# ASX RELEASE

**Infigen Energy**
Level 22, 56 Pitt Street Sydney NSW 2000 Australia
T +61 8031 9900 F +61 2 9247 6086
Infigen Energy Limited ABN 39 105 051 616
Infigen Energy Trust ARSN 116 244 118
Infigen Energy (Bermuda) Limited ARBN 116 360 715
www.infigenenergy.com

15 November 2012

## AGM PRESENTATIONS

Attached are the presentations to be delivered at Infigen Energy's Annual General Meeting being held today at 11am at the Radisson Blu Plaza Sydney Hotel, 27 O'Connell Street, Sydney.

The Annual General Meeting will be webcast and can be viewed via the Infigen Energy website at www.infigenenergy.com

**ENDS**

For further information please contact:
Richard Farrell, Investor Relations Manager
Tel +61 2 8031 9900

### About Infigen Energy

Infigen Energy is a specialist renewable energy business. We have interests in 24 wind farms across Australia and the United States. With a total installed capacity in excess of 1,600MW (on an equity interest basis), we currently generate enough renewable energy per year to power over half a million households.

As a fully integrated renewable energy business in Australia, we develop, build, own and operate energy generation assets and directly manage the sale of the electricity that we produce to a range of customers in the wholesale market.

Infigen Energy trades on the Australian Securities Exchange under the code IFN.

For further information please visit our website: www.infigenenergy.com

# Annual General Meetings of Securityholders

# Infigen Energy

# 11am, Thursday, 15 November 2012

**Mike Hutchinson, Chairman**

Good morning Ladies and Gentlemen. My name is Mike Hutchinson. I am the Chairman of Infigen Energy and it is my pleasure to welcome you all to Infigen's 2012 Annual General Meeting.

Our Company Secretary advises that a quorum of securityholders is present so I now declare the Infigen Energy Annual General Meeting open.

All securityholders have been sent the Notice of Meeting. I will take the Notice of Meeting as read. Additional copies are available.

The proxy votes received for today's resolutions have been inspected by our security registry. All validly lodged proxies have been accepted. The numbers of proxy votes received will be displayed on the screen prior to voting on each resolution. As Chairman I will cast all undirected proxies that I hold in favour of the relevant resolutions.

**INTRODUCTIONS**

Before we start the formal business of the Meeting, I would like to introduce your Board.

- Miles George is the Managing Director of Infigen Energy. Miles was appointed as a Director effective 1 January 2009. Miles will be addressing securityholders later in the meeting and will be providing an update on Infigen Energy's FY12 business performance.
- Fiona Harris joined the Board as an independent non-executive director in June 2011 and is Chair of the Audit, Risk & Compliance Committee. Fiona is also a member of the Nomination & Remuneration Committee.
- Ross Rolfe joined the Board as an independent non-executive director in September 2011. Ross is a member of the Audit, Risk & Compliance Committee and the Nomination & Remuneration Committee.
- Philip Green is The Children's Investment Master Fund nominee director and was appointed to the Board as a non-executive director in November 2010. Philip is a member of the Audit, Risk & Compliance Committee. Unfortunately Philip is unwell and under doctor's instructions was unable to travel to be here today.

- For myself, I joined the Board in mid 2009 and was elected chairman in November 2010. I am a professional engineer by education, have been a professional director since 2000, have previously served on the board of another listed renewable energy company and have experience internationally and at senior Federal Government levels.

Following the Board restructuring that was finalised at last year's AGM, I am happy to report that your Board, while small, is functioning well. All directors are making major contributions and are putting in the effort that is required – and more.

Nonetheless, in line with best practice, we recently commissioned an external independent review of the structure and operation of the Board. The report is due shortly.

I particularly want to note that our largest securityholder, the UK-based Children's Investment Fund, has remained supportive throughout the year. TCI's substantial securityholder notices record TCI's stake in Infigen as 32.74%. While TCI continued to take advantage of the "creep" provisions of the Corporations Act in increasing its stake, it has not sought to exercise any influence beyond its single Board seat, held by TCI's Philip Green.

I am sure our Board colleagues will endorse my view that Phil has made a major contribution to our deliberations during the year. And he has done so, very properly, in the interests of all securityholders.

We are also joined by Infigen's Company Secretary, David Richardson, and by members of Infigen's senior management team, who are seated in the front row.

The Company's external auditors PricewaterhouseCoopers and remuneration consultant Guerdon Associates are also present today, represented by Darren Ross and Michael Robinson respectively. I thank them for being here.

Infigen's 2012 Annual Report details the Company's financial and operating performance during the year. Copies of the report are available here today.

**PERFORMANCE**

Let me now turn to company performance.

Your Board and management remain ever vigilant on safety. We were pleased that our small 7.5MW Jersey Atlantic wind farm emerged unscathed from Superstorm Sandy in the USA recently, after the site team staff placed it on a safe footing and evacuated the site, while maintaining remote monitoring from Infigen's Operations Control Centre in Dallas. While our safety record has been satisfactory and improving, we must always avoid complacency. The embedding of safety culture and practices in everyday work practices is pleasing, as some of your directors observed at first hand last month when inspecting a high lift crane operation replacing an 12 tonne Mitsubishi gearbox in a 69 metre tall turbine at the 274–turbine wind farm at Cedar Creek in Colorado. We will continue to support management, staff and contractors in adopting further safety improvements throughout our business.

Miles George will speak in more detail about the FY12 financial performance. But in brief last year we delivered an improved net operating cash flow outcome of $62 million, up 25% on the prior year.

Our security price remains depressed and reflects no equity value in the 23 wind farms held within the Global Facility, despite the $57 million of net operating cash flow from those assets in FY12. A lot of businesses in our industry and more generally suffer the same condition currently. In some cases market valuation reflects weaker economic activity in general. While also true in our case, there have been additional factors. These include the level and nature of debt your company carries, and the substantial regulatory uncertainty which has been a feature of our industry in Australia, and the US. These factors affect investor sentiment and proper value recognition. We continue to work hard to have fundamental value realised and recognised.

There has been little change in outlook since the release of our full year results in August.

Wholesale pool prices in the United States remain weak, but our output is 86% contracted in that country, and so our exposure to short term pool price movement is limited.

In Australia wholesale pool prices have increased since 1 July this year. Our market exposed wind farms in Australia are benefitting from this. As a renewable energy generator in Australia we also create Large Scale Generation Certificates, or LGCs. Over the past year the LGC price weakness has continued, reflecting the continued overhang from excessive numbers of certificates issued for domestic solar systems and the uncertainty caused by the review of the operation of the Renewable Energy Target legislation that is currently underway. I will have more to say on that later.

