



ASX RELEASE

Infigen Energy

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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

30 August 2012

INFIGEN ENERGY FY12 FULL YEAR RESULTS

Attached are the following reports relating to the FY12 full year results for Infigen Energy (ASX: IFN):

- ASX Release – FY12 Full Year Results
- FY12 Full Year Results Presentation
- Management Discussion and Analysis of Financial and Operational Performance for the year ended 30 June 2012

ENDS

For further information please contact:
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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



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INFIGEN ENERGY FY12 FULL YEAR RESULTS

Infigen Energy (ASX: IFN) today announced a \$5.1 million reduction in its statutory loss to \$55.9 million for the year ended 30 June 2012 (FY12) compared with a \$61.0 million loss in the prior year.

EBITDA (economic interest) of \$140.5 million was 4% lower than the prior year primarily reflecting a lower contribution from the US business due to below prior year wind conditions and higher operating costs as wind farms transition off warranty. This was partially offset by the contribution from the Australian business due to the completion of the Woodlawn Wind Farm, improved market prices and lower corporate costs.

Net operating cash flow increased 25% to \$62.1 million primarily reflecting effective working capital management and lower financing costs following the significant debt repayment during the year.

Key measures of continuing business performance on an economic interest basis compared with the prior corresponding period are outlined below:

- Operating capacity: increased by 3% to 1,643 MW
- Production: decreased by 3% to 4,538 GWh
- Revenue: steady at \$266.6 million
- EBITDA: decreased by 4% to \$140.5 million
- Corporate costs: decreased by 39% to \$11.5 million
- Net loss: decreased by \$5.1 million to \$55.9 million
- Net operating cash flow: increased 25% to \$62.1 million
- Group debt: decreased by \$185.6 million or 15% to \$1,078 million

Infigen's Managing Director, Miles George said, "We are pleased to be able to deliver strong net operating cash flow growth this year, and to achieve debt amortisation guidance through our ongoing focus on cash management and conversion. This was achieved despite flat revenue as a result of below prior year wind conditions."

"The US and Australian businesses continued to focus on containing wind farm costs within the previously guided post-warranty ranges. We executed 5 year post-warranty agreements with Vestas and Mitsubishi covering approximately 66% of the Australian turbine fleet and 39% of the US fleet respectively. These agreements will help in lowering component failure risk to Infigen and reducing cost volatility for the assets covered by the agreements through to 2017," he said.

Infigen's Australian business commissioned its sixth operational asset, the Woodlawn Wind Farm, on time and on budget during the period.

Full year production and revenue across the Group were within the guided ranges. Operating EBITDA was \$157.4 million, 6% lower than the prior year primarily due to lower production and



higher post-warranty costs, partially offset by the initial contribution from the Woodlawn Wind Farm, higher average prices in Australia, and some compensated revenue in the US.

A number of non-cash items in FY12, including lower net income from US Institutional Equity Partnerships, revaluation of interest rate swaps, and a tax benefit less favourable than the prior year contributed to a net loss after tax of \$55.9 million.

OUTLOOK & FY13 GUIDANCE

Infigen begins the 2013 financial year (FY13) with the ongoing focus on continuous improvement in operational performance and building on the FY12 solid operating cash flow performance.

In FY13, production in the US and Australia is expected to improve through a full year contribution from the Woodlawn Wind Farm in Australia, and a general improvement in wind conditions.

The US assets remain highly contracted and unlikely to experience any material deterioration in revenues as a result of continued low wholesale electricity prices. Infigen's Australian merchant assets will benefit from the introduction of a price on carbon that has increased wholesale electricity prices since the commencement of FY13. LGC prices are expected to remain stable.

Wind farm costs are forecast to be in the US\$74 million to US\$79 million range in the US and \$34 million to \$37 million range in Australia. The US and Australian businesses will benefit from reduced component risk and volatility in costs following the post-warranty agreements executed in FY12.

Energy Markets costs in Australia and Infigen Asset Management costs in the US are expected to be around the same as FY12, subject to a similar level of activity.

Subject to these operating conditions prevailing, the amount of surplus cash flow from operations available to amortise debt under the Global Facility during FY13 is expected to be approximately \$55 million.

Following feedback from market participants, Infigen will no longer provide annual production and revenue guidance but will instead publish unaudited production and revenue outcomes each quarter. This information, with prior corresponding period comparisons, is proposed to be lodged with the Australian Securities Exchange on or around the last trading day of the month following the end of each quarter.

For further discussion of results, including the reconciliation between the statutory and economic interest financial results discussed herein, refer to the Management Discussion and Analysis document.

ENDS

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No representation, warranty or other assurance is made or given by or on behalf of Infigen Energy that any projection, forecast, forward-looking statement, or estimate contained in this presentation should or will be achieved.



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Infigen Energy
Full Year Results
12 months ended 30 June 2012

30 August 2012

Agenda

- **Performance Overview**
- Financial Result
- Operational Review
- Regulatory & Market Update
- Outlook & Priorities
- Questions

Presenters:

Miles George	Chief Executive Officer & Managing Director
Chris Baveystock	Chief Financial Officer
Geoff Dutailis	Chief Operating Officer

For further information please contact:

Richard Farrell, Investor Relations Manager

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Performance Overview

Strong operating cash flow performance resulted in delivered debt amortisation guidance

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



Financial Performance Overview (Economic Interest)

Australian pricing and new capacity offset by below prior year wind conditions and higher costs

Year ended 30 June	2012	2011	Change % F/(A)	Comments
Operating Capacity (MW)	1,643	1,598	3	<ul style="list-style-type: none"> • Woodlawn
Production (GWh)	4,538	4,667	(3)	<ul style="list-style-type: none"> • Below prior year wind conditions • Woodlawn partial year contribution
Revenue (\$ million)	266.6	267.6	-	<ul style="list-style-type: none"> • Lower production • Woodlawn partial year contribution • Higher Australian electricity prices • Higher Australian LGC prices
Operating costs (\$ million)	(109.2)	(100.5)	(9)	<ul style="list-style-type: none"> • Post-warranty wind farm costs • Post-warranty transition activity • Higher operating capacity
Corporate, Development & Other costs (\$ million)	(16.9)	(21.6)	22	<ul style="list-style-type: none"> • Lower corporate costs (LTI write back) • US development commenced
Economic EBITDA (\$ million)	140.5	145.6	(4)	<ul style="list-style-type: none"> • Higher costs • Unfavourable FX
Net Loss (\$ million)	(55.9)	(61.0)	8	<ul style="list-style-type: none"> • Lower net income from US IEPs • Lower interest income • Lower forward interest rates • Lower tax benefit
Net operating cash flow (\$ million)	62.1	49.6	25	<ul style="list-style-type: none"> • Significant improvement due to working capital management and lower financing costs

F = favourable; A = adverse

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Summary Statutory P&L and Financial Metrics

Year ended 30 June (\$ million)	2012	2011	Change % F/(A)
Revenue	283.5	285.3	(1)
EBITDA	152.7	159.3	(4)
Depreciation & Amortisation	(140.1)	(136.3)	(3)
EBIT	12.6	23.0	(45)
Net borrowing costs	(75.0)	(84.5)	11
FX and interest rate revaluations	(0.1)	10.1	(101)
Net income from US Institutional Equity Partnerships	4.4	16.4	(73)
Loss from continuing operations	(58.1)	(35.0)	(66)
Tax benefit / (expense)	2.3	9.0	(75)
Loss from discontinued operations	-	(35.0)	n.m.
Net Loss	(55.9)	(61.0)	8

Year ended 30 June	2012	2011	Change % F/(A)
EBITDA Margin (%)	53.9	55.8	(2.0) ppts
Net Operating Cash Flow per Security (cps)	9.8	8.5	15
EBITDA / (Net Debt + Equity) (%)	10.4	10.0	0.4 ppts
Net Debt/ (Net Debt + Equity) (%)	64.2	59.7	(4.5) ppts
Book Value / Security (\$)	0.69	0.84	(18)

ppts = percentage point change; n.m. = not meaningful



Reconciliation of Statutory to Economic Interest

Year ended 30 June 2012 (\$ million)	Statutory	Non-controlling Interest	Economic Interest
Revenue	283.5	(16.9)	266.6
EBITDA	152.7	(12.2)	140.5
Depreciation & Amortisation	(140.1)	7.5	(132.6)
EBIT	12.6	(4.7)	7.9
Net borrowing costs	(75.0)	(0.1)	(75.1)
FX and interest rate revaluations	(0.1)	-	(0.1)
Net income from US Institutional Equity Partnerships	4.4	4.8	9.2
Loss from continuing operations	(58.1)	-	(58.1)
Tax benefit / (expense)	2.3	-	2.3
Net Loss	(55.9)	-	(55.9)

The slides that follow are presented from an economic interest perspective

Summary Economic Interest Financial Metrics

Year ended 30 June (\$ million)	2012	2011	Change % F/(A)
Revenue	266.6	267.6	(-)
Operating EBITDA	157.4	167.1	(6)
Other costs and income	(16.9)	(21.5)	21
EBITDA	140.5	145.6	(4)
Depreciation & Amortisation	(132.6)	(128.5)	(3)
EBIT	7.9	17.1	(54)
Net borrowing costs	(75.1)	(84.5)	11
FX and interest rate revaluations	(0.1)	10.1	(101)
Net income from US Institutional Equity Partnerships	9.2	22.3	(59)
Loss from continuing operations	(58.1)	(35.0)	(66)
Tax benefit / (expense)	2.3	9.0	(74)
Loss from discontinued operations	-	(35.0)	-
Net Loss	(55.9)	(61.0)	8

Year ended 30 June	2012	2011	Change % F/(A)
EBITDA Margin (%)	52.7	54.4	(1.7) ppts
Net Operating Cash Flow per Security (cps)	8.1	6.5	25
EBITDA / (Net Debt + Equity) (%)	9.6	9.2	0.4 ppts
Book Gearing (%)	64.2	59.7	(4.5) ppts
Book Value / Security (\$)	0.69	0.84	(18)

ppts = percentage point change

Revenue

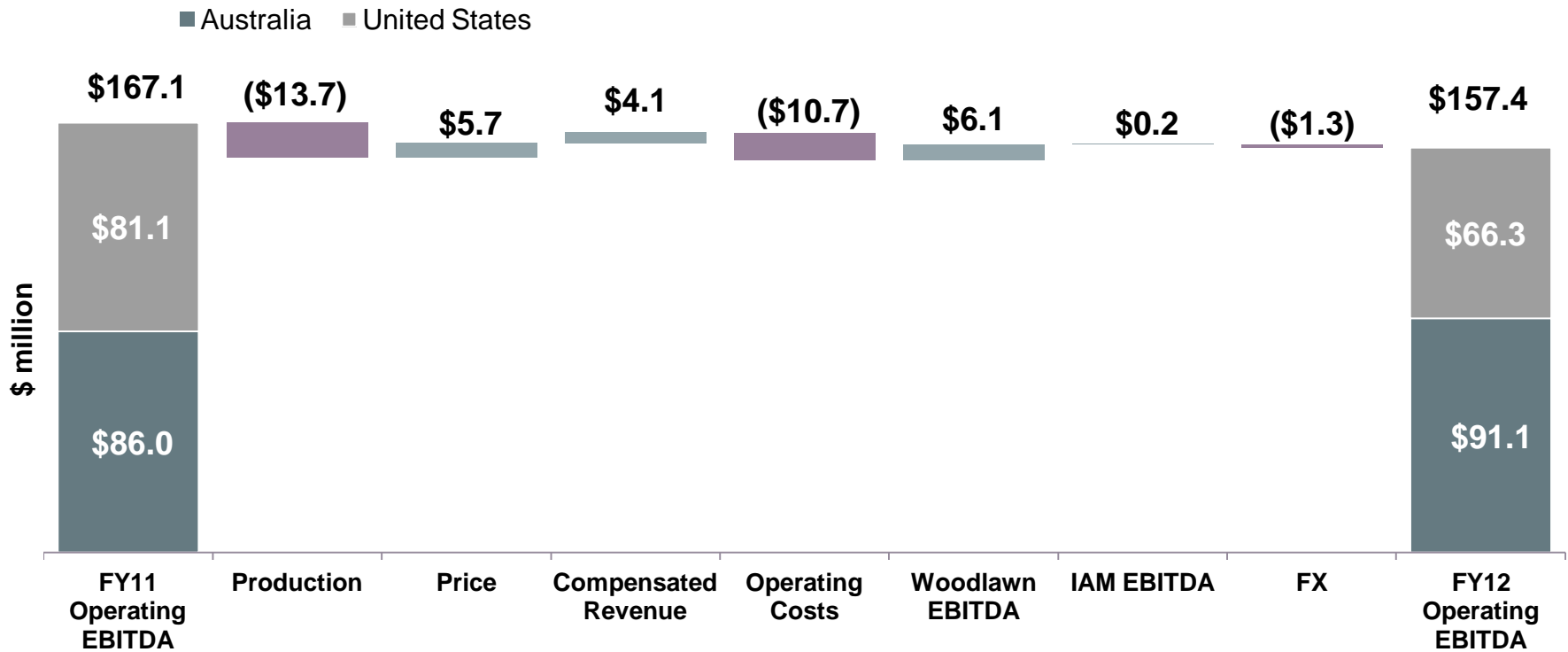
Marginally lower revenue primarily reflects lower than prior year wind conditions and FX movement offset by new capacity, higher prices in Australia, and US compensated revenue



IAM = Infigen Asset Management (US)

Operating EBITDA

Lower operating EBITDA reflects marginally lower revenue and higher post-warranty wind farm costs



Woodlawn Wind Farm was completed on 17 October 2011

Operating Cash Flow

Strong cash conversion management despite lower operating EBITDA

Year ended 30 June (\$ million)	2012	2011	Change % F/(A)
Operating EBITDA	157.4	182.9*	n.m.
Corporate, development & other costs	(16.9)	(21.6)	22
Movement in working capital & non-cash items	(2.2)	(15.1)	85
Financing costs & taxes paid	(76.2)	(88.0)	13
Termination of interest rate swap	-	(8.6)	n.m.
Net operating cash flow	62.1	49.6	25

* FY11 operating EBITDA included operating EBITDA of \$15.8m from disposed German wind farms

