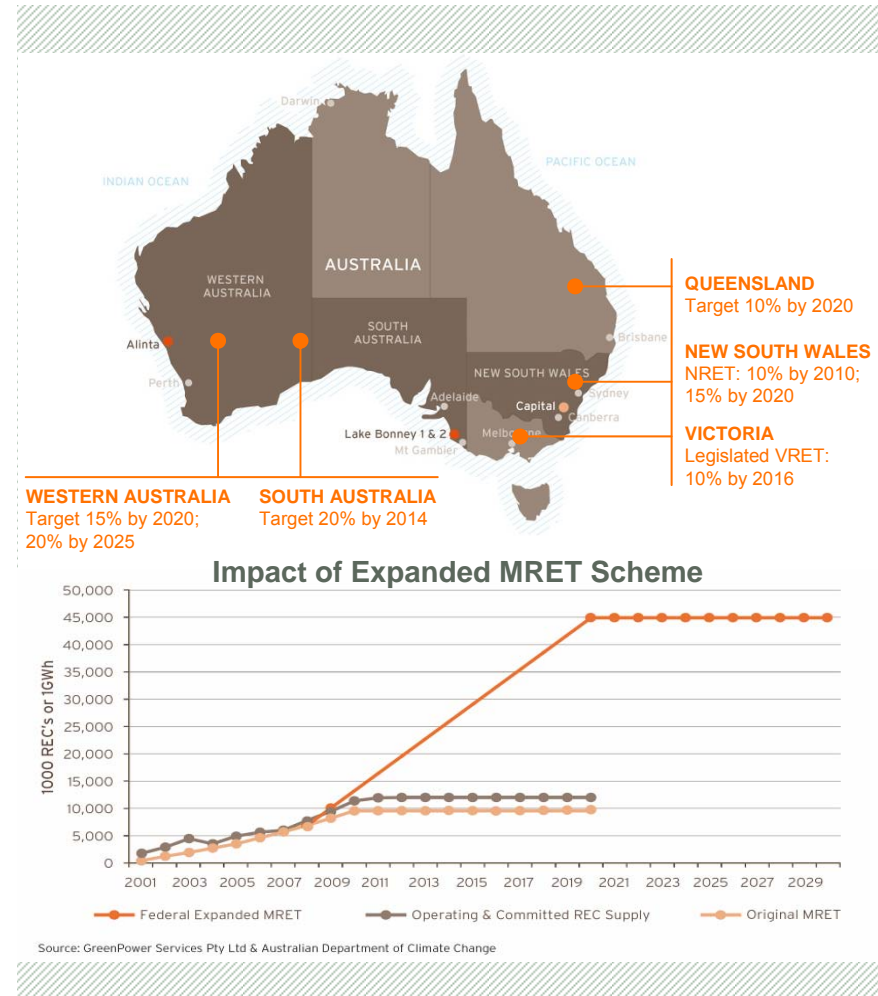
- Federal Policy first introduced 1 April 2001
- Initially, main driver of wind industry expansion
- Original Federal target: 9,500 GWh by 2010, now fully subscribed
- State based targets developed alongside Federal Scheme

New Federal target announced

- 45,000 GWh by 2020 (20% share for renewable energy by 2020)
- Federal & State Governments working towards single expanded Scheme by early 2009.
- Scheme design to be announced in Sept 2008

Carbon Pollution Reduction Scheme

- Emissions Trading Scheme in 2010
- Long term emissions reduction target of 60% (compared with year 2000 levels) by 2050



