

BABCOCK & BROWN POWER

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MARKET UPDATE – ONE-OFF IMPACTS ON FY09

Babcock & Brown Power (ASX:BBP) advises today that it expects to book a number of one-off items in its full year accounts that will give rise to a c.\$90 million reduction in FY09 EBITDA. The one-offs have not impacted underlying performance in FY09, management thus maintains its expectation for a normalised EBITDA of \$260 - \$270 million for the full-yearⁱ.

The one-offs include a number of items, such as increased provisioning for onerous contracts held by Alinta, intangible write downs, as well as some minor uplifts. Further detail regarding the individual components will be provided at the full year results due to be announced on August 28.

As part of finalising its annual results, BBP is undertaking a comprehensive impairment test across all assets. This process is due to conclude early next week; the company will update the market as appropriate.

ENDS

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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 2,800MW¹ of installed generation capacity. BBP has interests in a number of other associated power assets including the WA retail assets Alinta.

ⁱ **ASX Release (15/05/2009):** *BBP Announces Downgrade to Underlying Earnings and Disposal of Onerous contracts*

¹ Some assets have minority shareholders.