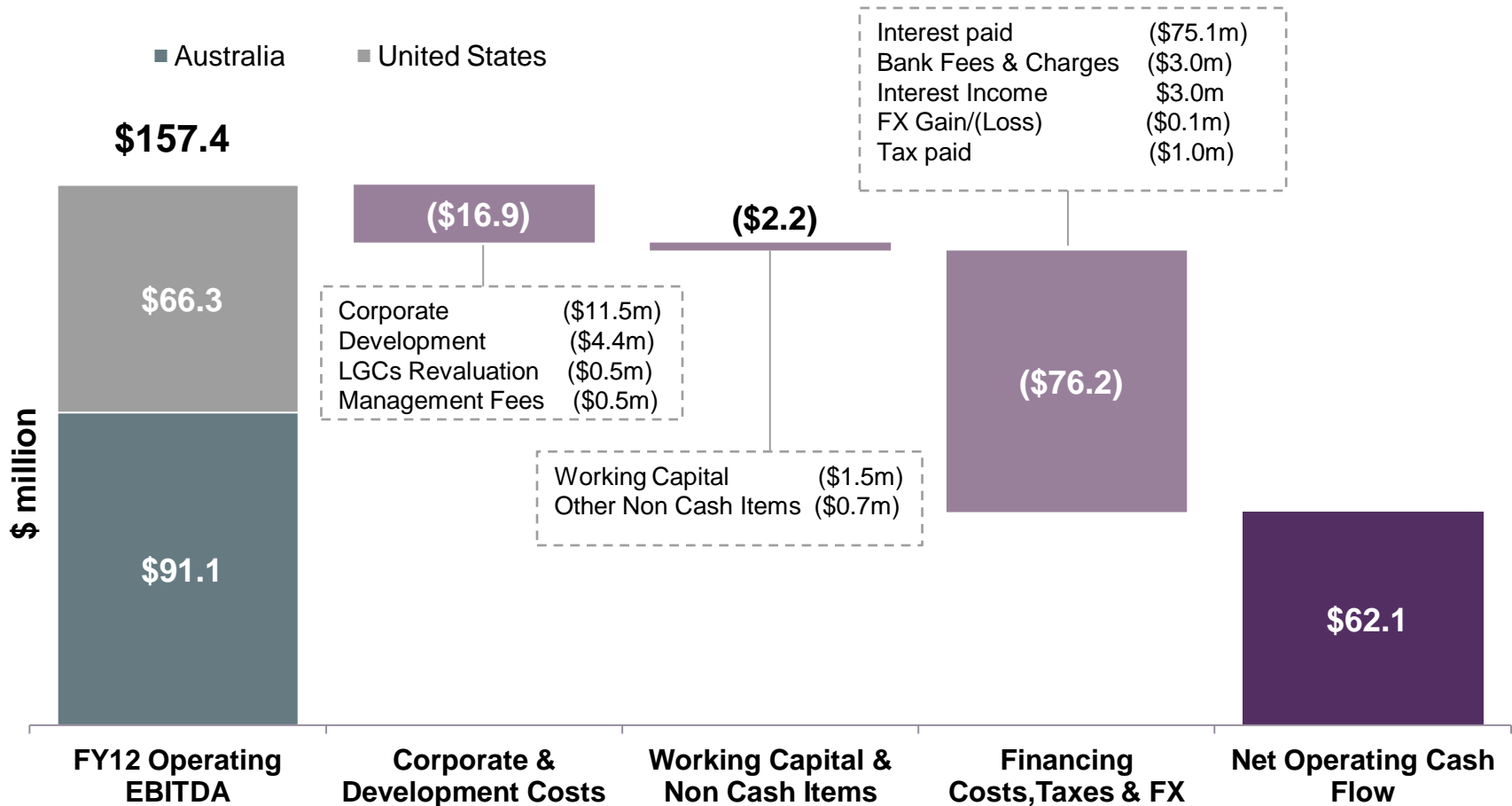
Comments

Key factors contributing to year-on-year operating cash flow movements were:

- Achievement of corporate costs reduction (includes non-cash LTI write back)
- Diligent working capital management
- Lower borrowing costs from ongoing debt amortisation

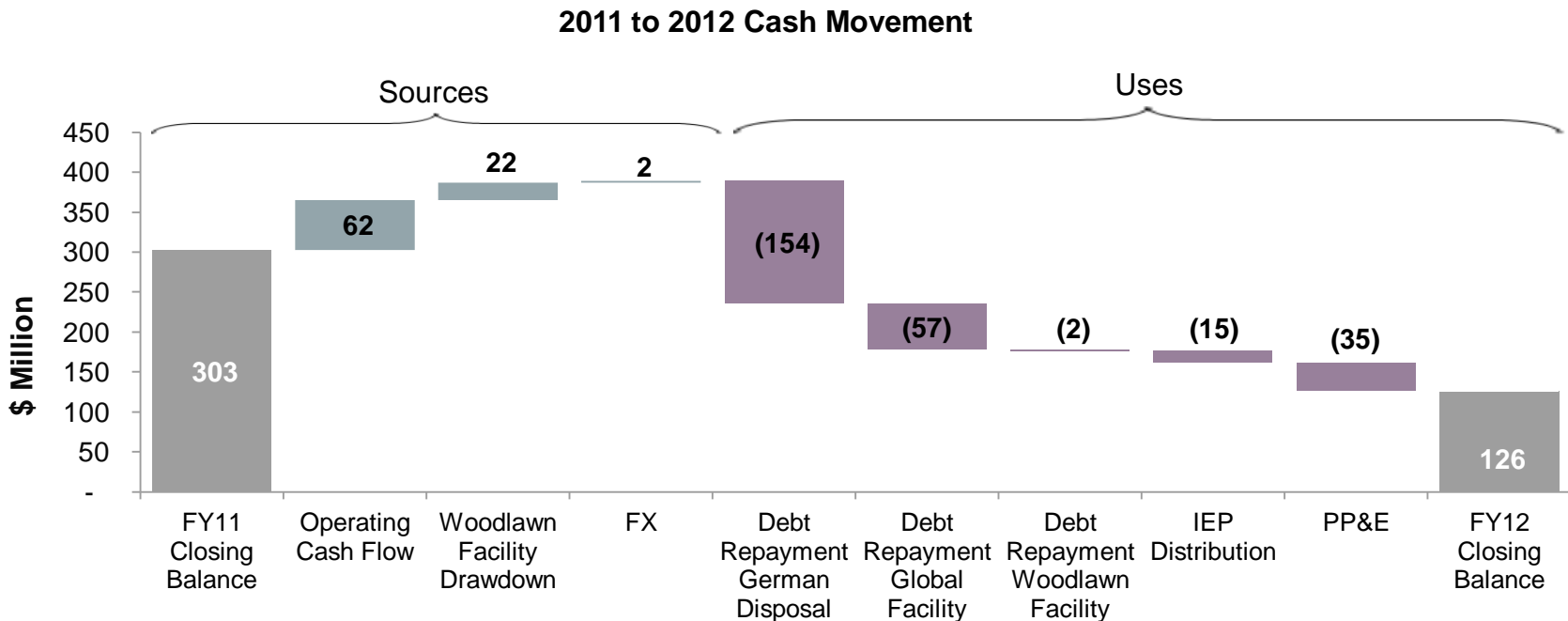
Operating Cash Flow

EBITDA to net operating cash flow movements



Cash Flow – Cash Movement

Operating cash flow and cash receipts from German assets sale used to amortise debt



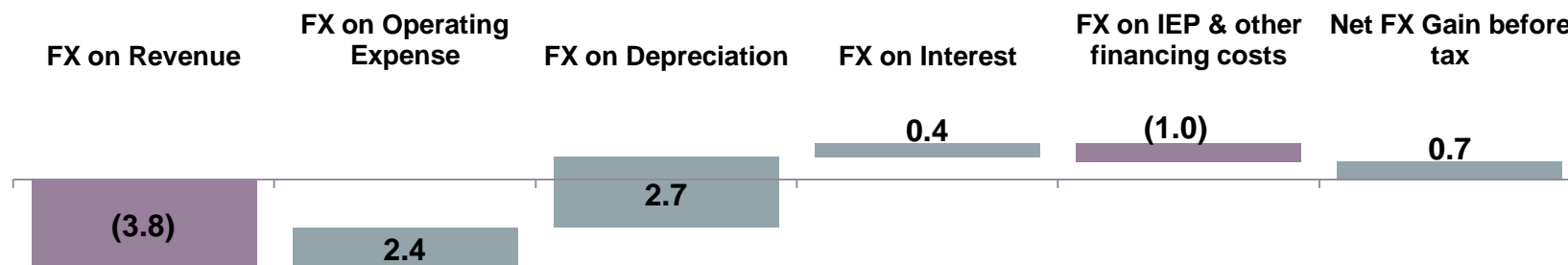
Comments

- 30 June 2012 closing cash balance included \$97 million of 'Excluded Company' cash; \$105 million at 30 June 2011
- Excluded Company cash inflows included Woodlawn operating cash flow
- Excluded Company cash outflows included Development opex and capex, Woodlawn interest and principal repayment

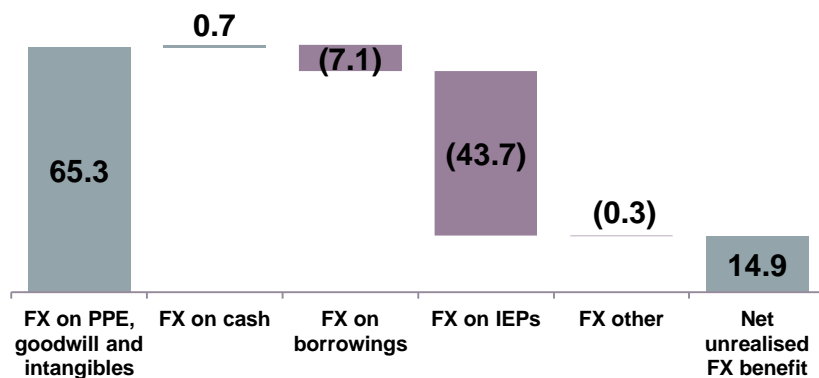
Impact of FX

Natural currency hedge results in modest P&L impact

Profit and Loss



Balance Sheet (Assets and Liabilities)



Comments

- Adverse FX effect on revenue, and on IEPs and other financing costs more than offset by effect on other expenses
- Utilised AUD strength to reduce borrowings

Average rate:

AUD:USD 30 June 2012 = 1.0195, 30 June 2011 = 0.9864
 AUD:EUR 30 June 2012 = 0.7681, 30 June 2011 = 0.7237

Closing rate:

AUD:USD 30 June 2012 = 1.0238, 30 June 2011 = 1.0710
 AUD:EUR 30 June 2012 = 0.8084, 30 June 2011 = 0.7380

Balance Sheet

AUD'million	30 June 2012	30 June 2011
Cash	126.2	303.3
Receivables, Inventory & Prepayments	62.8	67.6
PPE, Goodwill & Intangibles	2,581.1	2,609.5
Deferred Tax & Other Assets	52.9	32.6
Total Assets	2,823.0	3,012.9
Payables & Provisions	45.4	48.1
Borrowings	1,069.2	1,252.4
Tax Equity (US)	565.4	574.8
Deferred Revenue (US)	426.0	395.1
Interest Rate Derivatives	191.2	101.7
Total Liabilities	2,297.2	2,372.1
Net Assets	525.8	640.8

Debt Ratios	30 June 2012	30 June 2011
Net Debt / EBITDA	6.7x	6.5x
EBITDA / Interest	1.9x	2.0x
Net Debt / (Net Debt + Net Assets)	64.2%	59.7%

Debt Ratios calculated on an IFN economic interest basis

Debt service and leverage metrics in the above table are not directly comparable to Global Facilities covenant metrics

Comments

- Borrowings decreased \$183 million due to debt amortisation from sale of German assets (\$154 million), and Borrower Group debt repayment in December 2011 & June 2012 (\$57 million), offset by Woodlawn project finance drawdown net of debt repayment (\$20 million) and an unrealised adverse FX movement (\$8 million)
- Global Facility leverage ratio covenant satisfied for December 2011 and June 2012

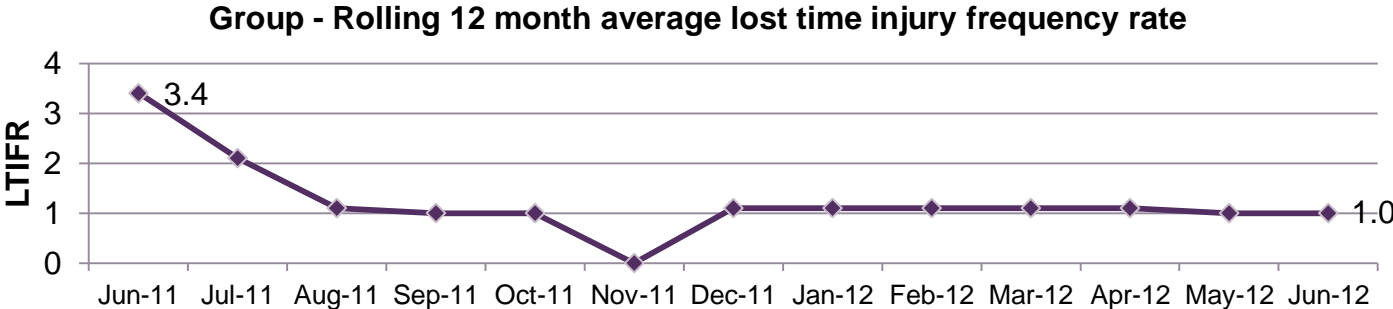
Agenda



- Performance Overview
- Financial Result
- **Operational Review**
- Regulatory & Market Update
- Outlook & Priorities
- Questions

People and Safety

Our first priority is the safety of our people and the communities we operate in



Comments

People

- Our team consists of employees and contractors across the US and Australia
- We are owners, operators and developers of renewable energy assets
- We operate 24 wind farms 24 x 7 in the US and Australia

Safety

- Focus on developing a culture where safety is our first priority
- Our LTIFR safety performance has improved from 3.4 to 1.0 over the year
- Our target remains zero harm
- New initiative and enhanced existing programs include
 - Daily tool box talks
 - Near miss reporting
 - Climbing safety on site

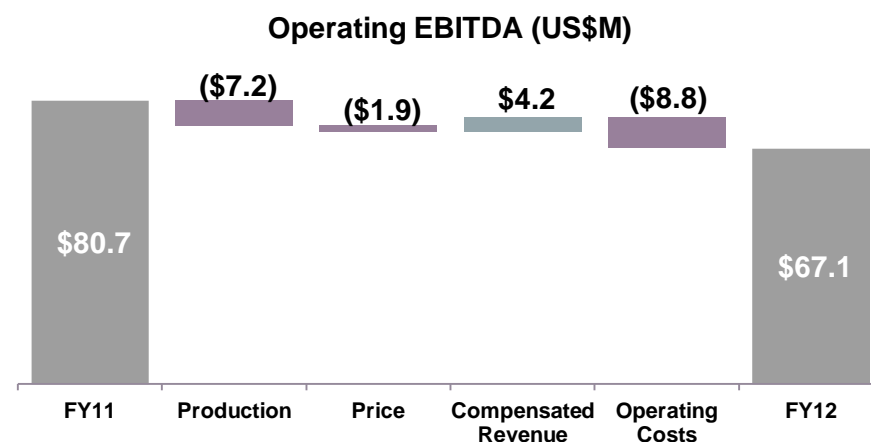
Operational Performance: US Wind Farms

Below prior year wind conditions and expected post-warranty operating cost increases resulted in lower EBITDA from the wind farms