We reported generation and revenue for the year to date on 31 October. The Australian result was in line with expectation with the US slightly below expectation for the Quarter due mainly to wind conditions. At this stage we have no reason to expect the aggregate full year outcome for production and revenue to vary materially from the expectations we outlined in August.

Full year operating costs expectations remain within the guidance ranges for each region reflecting management efforts to contain post-warranty costs. Over the next five years we will realise the benefits of the improved certainty of the costs in the post-warranty agreements that were entered into with Vestas in Australia and Mitsubishi in the USA in the past year.

We continue to expect to amortise approximately $55 million of the Global Facility borrowings under the cash sweep this year, in addition to further reducing our liabilities to Class A tax equity providers in the US, and to further amortising the project finance facility for Woodlawn.

We remain confident in our ability to continue to meet the semi-annual leverage ratio covenant of our Global Facility. If adverse business conditions were to place unexpected pressure on future covenant compliance, we remain confident that we have available a range of mitigants and remedies sufficient to avoid or cure any potential failure to satisfy that leverage ratio covenant.

Although we hold the development projects, Woodlawn and a prudential level of cash outside the Global Facility, the sweeping of surplus cash flows from the other operating assets effectively serves to continue to preclude the payment of distributions to securityholders. On the plus side, the amortisation of that facility through the cash sweep and the cash distributions to our Class A investors in the US, together estimated at $80 million this financial year, constitute further deleveraging from a whole of balance sheet perspective, and in that sense represents a value gain to securityholders.

The new Woodlawn wind farm in Australia contributed $6.1 million to EBITDA last year in its first partial financial year of operation. We expect an improved contribution from a full year of production and higher prices in FY13.

We have commenced construction of our 200 kW solar PV and energy storage demonstration plant at the Capital Renewable Energy Precinct and we expect to complete it in this financial year. This facility will be the first of its kind in Australia and we expect it to be the first solar farm to be registered in the National Electricity market.

During the year development approval was received from the relevant planning authorities for up to 41 wind turbines at our proposed Capital 2 wind farm in the Capital Renewable Energy Precinct on the eastern side of Lake George. Approval was also secured for up to 124 wind turbines at the proposed Woakwine wind farm near our Lake Bonney wind farm in South Australia.

Any commitment to construction awaits more favourable market, financial and capital conditions.

Having missed out in our application for funding under the Federal Government's Solar Flagships program during the year we were pleased to have the Minister refer Infigen to the Australian Renewable Energy Agency (ARENA) for funding consideration of a related solar development. We look forward to the outcome of that process, and we retain our confidence in the longer term future for utility scale solar PV generation in Australia. We look forward to developing projects in this area when investment conditions permit.

As foreshadowed at this meeting last year, we have also commenced modest solar PV development activities in the US. During the year we entered into a Joint Development Agreement with Pioneer Green Energy to develop a portfolio of solar energy projects in that country.

These projects will contribute to sustaining and enhancing the long term future of the US business.

More generally, we have continued to develop the most prospective projects and preserve and enhance the option value of others in our 1,500 MW pipeline of renewable energy projects. Discussions continue with potential co-investors in anticipation of favourable investment conditions returning.

**COMMUNITY**

In all aspects of our development, construction and operations, Infigen seeks to engage and work constructively with local communities. We try diligently to accommodate realistic local interests within our projects.

We think we have a good track record, but we always try to do better. Last year we commissioned an independent research company to survey the communities located near our wind farms in New South Wales. I am pleased to say that the majority of the survey respondents perceived and welcomed the positive economic contribution of the wind farms to the local area, although a vociferous minority continues to deny this level of community acceptance.

In assessing the effects of our operations we continue to trust global experience, evidence and science. We remain sceptical of those that seek to elevate misrepresentation and selective anecdotes. We respect opposing views, while disagreeing with many of them.

It is self-evident that wind farms affect the landscape. It is perfectly valid for people to have differing opinions on this effect. People are entitled to their differing opinions. It is the job of democratically appointed planning institutions to arbitrate such differences in each case in the public interest.

We do think it unwise to afford objectors any greater voice in settling these matters for wind farms than their contemporaries enjoy over the location of other, arguably more intrusive, facilities, such as power lines, freeways or even airports.

We remain concerned over public debate on alleged health issues at wind farms. Such important matters warrant sober and expert consideration. Not alarmist anecdotes or misrepresentation.

We, of course, sympathise with any in the community who exhibit unexplained symptoms of illness, regardless of where they live.

But the fact remains that there is no credible scientific evidence that the incidence of such symptoms is in anyway correlated with wind farm location, let alone of any causal link.

It is as valid to blame the absence of a wind farm for the symptoms of remote sufferers, as it is to blame a wind farm for local sufferers.

This is a matter for facts and evidence. While landscape objectors are entitled to their own opinions, no-one is entitled to their own facts.

We continue to monitor evidence and competent, qualified research. After all, we have onerous statutory duties in this respect, as well as obligations in respect of honesty in our business dealings and representations.

We sometimes wish our critics were barred, as we are, by law from deceptive and misleading conduct.

**REGULATION**

In Australia we are heartened by the Climate Change Authority's discussion paper on its review of the operation of the Renewable Energy Target legislation. Its firm recommendations for no material change are welcome, and, I believe, widely accepted by all responsible commentators.

We argued for no further change, not least on the grounds that constant tinkering realises regulatory risk that undermines sunk investment by our securityholders, and raises the spectre of sovereign risk for investors generally.

In that context we also welcomed the introduction of the carbon price on 1 July 2012. It is a modest complementary measure. We note the political controversy created around its continuation, but again note that the threat of further short term change represents regulatory risk that will deter investment that might otherwise be viable, and again raises the sovereign risk consideration with economy-wide investment implications.

The current carbon price is a small charge to carbon emitting generators for their use of the atmosphere as a gaseous garbage dump that is rapidly reaching its capacity.

Of course we also respect the established science on the interaction between industrial atmospheric pollution and climate, and encourage governments to continue to act responsibly, not least on the precautionary principle.

Australia has wonderful renewable energy resources and a proven ability to develop, utilise and enhance the technologies that will power our generation, and your future.

In the USA our portfolio of wind farms continues to enjoy the grandfathered benefit of federal production tax credits – an incentive broadly analogous to Australia's Renewable Energy Certificates scheme. This incentive is scheduled to expire for future construction after 31 December 2012, unless renewed. Without renewal it is likely that there will be insufficient incentive to underpin future wind farm construction in the USA. We encourage policymakers to look through the current economic weakness and provide steady and consistent support for an industry that has delivered over 50 GW of generation capacity and supports over 75,000 jobs.

