

B A B C O C K & B R O W N  
W I N D P A R T N E R S



Investor Presentation

**A\$657 million Initial Public Offering**

26 September 2005

Important note: Please refer to the disclaimer at the end of this presentation



# Specialist fund for a global energy source

- From an emerging fuel source 20 years ago, wind energy has developed into a significant energy source in many countries
- The rapid growth has been driven by:
  - desire by many countries to reduce greenhouse gas emissions;
  - the need to reduce dependence on, and depletion of, non-renewable resources; and
  - the desire by many countries to diversify the sources of their energy supply
- Wind generation costs have fallen by 50% over the last 15 years, moving towards the cost of conventional energy sources in many markets
- Babcock & Brown Wind Partners is a specialist investment fund focused on the growing global wind industry



# Managed by Babcock & Brown and focused on the growing global wind energy industry

## Specialist fund

- Globally diversified portfolio focused purely on wind energy generation assets
- Investments in 15 wind farms with an aggregate gross installed capacity of 671.6 MW
- Operating cash flows are underpinned by long term off-take contracts
- Initial portfolio is diversified by geography, regulation, contract counter-parties and equipment manufacturers
- Construction and O&M contracts with leading manufacturers and developers
- Access to Babcock & Brown's expertise in the wind energy sector through the Manager

## Fast growing global market<sup>1</sup>

- Electricity from wind energy has had a 28% compound annual growth in installed capacity between 1999 and 2004
- Installed capacity of wind farms is forecast to grow at 19.6% p.a. until 2009
- Approx. US\$78.2 billion is projected to be invested globally in building new wind energy projects between 2005 and 2009

## Experienced investment manager

- Babcock & Brown is involved in the wind energy industry as an advisor, developer and investor.
- Over the last 16 years, Babcock & Brown has arranged financing for over 3,000 MW of wind energy generation projects and companies, at an estimated value of US\$3 billion
- Interests are aligned with BBWP, with Babcock & Brown holding an initial 15% stake

<sup>1</sup> Industry information as per BTM Consult Report 2004. See Offer Document section 4



# IPO at a glance

<b>Total equity to be raised</b>	\$361 million to \$396 million <sup>1</sup>
<b>Total number of securities on issue at listing</b>	469 million to 494 million
<b>Market capitalisation at listing (based on \$1.40 issue price)</b>	\$657 million to \$692 million
<b>Babcock &amp; Brown interest (at listing)</b>	15%
<b>Forecast yield (based on \$1.40 issue price)</b>	
<b>- FY06</b>	7.25% <sup>2</sup> fully taxed deferred
<b>- FY07</b>	8.00% <sup>2</sup> fully taxed deferred
<b>Forecast distribution growth FY07</b>	10.3%
<b>Distribution growth target beyond FY07</b>	At least 3.5% <sup>3</sup> p.a. over the medium term
<b>Manager</b>	Babcock & Brown Infrastructure Management (BBIM)

<sup>1</sup> BBWP reserves the right to accept oversubscriptions of up to \$35 million

<sup>2</sup> Assumes 469 million to 494 million Stapled Securities on issue following Allotment. Based on assumptions set out in Section 9.8 of the Offer Document. There is no guarantee that these forecasts will be met.

<sup>3</sup> This is a target only. There is no assurance that this target will be achieved. While this target is based on distribution of 11.2 cents, refer to Section 9.8 of the Offer Document for assumptions affecting the basis for this target.