Year ended 30 June	2012	2011	F/(A)%
Operating Capacity (MW)	1,089	1,089	-
Production (GWh)	3,136	3,332	(6)
Capacity Factor (%)	32.8	35.1	(2.3) ppts
Site Availability (%)	95.3	94.5	0.8 ppts
Revenue (US\$M)	140.5	145.3	(3)
Wind Farm Costs (US\$M)	73.4	64.6	(14)
Operating EBITDA (US\$M)	67.1	80.7	(17)
Operating EBITDA Margin	47.8%	55.5%	(7.7) ppts
Electricity Price (US\$/MWh)	43.46	43.61	-
Wind Farm Cost (US\$/MWh)	23.41	19.39	(21)

Comments

- Below prior year wind conditions resulted in lower production
- Lower revenue due to lower production and lower merchant prices, partially offset by compensated revenue
- Wind farm costs reflect wind farms transitioning off warranty and component replacement costs



Operating Costs: US Wind Farms

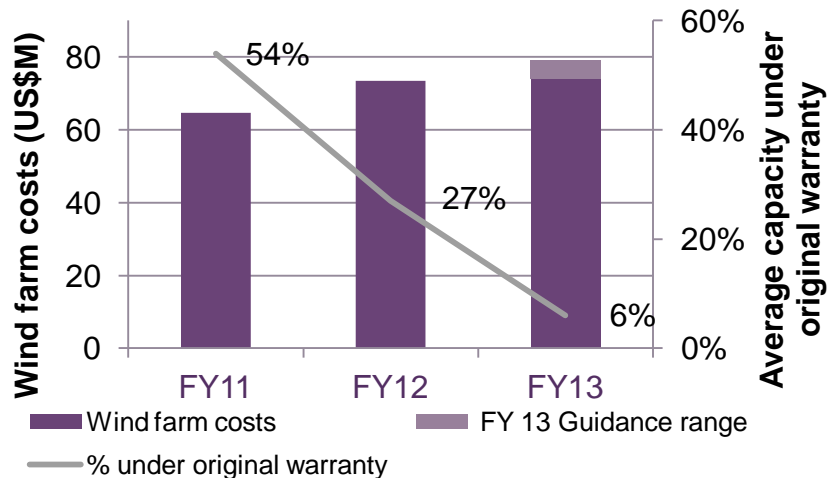
Component replacements, higher unscheduled turbine O&M costs as wind farms transition off warranty, and legal fees resulted in higher operating costs

Year ended 30 June	2012	2011	F/(A)%
Asset Management/Admin	12.2	9.7	(26)
Turbine O&M	35.2	29.7	(19)
Balance of Plant	7.2	6.8	(6)
Other direct costs	18.8	18.4	(2)
Wind Farm Costs (US\$M)	73.4	64.6	(14)

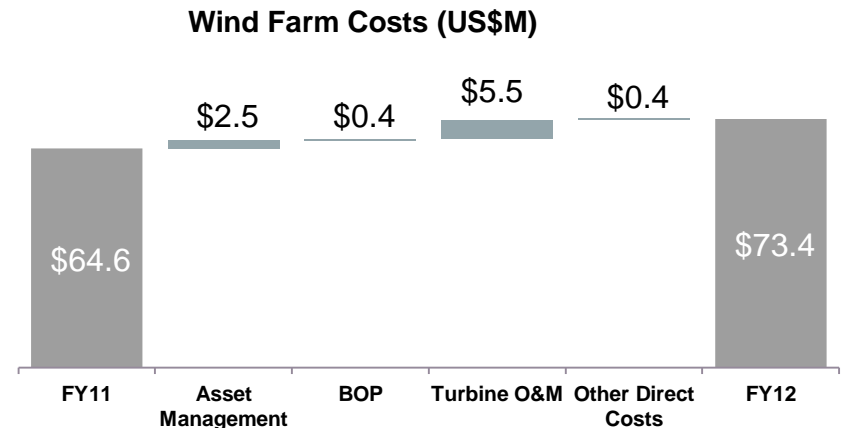
Comments

- 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

Wind farm costs



FY13 guidance reflects \$22.34 - \$23.85/MWh @ P50; equivalent to \$74 - \$79m



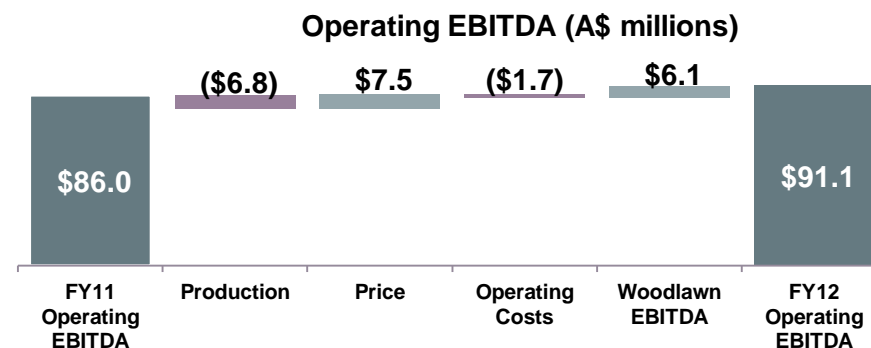
Operational Performance: Australia

Performance driven by improved pricing and production, offset by higher operating costs

Year ended 30 June	2012	2011	F/(A)%
Operating Capacity (MW)	557	508	10
Production (GWh)	1,402	1,335	5
Capacity Factor (%)	28.9	30.1 (1.2) ppts	
Site Availability (%)	95.1	97.3 (2.2) ppts	
Revenue (A\$M)	125.8	117.2	7
Operating Costs (A\$M)	34.7	31.2	11
Operating EBITDA (A\$M)	91.1	86.0	6
Operating EBITDA margin	72.4%	73.4% (1.0) ppts	
Bundled Price (A\$/MWh)	89.7	87.8	2
Operating Cost (A\$/MWh)	24.8	23.4	(6)

Comments

- Production benefitted from initial contribution from Woodlawn, better than prior year wind conditions in SA, offset by below prior year wind conditions in NSW and WA, network constraints, and a transformer failure at Capital
- Decreased site availability due to Woodlawn ramp up, transformer fault at Capital and blade replacements at Lake Bonney
- Increased revenue reflects increased production at Lake Bonney, initial contribution from Woodlawn, improved wholesale electricity and LGC prices, offset by lower production from remainder of wind farms and increased network constraints
- Operating cost increases attributable to post-warranty assets, partial year of Woodlawn and investment in Energy Markets capability



Operating Costs: Australia

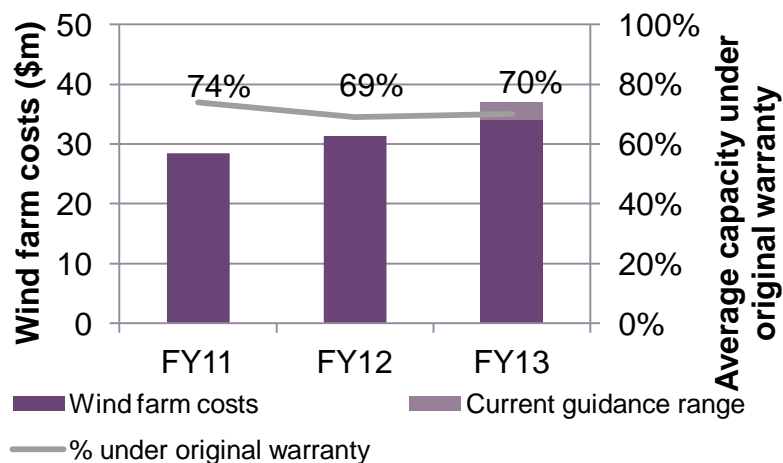
Increased costs reflect new assets, post-warranty component replacements and risk management

Year ended 30 June	2012	2011	F/(A)%
Asset Management/Admin	6.5	6.8	4
Turbine O&M	16.9	14.3	(18)
Balance of Plant	1.0	0.4	(150)
Other direct costs	6.9	6.9	-
Wind Farm Costs	31.3	28.5	(10)
Energy Markets	3.4	2.7	(26)
Total Operating Costs	34.7	31.2	(11)

Comments

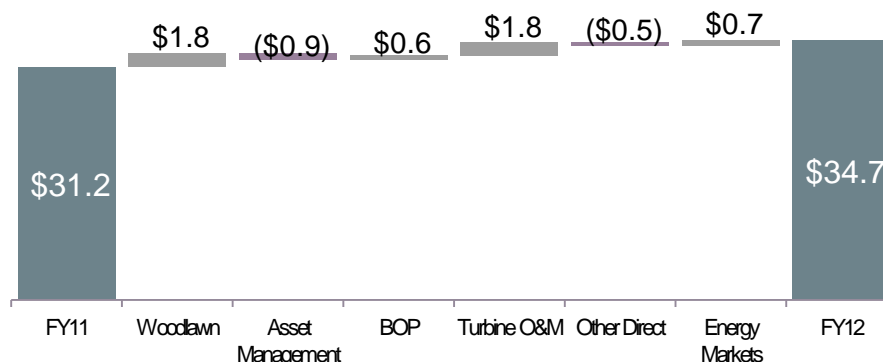
- Woodlawn incurred costs since completion in October 2011
- Component replacement costs at Alinta and Lake Bonney increased turbine O&M costs
- Lower asset management costs due to temporary saving in personnel costs
- Lower production linked land lease costs
- Investment in Energy Markets supported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

Wind farm costs



FY13 guidance reflects \$20.37 - \$22.17/MWh @ P50; equivalent to \$34 - \$37m

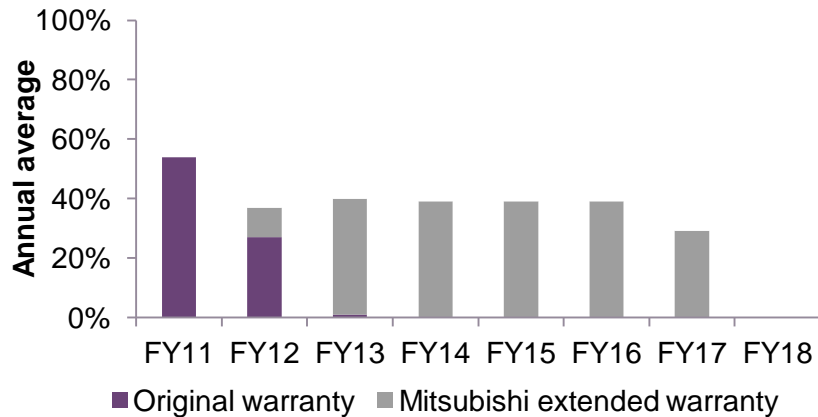
Operating Cost (A\$ million)



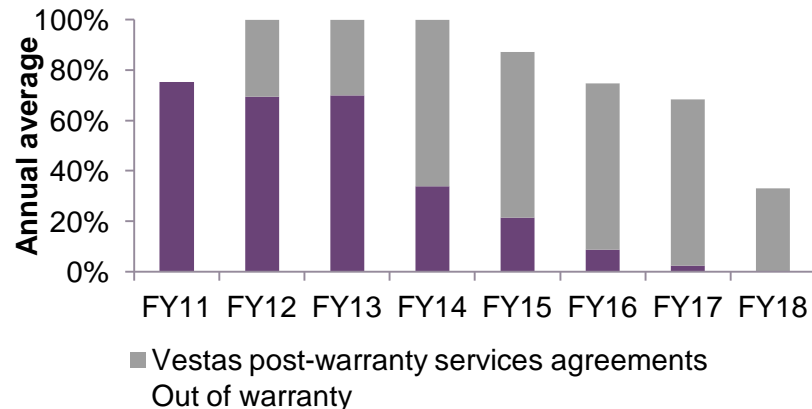
Operating Costs: Post-Warranty

As wind farms transition off warranty, increased costs will be mitigated and managed through a variety of initiatives

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

Recent progress:

- Mitsubishi extended warranty agreements covers 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

Asset Creation – Development

Wind farm pipeline progressed, internal solar expertise enhanced, Capital East solar demo plant approved and US renewable energy 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	DA lodged	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

- Introduction of onerous state wind farm planning guidelines in Australia creates significant challenges for greenfield developments and underpins value of approved developments
- 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

Asset Creation – Construction

Completed and commissioned the Woodlawn Wind Farm in New South Wales, Australia



Woodlawn Wind Farm

- 48.3 MW wind farm comprising 23 Suzlon 2.1 MW turbines
- Practical completion achieved on 17 October 2011
- \$55 million project finance
- On time and on budget performance to date in line with expectation
- Full year contribution in FY13 to benefit from higher merchant prices

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- Outlook & Priorities
- Questions

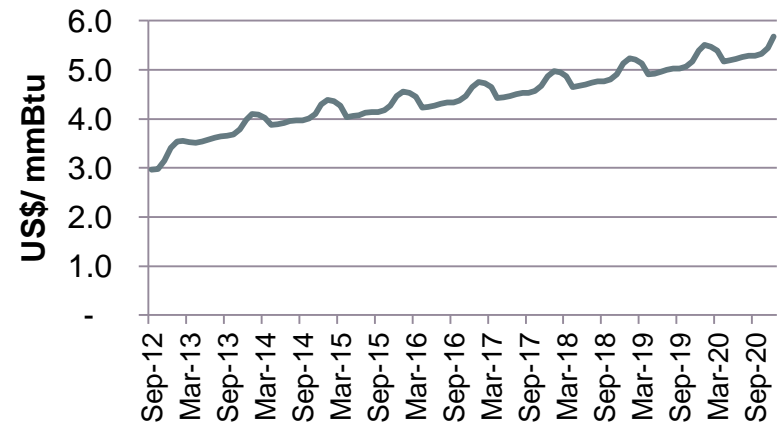
US Market Update

Infigen's US assets are largely insulated from wholesale electricity prices in the medium term

Market Drivers and Outlook

- Infigen's US portfolio is 86% contracted with an average remaining duration of 13 years that mostly insulate the business from the effect of low natural gas and electricity pricing
- Low natural gas prices and constrained pipeline capacities have resulted in slower shale gas activity
- Increasing demand, limited new capacity investment and planned retirement of coal fired power stations are expected to tighten capacity reserves in some markets and support prices in the medium term
- Recent rallies in natural gas forward prices may provide impetus to long term electricity prices