We will come to remuneration later in the meeting. At this point I simply want to say that your Board continually wrestles with the challenge of retaining, recognising, and motivating our professional team fairly as it steers your company though the challenges posed by our legacy debt and asset portfolio, and the uncontrollable external factors of regulatory uncertainty, weak power prices and variable wind resource.

Once again the value targets affecting the long term incentives available to senior executives were not met, and those maturing incentives lapsed. Short term incentives awarded reflected achievements against targets set by the Board that were designed to increase long-term securityholder value. STI payments were not made when a KPI hurdle was not achieved.

We face the dilemmas of positive cash flows at a time of accounting losses. We appreciate the demand for transparency in remuneration parameters, but we must set that against the case for commercial confidentiality to preserve flexibility and advantage. We made material changes to remuneration policy last year. We appreciate the acceptance of those changes by our team.

We have made no policy changes this year, to allow time for last year's changes to settle down. We will further review remuneration policy in the coming months to determine if further changes – likely to be fine-tuning – may be warranted to ensure we have the right balance in the interests of the Group as a whole.

**WRAP UP**

I would like to finish by acknowledging the efforts of my colleagues on the Board and our Managing Director Miles George and his management team during what has been a challenging year. On behalf of the Board, I would also like to thank all Infigen employees for their dedication and hard work during the year.

It is now my pleasure to invite our Managing Director Miles George to address the meeting.

**Miles George, Managing Director**

Thank you Mike. Good morning Ladies and Gentlemen and welcome again to Infigen's 2012 Annual General Meeting.

Let me begin by reiterating management's commitment to working hard to have fundamental value realised and recognised in our security price. A large number of us are securityholders too and we share your frustration in relation to security price underperformance.

During the 2012 financial year the management team continued to focus on the key controllable objectives. These included further improving operational performance, and addressing strategic issues.

I am pleased to report progress in both.

Our full year financial and operational outcome was in line with market guidance and slightly ahead of market expectation.

The key features of our full year result from an economic interest perspective were as follows:

- Revenue of $267 million was in line with the prior year despite less favourable wind conditions;
- Operating costs of $109 million were 9 percent higher than the prior year reflecting the addition of the Woodlawn wind farm and expected post-warranty cost increases, particularly in the US;
- Operating EBITDA decreased 6% to $157 million from $167 million in the prior year;
- Corporate costs were reduced by $7.2 million or 39% to $11.5 million. This included a write back of employee incentives, which lapsed unearned;
- Statutory net loss was $56 million compared with $61 million in the prior year. Although a disappointing headline number, this included a number of non-cash items that must be brought to account under the accounting standards but do not reflect how we view the underlying performance of the business;
- From a  cash perspective, net operating cash flow of $62 million represented a 25% improvement on the prior year and was largely used to pay down the Global Facility and US tax equity liabilities;
- Net debt of $943 million at June 2012 was $6 million less than the prior year. Debt repayment under the Global Facility were partially offset by the project finance debt drawn down for Woodlawn, cash expenditure on development, and adverse FX movements during the year;
- We completed the Woodlawn Wind Farm in October last year;
- We also made significant progress in relation to stabilising our operating costs by entering into post-warranty agreements for a significant portion of our wind farms in the US and Australia.

**OPERATIONS**

I would like to describe the operating result in a bit more detail.

I am happy to say that we are now operating more safely with further improvements in our lost time injury frequency rate from 3.4 to 1.0 lost time injuries per million hours worked. We continue to strive for our goal of zero harm.

We were very relieved to hear no injury to any of our people or their families as the eye of the Superstorm Sandy passed very close to our Jersey Atlantic wind farm. There was also no damage to the Allegheny Ridge or Bear Creek wind farms, which were also in the vicinity of the storm.

Infigen increased its net operating capacity from continuing operations during the year by 3 percent to 1,643 MW. This reflects the 48.3 MW addition of the Woodlawn wind farm in New South Wales.

Production was at the upper end of the guidance range that we had provided but decreased 3 percent relative to the prior year to 4,538 GWh.

- Production from our Australian wind farms increased 5 percent to 1,402 GWh primarily due to the addition of Woodlawn and improved wind conditions in South Australia partially offset by below prior year wind conditions in Western Australia and New South Wales. Australian wind energy conditions remained below long term mean energy expectations.
- Production from our US wind farms decreased 6 percent to 3,136 GWh, reflecting relatively subdued wind conditions during the year. The US has on average performed around its long term mean energy expectations over the past five years.

Revenue was in line with the prior year at $266.6 million. In local currency terms, the US business reported a revenue decrease of 4 percent offset by a 7 percent increase for the Australian business. Both outcomes were within the guidance ranges provided. The significant appreciation of the Australian dollar against the US dollar resulted in a 6 percent decrease in Australian currency revenue for the US.

In the US, revenue was affected by lower production and decreased wholesale electricity prices. In Australia, the initial contribution from Woodlawn and higher average prices more than offset lower wind conditions at some wind farms.

Operating costs increased 9 percent to $109.2 million.

In the US there was a 14% increase in wind farm costs reflecting the costs associated with a number of wind farms transitioning off warranty, including extensive end-of-warranty inspections, increased turbine O&M and component replacement costs, and some increases to professional and legal fees.

In Australia operating costs increased 11% with over half of this attributable to costs associated with the Woodlawn Wind Farm, commissioned during the first quarter of the year. Post-warranty turbine O&M and component replacement costs accounted for the remainder of the increase.

In the US and Australia, 27 percent and 69 percent of the wind farm capacity respectively were under original warranty during the 2012 financial year. In the 2013 financial year, only 6% of the US fleet will be under original warranty, while the Australian wind farms will remain largely the same at 70 percent under warranty – the slight step up reflecting the full year contribution of Woodlawn to the calculation.

We are continuing to implement improved operating practices including predictive and preventative maintenance and supply chain initiatives to contain these costs. During the year one of these initiatives came to fruition with the execution of post-warranty agreements with Vestas in Australia and Mitsubishi in the US that cover 66 percent and 39 percent of the wind farm capacity in those respective countries. Major component replacement costs within those agreements are borne by the service provider. We have also further strengthened our in-house technical capabilities and continue to work closely and directly with major component suppliers.

Our experience to date in the US has provided us with confidence that operating cost increases can be managed to the lower end of the previously guided $5-10 per MWh range.

The market in Australia is much smaller and less developed with the majority of our wind farms (and the broader Australian industry fleet) still under warranty. It is therefore difficult to confidently predict where, within the $5-10 per MWh increased cost range, we will end up once the fleet is fully out of warranty. Our objective is to lead best industry practice in post-warranty operating cost management.