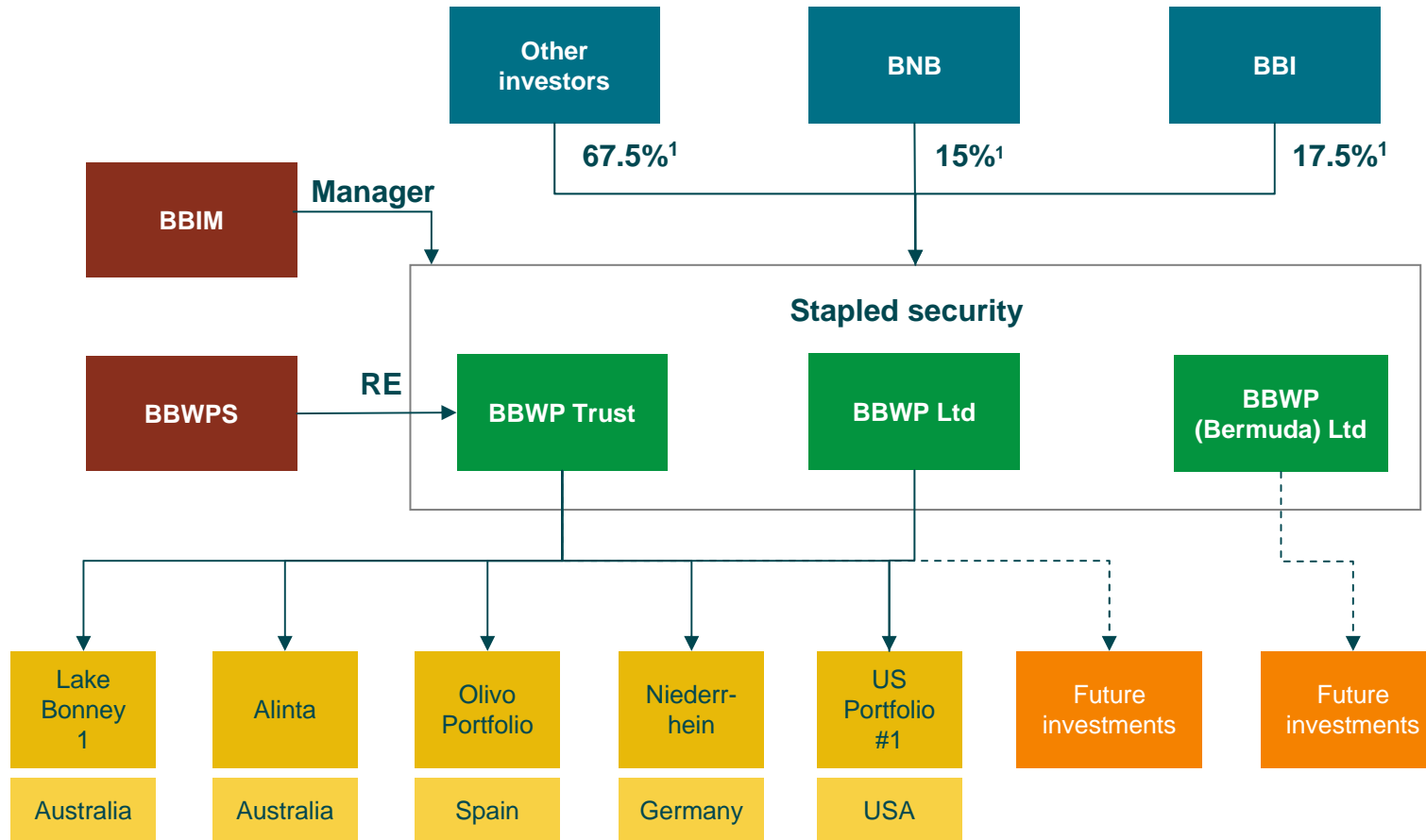


# Agenda

- Introduction
- **Overview of Babcock & Brown Wind Partners (“BBWP”)**
- Key Financials
- Industry Prospects
- Management Overview
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# Stapled security structure to maximise investor returns



<sup>1</sup> Assumes 469 million Stapled Securities on issue following Allotment

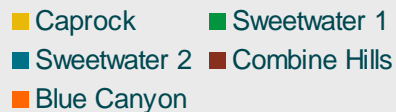
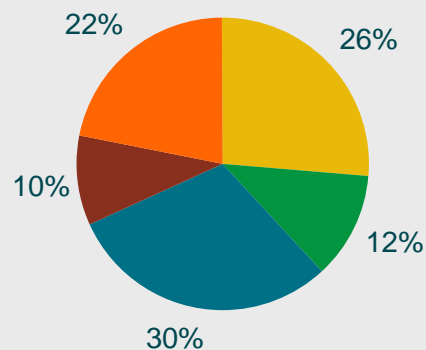




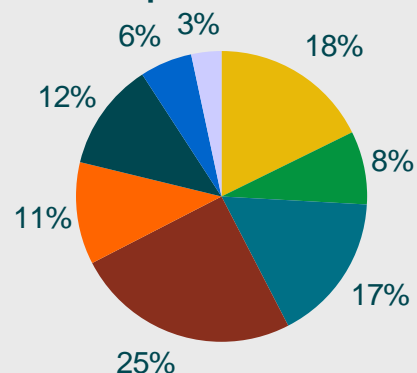
# Quality portfolio of globally diversified assets

## Expected Production (GWh<sup>1</sup>) – By wind farm within each region

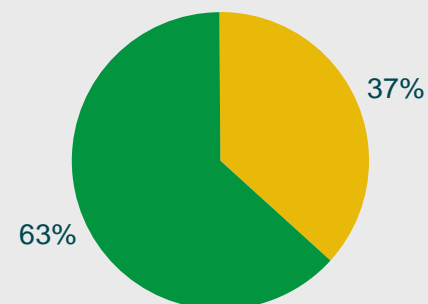
North American Portfolio<sup>3</sup>



European Portfolio



Australian Portfolio



- Initial portfolio of investments in 15 wind farms with total gross installed capacity of 671.6MW
- Average annual production of 2,181GWh
- Forecast to generate EBITDA after associates<sup>2</sup> of \$76 million in FY06 (pro forma) and \$80 million in FY07

<sup>1</sup> Based on long term mean energy production estimates by expert advisers. Refer to Offer Document section 6

<sup>2</sup> Forecast EBITDA after share of net profit of equity accounted investments. Refer to Offer Document section 9

<sup>3</sup> Not taking into account proportionate equity interest



# Approximately \$250<sup>1</sup> million reserved for investment opportunities

## Details

### US Framework Agreement

- Agreement to acquire further Class B membership interests in 4 wind farms in the US with estimated total gross capacity of 216MW

### Spanish Framework Agreement

- Rights and obligations to acquire wind farms with capacity of up to 450MW in Spain over the next 3 years

### German Framework Agreement

- Rights of first refusal in relation to the acquisition of wind farms in Germany before the end of 2006

### LB2 Acquisition Agreement

- Vendors of company obliged to develop a wind farm with long term mean net electricity output of 501GWh p.a.

- Three Framework Agreements and LB2 Acquisition Agreement are identifiable growth opportunities secured from Babcock & Brown
- These opportunities do not form part of the Directors' forecasts

<sup>1</sup> Assumes 469 million Stapled Securities issued at Offer Price of \$1.40 per Stapled Security pursuant to the Offer





# BBWP is well positioned for medium term growth

## Babcock & Brown as Manager<sup>1</sup>

- Experienced investment manager with four managed funds currently listed on ASX
- 16 years of experience in the wind energy sector

## Strategic relationships

- Existing relationships with key manufacturers including Vestas and Gamesa
- Opportunities may arise through strategic alliances between industry participants and BBWP or Babcock & Brown (eg Framework Agreements)

## Cost of capital

- Since June 2003, BBWP has grown from a single asset private investment vehicle to a listed fund with market capitalisation of A\$657 million<sup>2</sup>
- BBWP is well positioned to secure competitive cost of capital compared to small industry players

## Industry knowledge

- Industry knowledge and experience in Europe and Australia, set to broaden to the USA with US Acquisition
  - Babcock & Brown operates in the wind energy in Europe, North America and Australia
- Understanding of complex regulatory regimes in those markets
- Expertise to source and negotiate future acquisitions

<sup>1</sup> BBIM is the manager for BBWP

<sup>2</sup> Assumes 469 million Stapled Securities on issue following Allotment at the Offer Price of \$1.40 per Stapled Security and completion of the Offer



## . . . with a clearly identified investment policy to acquire and manage wind energy assets

- ✓ Attractive offtake arrangements &/or regulatory environment
- ✓ Predictable operating costs
- ✓ Favourable locations with quality wind resource, land tenure and access to transmission infrastructure
- ✓ Long-term investment horizon with repowering opportunities
- ✓ Superior asset quality and condition
- ✓ Manageable construction or commissioning risks
- ✓ Possibility of significant stakeholding
- ✓ Diversification