Henry Hub Natural Gas Forward Price



Source: www.cmegroup.com



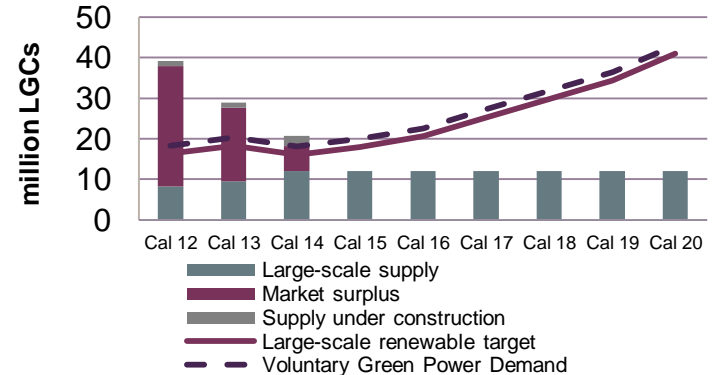
Australian Regulatory Update

RET review will assess the efficacy of the RET in achieving its stated objectives

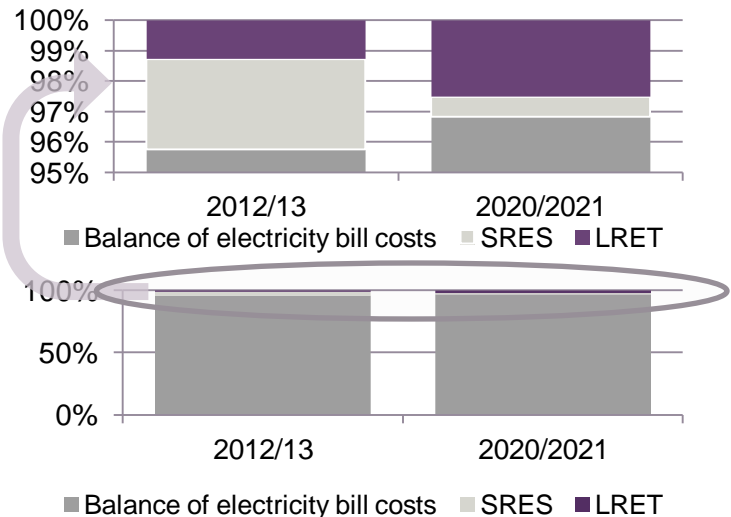
Comments

- The Government and the Opposition continue to support the 20% enhanced renewable energy target
 - “Let me assure you that the Government will continue to support a 20 per cent enhanced Renewable Energy Target
Greg Combet (Minister for Climate Change), July 2012*
 - “We remain committed to the Renewable Energy Target”
Greg Hunt (Opposition energy spokesman), April 2012*
- The true cost of the RET to households (~\$3/month) has been misrepresented by those with vested interests in having it wound back
- The relative cost needs to be put into perspective with modelling indicating that:
 - the actual incremental costs of the LRET in its current legislated form will be more than offset by the falling costs of the SRES
 - by 2020 the cost of the RET to households will be less than it is today

Modelling assumes: IPARTs LGC LRM; \$40 per STC; revised AEMO demand forecast and PV penetration
No assumptions are made in regard to any other bill component increases



The cost of the RET in perspective

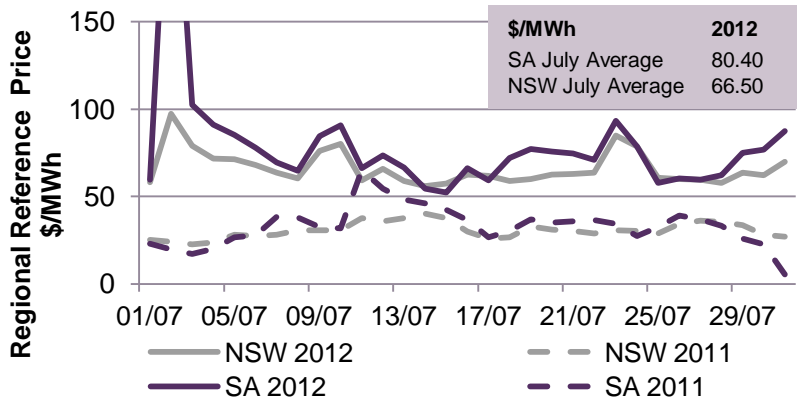


SRES = Small-scale Renewable Energy Scheme

Australian Regulatory Update – Carbon Price

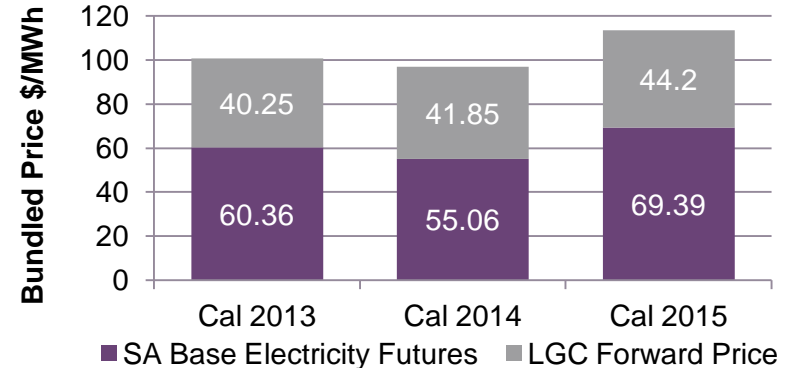
Actual and future wholesale electricity price increases reflect carbon price

July 2012 Electricity prices



Source: AEMO

Forward Electricity and LGC prices



Source: D-Cypha, Nextgen August 2012

Comments

- Carbon price commenced 1 July 2012 with 3 year fixed price, transitioning to flexible price cap-and-trade from 1 July 2015 with 5 year rolling caps
- Infigen's merchant (uncontracted) assets positioned to immediately capture the carbon price uplift
- Bundled electricity and LGC forward prices are a leading indicator to longer term contract prices
- Sustained pricing at these levels will gradually see off-takers return to the market
- Key competitive advantages:
 - Established operating assets (55% contracted) with no fuel price exposure
 - Ability to contract long term with firm pricing (no carbon pass through)
 - Mature development pipeline

Agenda

- Performance Overview
- Financial Result
- Operational Review
- Regulatory & Market Update
- **Outlook & Priorities**
- Questions



Addressing Strategic Issues

A continued focus on addressing key strategic issues will assist in achieving value recognition

OVERLEVERAGED	<ul style="list-style-type: none">• Exceeded \$250 million debt repayment target across FY11 and FY12• Continue to meet leverage covenant ratio
COMPLEX AND OPAQUE USA BUSINESS STRUCTURE	<ul style="list-style-type: none">• Further disclosure provided to facilitate understanding• US operations performing well
RESTRICTIVE GLOBAL DEBT FACILITY AND INABILITY TO GROW	<ul style="list-style-type: none">• Completed the Woodlawn Wind Farm on time and on budget• Surplus cash flow will add to cash outside the Borrower Group• Solar Flagships proposal referred to ARENA• Development pipeline advanced - focus on most prospective projects
ESCALATING OPERATING COSTS	<ul style="list-style-type: none">• Operating costs consistently within or below guidance through FY11 and FY12• Implementing stated initiatives to manage costs including executing competitive extended warranty, service and maintenance agreements
SECURITY VALUE	<ul style="list-style-type: none">• Book value of \$0.69 per security, no impairment• Improving operating conditions in Australia will create further value• Cash, Woodlawn Wind Farm equity interest and development pipeline accounts for ~\$0.25 per security

Priorities & Outlook

GUIDANCE & OUTLOOK

- FY13 production and revenue expected to benefit from improved wind conditions in the US and Australia and a full year contribution from Woodlawn Wind Farm
- Average US prices to remain stable in FY13 as weak merchant pricing continues. The merchant assets in Australia to benefit from the effect of the carbon price on wholesale electricity prices with LGC prices expected to remain stable
- Wind farm costs in the US and Australia expected to be within US\$74-79 million and A\$34-37 million respectively
- Subject to these operating conditions, cash flow available to amortise the Global Facility borrowings is expected to be around \$55 million
- Surplus cash flow from Woodlawn Wind Farm to contribute to excluded company cash

NEAR TERM PRIORITIES

- Maximise site availability
- Continued focus on operational cost containment initiatives
- Increase value of pipeline
- Maximise revenue through channels to market

Agenda



- Performance Overview
- Financial Result
- Operational Review
- Regulatory & Market Update
- Outlook & Priorities
- **Questions**

QUESTIONS



Appendix





Operational Performance Summary

Year ended 30 June (A\$m)	2012	2011	Change % F/(A)
US Wind Farm Revenue	137.4	145.7	(6)
US IAM Revenue	3.3	4.6	(28)
Australia Wind Farm Revenue	125.8	117.2	7
Total Revenue	266.6	267.6	(-)
US Wind Farm Costs	(71.9)	(65.3)	(10)
US IAM Costs	(2.5)	(4.0)	37
Australia Wind Farm Costs	(31.3)	(28.5)	(10)
Australia Energy Markets	(3.4)	(2.7)	(26)
Total Operating Costs	(109.2)	(100.5)	(9)
Operating EBITDA	157.4	167.1	(6)
US Development Costs	(1.0)	0.0	n/a
Australia Development Costs	(3.3)	(3.7)	11
Revaluation Costs & Management Fees	(1.1)	0.8	n.m.
Corporate Costs	(11.5)	(18.7)	39
EBITDA	140.5	145.6	(4)

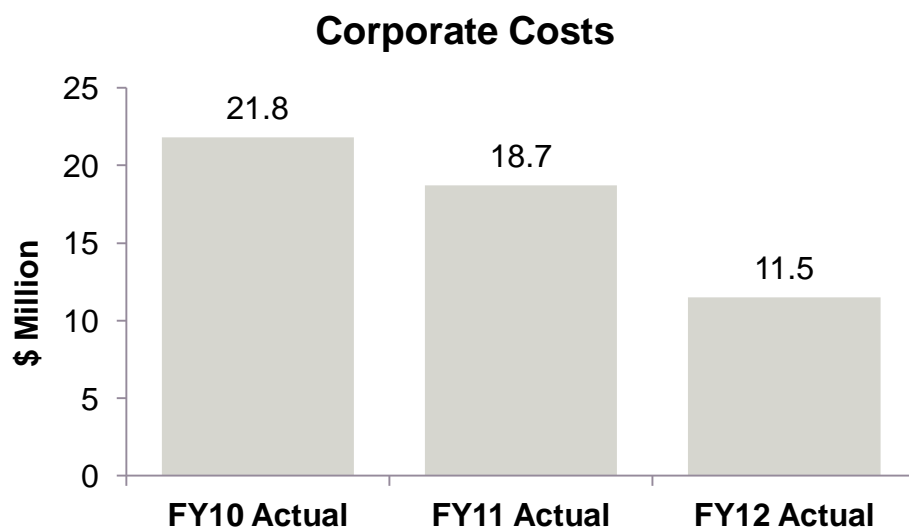


Balance Sheet by Country

A\$m	30 June 2012 IFN Statutory	Less US Non- controlling interest	30 Jun 2012 IFN Economic Interest	Australia	United States
Cash	126.7	(0.5)	126.2	110.7	15.5
Receivables	32.5	(1.1)	31.4	18.6	12.7
Inventory & LGCs	15.9	-	15.9	15.9	-
Prepayments	15.9	(0.3)	15.6	5.9	9.7
PPE	2,430.1	(151.0)	2,279.1	961.2	1,317.8
Goodwill & intangibles	318.0	(16.1)	302.0	137.1	164.9
Deferred tax assets	48.4	-	48.4	48.4	0.0
Other assets	4.5	-	4.5	4.5	-
Total Assets	2,992.0	(169.0)	2,823.0	1,302.4	1,520.6
Payables	45.0	(3.3)	41.7	15.4	26.4
Provisions	3.7	-	3.7	3.7	-
Borrowings	1,069.2	-	1,069.2	742.0	327.3
Tax Equity (US)	684.4	(118.9)	565.4	-	565.4
Deferred revenue (US)	472.8	(46.8)	426.0	-	426.0
Interest rate derivative	191.2	-	191.2	128.5	62.6
Total Liabilities	2,466.2	(169.0)	2,297.2	889.6	1,407.6
Net Assets	525.8	-	525.8	412.8	113.0

Corporate Costs

Year Ended 30 June A\$m	2012	2011	Change %
Personnel including contractors	4.3	9.2	(53)
Audit, ASX, Link, Annual Report and Board expenses	2.8	3.6	(22)
Consultants & Advisors	2.1	3.0	(30)
Accommodation, Facilities, IT, Travel & Other	2.3	2.9	(21)
Total Corporate Costs	11.5	18.7	(39)