As a result of these revenue and cost outcomes, operating EBITDA decreased 6 percent to $157.4 million. Corporate, development and other costs together were 22 percent or $4.7 million lower reflecting the write back of employee incentive costs and provisions. As a result EBITDA was only 4 percent lower than the prior year.

I don't normally spend a lot of time commenting on items below the EBITDA line given our depreciation expense is generally steady and predictable, and the interest expense component of our financing cost is also predictable due to the largely hedged interest rates associated with the Global Facility. However a number of large non-cash items were required to be brought to account under the financial reporting standards that led to the statutory net loss being much greater than the underlying result.

In particular, lower interest rates led to a revaluation of non-hedge accounted interest rate swaps. Another large expense was recorded in the movement in residual interest, a balancing line item that captures changes in long term assumptions and short term outcomes, in the calculation of the US tax equity liability.

As a consequence, the 2012 financial year statutory net loss was $55.9 million. This compared with a statutory net loss of $61 million in the prior year.

From a cash perspective, a strong net operating cash flow outcome was achieved, up 25% to $62.1 million due to corporate cost reductions, diligent working capital management, and lower financing costs.

Infigen's balance sheet remains sound. Infigen repaid Global Facility borrowings of $252 million across the 2011 and 2012 financial years, which was slightly ahead of guidance.

Global Facility debt repayments were partially offset by increased borrowings attributable to Woodlawn and adverse foreign exchange movements. Net debt for the year decreased from $949 million at 30 June 2011 to $943 million at 30 June 2012.

Infigen moves into the 2013 financial year with $126 million of cash, of which $97 million was held by "excluded companies" for purposes of Infigen's Global Facility. This capital provides a substantial liquidity buffer, and a source of limited funding for the best of our development opportunities.

**DEVELOPMENT ACTIVITY**

We made significant progress with our development pipelines during the year.

In November 2011, we received development approval for the proposed Capital 2 Wind Farm. This has the potential to form a significant addition to Infigen's existing Capital Renewable Energy Precinct that currently comprises the operating Capital and Woodlawn wind farms. In the same precinct, we received development approval in June 2012 for the Capital East solar PV and energy storage demonstration facility.

In February 2012, we entered into an agreement in the US to jointly further develop approximately 300 MW of solar energy projects ranging in size from 20 MW to 100 MW with a US wind and solar developer, Pioneer Green Energy. We also put in place a modest US development platform with an experienced team to pursue these and other opportunities.

Finally, in June 2012, we received development approval for the proposed Woakwine Wind Farm in south east South Australia.

**REGULATORY ENVIRONMENT**

From a regulatory perspective, in the US, Congress action to extend the production tax credit or PTC scheme, which will otherwise expire on 31 December 2012, is still pending. The federal PTC scheme has helped wind energy to become cost-competitive with fossil-fuel based generation. By 2012, over 46,000 MW of wind capacity had been installed in the US, of which 35% was added over the past 5 years - more than nuclear and coal combined. While regulatory uncertainty continues to cast a shadow over future development it is important to note that it has no effect on existing assets. Furthermore our US solar development pipeline can benefit from an incentive mechanism that currently continues through to 2016.

In Australia, regulatory challenges include recent changes to wind farm planning guidelines in Victoria, and proposed changes to wind farm planning guidelines in New South Wales. Both cases result in onerous planning consent conditions and higher development costs. The genesis of the changes appears to be the lobbying of a small but noisy minority, who continue to make unfounded accusations against the wind energy industry.

This lobbying appears to be a driver of various set-back and gateway provisions in planning system changes. The wind industry is not asking for special consideration, but simply a fair and equitable planning treatment with comparable infrastructure.

In order to deliver the annual RET targets at least cost the renewable energy industry needs to be able to plan for future demand. We were pleased with the draft recommendations put forward by the Climate Change Authority in its review of the scheme, and its recognition of the damage that regulatory uncertainty can and has done. We now look forward to the CCA delivering final recommendations which will allow the RET to stimulate real utility-scale investments and jobs in regional areas. With improved regulatory certainty the industry can put Australia on a path to a clean energy future. We will diversify the sources of energy available for electricity generation and give households and businesses a real choice when it comes to managing their carbon footprint. The price of fossil fuels is on a steep upward trajectory due to overseas demand and the development of our export markets. Securing and diversifying our energy future with clean, abundant renewable energy simply makes good business sense.

The introduction of a carbon price in Australia from 1 July 2012 also helps support the case for renewable investment. With appropriate carbon price settings, in the longer term renewable energy will move to compete directly with more traditional sources of electricity. In that scenario the current incentive mechanism and its associated risks will have less relevance, potentially enhancing the availability and terms of financing.

**OUTLOOK**

Notwithstanding the varying degrees of regulatory uncertainty in the markets in which we operate, the outlook for renewables globally is bright. The International Energy Agency's recent *World Energy Outlook* estimates that renewable energy will account for almost one third of total electricity output by 2035 - almost equalling output from coal-fired generation. It also estimates that renewable energy will become the second largest source of power generation by 2015. Clearly the term ‘alternative energy’ has become misrepresentative and those statistics illustrate that renewable energy is now truly mainstream, and a major part of the global energy future.

Infigen begins the 2013 financial year with ongoing focus on improvement in operational performance - improving site availability and operational cost containment, and building on the solid operating cash flow performance in the 2012 financial year.

We continue to forecast wind farm costs within our previously guided ranges, with the US and Australian businesses benefitting from reduced component failure risk and volatility in costs following the post-warranty agreements executed in the 2012 financial year.

Subject to these operating conditions prevailing, the amount of surplus cash flow from operations available to amortise debt under the Global Facility during the 2013 financial year is expected to be approximately $55 million. In addition we expect to further reduce our US tax equity liability and amortise the Woodlawn debt facility in accordance with its terms.

Our development pipeline remains a key strategic asset for preservation and enhancement. We are progressing selected projects in anticipation of improved market conditions beyond the 2013 financial year.

I would like to thank all Infigen staff for their contributions to the business during the year. Their dedication to the business goes far beyond the drive to deliver a strong and profitable business. We attract many of the best and brightest young minds to our business despite the availability of financially more attractive opportunities in other industries. They understand and demand that we must change the way in which we harness our energy sources. They share the drive and passion of those that have been a part of our business for many years - a passion to make our generation a key part of the electricity sector energy mix for your future and future generations. Together we will work relentlessly to overcome obstacles and pursue our goals, and deliver a brighter and cleaner energy future.