# Agenda

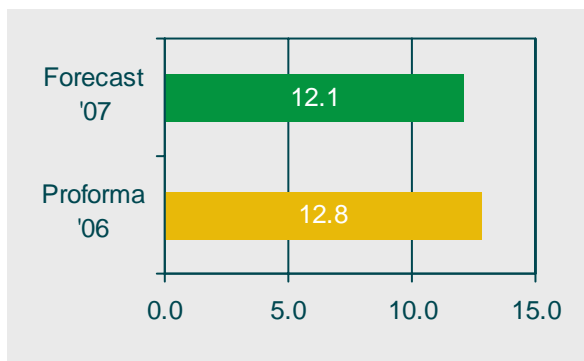
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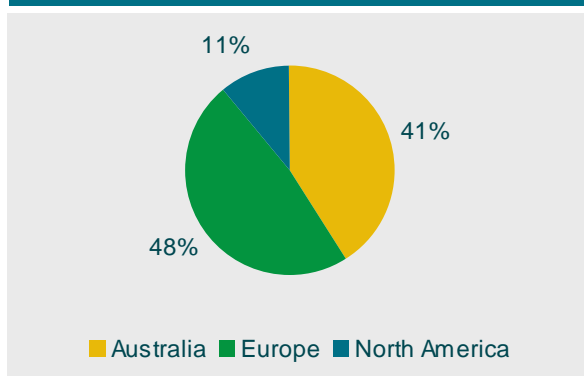
# Key Financials

## By 2007, gross cash flow covers distributions

EV to EBITDA (refer to Section 9.8 of Offer Document for assumptions on which these forecasts are based)



## FY07 EBITDA<sup>2</sup> break-down



<sup>2</sup> Based on forecast 2007 EBITDA (before corporate overheads and fees). See Section 9.8 of the Offer Document. For the US assets the figures are BBWP's share of cash distributions, rather than their equity accounted earnings, from these investments

## Reconciliation of EBITDA to gross cash flow

Refer to Section 9 of the Offer Document

(A\$m)	Forecast Jun-2006	Proforma Jun- 2006 <sup>1</sup>	Forecast Jun-2007
<b>EBITDA</b>	<b>57.5</b>	<b>76.0</b>	<b>80.2</b>
Additional US dist'n	4.7	7.3	6.2
Net interest paid	(18.2)	(23.9)	(22.8)
Change in WC	(0.7)	0.4	4.9
Tax paid	--	--	--
<b>Gross cash flow</b>	<b>43.3</b>	<b>59.8</b>	<b>68.5</b>
Distributions	(47.6)	(47.6)	(52.5)
Net borrowings	241.4	237.7	(16.0)
Shares outstanding (m)	469.2	469.2	469.2
GCFPS (¢)	-	-	11.2
Tax deferred DPS (¢)	10.2	10.2	11.2
Gearing (%)	33.5	32.4	32.4
Interest coverage (x)	3.4	3.5	4.0
<b>EV / EBITDA (x)</b>	<b>17.2</b>	<b>12.8</b>	<b>12.1</b>

<sup>1</sup> Reflects the financial impact of 12 months of operations for the Initial Portfolio and the full year impact of corporate costs  
Refer to Section 9 of the Offer Document for detailed financial information, including assumptions on which forecasts are based. There is no guarantee that these forecasts will be achieved.



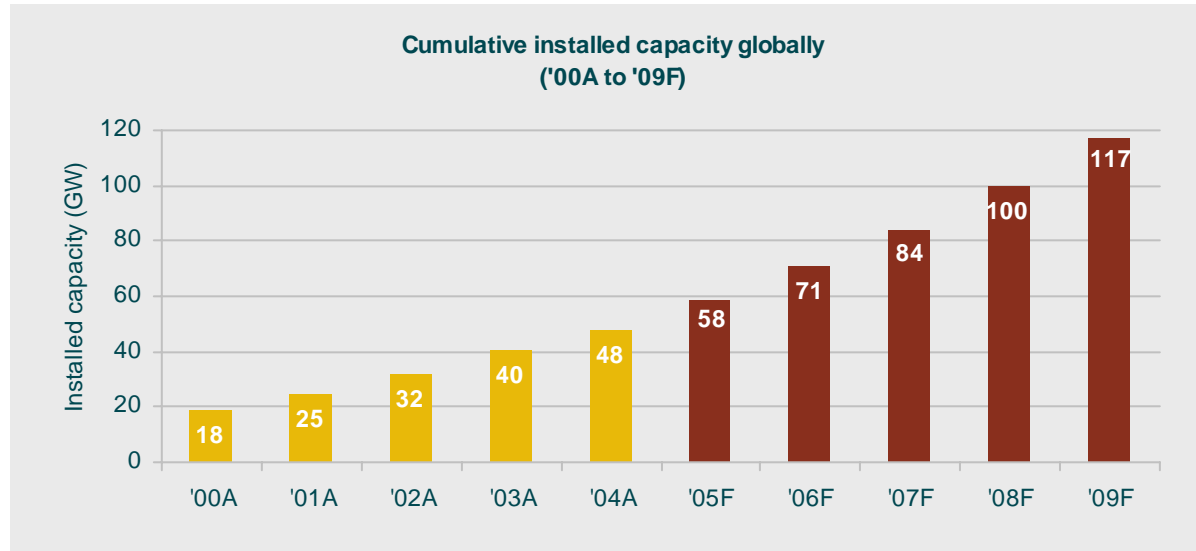
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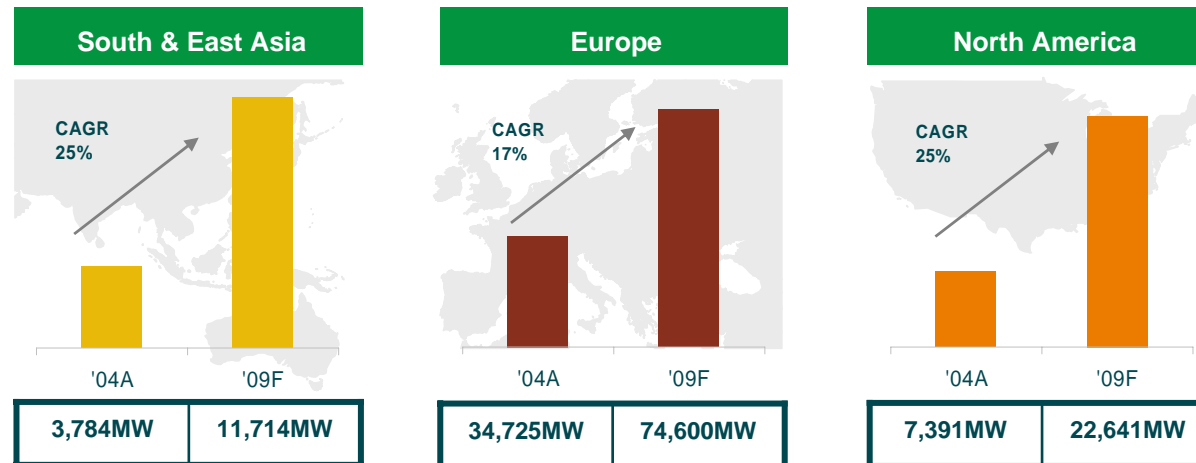


