

# BABCOCK & BROWN POWER

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## BBP ANNOUNCES CHANGE TO ICR TEST

As advised in May<sup>1</sup>, BBP's financial performance for FY09 has been adversely impacted by weak operating conditions. While management continues to expect normalised FY09 EBITDA to fall within the \$260 - \$270 million range previously advised, the BBPF Bank Syndicate has agreed to lower the BBPF loan facility default ICR threshold for the June quarter from 1.35x to 1.1x.

The ICR is a financial calculation based on a four-quarter look back and includes net capital expenditure, movements in working capital and tax. The final June quarter ICR will not be confirmed until finalisation of the 2009 full year accounts.

BBP, the BBPF Bank Syndicate and the Babcock & Brown Group (the **BBP Lenders**) are working cooperatively in relation to restructuring BBP's loan facilities. BBP had previously advised that the process was expected to conclude by July 31. The ongoing preparation of material to meet the needs of the BBP Lenders' decision-making processes has required a re-assessment of this timetable in conjunction with the BBP Lenders. As a result of these discussions, an agreement has been reached with the BBP Lenders to extend the expected completion date to mid-September.

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### Further Information:

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### About Babcock & Brown Power

Babcock & Brown Power (ASX:BBP) is a power generation business, with assets diversified by geographic location, fuel source, customers, contract types and operating mode. Its aim is to grow returns to its securityholders through optimisation of its existing power generation business and the addition of further generation assets and associated businesses via a combination of new construction and strategic acquisitions.

The portfolio has interests in 12 operating power stations representing approximately 2,800MW<sup>2</sup> of installed generation capacity. BBP has interests in a number of other associated power assets including the WA retail assets Alinta.

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<sup>1</sup> ASX Release 15/05/2009: *Revised EBITDA Guidance and FOT Transaction*

<sup>2</sup> Some assets have minority shareholders.