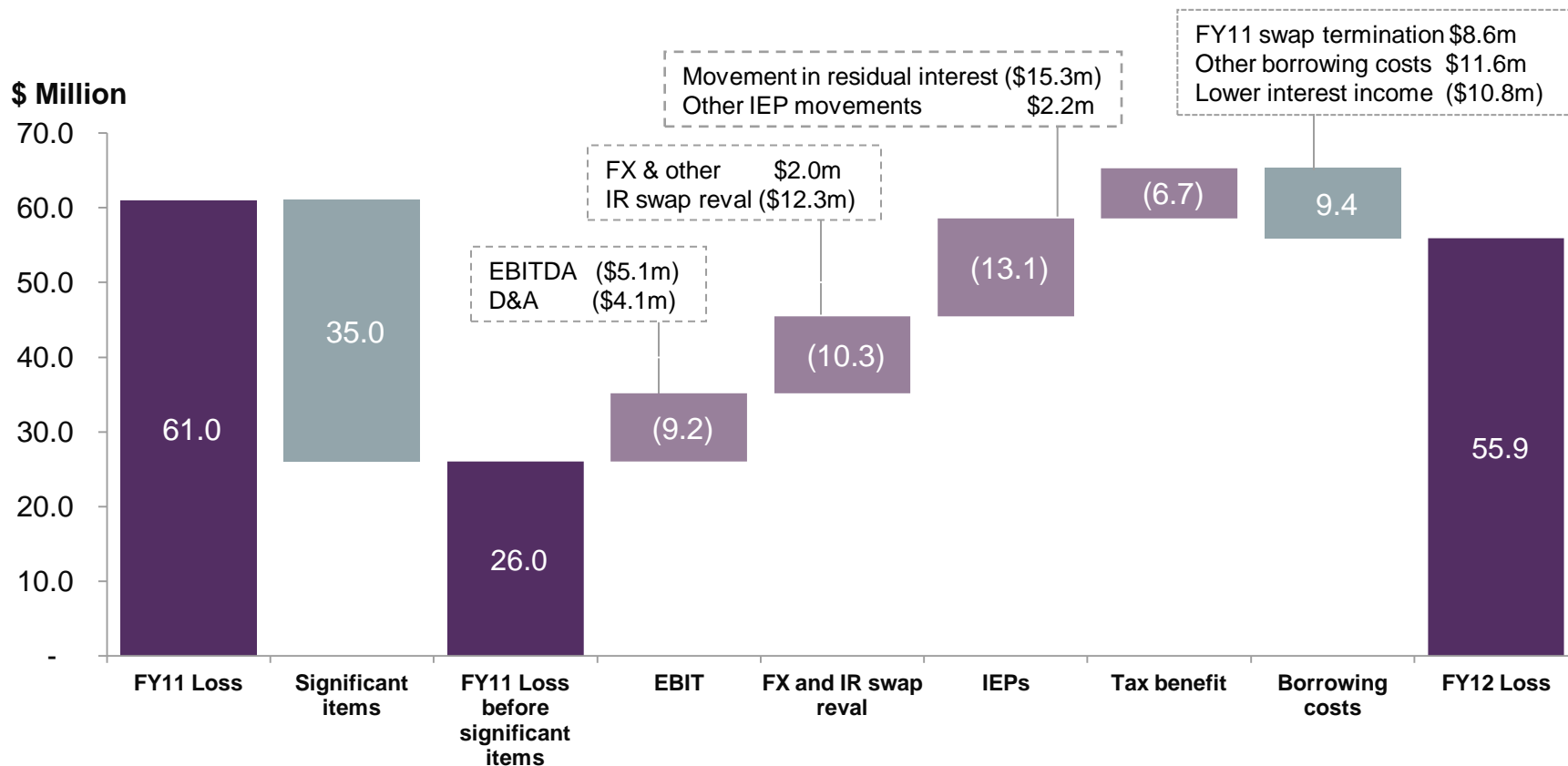
Comments

- Reduction in personnel and contractor costs including LTI write-back (\$1.9 million)
- Write-back of prior year accrual of employee STI provision (\$2.5 million)

Institutional Equity Partnerships

Year ending 30 June (\$ million)	2012	2011	Change %
Value of production tax credits (Class A)	78.5	81.9	(4)
Value of tax losses (Class A)	1.3	14.9	(91)
Benefits deferred during the period	(16.2)	(35.2)	(54)
Income from IEPs	63.6	61.6	3
Allocation of return (Class A)	(42.8)	(47.0)	(9)
Movement in residual interest (Class A)	(8.9)	6.3	(239)
Non-controlling interest (Class B)	(7.4)	(4.6)	(61)
Financing costs related to IEPs	(59.2)	(45.3)	31
Net income from IEPs (Statutory)	4.4	16.4	(73)
Non-controlling interests (Class B & Class A)	4.8	5.9	(19)
Net income from IEPs (Economic Interest)	9.2	22.3	(59)

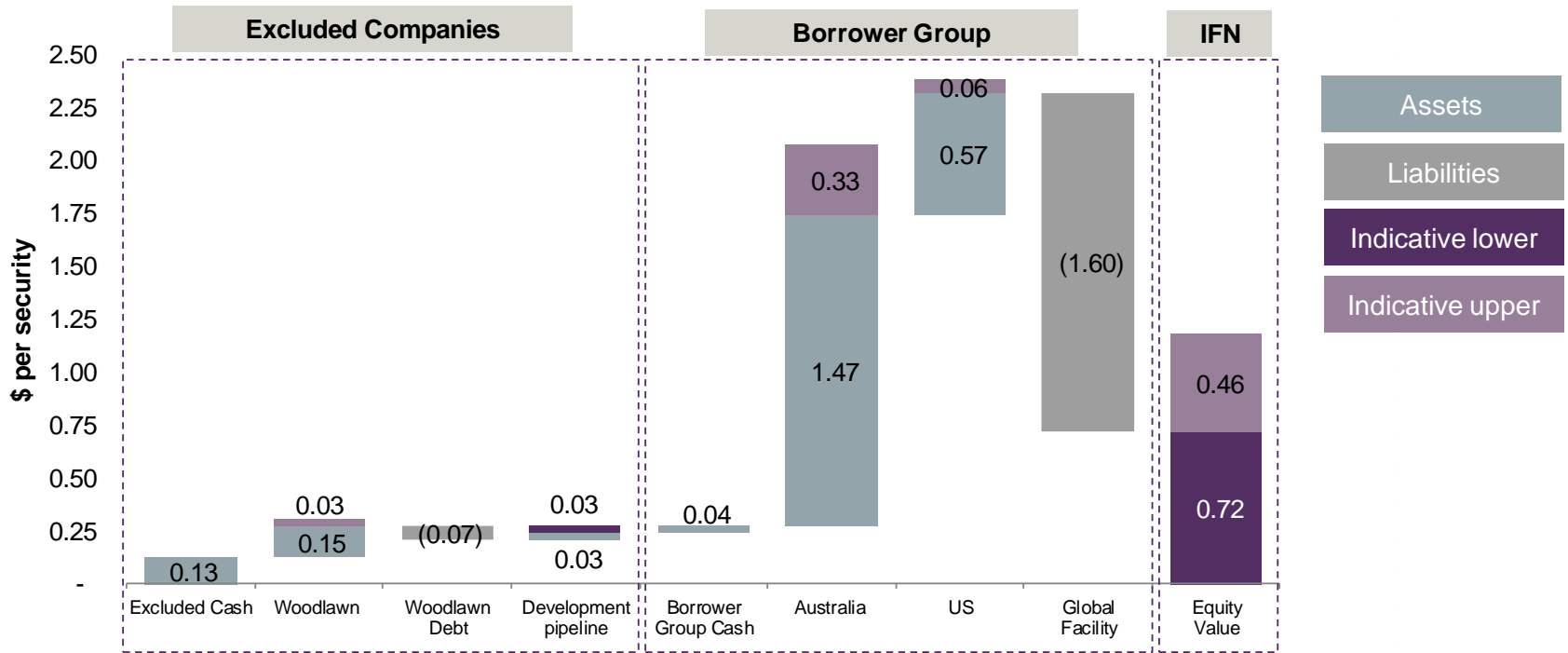
Statutory Loss



- **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

An Illustration of IFN Value Components

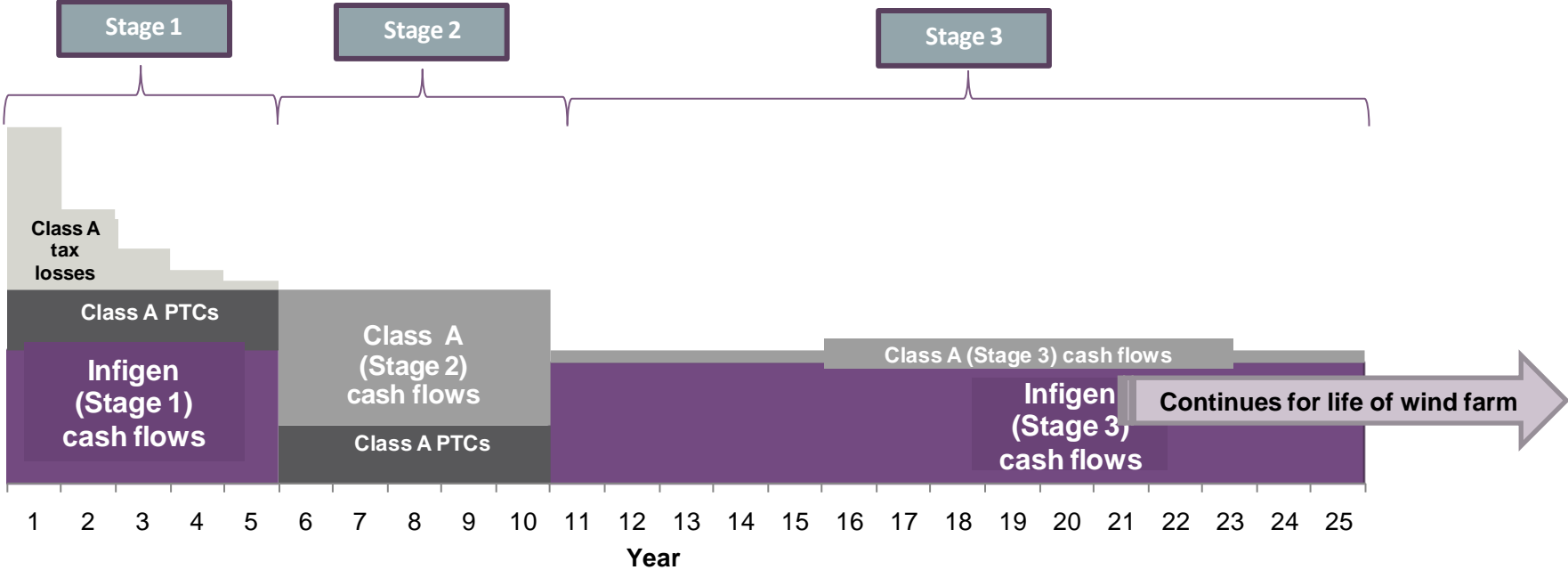


	Excluded Cash	Woodlawn EV	Woodlawn Debt	Development pipeline	Borrower Group Cash	Australia – excluding Woodlawn	US – Class B interests	Global Facility & IR Swaps
Indicative upper	\$97m	\$115m	\$(54)	\$50m	\$29m	\$1,271m	\$536m	\$(1,217)
Indicative lower	\$97m	\$115m	\$(54)	\$25m	\$29m	\$1,118m	\$438m	\$(1,217)
Valuation comment	Book value	Book value. Indicative upper reflects de-risked project	Book value	Book value Wind & Solar ~1,200 MW ~\$21-42k/MW	Book value	Presented range is \$2.2 – 2.5m per MW compared with recent transactions \$2.3-3.6m per MW	Presented range is \$0.40-0.49m per MW compared with recent transactions \$1.12-1.18m per MW*	Reflects book value of debt and swaps

*US like for like comparisons are difficult due to tax equity structure and portfolio age; presented range reflects 10% above and below book value

USA Tax Equity Structure

Illustrative allocation of cash and cash equivalents between Class A and Class B (Infigen) members for a single wind farm

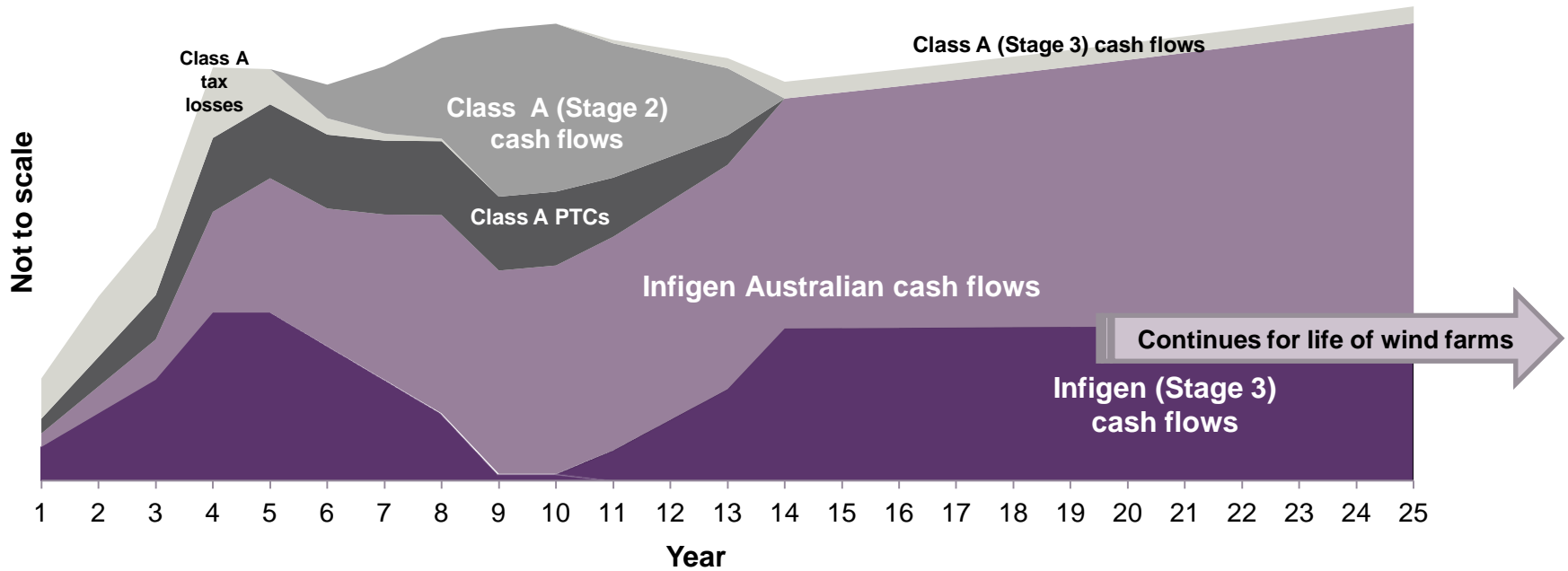


- Class A (US tax payer) and Class B (typically owner-operator) members share economic benefits over the life of the wind farm. Class A capital investment has a contracted target return.
- Class B gets all cash in stage 1 to repay initial investment while Class A gets tax losses and production tax credits (PTCs) as cash equivalents to repay initial investment
- Class A continues to receive cash equivalent tax benefits and operating cash through stage 2 until capital investment has been repaid and target return achieved
- Class A and Class B share operating cash during stage 3 with Class B members typically having an option to acquire the Class A minority interest at an agreed market value

USA Tax Equity Portfolio Illustration



Illustrative allocation of cash and cash equivalents between Class A and Class B members for a portfolio of wind farms commissioned over time





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Management Discussion and Analysis of Financial and Operational Performance for the year ended 30 June 2012

30 August 2012

All figures in this report relate to businesses of the Infigen Energy Group (“Infigen” or “the Group”), being Infigen Energy Limited (“IEL”), Infigen Energy Trust (“IET”) and Infigen Energy (Bermuda) Limited (“IEBL”) and the subsidiary entities of IEL and IET, for the year ended 30 June 2012 compared with the year ended 30 June 2011 (“prior year” or “prior corresponding period”) except where otherwise stated.