# Growing global wind energy industry

Wind energy is forecast to grow at 23% p.a. for the period of 2000 to 2009F



Projected industry growth is spread across the world



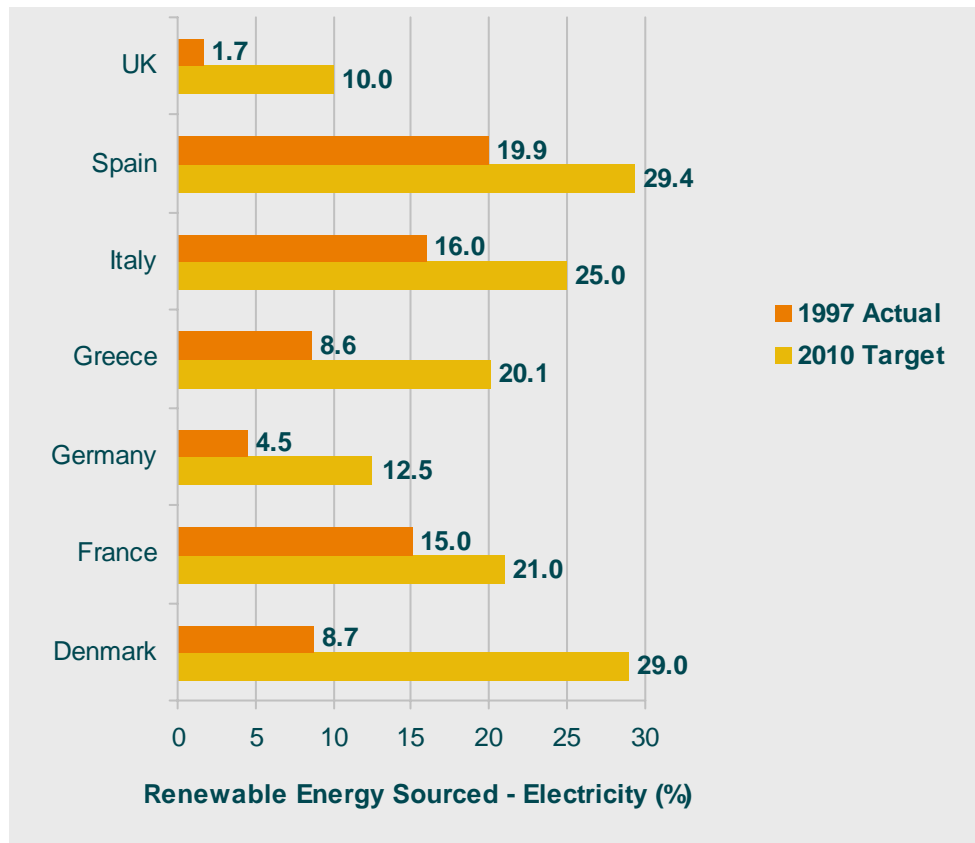
<sup>1</sup> Industry information as per BTM Consult report. Refer to Section 4.5 of the Offer Document for summary of assumptions on which industry forecasts are based





# Growth driven by the desire to reduce greenhouse gas emissions . . .

## Legislated renewable energy targets (EU)



Source: Directive 2001/77/EC of the European Parliament of 27 Sept 01

## Types of regulatory regimes

- Fixed price system – eg. Denmark, Germany and Spain
- Fixed quantity system – eg. UK and Australia
- Production tax credits – USA

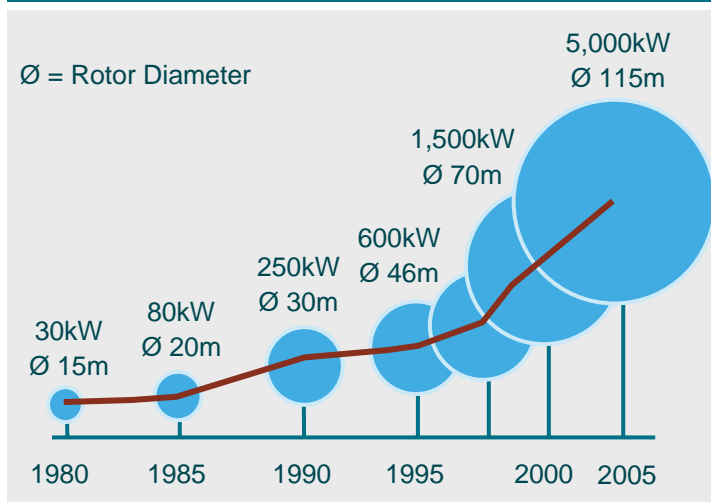
## Broader initiatives

- Kyoto Protocol: requires a 5.2% reduction in emissions by 2012 (compared to 1990)
- Emission Trading Scheme: allows for carbon credits to be traded internationally, commenced operation on 1 January 2005



# ... and dependence on non-renewables combined with significant technology improvements

**Cost of wind energy generation has reduced by 80% in the last 25 years**



Source: diagram not used in offer document instead diagram has been adopted from materials of the German Wind Energy Association

- The desire to reduce the dependence on, and depletion of, non-renewable resources, together with many countries seeking to diversify the sources of their energy supply are key drivers of future growth
- Security of energy supply is also becoming an increasingly significant issue for many countries, particularly with the level and volatility of fossil fuel prices having increased considerably over the past three years
- Over the last 25 years, the cost of producing electricity from wind energy has reduced by 80% (Industry information as per BTM Consult report.)
- Cost reduction is expected to continue at a rate of 3% to 5% p.a. on average (Refer to Section 4.5 of the Offer Document for summary of assumptions on which industry forecasts are based)