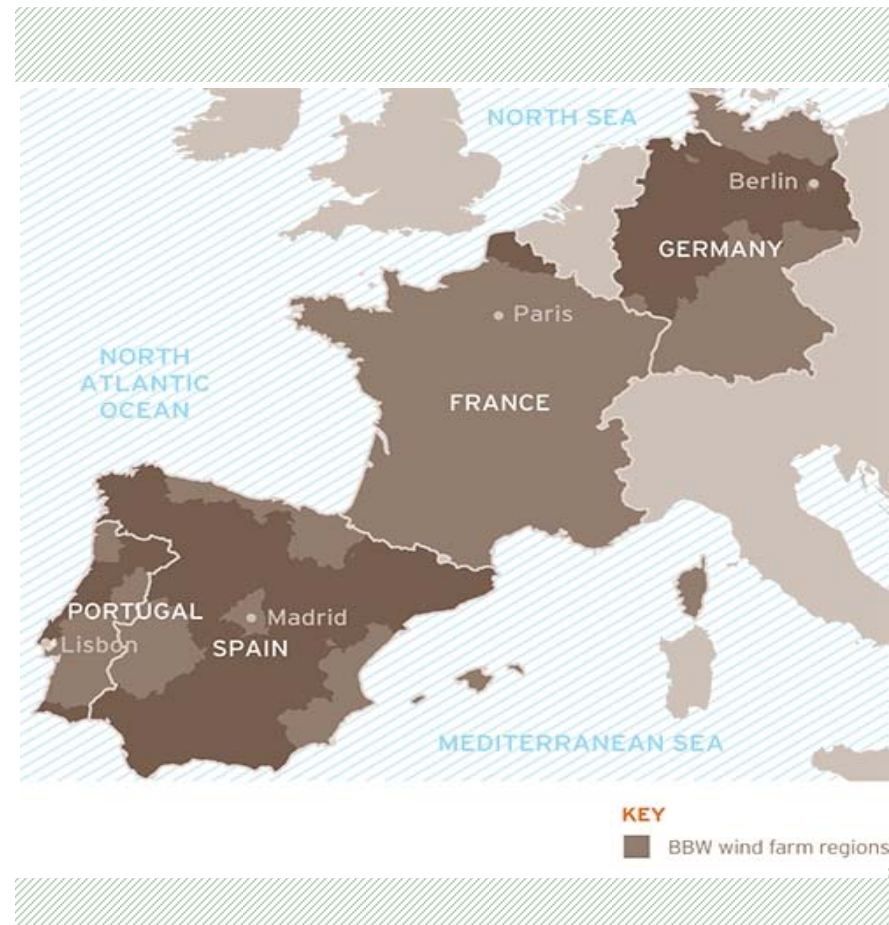
European Regulatory Overview

EU

- 20% target for the use of renewable energy sources in overall EU energy consumption by 2020
- EU has put forward dual emissions reduction targets: a 20% reduction over 1990 levels by 2020 - could be increased to 30% if a satisfactory international agreement to combat climate change is reached
- European Parliament & Environment Ministers proposed 2050 targets of a 60%-80% reduction relative to 1990 levels

Individual European Countries

- UK has committed to reducing emissions by 20% on 1990 levels by 2010 and 60% by 2050
 - Germany has committed to a 40% reduction on 1990 levels by 2020
 - Norway has committed to a 30% reduction on 1990 levels by 2020 and carbon neutral by 2050
-



FY08 Reconciliation of Cash Flow

| A\$'M | Statutory Accounts | Expenses within Investing Activities | Less Enersis 100% Consolidated ¹ | Add Enersis Economic Interest – 50% ² | Add Sweetwater 4 Economic Interest ³ | Adj H108 US EBITDA and dist'ns | Less US EBITDA MI for H208 | Full Year Result (Presented Financials) |
|---------------------------------------|----------------------|--------------------------------------|---|--|---|--------------------------------|----------------------------|---|
| Revenue | 414.5 | | (119.8) | 91.7 | 7.1 | 42.7 | (12.3) | 423.9 |
| Other Income | 1.1 | | | | | | (1.1) | (0.0) |
| Operating Costs | (82.9) | | 19.6 | (13.0) | (2.0) | (14.6) | 2.7 | (90.2) |
| EBITDA from Operations | 332.7 | | (100.2) | 78.7 | 5.1 | 28.1 | (10.7) | 333.7 |
| US Distributions | 17.7 | | | | | (17.7) | | (0.0) |
| US Distributions to MI | (11.6) | | | | | 1.0 | 10.6 | (0.0) |
| WC Movement | 7.0 | | (3.6) | 6.7 | | (5.1) | | 5.0 |
| Corporate Costs | (42.3) | 5.4 ⁴ | | | | | | (36.9) |
| Interest Paid & Other Finance Charges | (138.4) ⁵ | | 36.7 | (34.2) | | | | (135.9) |
| Interest Received | 16.1 | | (0.6) | 0.5 | | | | 16.0 |
| Tax Paid | (6.8) | | 3.2 | (1.9) | | | | (5.5) |
| Realized FX Gain on Loan | 3.8 ⁶ | | | | | | | 3.8 |
| Settlement of FX contracts | 8.6 ⁶ | | | | | | | 8.6 |
| NOCF | 186.8 | 5.4 | (64.5) | 49.8 | 5.1 | 6.3 | (0.1) | 188.8 |