I would also like to thank all the members of the local communities that we are part of for their continuing strong support. We aim to share the economic benefits of our industry with local communities by sourcing products and services locally, and by providing direct employment opportunities locally where possible. We are also pleased to be able to host events such as wind farm open days on Global Wind Day and the very recent inaugural Woodlawn “Run with the Wind” fun run that allow the wider community the opportunity to visit a wind farm.

Finally, I would like to thank securityholders for your ongoing support.

# Infigen Energy
# Annual General Meeting

15 November 2012

# Welcome

# Mike Hutchinson

# Infigen Directors and Company Secretary

**MICHAEL HUTCHINSON**
Non-Executive Chairman

**MILES GEORGE**
Managing Director

**ROSS ROLFE AO**
Non-Executive Director

**PHILIP GREEN**
Non-Executive Director

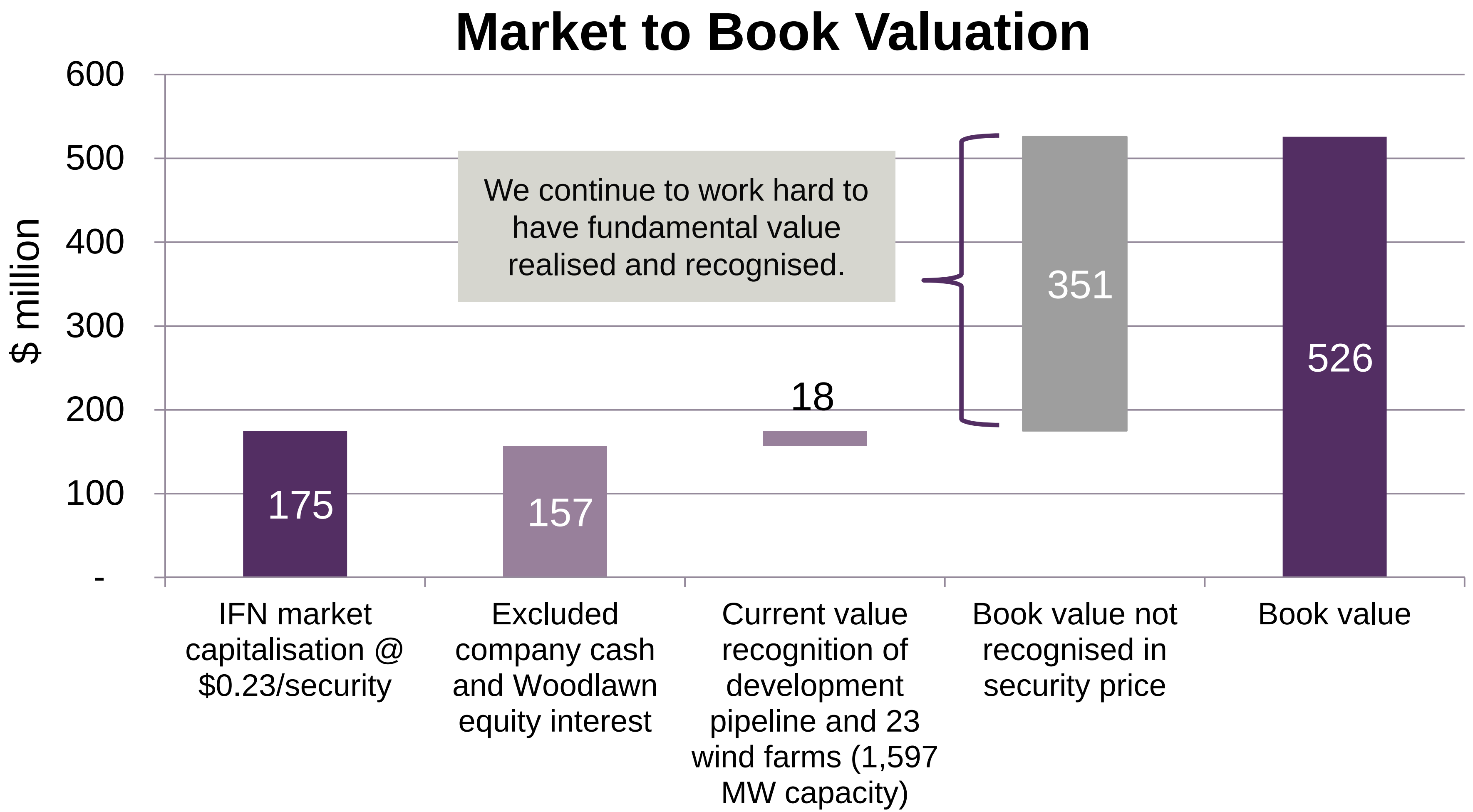
**FIONA HARRIS**
Non-Executive Director

**DAVID RICHARDSON**
Company Secretary

# Chairman's Address
# Mike Hutchinson

# Chairman's Address

## Security price remains depressed despite good cash flow generation



# Chairman's Address

## Outlook unchanged

- FY13 market guidance remains unchanged
- Expect to repay approximately $55 million debt under the Global Facility together with reducing Tax Equity liabilities and Woodlawn debt
- Continued confidence in covenant compliance
- Mitigants and remedies sufficient to avoid or cure any potential failure to satisfy Global Facility leverage ratio covenant available if unexpected pressure was to occur
- Distributions to remain suspended beyond previously indicated period
- Construction of solar PV and energy storage demonstration facility commenced
- Solar PV opportunity being investigated with ARENA
- US development activity commenced with joint development of solar PV projects with Pioneer Green Energy

# Chairman’s Address

## Community engagement

- Infigen looks to work with local and affected communities and tries to accommodate realistic local interests within its projects
- Community survey demonstrates the local economic benefits that our projects deliver
- Formulation of rules and regulations should be underpinned by global experience, evidence and science
- Assessment and arbitration of differences is the job of planning institutions, in each case in the public interest
- No credible scientific evidence to link adverse health to wind farms
- We understand and respect the duties and obligations in respect of our business dealings



# Chairman’s Address

## Regulatory Update

### AUSTRALIA

#### LARGE-SCALE RENEWABLE ENERGY TARGET

- Draft RET recommendations released by CCA in October 2012
- No adverse change to aspects that affect Infigen’s prospects
- Final CCA recommendations due in December with the Minister’s decision due by June 2013

#### CARBON PRICING MECHANISM

- Carbon price came into effect from 1 July 2012
- A modest complementary measure insufficient to drive renewable investment
- Political controversy generates regulatory risk for the industry and broader sovereign risk consideration

### UNITED STATES

#### WIND FARM PRODUCTION TAX CREDITS

- Existing wind farms not affected by PTC expiry for new wind farms
- Incentive scheduled to end in Dec 2012 unless renewed
- Policymakers need to look through current economic weakness and renew the incentive