As required by the International Financial Reporting Standards’ (IFRS) accounting standards, Infigen consolidates 100% of all controlled entities within its result. The results discussed in this document refer to Infigen’s economic interest unless specifically marked otherwise and therefore minority interests within individual components have been eliminated consistently. All reference to \$ is a reference to Australian dollars unless specifically marked otherwise. Individual items and totals are rounded to the nearest appropriate number or decimal. Some totals may not add down the page due to rounding of individual components. Period on period changes on a percentage basis are presented as favourable (positive) or unfavourable (negative). Period on period changes to items measured on a percentage basis are presented as percentage point changes (“ppts”).

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1 Statutory Loss and Distribution Declaration

1.1 Statutory loss - \$55.9 million – a \$5.1 million favourable movement

Infigen Energy reported a Statutory Loss for the year of \$55.9 million, a favourable movement of \$5.1 million compared with a Statutory Loss of \$61.0 million in the prior year.

Further details are provided in Section 2.

1.2 Statutory loss per security – 7.3 cps

Statutory Loss per Security was 7.3 cents per security (cps), a 0.7 cps favourable movement compared to the prior year.

1.3 Distributions

As previously advised by the Directors of Infigen Energy, distributions have been suspended for the financial year ended 30 June 2012 and the financial year ending 30 June 2013.

2 Review of Financial Performance

The following tables provide a summary of the key statutory financial outcomes and metrics compared with the relevant prior period.

Year ended (\$m unless otherwise indicated)	30 June 2012	30 June 2011	Change %
Revenue	283.5	285.3	(-)
EBITDA	152.7	159.3	(4)
Depreciation and amortisation	(140.1)	(136.3)	(3)
EBIT	12.6	23.0	(45)
Net borrowing costs	(75.0)	(84.5)	11
FX and interest rate swap revaluations	(0.1)	10.1	(101)
Net Income from IEPs	4.4	16.4	(73)
Loss before significant item & tax	(58.1)	(35.0)	(66)
Income tax	2.3	9.0	(75)
Discontinued operations	-	(35.0)	(100)
Net loss after tax	(55.9)	(61.0)	8
Operating cash flow	74.8	65.1	15
Capital expenditure ¹	35.2	91.3	(61)
Operating cash flow per security ² (cps)	9.8	8.5	15
Earnings per security (cps) ³	(7.3)	(8.0)	8
Distribution per security (cps)	-	1.0	(100)

Further segmentation of the profit and loss line items in the table above is available in the financial statements and throughout this document.

Position at (\$m unless otherwise indicated)	30 June 2012	30 June 2011	Change %
Debt	1,069	1,252	15
Cash	127	305 ⁴	(58)
Net debt	943	947	-
Class A liability	684	646	6
Securityholders' equity	526	641	(18)
Book Gearing	64.2%	59.7%	(4.5) ppts ⁵
EBITDA/(Net debt + Equity)	10.4%	10.0%	0.4 ppts
Net assets per security (\$)	0.69	0.84	(18)
Net tangible assets per security (\$)	0.27	0.43	(37)

¹ Represents the cash outflow in relation to capital expenditure

² Calculated using securities issued at end of year (refer section 5.5)

³ Calculated using weighted average issued securities (refer section 5.5)

⁴ Includes proceeds from sale of German wind farms used to amortise debt in early July 2011

⁵ ppts = percentage points

2.1 Reconciliation of Statutory Accounts to Economic Interest

Infigen has a controlling interest in two wind farm entities in the US in which it owns more than 50% but less than 100% of Class B interests⁶. Under IFRS Infigen fully consolidates the financial performance of these wind farm entities within its statutory results and eliminates the non-controlling interest, which is recorded through “Net Income of IEPs”.

Infigen believes it is more useful to review the performance of the business from an economic interest perspective and has therefore provided reconciliation between the economic and statutory presentation for the key Profit and Loss line items below.

Following this section all figures will reference “Economic Interest” unless specifically stated otherwise.

Year ended 30 June 2012 (\$ million)	Statutory	Non-controlling Interest	Economic Interest
Revenue	283.5	(16.9)	266.6
Operating EBITDA	169.6	(12.2)	157.4
Other costs and income	(16.9)	-	(16.9)
EBITDA	152.7	(12.2)	140.5
Depreciation and amortisation	(140.1)	7.5	(132.6)
EBIT	12.6	(4.7)	7.9
Net borrowing costs	(75.0)	(0.1)	(75.1)
FX and interest rate revaluations	(0.1)	-	(0.1)
Net income from IEPs	4.4	4.8	9.2
Loss before tax	(58.1)	-	(58.1)
Income tax	2.3	-	2.3
Net loss	(55.9)	-	(55.9)

Year ended 30 June 2011 (\$ million)	Statutory	Non-controlling Interest	Economic Interest
Revenue	285.3	(17.7)	267.6
Operating EBITDA	180.8	(13.7)	167.1
Other costs and income	(21.5)	-	(21.5)
EBITDA	159.3	(13.7)	145.6
Depreciation and amortisation	(136.3)	7.8	(128.5)
EBIT	23.0	(5.9)	17.1
Net borrowing costs	(84.5)	-	(84.5)
FX and interest rate revaluations	10.1	-	10.1
Net income from IEPs	16.4	5.9	22.3
Loss before significant item & tax	(35.0)	-	(35.0)
Income tax	9.0	-	9.0
Net Loss after Tax from continuing ops	(26.0)	-	(26.0)
Discontinued business	(35.0)	-	(35.0)
Net loss	(61.0)	-	(61.0)

⁶ Infigen also has a number of joint ventures where its Class B membership interests range from 53% to 59% (joint control). These membership interests are included in both statutory and economic presentations using the same proportional ownership method of consolidation.

2.2 Summary of Economic Interest

The following tables provide a summary of the key economic interest financial outcomes and metrics compared with the relevant prior period.

Year ended (\$m unless otherwise indicated)	30 June 2012	30 June 2011	Change %
Revenue	266.6	267.6	(-)
Operating EBITDA	157.4	167.1	(6)
Development costs	(4.3)	(3.7)	(16)
Environmental certificate revaluation	(0.5)	-	n/a
Management fee income (expense)	(0.6)	0.8	(175)
Corporate costs	(11.5)	(18.7)	(39)
EBITDA	140.5	145.6	(4)
Depreciation and amortisation	(132.6)	(128.5)	(3)
EBIT	7.9	17.1	(54)
Net borrowing costs	(75.1)	(84.5)	11
FX and interest rate revaluations	(0.1)	10.1	(101)
Net income from IEPs	9.2	22.3	(59)
Loss before significant item & tax	(58.1)	(35.0)	(66)
Income tax	2.3	9.0	(74)
Discontinued operations	-	(35.0)	(100)
Net loss after tax	(55.9)	(61.0)	8
Operating cash flow	62.1	49.6	25
Capital expenditure ⁷	35.2	91.3	(61)
Operating cash flow per security ⁸ (cps)	8.1	6.5	25
Earnings per security (cps) ⁹	(7.3)	(8.0)	8
Distribution per security (cps)	-	1.0	(100)

Further segmentation of the profit and loss line items in the table above is available in the financial statements and throughout this document.

Position at (\$m unless otherwise indicated)	30 June 2012	30 June 2011	Change %
Debt	1,069	1,252	15
Cash	126	303	(58)
Net debt	943	949	-
Class A liability	565	575	2
Securityholders' equity	526	641	(18)
Book Gearing	64.2%	59.7%	(4.5) ppts ¹⁰
EBITDA/(Net debt + Equity)	9.6%	9.2%	0.4 ppts
Net assets per security (\$)	0.69	0.84	(18)
Net tangible assets per security (\$)	0.27	0.43	(37)

⁷ Represents the cash outflow in relation to capital expenditure

⁸ Calculated using securities issued at end of year (refer section 5.5)

⁹ Calculated using weighted average issued securities (refer section 5.5)

¹⁰ ppts = percentage points

2.3 Revenue - \$266.6 million

Revenue was \$266.6 million, down \$0.9 million.

This was within the guidance range provided for both the US and Australia. The variance was due to a 7% increase in revenue in Australia from \$117.2 million to \$125.8 million, primarily from the 48.3 megawatt (MW) Woodlawn Wind Farm in New South Wales (NSW) that became operational during the period, improved wind conditions at the Lake Bonney wind farms in South Australia (SA) and higher electricity and Large-scale Generation Certificate (LGC) prices, partially offset by lower than prior year wind conditions in NSW and Western Australia (WA).

These increases were more than offset by a 6% decrease in revenue from the US caused largely by lower production due to below prior year wind conditions, lower merchant electricity prices and an appreciation of the Australian Dollar (AUD) against the United States (US) Dollar (USD).

Further details on revenue by country are provided in Section 7.

2.4 Operating EBITDA - \$157.4 million

Operating Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$157.4 million, down 6% or \$9.7 million.

This was primarily due to:

- US: a 20% or US\$13.4 million decrease in operating EBITDA to US\$68.0 million reflecting lower revenue from lower production, higher wind farm costs as the majority of the fleet has now moved off warranty, partially offset by an improvement in the profitability of Infigen Asset Management (IAM); and
- Australia: a 6% or \$5.1 million increase in operating EBITDA to \$91.1 million reflecting an initial contribution from the new Woodlawn Wind Farm and higher electricity and LGC prices, offset by increased operating costs.

Further details on operating EBITDA by country are available in Section 7.

2.5 Environmental certificate revaluation expense - \$0.5 million

Australian LGCs retained on balance sheet are valued at the lower of cost and net realisable value at the end of each reporting period.

At 30 June 2012 the LGC price was marginally lower than the average monthly price at which approximately 276,000 retained LGCs were brought to account. Conversely, in the prior year the LGC price at the end of the financial year was higher than the average monthly price at which approximately 244,000 retained LGCs were brought to account.

Pursuant to the accounting policy, downward movements in value are recognised through a revaluation expense and therefore an expense of \$0.5 million was recognised.

2.6 Management fees - \$0.6 million

Cost associated with Infigen's residual European entities was \$0.6 million. The prior year included Management Fee Income of \$0.8 million. The Management Fee

Income related to fees received by corporate entities from the sold German wind farms. These fees were previously eliminated on consolidation.

2.7 Development costs - \$4.3 million, up \$0.6 million

Development costs expensed were \$4.3 million, up 16% or \$0.6 million. The increase is primarily attributable to the previously announced establishment of development activities in the US (+\$1.0 million). This was partially offset by lower development expenses in Australia.

During the year \$7.4 million of costs relating to current development projects were capitalised. Further details are provided in Section 4.

2.8 Corporate costs - \$11.5 million

Corporate costs were \$11.5 million, down 39% or \$7.2 million.

The reduction was primarily due to lower personnel costs, including contractors and the write-back of non-cash Long Term Incentive (LTI) provisions (\$1.9 million) and the write-back of prior year over accrual of employee provisions and other miscellaneous items (\$2.5 million). The relevant LTIs have expired or are unlikely to vest, as the required performance hurdles that were established by the Board at the time of the grant have not been met.

Corporate costs cover typical functions required to operate a publicly listed company with international operations and financing, corporate functions required to plan, manage and report the group's operations, and information technology systems associated with these functions.

2.9 EBITDA - \$140.5 million

EBITDA was \$140.5 million, down 4% or \$5.1 million. This was primarily due to lower operating EBITDA in the US, partially offset by lower corporate costs.

2.10 Depreciation and amortisation - \$132.6 million

Depreciation and amortisation expense was \$132.6 million, up 3% or \$4.1 million.

This was primarily due to higher depreciable operating capacity in Australia resulting from the completion of the Woodlawn Wind Farm in October 2011 and marginally higher depreciation of the US wind farms, partially offset by the appreciation of the AUD against the USD.

2.11 EBIT - \$7.9 million

Earnings Before Interest and Tax (EBIT) for the year was \$7.9 million, down 54% or \$9.2 million. This was due to lower EBITDA and higher depreciation and amortisation expenses as outlined above.

2.12 Net borrowing costs - \$75.1 million

Net borrowing costs from continuing business were \$75.1 million, down 11% or \$9.4 million. Net borrowing costs comprise interest expense and interest income, interest rate swap termination costs, loan fee amortisation, and bank fees.

Year ended (\$ million)	30 June 2012	30 June 2011	Change %
Interest expense	(75.1)	(87.9)	(15)
Termination of swaps	-	(8.6)	(100)
Loan and bank fees	(3.0)	(1.8)	63
Total Borrowing costs	(78.1)	(98.3)	(21)
Interest income	3.0	13.8	(78)
Net borrowing costs	(75.1)	(84.5)	11

Total borrowing costs were \$78.1 million, 21% or \$20.2 million lower compared with the prior year.

This was primarily due to:

- lower interest expense resulting from:
 - lower debt after the sale of the German wind farms; and
 - the biannual Global Facility cash sweep;
- non-recurrence of costs related to an interest rate swap termination;
- higher amortisation of loan fees related to Infigen increasing the amortisation rate in FY12 to match the lower debt principal amount; and
- higher interest expense on the Woodlawn Wind Farm debt.

Interest income provided a benefit of \$3.0 million, 78% or \$10.8 million lower than the prior year. This was primarily due to a lower average cash balance together with holding cash, for hedging purposes, in currencies with low deposit interest rates.

2.13 FX and interest rate swap revaluations - \$0.1 million

Year ended (\$ million)	30 June 2012	30 June 2011	Change %
FX gain and other	8.5	6.5	32
Interest rate swap revaluation	(8.7)	3.6	n/a
Net FX and Interest Swap Revaluations	(0.1)	10.1	n/a

Interest rate swap revaluations resulted in an expense of \$8.7 million compared with a benefit of \$3.6 million in the prior year. The \$12.3 million movement was due to continuing reductions in USD and EUR interest rates and a significant reduction in AUD interest rates during the period.

Interest rate swaps which can be terminated at the option of counterparties represent a small portion of Infigen's interest rate swaps. None of these are eligible for termination until the first half of FY14, and at 30 June 2012 they had a negative value of \$18.4 million.

2.14 Income from Institutional Equity Partnerships - \$9.2 million

Net income from US Institutional Equity Partnerships (IEPs) was \$9.2 million, down 59% or \$13.1 million.

An explanation of the structure of IEPs (including the accounting treatment) is provided in Appendix B. The following table summarises the components of net income from IEPs (this table has been reproduced in local currency in Appendix B).