¹ From acquisition date in December 2007 to 30 June 2008

² 1st July to 30 June 2008

³ 1st July to 31 December 2007

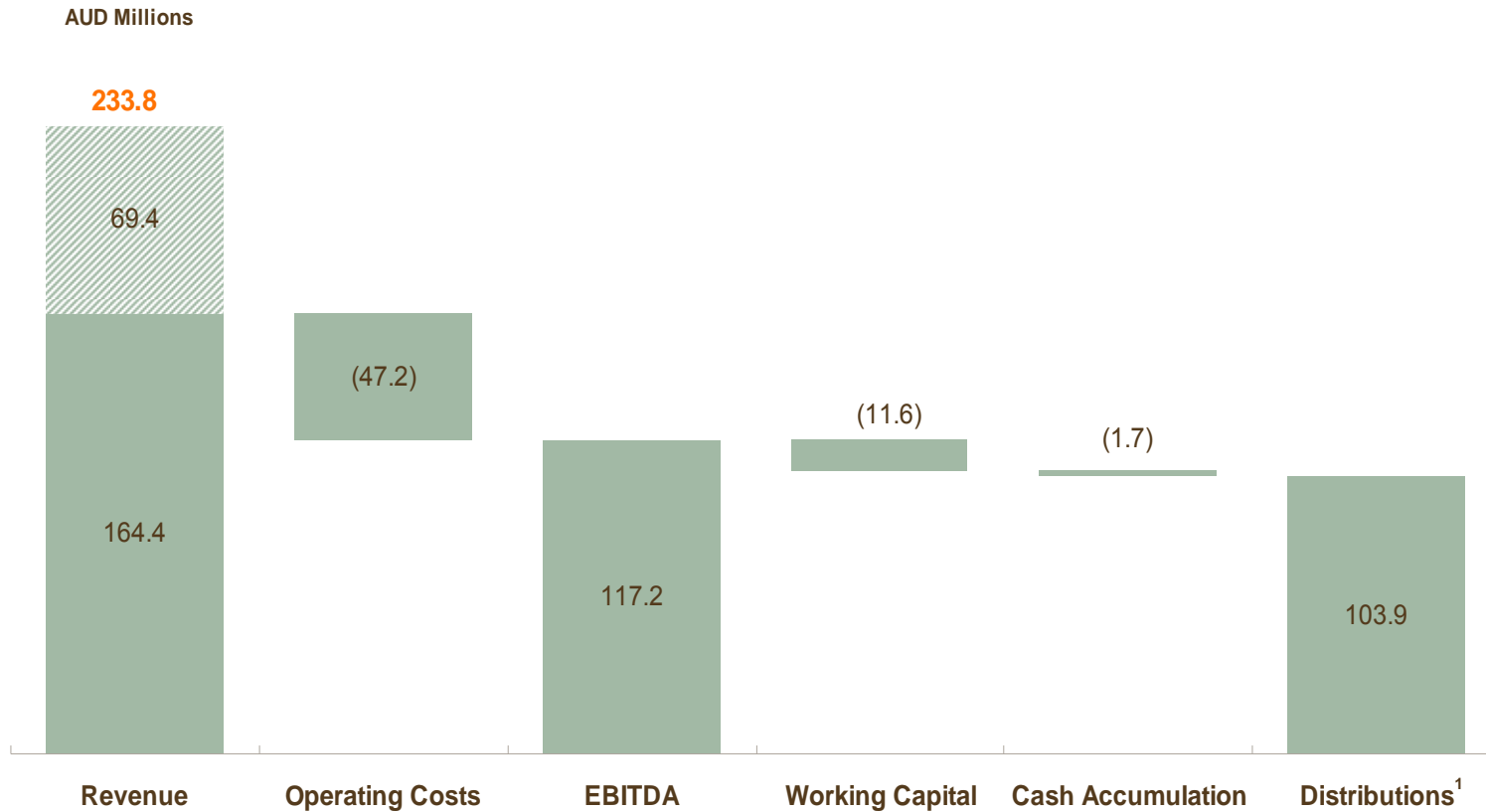
⁴ Admin, consulting and legal fees relating to Sale of Europe Wind Farms