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# Management Overview

<b>Management Services Agreements</b>	<ul style="list-style-type: none"> <li>• BBWP is externally managed by BBIM under 25 year Management Services Agreements</li> </ul>
<b>Services provided by BBIM</b>	<ul style="list-style-type: none"> <li>• Sourcing investment opportunities:             <ul style="list-style-type: none"> <li>– Identify, investigate, evaluate and advise on investment opportunities</li> <li>– Provide investment management services</li> </ul> </li> <li>• Ongoing management:             <ul style="list-style-type: none"> <li>– Implement Board decisions</li> <li>– Invest and manage asset portfolio and undertake all financial reporting</li> <li>– Manage investor and public relations</li> </ul> </li> </ul>
<b>Management Fees<sup>2</sup></b>	<ul style="list-style-type: none"> <li>• 1.4% per annum of Net Investment Value<sup>1</sup> <ul style="list-style-type: none"> <li>– Babcock &amp; Brown will rebate 1% of the base fee to BBI based on BBI's holding of BBWP</li> </ul> </li> <li>• 20% of the net % increase if BBWP outperforms S&amp;P/ASX 200 Accumulation Index<sup>3</sup></li> <li>• Operating expense allowance of A\$6.0 million p.a.</li> <li>• Babcock &amp; Brown has first and last right of refusal regarding provision of financial advisory and investment banking services on an exclusive basis</li> </ul>

<sup>1</sup> Net investment value is market capitalisation in respect of the relevant quarter plus external borrowings plus firm commitments less uncommitted cash and the book value of externally managed assets

<sup>2</sup> See Offer Document section 8

<sup>3</sup> Formula for the incentive fee is: 20% x percentage return of Stapled Securities over S&P/ASX 200 Accumulation Index x BBWP market capitalisation at the end of the period. To the extent Stapled Securities underperform the S&P/ASX 200 Accumulation Index, this underperformance will be carried forward to the subsequent period for the purpose of calculating the incentive fee in this subsequent period



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# Offer structure

<b>Total equity raising</b>	<ul style="list-style-type: none"><li>• A\$657 million<sup>1</sup> market capitalisation – Babcock &amp; Brown and BBI will hold 32.5% (in aggregate)</li><li>• A\$361 million<sup>1</sup> will be offered to investors</li></ul>
<b>Offer structure</b>	<ul style="list-style-type: none"><li>• Offer size of A\$361 million - A\$396 million<ul style="list-style-type: none"><li>– Broker firm and institutional offer of approximately A\$175 million<sup>1</sup></li><li>– Foundation offer of approximately A\$186 million<sup>1</sup> (including B&amp;B subscription)</li><li>– Babcock &amp; Brown will increase its share to 15%</li><li>– Ability to accept oversubscriptions of A\$35 million</li></ul></li><li>• Initial institutional and broker firm bookbuild conducted prior to lodgement of the Offer Document</li></ul>
<b>Security structure</b>	<ul style="list-style-type: none"><li>• Triple stapled securities in BBWP</li><li>• Provides fully tax deferred distributions in the forecast period</li></ul>
<b>JLMs &amp; Bookrunners</b>	<ul style="list-style-type: none"><li>• JPMorgan and UBS</li></ul>
<b>Underwriters</b>	<ul style="list-style-type: none"><li>• Broker firm and institutional offer: JPMorgan and UBS</li><li>• Foundation offer: Babcock &amp; Brown Asset Holdings</li></ul>

<sup>1</sup> Assumes 469 million Stapled Securities on issue following Allotment at Offer Price of \$1.40 per Stapled Security





# Sources and uses of funds

<b>Sources and uses<sup>1</sup></b>			
<b>Funding Sources</b>	<b>A\$ million</b>	<b>Funding Uses</b>	<b>A\$million</b>
<b>Existing equity</b>			
Existing investors	228	Existing Investors	228
Equity issue for Alinta Wind Farm interest	48	Equity issue for Alinta Wind Farm interest	48
Equity issue for LB2 interest	20	Equity issue for LB2 interest	20
	296		296
<b>New equity</b>			
New issuance to B&B and Foundation investors	186	US Assets	82
New issuance (Institutional Offer and Broker Firm Offer)	175	Reserved funds for contributions and costs in relation to purchase of Framework Assets and securing other opportunities plus working capital	246
	361	Expenses of the offer (includes pre-offer related transactions)	33
Offer	657	Offer	657
Oversubscriptions	35	Other opportunities	35
<b>Oversubscribed Offer</b>	<b>692</b>	<b>TOTAL</b>	<b>692</b>

<sup>1</sup> See Offer Document sections 2 and 9



# Key dates

## Offer timetable<sup>1</sup>

• Broker firm commitments due	• Thu 22 September
• Institutional firm bids due	• Fri 23 September
• Offer Document lodged	• Mon 26 September
• Institutional/broker firm bookbuild	• Wed 28 to Thu 29 September
• Offer opens	• Tue 4 October
• Offer closes	• Fri 21 October
• Settlement of Broker firm and Institutional Offers	• Wed 26 October
• Allotment date	• Thu 27 October
• Deferred settlement trading	• Fri 28 October
• Normal trading	• Thursday 3 November

<sup>1</sup> These dates are indicative only and may change. BBWP reserves the right to vary any of the above dates and times of the Offer without prior notice or to close the Offer early or withdraw the Offer at any time prior to the Allotment of the Stapled Securities