# Managing Director's Address

# Miles George

# Performance Overview

infigen

## Strong operating cash flow performance

### FY12 Operational Performance

- LTIFR safety performance has improved from 3.4 to 1.0 over the year
- Debt amortisation guidance achieved
- Site availability above 95%
- Total production, revenue and wind farm costs within guidance
- Delivered Infigen's sixth Australian wind farm on time and on budget - Woodlawn
- Executed post-warranty agreements with Vestas in Australia and Mitsubishi in the US
- Advanced the Australian development pipeline – including receiving development approval for two further projects
- Established a US development platform with an experienced team

### FY12 Financial Outcomes

- Net operating cash flow up 25% to $62.1 million reflecting strong cash conversion
- Revenue of $267 million in line with prior year despite lower production
- Operating costs up 9% to $109 million reflecting costs associated with the completion of Woodlawn Wind Farm and expected post-warranty cost increases
- Corporate costs reduced by $7.2 million or 39% to $11.5 million (including non-recurring and non-cash items)
- Net borrowing costs reduced by 11% reflecting ongoing focus on debt amortisation

# Managing Director's Address

## Safety, Production & Revenue

**Comments**

- LTIFR safety performance has improved from 3.4 to 1.0 over the year
- No injury to our people or assets from Superstorm Sandy in the US
- Operating capacity increased 3% to 1,643 MW in FY12

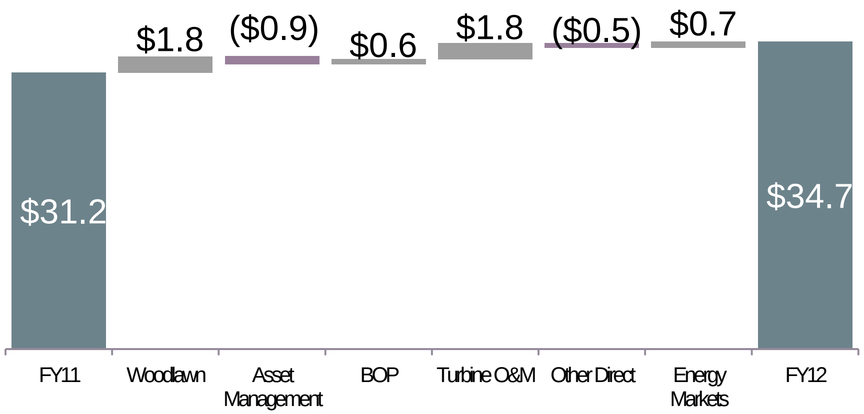
| Production (GWh) | FY12 | FY11 | Change |
|---|---|---|---|
| US | 3,136 | 3,332 | -6 |
| Australia | 1,402 | 1,335 | +5 |
| **Total** | **4,538** | **4,667** | **-3** |

| Revenue (A$ million) | FY12 | FY11 | Change |
|---|---|---|---|
| US | 140.7 | 150.4 | -6 |
| Australia | 125.8 | 117.2 | +7 |
| **Total** | **266.6** | **267.6** | **-** |

# Managing Director’s Address

## Operating costs

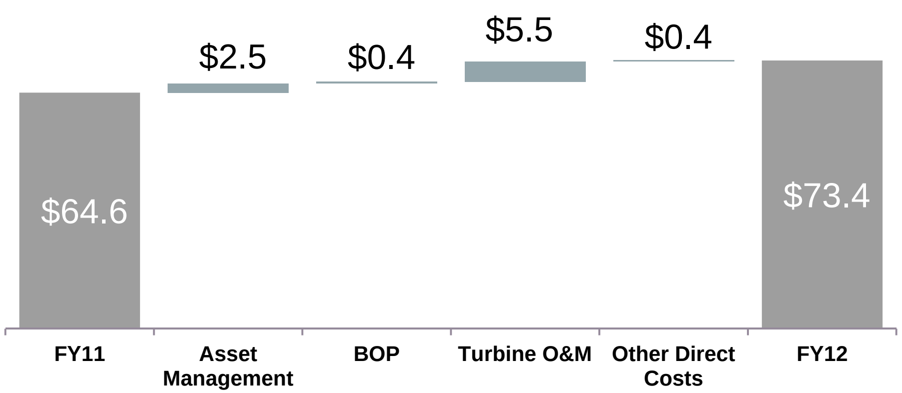
### Australian Operating Costs (A$ million)




### Comments

- Woodlawn incurred costs since completion in October 2011
- Component replacement costs at Alinta and Lake Bonney increased turbine O&M costs
- Lower asset management costs due to temporary saving in personnel costs
- Lower production linked land lease costs
- Investment in Energy Markets supported by the returns generated

### US Wind Farm Costs* (US$ million)




### Comments

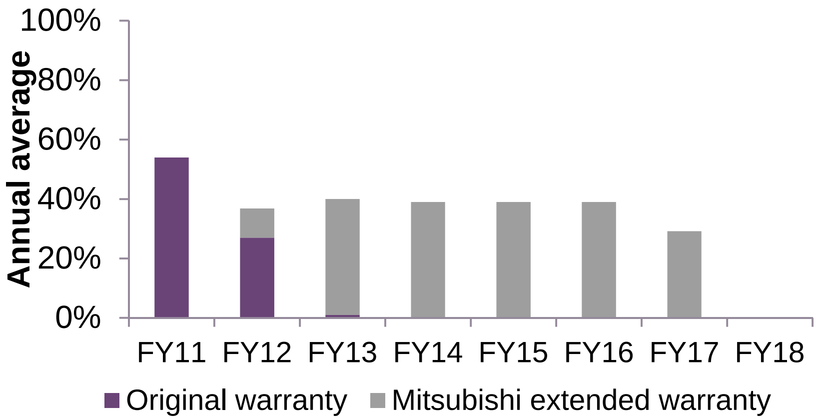
- Higher asset management costs driven by legal and professional costs
- Turbine O&M cost increases driven by preparations to transition wind farms off warranty and component replacements
- Extended warranty agreements with Mitsubishi with fixed costs will contain post-warranty costs and deliver working capital benefits in the medium term
- Remaining assets to transition off their original warranty through FY13