⁵ Interest expense \$135.3m + bank fees \$3.1m

⁶ Net foreign exchange gain of \$10.2m made up of \$12.4m realized forex gain [\$8.6m actual hedging gain + \$3.8m realized forex gain on loans] and \$2.2m unrealized forex loss.



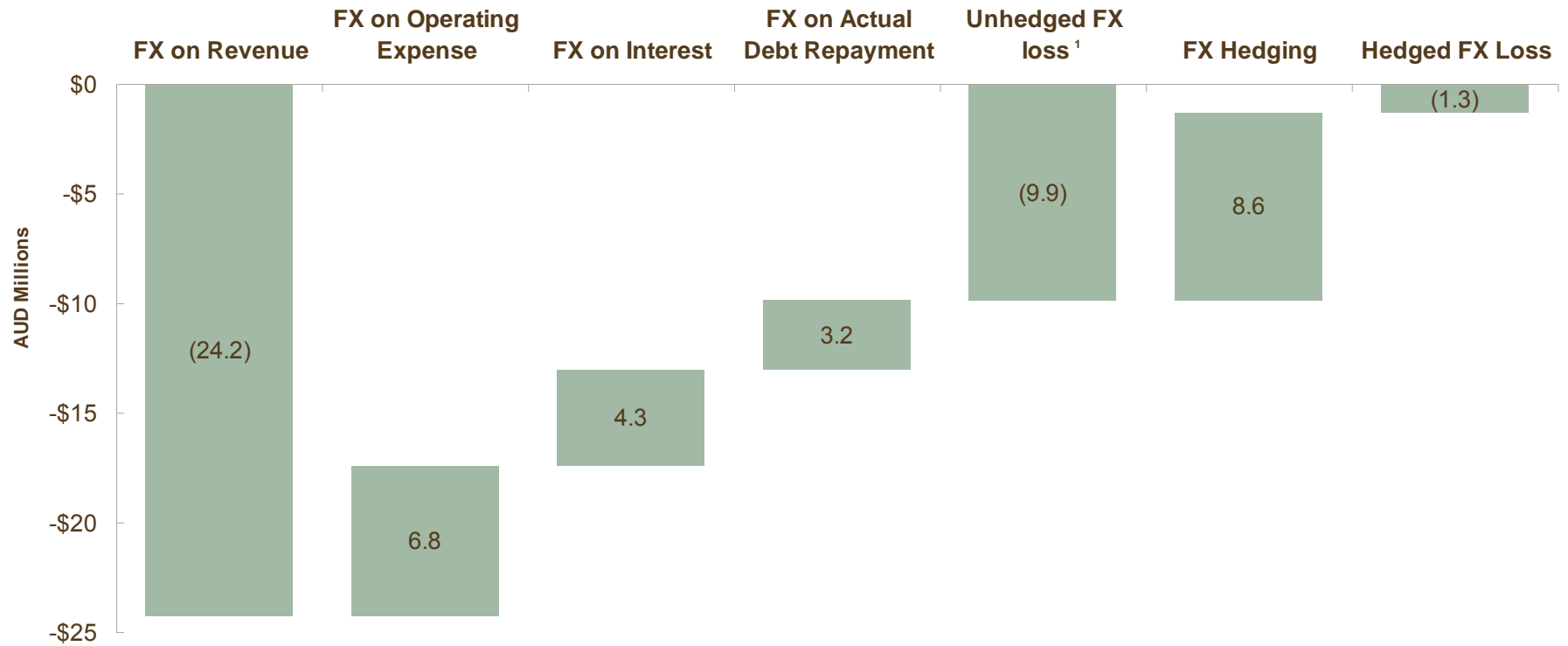
FY08 US Distributions



 PTC Revenue attributed to 'Tax Equity' Partners

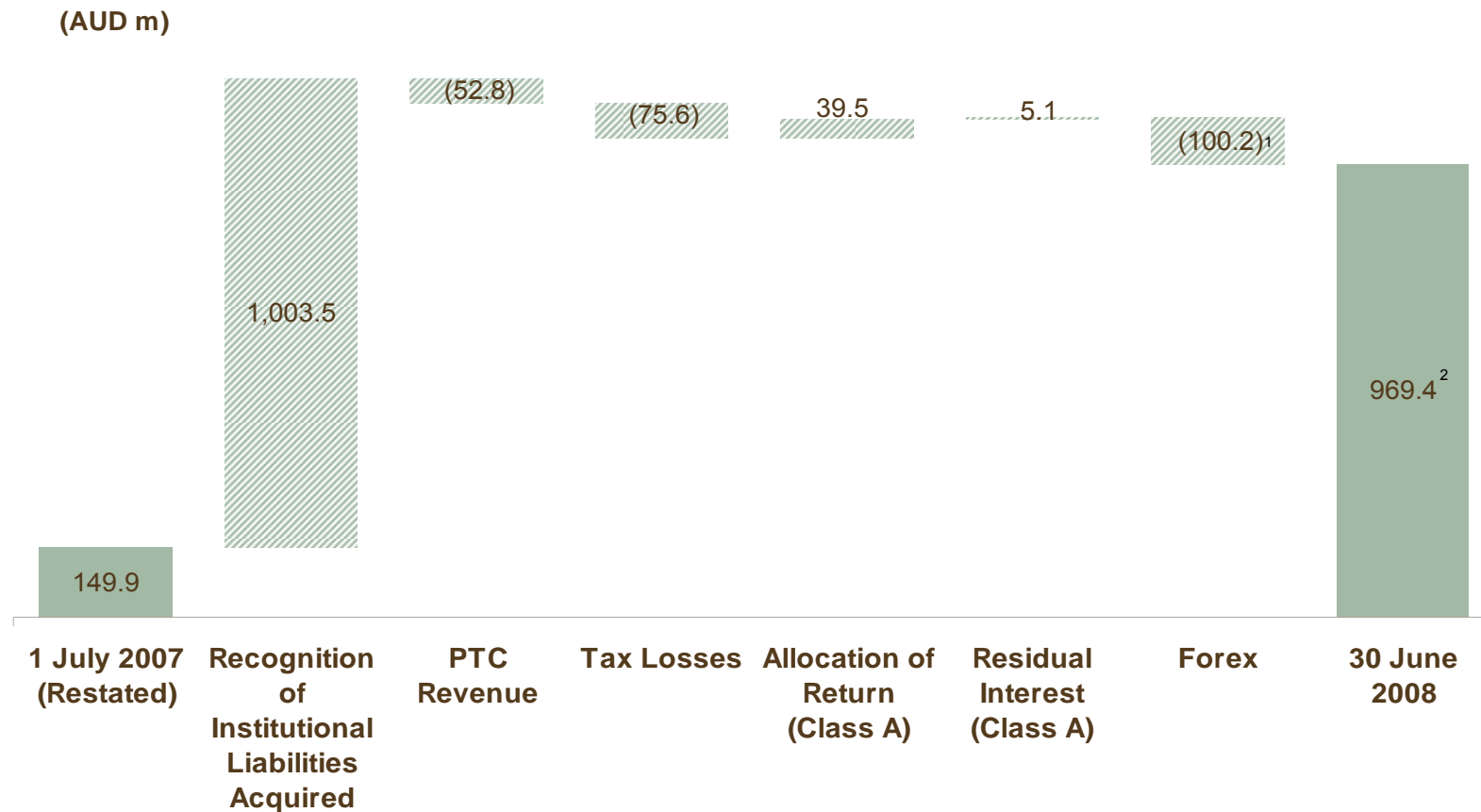
¹ Includes revenues and distributions from the date that BBW has taken economic interest in SW4.