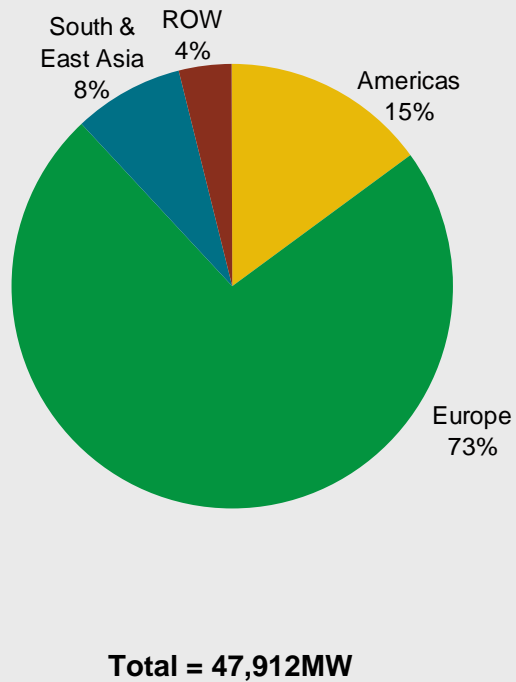


# Appendices



# Key markets are Europe and North America

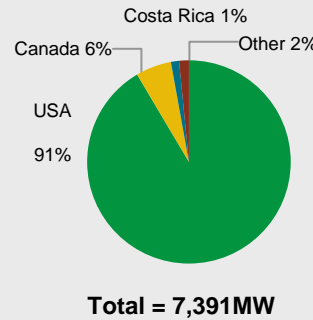
## Global Installed Capacity 2004



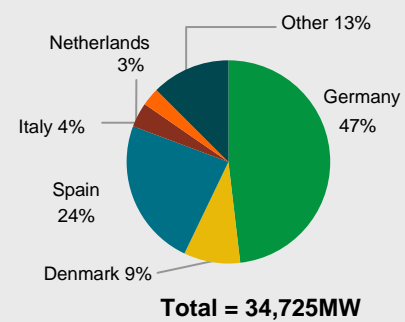
Source: BTM Consult Report 2004

## Installed Capacity by Regions 2004

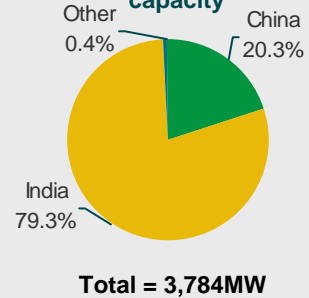
### Americas installed capacity



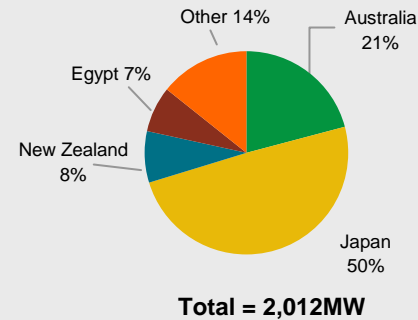
### Europe installed capacity



### South & East Asia installed capacity



### ROW installed capacity



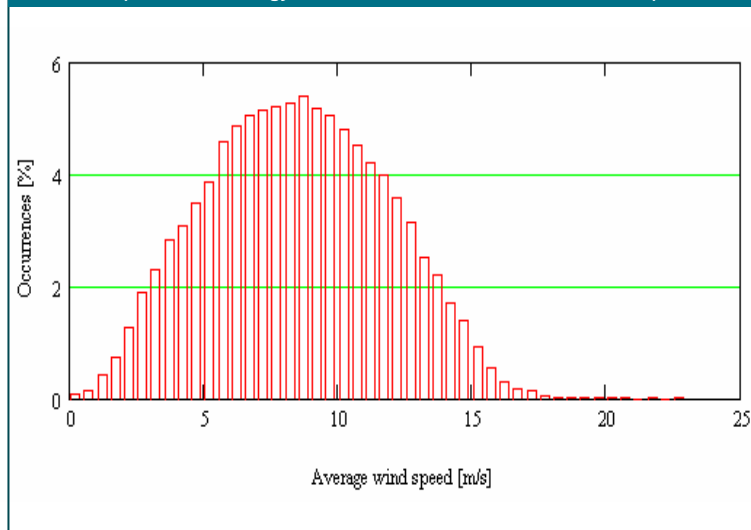
# Wind assessment and energy prediction

## Wind assessment and energy prediction process

A typical wind assessment and energy prediction process involves determining:

- Wind speed at wind turbine hub height: establishes the long-term (typically 10 years) wind characteristics at a particular point/s on the proposed site
- Gross energy output of the wind farm: optimises the wind characteristics with the site topography and surface cover, turbine profile, wind farm layout, turbulence and air density
- Net energy output of the wind farm: takes account of a number of wind farm specific loss factors, including turbine availability, electrical efficiency and interference between turbines

## Wind speed distribution for one of BBWP's wind farms (Source: an energy assessment adviser to BBWP wind farm)



## Certainty of predicted energy production

- Some uncertainty due to the natural variability of certain parameters, especially wind
- “Probability of Exceedence” means the probability that a given level of energy production will be exceeded in any year
  - for example, P90 means that there is a 90% probability that a given level of energy production will be exceeded in any year
- P50 represents the best estimate of energy production in any year and may be referred to as the “long term mean energy production”
  - the forecast financial information in the Offer Document is based on P50



# Portfolio effect and sensitivity analysis

## Sensitivity analysis

(\$'000)	Impact on 2006		Impact on 2007	
	EBITDA	NPAT	EBITDA	NPAT
P75 (Total net output production = 2,056.6GWh)	(4,627)	(3,315)	(6,948)	(5,148)
P90 (Total net output production = 1,944.3GWh)	(8,883)	(6,495)	(12,585)	(9,436)
Low market price scenario for Olivo Portfolio	(4,085)	(2,930)	(4,999)	(3,753)
+ 1% in interest rates	8	1,166	45	1,981
- 1% in interest rates	(8)	(1,154)	(44)	(1,934)
+ 5% change in A\$/ US\$ rate	(98)	7	(181)	17
- 5% change in A\$/ US\$ rate	108	(9)	200	(18)
+ 5% change in A\$/ € rate	(1,729)	(362)	(2,180)	(486)
- 5% change in A\$/ € rate	1,910	399	2,410	538

- Caution should be taken in drawing conclusions from the P75 and P90 scenarios above because it is unlikely that each individual wind farm in the Initial Portfolio will achieve the P75 or the P90 level simultaneously
- Hence the “portfolio effect” may provide the following benefits (in terms of output generated compared to the sum of the same level for the individual wind farm projects in the Initial Portfolio):
  - At the P75 level: the Initial Portfolio is expected to generate 2.9% more than the sum of the individual levels
  - At the P90 level: the Initial Portfolio is expected to generate 5.9% more than the sum of the individual levels