* Excludes Infigen Asset Management

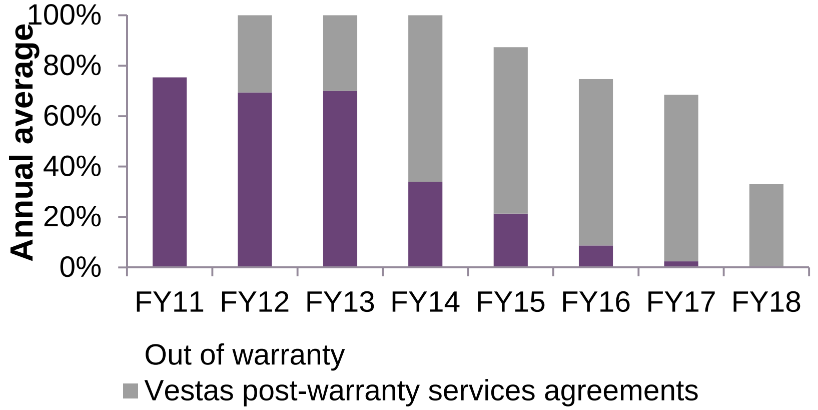
# Managing Director's Address

## Post-warranty agreements will assist in containing operating costs

### US wind turbine warranty profile




### Australia wind turbine warranty profile




### Initiatives to manage post-warranty costs

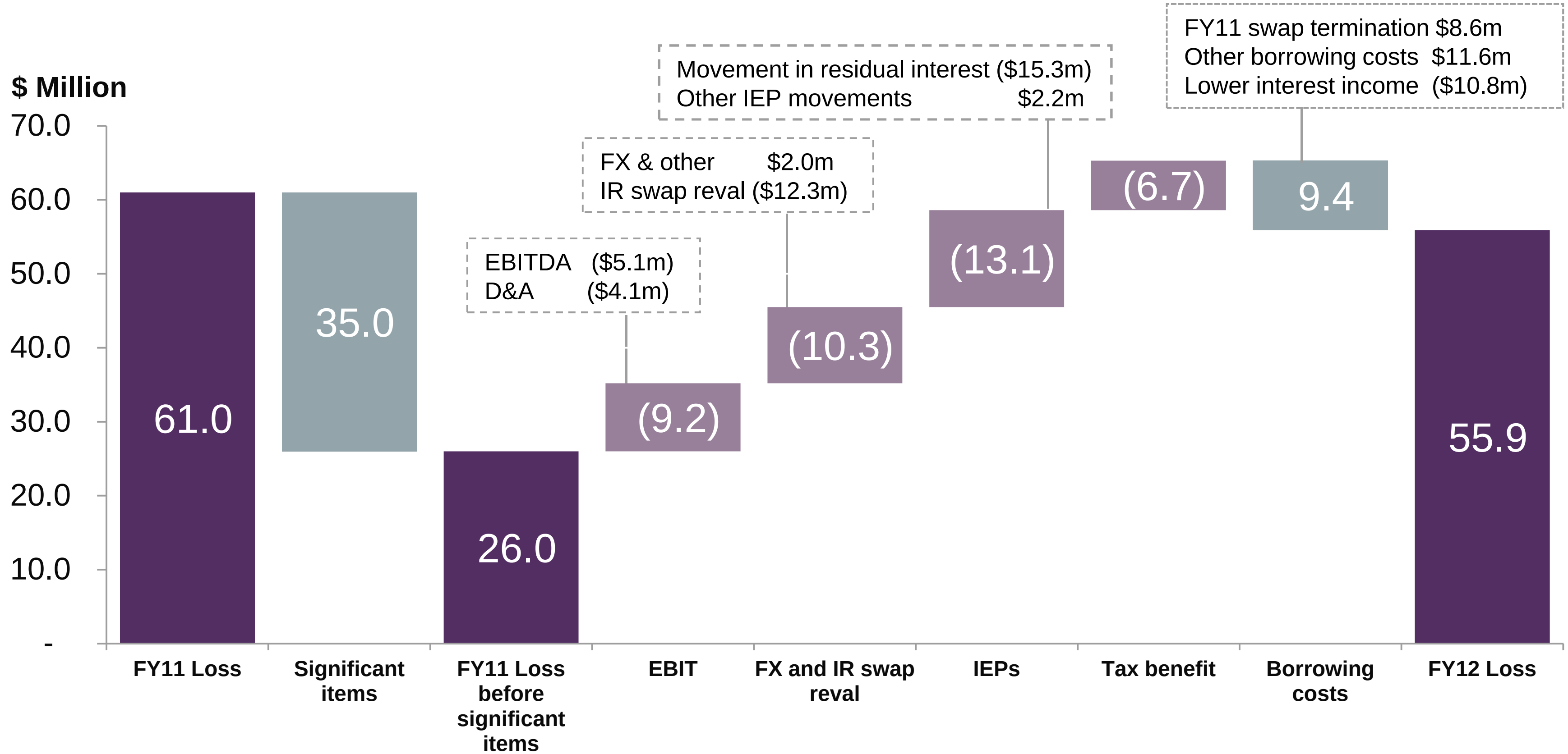
1. Increased use of preventive maintenance
2. Competitive tendering for maintenance services
3. Direct sourcing of components
4. Strategic relationships with OEMs

**FY12 progress:**

- Mitsubishi extended warranty agreements cover approximately 39% of the US assets
- Vestas service and maintenance agreements cover approximately 66% of the Australian assets
- Further strengthening of in-house technical capabilities
- Working closely and directly with major component suppliers

# Managing Director's Address

## Statutory loss included a number of large non-cash expenses




### Principal drivers of year on year movement are non-cash items:

- Interest rate swap revaluation expense (non hedge accounted) as a result of lower forward benchmark rates in Australia
- Movement in residual interest of IEP reflects difference between FY11 and FY12 outcome versus modelled expectation and changes to long term assumptions