Year ended (\$ million)	30 June 2012	30 June 2011	Change %
Value of production tax credits (Class A)	78.5	81.9	(4)
Value of tax losses (Class A)	1.3	14.9	(91)
Benefits deferred during the period	(16.2)	(35.2)	(54)
Income from IEPs	63.6	61.6	3
Allocation of return (Class A)	(42.8)	(47.0)	(9)
Movement in residual interest (Class A)	(8.9)	6.4	n/a
Non-controlling interest (Class B)	(7.4)	(4.6)	61
Financing costs related to IEPs	(59.2)	(45.2)	31
Net income from IEPs (Statutory)	4.4	16.4	(73)
Non-controlling interests (Class B & Class A)	4.8	5.9	(19)
Net income from IEPs (Economic Interest)	9.2	22.3	(59)

Value of Production Tax Credits (PTCs) (Class A) was \$78.5 million, down 4% or \$3.4 million. This is due to lower production in FY12 and appreciation of the AUD against the USD. The value of PTCs per megawatt hour (MWh) is US\$22 for the 2010, 2011 and 2012 calendar years.

Value of tax losses (Class A) was \$1.3 million, down 91% or \$13.6 million due to the reduction in tax depreciation as more large value assets which benefit from accelerated depreciation become fully depreciated.

During the year \$16.2 million of benefits were deferred, down 54% or \$19 million. Benefits deferred are the difference between tax depreciation and accounting depreciation for the year. This reduction reflects lower tax depreciation during the period as described above.

Allocation of return (Class A) goes to delivering the agreed target return on Class A capital balances. This was a \$42.8 million expense for the year, down 9% or \$4.2 million reflecting both lower Class A capital balances (\$3.0 million) and the appreciation of the AUD against the USD (\$1.2 million).

The movement in residual interest (Class A) was negative \$8.9 million compared with \$6.4 million in the prior year. This reflects period on period changes in expectations of future tax allocations and cash flows.

Non-controlling interest (Class B) represents the share of net profit attributable to the non-controlling interest holders in the Cedar Creek and Crescent Ridge wind farms.

Non-controlling interest (Class B & Class A) represents the elimination of non-controlling interest contributions of each income and financing cost IEP line item (attributable to both the Class A and Class B non-controlling interests in the Cedar Creek and Crescent Ridge wind farms).

2.15 Loss before significant items and tax - \$58.1 million

Loss before significant items and tax was \$58.1 million, \$23.1 million higher than the prior year.

The primary drivers for this result were lower EBIT, a non-cash interest rate swap revaluation expense (\$12.3 million) and lower net income from US IEPs (\$13.1 million).

2.16 Significant items and discontinued operations

There were no significant items this year. The prior year included losses amounting to \$35 million from the loss on the sale of wind farms in Germany (\$31.1 million) and a net loss from the discontinued German business up to the time of disposal (\$3.9 million).

2.17 Income tax benefit - \$2.3 million, down \$6.7 million

Income tax benefit was \$2.3 million, down \$6.7 million.

The lower tax benefit this year was primarily attributable to the benefit of a higher loss before tax, more than offset by higher unrecognised losses from overseas operations this year due to a higher underlying tax loss of the US operations, and the effect of unrealised foreign exchange movement due to the appreciation of the AUD against the USD.

2.18 Net loss - \$55.9 million – a \$5.1 million favourable movement

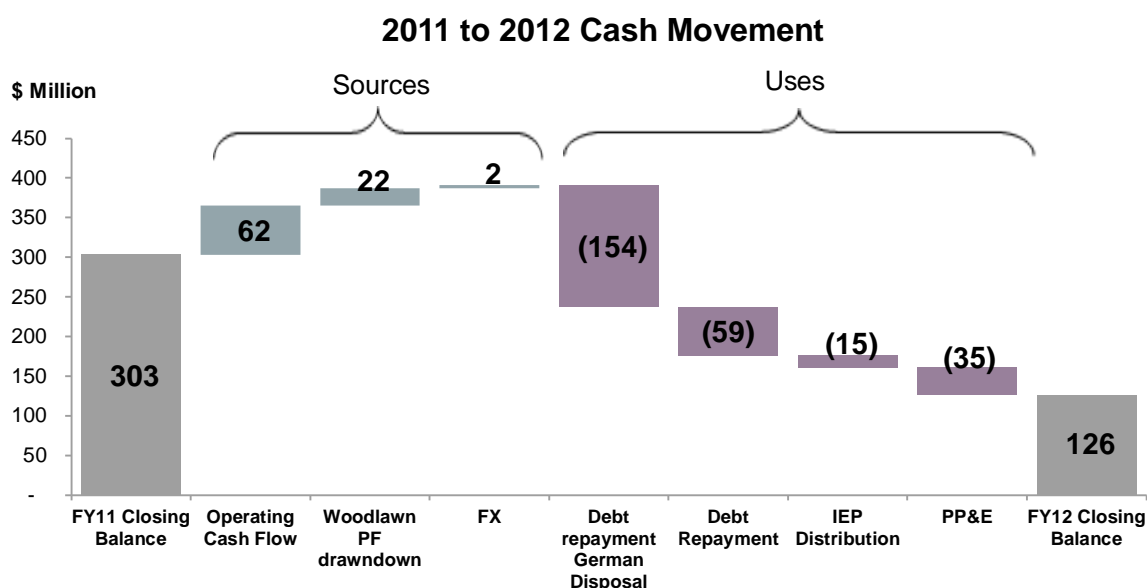
Infigen Energy reported a net loss for the year of \$55.9 million, a \$5.1 million favourable movement compared with the prior year.

Operationally the result reflects higher EBITDA in Australia following the commissioning of the Woodlawn Wind Farm and higher electricity and LGC prices during the year, offset by lower EBITDA in the US due to below prior year wind conditions and higher post-warranty wind farm costs. Lower interest income, adverse interest rate movements, lower net income from US IEPs, and a lower tax benefit also affected the result.

3 Cash Flow

3.1 Cash movement

Cash at 30 June 2012 was \$126 million, 58% or \$177 million lower than 30 June 2011. The cash balance at 30 June 2012 comprises \$29 million held by entities within the Global Facility Borrower Group (Infigen’s borrowings comprise a multi-currency Global Facility secured by Infigen’s interests in all of its operational wind farms except Woodlawn - ‘the Borrower Group’) with \$97 million held by entities outside of that group (‘Excluded Companies’).



Cash inflow for the year comprises \$62.1 million of net operating cash flow and \$22.3 million drawdown from the Woodlawn Wind Farm project finance facility.

Cash outflows comprise \$154 million of Global Facility debt repayment made on 7 July 2011 relating to the sale of the German wind farms, \$58.9 million for debt repayment (refer to Section 5), \$15.2 million payment of distributions to US IEP Class A members and \$35.2 million net payment for construction, development, property plant and equipment (PP&E) and intangibles.

The movement in cash held by the Excluded Companies is due to the net inflow of operating cash flow from the Woodlawn Wind Farm, capitalised and expensed development costs, and FX movements. The outstanding capital expenditure related to the Woodlawn Wind Farm during the period was funded through the project finance facility drawdown.

3.2 Operating Cash Flow

Net operating cash flow after tax and financing costs

Year ended	30 June 2012	30 June 2011	Change %
Operating EBITDA ¹¹	157.4	182.9	n/a
Corporate & development costs & other	(16.9)	(21.6)	22
Movement in working capital & non-cash items	(2.2)	(15.1)	85
Net financing costs and taxes paid	(76.2)	(88.0)	13
Termination of interest rate swap	-	(8.6)	n/a
Net Operating Cash Flow	62.1	49.6	25
Distributions paid (Class A)	(15.2)	(1.2)	1,167
Non-controlling interests			
Distributions ¹² paid (Class A & Class B)	27.6	17.6	57
Movement in working capital	0.3	(0.9)	(133)
Operating Cash Flow (Statutory)	74.8	65.1	15

Net operating cash flow after tax and financing costs was \$62.1 million for the year, a 25% improvement on the prior year despite lower operating EBITDA. Surplus operating cash flow from the wind farms in the Borrower Group was used to amortise debt under the Global Facility (refer to Section 5 for more detail).

Key operating cash flow movements for the year were lower net financing costs and taxes paid (\$11.8 million) and significantly lower working capital outflows (\$12.9 million) reflecting effective working capital management.

In addition, the prior year included a one-off cash outflow of \$8.6 million associated with the termination of an interest rate swap.

3.3 US Cash Distributions

Cash flows from the US business are split between the Class A and Class B members in accordance with their entitlements during the various stages of the wind farms' lives (see Appendix B for more detail). Cash flow allocated to Class A members during the period was \$15.2 million compared with \$1.2 million in the prior period. This relates to the Blue Canyon, Combine Hills, Crescent Ridge and Caprock wind farms, where the Class A members will receive all net operating cash flow from the wind farms until their capital balances are repaid and agreed return achieved. By the end of the period Sweetwater 1 Wind Farm had paid out all of the Class B capital balance.

¹¹ Includes EBITDA from discontinued operations (German wind farms) of \$15.8 million

¹² Distributions paid to IEPs are classified as financing cash flows reflecting their treatment as debt-like instruments

Class A capital balances by portfolio are as follows:

Economic Interest Class A Capital Balance (US\$ million)			
Asset Vintage	30 June 2012	30 June 2011	Change \$
2003/2004	65.5	81.1	(15.6)
2005	95.2	102.9	(7.7)
2006	162.0	170.1	(8.1)
2007	238.0	251.8	(13.8)
Total	560.7	605.9	(45.2)

Infigen's Class B capital balances by portfolio are as follows:

Economic Interest Class B Capital Balance (US\$ million)			
Asset Vintage	30 June 2012	30 June 2011	Change \$
2003/2004	0.8	2.6	(1.8)
2005	7.6	17.7	(10.1)
2006	116.3	137.0	(20.7)
2007	74.1	113.5	(39.4)
Total	198.8	270.8	(72.0)

Class B capital balances are held at the limited liability company (LLC) level (refer to Section 10.3 for the relationship between wind farms, LLCs and asset vintage). Once Class B capital balances are fully repaid (cash flip point) or reach a fixed date, all operating cash flow from the related wind farm asset is allocated to Class A members until their capital balances are repaid and their agreed return is achieved.

Once the Class A members achieve their agreed return the cash flows are reallocated (reallocation date) between the Class A and Class B members (as outlined in section 10.2).

The combined effect of the factors described above on Infigen's portfolio of 18 US wind farms is that the aggregate distributions to Infigen diminish as more projects reach the cash flip point and more operating cash flow is directed to reducing Class A capital balances. Infigen's aggregate distributions will reduce for a period until projects in the portfolio begin to reach their reallocation dates. For Infigen's portfolio, the cash flow reduction is currently expected to be most pronounced from the second half of FY16 through to the first half of FY18. The timing and duration of the cash flow reduction will be influenced by the performance of the US wind farms during the intervening period.

4 Capital Expenditure and Divestments

4.1 Capital expenditure

Cash payment for capital expenditure was \$35.2 million, down 59% or \$50.4 million. This expenditure was required to complete the construction of the Woodlawn Wind Farm in Australia, to progress and preserve the value of the Australian development pipeline, to progress the joint development of a portfolio of solar sites in the US (see Section 7.2.8) and information technology (IT) and associated business projects.

The following table provides a summary of the key areas of expenditure.

Year ended	30 June 2012	30 June 2011	Change %
Australia – Construction	20.8	58.2	(64)
Australia – Development & PP&E	9.1	22.4	(59)
US – Development & PP&E	5.3	1.2	342
Germany – PP&E	-	3.8	(100)
Total Capital Expenditure	35.2	85.6	(59)
Acquisitions	-	5.7	(100)
Total expenditure including acquisitions	35.2	91.3	(61)

Construction expenditure in Australia relates to the completion of Woodlawn Wind Farm during the period.

Development expenditure in Australia (\$4.3 million; \$11.6 million in FY11) relates to maintaining and advancing the most prospective projects in the pipeline. Further expenditure on the development pipeline will be limited to ensuring Infigen's best development options are ready to execute once market conditions become more favourable and capital is available. The remainder of the pipeline will only incur expenditure necessary to keep the options viable for medium to longer term development.

In Australia PP&E relates to miscellaneous capital expenditure across the business on IT, turbine components and balance of plant.

Development expenditure in the US (\$3.1 million) relates to the projects being jointly developed with Pioneer (see Section 7.2.8) with PP&E relating to miscellaneous capital expenditure across the business.

5 Capital Management

5.1 Debt

Infigen's borrowings comprise a multi-currency Global Facility secured by Infigen's interests in all of the operational wind farms except Woodlawn Wind Farm ('the Borrower Group') which has a separate project finance facility with recourse only to the Woodlawn Wind Farm (i.e. not within the Borrower Group.)

Gross debt at 30 June 2012 was \$1,078 million with an average margin of 111 basis points. Infigen hedges the majority of its debt as outlined in the following table. Interest rates below are excluding margin.

	Fixed debt		Debt principal amount		% of debt hedged	
	2012 %	2011 %	2012 \$'000	2011 \$'000	2012 %	2011 %
AUD debt – Global Facility	6.77	6.68	531,685	586,248	99	89
AUD debt – Woodlawn	4.48	-	42,348	-	81	-
EUR debt	4.93	4.87	98,961	142,432	85	79
US debt	5.29	5.28	301,210	346,480	81	81
Total fixed debt			974,204	1,075,160	90	83
	Floating debt					
AUD debt – Global Facility	3.44	4.96	7,695	68,971		
AUD debt – Woodlawn	3.56	4.96	10,171	32,742		
EUR debt	0.86	1.32	17,039	38,022		
US debt	0.73	0.19	69,958	81,511		
Total floating debt			103,863	188,504		
Total group debt	6.15	5.61	1,078,067	1,263,664		

5.1.1 Global Facility

At 30 June 2012 the amounts outstanding under the Global Facility equated to \$1,026 million (excluding capitalised loan costs). The cash held by the Borrower Group was \$29 million resulting in the net debt of the Borrower Group being \$997 million.

The Global Facility is fully amortising, has no refinancing requirement and continues until December 2022. Subsequent to 30 June 2010 through to final repayment, all surplus cash flows of the Borrower Group, after taking account of permitted working capital requirements, are used to make repayments under the Global Facility on a semi-annual basis (Cash Sweep). The net disposal proceeds of asset sales from any Borrower Group entities must also be applied to make repayments under the Global Facility.

Infigen pays interest semi-annually based on Euribor, BBSY and LIBOR for its Euro, AUD and USD Global Facility borrowings respectively.

During the period of the Cash Sweep the only financial covenant that applies under the Global Facility is a leverage ratio covenant. The covenant is based on a look back of the results of each twelve month period ending 30 June and 31 December, and is as follows:

- Through June 2016: not more than 8.5 times;
- July 2016 to June 2019: not more than 6 times; and
- July 2019 to December 2022: not more than 3 times.

The leverage ratio is determined by taking the quotient of net debt to EBITDA of the Borrower Group. EBITDA represents the consolidated earnings of the Borrower Group entities before finance charges, unrealised gains or losses on financial instruments and material items of an unusual or non-recurring nature. In the US, this is represented by the cash distributions to Infigen from the wind farm entities during the period. Distributions to Infigen can vary materially from the US reported EBITDA depending on the life stage of each wind farm as discussed in Section 3.3.