# Initial portfolio summary

Wind Farm	Location	BBWP's Equity interest (%) <sup>1</sup>	Operations Start Date	Installed Capacity (MW)	Number of Turbines	Long Term Mean Energy Production (GWh pa)
<b>Australia</b>						
Alinta	Western Australia	100 %	December 2005(estimated) <sup>3</sup>	89.1	54/NEG Micon 1.65MW	366.5
Lake Bonney Stage 1	South Australia	100 %	February 2005	80.5	46 / Vestas 1.75MW	211.2
<b>Europe</b>						
<i>Olivo Portfolio</i>		100 % <sup>2</sup>				
Sierra del Trigo	Spain – Jaen		January 2002	15.2	23 / Gamesa 660kW	32.3
La Muela Norte	Spain – Zaragoza		August 2003	29.8	35 / Gamesa 850kW	70.6
El Redondal	Spain – Leon		January 2005	30.6	36 / Gamesa 850kW	66.5
Serra da Loba	Spain – Galicia		October 2005 (estimated) <sup>3</sup>	36.0	18 / Gamesa 2MW	99.9
La Plata	Spain – C. La Mancha		June 2005	21.3 <sup>4</sup>	25 / Gamesa 850kW	45.6
El Sardon	Spain – Andalucia		November 2005(estimated) <sup>3</sup>	25.5	30 / Gamesa 850kW	47.9
<i>Niederrhein</i>		99 %				
Wachtendonk	Germany – Northrhine-Westphalia		October 2005 <sup>3</sup>	12.0	8 / Nordex 1.5MW	23.7
Bocholt-Lieden	Germany – Northrhine-Westphalia		October 2005 <sup>3</sup>	7.5	5 / Nordex 1.5MW	13.3
<b>North America</b>						
Sweetwater 1	USA – Texas	40 %	December 2003	37.5	25 / GE 1.5MW	141.7
Sweetwater 2	USA – Texas	40 %	February 2005	91.5	61 / GE 1.5MW	361.8
Caprock	USA – New Mexico	64 %	December 2004/May 2005	80.0	80 / Mitsubishi 1MW	316.6
Blue Canyon	USA – Oklahoma	40 %	December 2003	74.3	45 / Vestas 1.65MW	264.1
Combine Hills	USA - Oregon	40 %	December 2003	41.0	41 / Mitsubishi 1MW	119.6
<b>TOTAL</b>				<b>671.6MW</b>		<b>2,181GWh p.a.</b>

Notes:

<sup>1</sup> Percentages for North America constitute percentage ownership of Class B stock of project entity only

<sup>2</sup> Wind farms are not acquired by BBWP until commencement of operations and permits and approvals obtained

<sup>3</sup> Under construction

<sup>4</sup> Grid can currently only take capacity of 10MW



# Profit and loss statement

(\$'000) Year ended 30th June	2004 historical	2005 historical	2006 Directors' forecast	2007 Directors' forecast
Total product revenue	-	16,607	76,964	105,279
Operating Costs	-	(2,070)	(13,251)	(17,459)
Corporate Costs	(46)	(1,677)	(9,158)	(12,524)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (before associate)</b>	<b>(46)</b>	<b>12,860</b>	<b>54,555</b>	<b>75,296</b>
Share of net profit of equity accounted investments <sup>1</sup>	-	-	2,899	4,868
<b>EBITDA (after associate)</b>	<b>(46)</b>	<b>12,860</b>	<b>57,454</b>	<b>80,164</b>
Depreciation and amortisation	-	(5,672)	(19,946)	(25,995)
<b>Earnings before interest and tax (EBIT)</b>	<b>(46)</b>	<b>7,188</b>	<b>37,508</b>	<b>54,169</b>
Net borrowing costs	3,045	(2,280)	(18,188)	(22,776)
<b>Profit before tax</b>	<b>2,999</b>	<b>4,908</b>	<b>19,320</b>	<b>31,393</b>
Income tax expense	(236)	(1,775)	(5,796)	(9,418)
<b>Net profit after tax (NPAT)</b>	<b>2,763</b>	<b>3,133</b>	<b>13,524</b>	<b>21,975</b>
<b>Revenue growth (%)</b>	-	-	<b>363.4</b>	<b>36.8</b>
<b>EBITDA<sup>2</sup> margin (%)</b>	-	<b>77.4</b>	<b>70.9</b>	<b>71.5</b>
<b>Net output generated (GWh)</b>				
Australia and Europe	-	191	716	978
United States <sup>1</sup>	-	-	939	1,204
<b>Total</b>	-	<b>191</b>	<b>1,655</b>	<b>2,182</b>

<sup>1</sup> Net output generated – United States relates to the wind farms in the US. The investment made in these wind farms qualifies as an associate for accounting purposes and is equity accounted. Earnings from this investment are presented in the line referred to as share of net profits of equity accounted investments. Consequently individual revenue and expense lines do not include any amounts relating to the US wind farms

<sup>2</sup> Represents EBITDA before associate

Refer to Section 9 of the Offer Document for detailed financial information, including assumptions on which forecasts are based.



# Cashflow statement

(\$'000) Year ended 30 June	2004 historical	2005 historical	2006 Directors' forecast	2007 Directors' forecast
Net Operating Cash flow <sup>1</sup>	(18,109)	(5,719)	43,254	68,506
	<b>(18,109)</b>	<b>(5,719)</b>	<b>43,254</b>	<b>68,506</b>
<b>Net Investing Cash flow</b>				
Capital expenditure	(82,728)	(236,989)	(395,616)	-
	<b>(82,728)</b>	<b>(236,989)</b>	<b>(395,616)</b>	-
<b>Net Financing Cash flow</b>				
Capital raising	62,116	121,305	332,968	-
Net proceeds/ (repayment) of borrowings	119,302	164,084	241,369	(15,920)
Distributions to Securityholders	(1,138)	(12,010)	(47,620)	(52,546)
	<b>180,280</b>	<b>273,379</b>	<b>526,717</b>	<b>(68,466)</b>
<b>Net increase/(decrease) in cash held</b>	<b>79,443</b>	<b>30,671</b>	<b>174,355</b>	<b>40</b>
Cash at the beginning of the period	-	79,443	110,114	284,469
<b>Cash the end of the period</b>	<b>79,443</b>	<b>110,114</b>	<b>284,469</b>	<b>284,509</b>

<sup>1</sup> Includes cash distributions from the five US wind farms of \$7.6 million in 2006 and \$11.1 million in 2007.