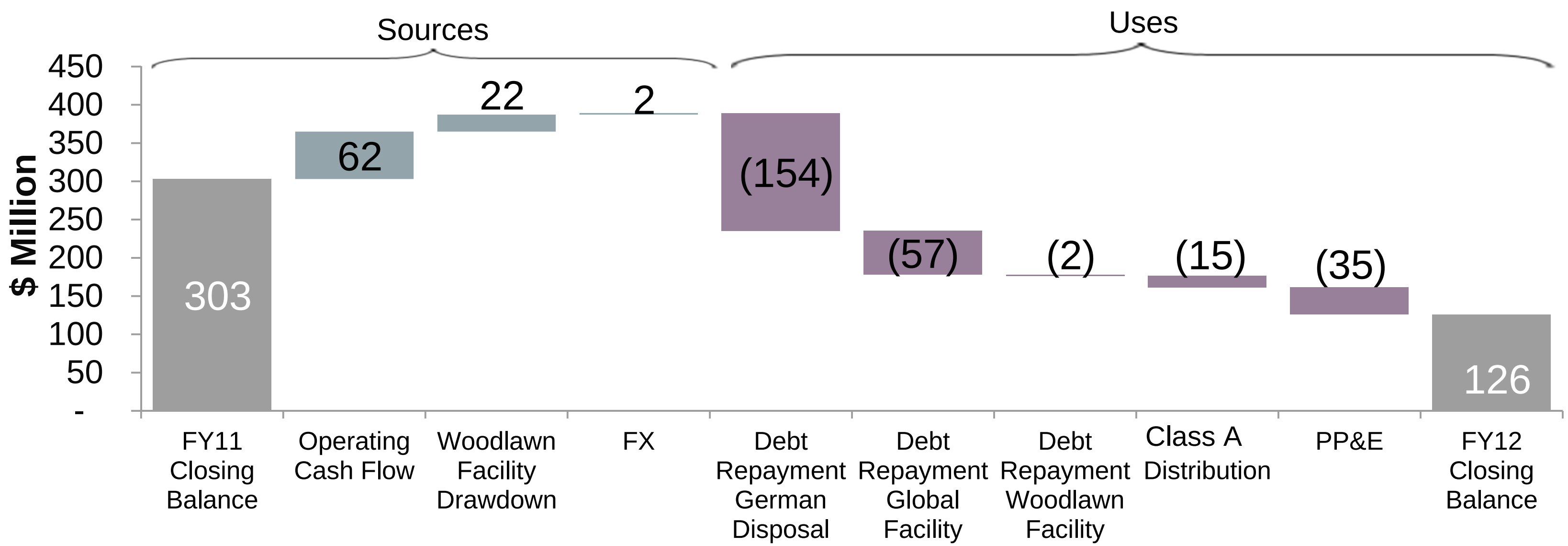
# Managing Director's Address

## Cash Flow and Balance Sheet

**Comments**

- Net operating cash flow of $62.1 million
- Substantial deleveraging of Global Facility from operating cash flow and asset sales ($252 million across FY11 and FY12)
- 30 June 2012 closing cash balance included $97 million of 'Excluded Company' cash; $105 million at 30 June 2011
- Net debt of $943 million at 30 June 2012

### FY11 to FY12 Cash Movement



# Asset Creation – Development

## Development pipeline progressed and US development activities established

| Wind Farm | Location | Capacity (MW) | Planning Status | Connection Status |
|---|---|---|---|---|
| **Bodangora** | NSW | 90-100 | Public display complete | Advanced |
| **Capital 2** | NSW | 90-100 | Approved | Advanced |
| **Cherry Tree** | VIC | 35-40 | DA lodged | Intermediate |
| **Flyers Creek** | NSW | 100-115 | Public display complete | Intermediate |
| **Forsayth** | QLD | 60-70 | Approved | Intermediate |
| **Walkaway 2&3*** | WA | ~400 | Approved | Intermediate |
| **Woakwine** | SA | ~450 | Approved | Intermediate |
| **Total** | | **1,225 –1,275** | | |

| Solar Farm | Location | Capacity (MW) | Planning Status | Connection Status |
|---|---|---|---|---|
| **Capital#** | NSW | 50 | Approved | Advanced |
| **Capital East** | NSW | 1 | Approved | Advanced |
| **Cloncurry** | QLD | 6 | Early | Early |
| **Manildra#** | NSW | 50 | Approved | Advanced |
| **Moree** | NSW | 60 | Approved | Early |
| **Nyngan#** | NSW | 100 | Approved | Advanced |
| **Various** | USA | 300 | Early | Intermediate |
| **Total** | | **567** | | |

**Comments**

- Development approval received for Capital 2 wind farm, Capital East solar farm and Woakwine wind farm during the year
- Sizable solar PV opportunity in Australia
- Capital East to be first solar PV and energy storage facility registered as a market generator in the National Electricity Market
- Joint development agreement with Pioneer Green Energy for development of US solar projects, as well as independent efforts

* Infigen has a 32% equity interest; # Infigen has a 50% equity interest

# Managing Director's Address

## Outlook & Priorities

| | |
|---|---|
| REGULATORY | • Uncertainty around US PTC scheme – no effect on existing assets<br>• Incentive schemes for solar in the US remain<br>• Onerous wind farm planning guidelines evolving in Australia<br>• Positive RET review draft recommendations<br>• Carbon price beneficial in the medium term but stronger signal required to assist renewables |
| GUIDANCE & OUTLOOK | • Wind farm costs in the US and Australia expected to be within US$74-79 million and A$34-37 million respectively<br>• Cash flow available to amortise the Global Facility borrowings is expected to be approximately $55 million<br>• Cash distribution to Class A tax equity expected to be approximately $25 million<br>• Surplus cash flow from Woodlawn Wind Farm to contribute to Excluded Company cash |
| NEAR TERM PRIORITIES | • Maximise site availability<br>• Continued focus on operational cost containment initiatives<br>• Increase value of pipeline<br>• Maximise revenue through channels to market |

infigen

# Mike Hutchinson – Chairman

# Item 1: Financial Report
## Company, Foreign Company and Trust

To receive and consider the combined consolidated financial report of Infigen Energy and the separate financial report of the Trust, as well as the respective reports of the Directors and Auditor for the year ended 30 June 2012.

*There is no vote on this item.*

# Item 2: Remuneration Report

## Company only

To adopt the Remuneration Report for the year ended 30 June 2012. The Remuneration Report is set out in the Directors' Report included within the Infigen Energy Annual Report 2012.

*This is a non-binding advisory vote.*

# Item 3: Director Re-election

## Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

That Michael Hutchinson, being a Director of the Company and the Foreign Company, who retires as a Director by rotation, in accordance with article 10.3 of the Constitution of the Company and bye-law 12.3 of the Bye-Laws of the Foreign Company, and being eligible offers himself for re-election, is re-elected as a Director of the Company and Foreign Company.

# Item 4: Participation in the Infigen Energy Equity Plan by Mr Miles George

## Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

That approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Securities Exchange for:

a) the issue to Mr Miles George, Managing Director of the Company, of up to 3,455,570 performance rights under the Infigen Energy Equity Plan (**Equity Plan**); and

b) the issue or transfer of, and acquisition accordingly by Mr George of, stapled securities in respect of those performance rights, all in accordance with the terms of the Equity Plan and on the basis described in the Explanatory Notes accompanying the Notice of Meeting.

# Item 5: Re-appointment of Auditor

## Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Foreign Company:

That PricewaterhouseCoopers, being the current Auditor of the Foreign Company, be re-appointed as Auditor of the Foreign Company to hold office until the close of the next Annual General Meeting of the Foreign Company at a fee to be determined by the Directors.

# Infigen Energy
# Annual General Meeting

15 November 2012

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