Impact of FX on FY08 Cash Flow



¹ Basis: FY08 Operating Revenue

Institutional Equity Partnerships classified as Liabilities – Class A

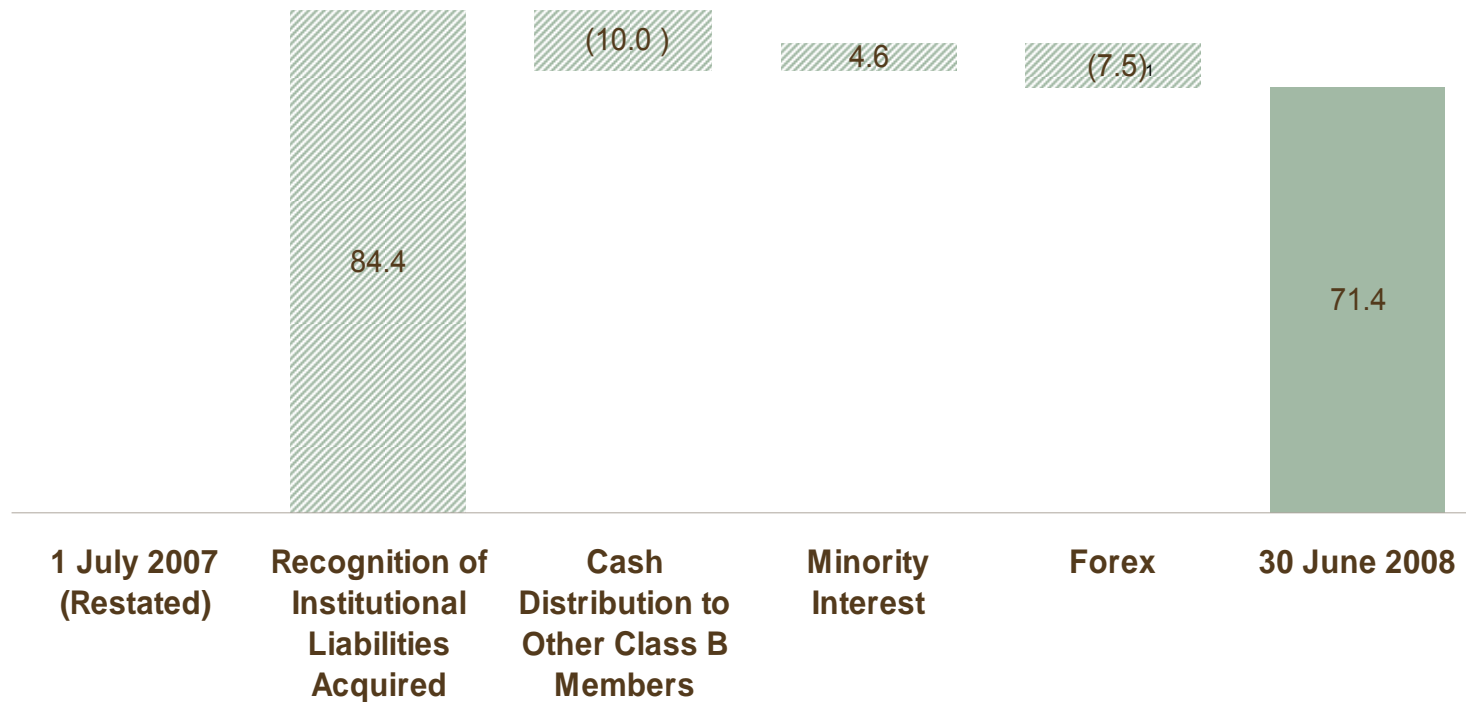


¹ Forex of \$(100.2) million was included in the 'Recognition' balance as presented in the 28/8/08 presentation.

² Based on BBW's B Class ownership: \$862.2 million.

Institutional Equity Partnerships classified as Liabilities – Class B Minority Interest

(AUD m)



¹ Forex of \$(7.5) million was included in the 'Recognition' balance as presented in the 28/8/08 presentation.

Acquisitions & Investment: Reconciliation to statutory Cash Flow

| | \$'M |
|--|--------------|
| - Payment for PPE | 251 |
| - Payments for investments in controlled entities | 353 |
| - Payments for investments in financial assets (US wind farms) | 541 |
| - Payment for investment in associates, loans advanced | 33 |
| | 1,178 |
| - US06 Phase 2 Payment 2 July 2007 | (180) |
| - Net debt assumed on acquisitions | 999 |
| - Securities issued as consideration | 24 |
| - Refund of Eifel compensation & Plambeck repayment | 6 |
| | 2027 |

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