Refer to Section 9 of the Offer Document for detailed financial information, including assumptions on which forecasts are based.



# Pro forma balance sheet

(\$'000) Year ended 30 June	Actual 2005 A-IFRS	Pro forma 2005
<b>Assets</b>		
Cash	110,114	338,761
Other current assets	26,341	37,794
Property, plant and equipment	399,877	562,020
Equity accounted investment	-	83,200
Intangibles	22,817	98,393
Other non-current assets	25,081	33,481
<b>Total Assets</b>	<b>584,230</b>	<b>1,153,649</b>
Current interest bearing liabilities	185,769	177,107
Other current liabilities	27,977	27,977
Non current interest bearing liabilities	188,334	406,442
Other non current liabilities	18,027	18,027
<b>Total Liabilities</b>	<b>420,107</b>	<b>629,553</b>
<b>Net Assets</b>	<b>164,123</b>	<b>524,096</b>
Total parent equity	155,618	524,096
Total outside equity interest	8,505	-
<b>Total Equity</b>	<b>164,123</b>	<b>524,096</b>
<b>Number of shares ('000s)</b>	<b>162,756</b>	<b>469,165</b>

See slide 31 for notes to pro forma balance sheet. Refer to Section 9 of Offer Document for detailed financial information



# Notes to the pro forma balance sheet

The Pro Forma Statement of Financial Position reflects the actual financial position of BBWP at 30 June 2005 under A-IFRS, adjusted for the following:

## **Proceeds of Offer**

- An amount of \$361 million capital raised by the Offer, less \$28 million of expenses related to the Offer. The capital raised comprises 258 million Stapled Securities at an Offer Price of \$1.40 per Stapled Security.

## **Acquisitions**

- Acquisitions relating to the Initial Portfolio: the US Acquisition, the Olivo Acquisition, the purchase of the remaining 25% interest in Alinta Wind Farm and the acquisition of LB2 Co and related project development rights

## **Debt Facility**

- Debt Facility: used to partly fund the remaining three wind farms in the Olivo Acquisition.
- Niederrhein: the Debt Facility will be used to repay a bridging loan of approx Euro 5 million that was entered into with a member of the Babcock & Brown Group.





# Hedging and borrowing policy

## Foreign exchange rate hedging policy

- Debt funding, if any, provided by banks to a wind farm asset is anticipated to be sourced in local currencies creating a natural currency hedge at that funding level
- BBWP intends to hedge foreign exchange exposure associated with equity distributions from overseas to Australia in a manner approved by the relevant Boards from time to time

## Borrowing policy

- A significant portion of the funding of Wind Farm Assets is expected to be sourced from third party debt providers. The debt providers would lend to the specific Wind Farm Asset and be granted security over those Wind Farm Assets. In general and consistent with the current position, it is the current intention for all third party debt financing at the asset level to be full recourse to that asset but limited in recourse to BBWP. Floating rates of interest are typically hedged for these borrowings





# Experienced Board and management

## Board

<p><b>Peter Hofbauer (Chairman)</b></p>	<ul style="list-style-type: none"> <li>• Global Head of B&amp;B's Infrastructure &amp; Project Finance</li> <li>• Director of Babcock &amp; Brown Infrastructure (ASX Code: BBI)</li> </ul>
<p><b>Warren Murphy (Executive)</b></p>	<ul style="list-style-type: none"> <li>• B&amp;B senior executive</li> <li>• Led the development of Lake Bonney Wind Farm and Alinta Wind Farm and 1,000MW+ power stations in Australia</li> </ul>
<p><b>Nils Andersen* (Independent)</b></p>	<ul style="list-style-type: none"> <li>• Former senior executive of Vestas Wind System, one of the leading wind turbine manufacturer in the world</li> <li>• &gt;20 years experience in wind energy</li> </ul>
<p><b>Doug Clemson (Independent)</b></p>	<ul style="list-style-type: none"> <li>• Former Finance Director of ABB and director of BBI</li> <li>• Extensive experience in infrastructure and power generation projects</li> </ul>
<p><b>Tony Battle (Independent)</b></p>	<ul style="list-style-type: none"> <li>• Former senior executive of Calyon Australia</li> <li>• &gt; 30 years experience in the finance industry</li> </ul>

## CEO and COO

<p><b>Peter O'Connell (CEO)</b></p>	<ul style="list-style-type: none"> <li>• Former partner with Minter Ellison and Gilbert &amp; Tobin, with experience on large infrastructure projects</li> <li>• In recent years has held operational roles including director of operations at Consolidated Press Holdings</li> </ul>
<p><b>Geoff Dutailis (COO)</b></p>	<ul style="list-style-type: none"> <li>• Former Lend Lease executive for almost 19 years, including 7 years based in London with their European development business</li> <li>• Leadership roles on landmark developments such as the Bluewater retail and leisure complex in UK, and Rouse Hill regional centre in Sydney</li> </ul>

\* Nils Andersen is a director of Babcock & Brown Wind Partners Services Limited, but not a director of Babcock & Brown Wind Partners Limited or Babcock & Brown Wind Partners (Bermuda) Limited



# Disclaimer

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The offer of Stapled Securities ("Offer") is made by way of a combined prospectus and product disclosure statement ("Offer Document") prepared under the Corporations Act 2001 ("Corporations Act") and lodged with the Australian Securities and Investments Commission ("ASIC") on 26 September 2005. J.P. Morgan Australia Limited (ABN 52 002 888 011; AFSL 238188) ("JPMorgan") and UBS AG, Australia Branch (ABN 47 088 129 613; AFSL 231087) ("UBS") are Joint Bookrunners of the Offer. JPMorgan, UBS and Babcock & Brown Asset Holdings Pty Ltd (ABN 58 002 332 345) (AFSL 247 385) ("BBAH") are underwriters of the Offer. The Offer Document will be made available from the BBWP website ([www.bbwindpartners.com](http://www.bbwindpartners.com)) after the Offer Document has been lodged with ASIC. Anyone wishing to acquire Stapled Securities will need to complete the application form that will be in or accompany the Offer Document after the end of the exposure period and during the Offer Period. **No offer will be made until after the ASIC exposure period expires.**

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