Infigen continues to believe that under reasonable operating and market assumptions it will meet its leverage ratio covenant for the duration of the facility term.

5.1.2 Project finance

On 30 June 2012 the amount outstanding under the Woodlawn Wind Farm project finance facility was \$54 million. The facility is provided by Westpac Banking Corporation. This is the first project finance facility for a merchant wind farm in Australia. The size of the facility may be increased subject to securing a suitable off-take agreement. The facility has a term of three years from October 2011.

5.2 Net debt

The net debt for the consolidated entity (economic interest) decreased from \$946 million at 30 June 2011 to \$943 million at 30 June 2012. The net movement of \$6 million was primarily due to:

- net operating cash flow (+\$61.9 million);
- unrealised FX expense (-\$5.5 million);
- capital expenditure (-\$35.2 million); and
- distributions to Class A tax equity members (-\$15.2 million).

5.3 Equity

Total equity decreased 18% from \$641 million at 30 June 2011 to \$526 million at 30 June 2012. The decrease of \$115 million is attributable to:

- the net loss for the period (-\$55.9 million);
- a change in the fair value of interest rate hedges (-\$68.5 million);
- exchange difference on the translation of foreign operations and movement in fair value of net investments (+\$10.6 million); and
- net amortisation of share based payments (-\$1.1 million).

5.4 Gearing

The following table provides a comparison of Infigen's book gearing (economic interest) at 30 June 2011 and 30 June 2012. The change reflects the movements in net debt and equity described above.

As at	30 June 2012	30 June 2011	Change %
Net Debt	943	949	(1)
Total Equity	526	641	(18)
Book Gearing	64.2%	59.7%	4.5 pts
US IEP Tax Equity ¹³	565	575	(2)
Total Gearing	74.1%	70.4%	3.7 pts

A balance sheet by country is provided in Appendix A.

5.5 Share Capital

On 16 September 2010 Infigen issued 848,141 stapled securities under the Distribution Reinvestment Plan ("DRP") at a price of \$0.74 cents per security in relation to the payment of the final distribution for the financial year ended 30 June 2010.

On 17 March 2011 Infigen issued 1,043,403 stapled securities under the Distribution Reinvestment Plan ("DRP") at a price of \$0.34 cents per security in relation to the payment of the interim distribution for the financial year ended 30 June 2011.

Infigen had 762,265,972 issued stapled securities at 30 June 2012 and 30 June 2011.

For the year ended 30 June 2012 Infigen had 762,265,972 issued stapled securities on a weighted average basis compared with 761,341,479 issued stapled securities for the prior year.

As at	30 June 2012	30 June 2011	Change
Securities on issue	762,265,972	762,265,972	-
Year ended Weighted average	30 June 2012	30 June 2011	Change
Securities on issue	762,265,972	761,341,479	924,493

¹³ Refer to Appendix B

6 Risk Management

6.1 General

Infigen's business is exposed to certain risks which it manages through adherence to the Group's risk policy, including Board approved exposure limits. The Board receives regular updates on exposures and compliance.

6.2 Safety

The safety of our employees, contractors and the communities that we are part of is Infigen's first priority. We strive towards the goal of zero harm.

For the financial year ended 30 June 2012 Infigen improved both its rolling 12 month Lost Time Injury Frequency Rate (LTIFR) and its Total Recordable Injury Frequency Rate (TRIFR):

- LTIFR to 1.0 down from 3.4;
- TRIFR to 11.8 down from 23.5.

There was one recordable and no lost time injuries in the US, and one recordable injury in Australia during the period.

6.3 Asset management risks

The following risks are inherent in the management of renewable energy generation assets during their lifecycle:

- Sovereign Risk – A state or nation may change the existing regulatory or policy frameworks to the detriment of current and future assets;
- Public Attitudes – Acceptance of the visual, acoustic and environmental impact of renewable energy assets may change, thus affecting the location, number and operation of existing and future renewable energy assets in any given area;
- Operating and Maintenance Risks – The risks inherent in operating physical assets within a diverse range of (sometimes remote) geographies that are exposed to a variety of extreme environmental conditions;
- Weather Risk – The risk that weather varies from the expected long term forecasts (i.e. climate), leading to variability in actual energy yield from renewable fuel sources such as wind and solar;
- Technology Risk – The risk that plant underperforms availability and/or output expectations, and/or components fail at higher rates than expected leading to lower reliability and higher maintenance costs;
- Transmission and Connection Risks – The risks of being dependent on a shared network infrastructure (operated by external parties) which may not be available or may constrain an assets ability to deliver electricity;
- Development Risk – Poor inherent design or the adoption of characteristics (fuel source, technology, supply chain, connection arrangements) may lead to systemic underperformance of assets over time;
- Construction Risk – Risk that quality, cost and/or timeliness of creating and commissioning new assets do not meet the investment case expectations or create commercial or reputational issues; and

- Market Price Risk – the risk that wholesale market prices for Infigen’s output are lower than expectations and/or forecast.

Additional risks inherent in operating Infigen’s business include:

- Interest Rate Risk
- Foreign Exchange Risk

The key risks identified above are discussed in more detail below.

6.4 Operating and maintenance risk

The availability and performance of wind turbines and other equipment to specification is essential for projected revenues and returns to be achieved. Wind turbines and associated equipment require routine scheduled maintenance in order to continue to function properly and preserve long term plant reliability. Original Equipment Manufacturer (OEM) warranty and O&M obligations result in counterparty risk.

Assets are exposed to numerous external risks including the impact of *force majeure* events, plant breakdowns, electricity network and other utility service failures, and other unanticipated events. Furthermore, there is a range of risks including equipment failure, non-performance to specification, accidents, and turbine damage by third parties.

The cost of repairing or replacing damaged assets may be considerable, while repeated or prolonged interruption may result in termination of contracts, substantial litigation and damages or penalties for regulatory or contractual non-compliance, reduced cash flows and increased funding costs. This latter scenario is considered to be a lower risk.

Whilst Infigen retains appropriate insurance coverage for a variety of events, if the maintenance expenditure is different from the forecast level, cash flows and operating returns may affect the long run returns on investment.

6.5 Weather risk

In relation to wind farms, independent expert advisers have made electricity production forecasts on the basis of long term mean expectations (P50) of wind resource.

Fluctuations in the level of wind occur on a short term basis (hourly, daily, monthly and seasonal variations) and a long term basis (variations associated with El Nino, La Nina and other climatic cycles and resulting weather patterns and long duration severe weather events such as droughts). The fluctuation in the wind (positively or negatively) around the long term mean (P50) affects the amount of electricity and environmental products produced.

Infigen closely monitors wind availability at all of its sites and provides updates to address the inherent variability of its fuel source.

6.6 Market price risk

Infigen’s energy markets function was established to manage electricity market risks associated with the merchant wind farms and to optimise revenue. This function incorporates the following roles:

- Operational - ensuring that wind farms are scheduled and dispatched to generate maximum revenue;

- Commercial - ensuring that contracting strategies are appropriate for the portfolio; and
- Development - to expand channels to market, including industrial and commercial end-user markets.

Infigen maintains a disciplined approach to contracting electricity and LGCs driven by sustainable long term price levels rather than short term cyclical spot market trends. Infigen's energy markets function plays a key role in determining and implementing strategy in relation to electricity and LGC and Renewable Energy Certificate (REC) sales, and LGC and REC inventory management, having regard to the financial objectives of the Group.

6.6.1 Electricity

In the electricity market Infigen assesses its risk by reference to potential earnings and balance sheet exposures arising from the characteristics of variable generation output. Infigen undertakes various contracting arrangements within policy limits to minimise extreme price and volume event risks. This includes prudent hedging but excludes any principal trading.

Of Infigen's six Australian and 18 US operational wind farms 55% and 86% respectively, of annual P50 production is contracted in the medium to long term.

6.6.2 Environmental products

In the risk context, Infigen's primary exposure is to Australia's Renewable Energy Target (RET) legislation and to a lesser degree the US states based Renewable Portfolio Standards legislation. Of Infigen's six operational Australian wind farms, 55% of annual P50 production is currently contracted under medium to long term contracts. At 30 June 2012 Infigen retained an LGC inventory of approximately 276,000 LGCs with a book value of \$10 million. A small balance of Infigen's environmental certificate inventory relates to NSW greenhouse gas abatement certificates.

In the US Infigen generates RECs at all of its wind farms. Under the majority of its Power Purchase Agreements (PPAs) these are sold to the off-taker as part of a bundled contract price. At its un-contracted assets Infigen sells its RECs as they are created at market prices typically ranging from US\$0.90 to US\$1.50 per REC.

6.7 Interest rate risk

Infigen's borrowings comprise a multi-currency Global Facility secured by Infigen's interests in all of the operational wind farms except Woodlawn Wind Farm, which has a separate project finance facility with recourse only to the Woodlawn Wind Farm.

At 30 June 2012 the average margin across all facilities was 111 basis points and Infigen had hedged 90% of its total debt with interest rate swaps whose maturities are broadly matched to its projected debt amortisation profile.

The average effective interest rate pre-margin on all Infigen's borrowings was 6.15% compared to 5.61% in the prior year.

6.8 Debt covenant compliance

Infigen continues to believe that under reasonable operating and market assumptions it will meet its leverage ratio covenant for the duration of the Global Facility term. If adverse business conditions were to place unexpected pressure on future covenant compliance, Infigen is confident that it has available a range of mitigants and remedies sufficient to avoid or cure any potential failure to satisfy its leverage ratio covenant test in conformity with the terms of the facility. Available mitigants and remedies could involve the use of a portion of the liquid assets that Infigen currently holds outside the corporate facility Borrower Group.

6.9 Foreign exchange risk

Infigen has wind farm operations in Australia and the US and generates AUD and USD revenue from these operations. Infigen is exposed to fluctuation of the AUD against the USD as it would affect the value of AUD equivalent revenue from its US wind farm operations.

Infigen has a multi-currency debt facility and aims to ensure that the majority of its debt and expenses are denominated in the same currency as the associated revenues and investments.

Under the Global Facility Infigen has a residual EUR debt position from its previous investments in Spain, France and Germany. At 30 June 2012 there was €93 million debt which is no longer offset with any operational EUR denominated assets. Infigen is therefore exposed to a fluctuation in value of AUD versus the EUR which would affect the AUD equivalent value of its EUR debt and the AUD equivalent cost of EUR interest expense.

The following table provides a summary of borrowings by currency in local currency.

Borrowings in local currency (millions)			
As at	30 June 2012	30 June 2011	Change
AUD	590.6	655.2	(64.6)
EUR	93.4	133.2	(39.8)
USD	377.2	458.3	(81.1)

The following table provides the translation rates used in the statement of financial position, and a simple average of monthly translation rates used in the statement of comprehensive income. Refer to Appendix A for Infigen's balance sheet by currency.

Statement of financial position			
As at	30 June 2012	30 June 2011	Change %
USD	1.0238	1.0609	(3)
EUR	0.8084	0.7367	10
Statement of comprehensive income			
Year ended	30 June 2012	30 June 2011	Change %
USD	1.0195	0.9864	3
EUR	0.7681	0.7237	6

7 Operational Performance Review

7.1 Operational overview

United States

Infigen continues to improve the operational and commercial performance of its US business.

Key achievements this year include a reduction in the total recordable incident frequency rate, the transition of five sites to Infigen Asset Management operations and management agreements, and execution of warranty, service and maintenance agreements with Mitsubishi covering 39% of Infigen's US wind farms until 30 March 2017.

From a safety perspective, Infigen has focussed on creating a culture where safety is our first priority and a core value. This has been accomplished through a number of new initiatives and the strengthening of existing programs, which include safety stand downs where necessary following an incident, discussions of safety performance, daily safety tool box talks at each site, contractor management, near miss reporting, climbing safety, and increased technician training. These efforts have lowered the TRIFR for Infigen employees and contractors by 25% over the period from 18 to 13.5 (The US Occupational Safety and Health Administration record incidents per 200,000 man-hours worked resulting in a TRIFR reduction over the period from 3.6 to 2.7).

From an operations and maintenance perspective, Infigen has fully transitioned the Gamesa turbine assets (three of which, where subcontractors were engaged) to Infigen Asset Management operations and management agreements, and executed extended service and maintenance agreements for five additional assets with Mitsubishi turbines. During the year an in-house engineering technical services group was established to focus on improving plant reliability and the execution of technical projects. Together with the operations team, this group has accomplished a number of significant projects, including repairs to turbine foundations, the redesign and refitting of a power quality system (dynamic reactive power support) which had limited a wind farm's production to 60% of rated capacity, and the review of preventive and predictive maintenance processes. The group has also developed systems for improved monitoring and reporting wind turbine efficiency and performance at all assets, resulting in improved production. As a consequence site availability has improved by 0.8% over the period from 94.5% to 95.3%.

Supply chain management continues to receive greater attention as Infigen positions itself to capture the benefits of direct sourcing of components, as well as a more competitive environment. Infigen has taken over the inventory management for two additional wind farms during the period taking the total to 11 wind farms. Infigen optimises procurement by evaluating cost savings opportunities within a growing domestic market for parts and services across the various turbine platforms or in some cases the entire fleet under management. New procurement systems will track, report and support decisions around optimal inventory levels. For many parts, including major components, Infigen has been successful at directly sourcing components from the manufacturer, rather than through the turbine OEM, thus reducing costs and improving delivery times.

Infigen invested in development and training of its employees including the initiation of a compliance and skill enhancement training program, first level management training for all US managers, and training, testing and subsequent North American

Reliability Corporation (NERC) reliability certification for 7 of the 9 current Operations Control Centre (OCC) operators.

In the US, Infigen has an operating capacity of 1,089 MW (Class B interest) comprising 18 wind farms; 15 of these have PPAs that account for 913 MW of the operating capacity, one of which (4 MW of capacity) generates revenue both through a PPA and on a merchant basis. The three remaining wind farms (174 MW) operate purely on a merchant basis.

All of Infigen's US wind farms generate Production Tax Credits (PTCs) for 10 years from the date of first commercial operation. PTCs are worth US\$22 per MWh for the 2011 and 2012 calendar years. Each wind farm is entitled to one PTC per megawatt hour of production. The Group accounts for PTCs as income in the period that the credit is derived on the basis that it reduces the Class A liability. This is accounted for in the "Other income" line item in Infigen's statutory accounts. A detailed description of the Tax Equity financing structure of Infigen's US assets is provided in Appendix B.

Australia

Key achievements this year include a reduction in the total recordable incident frequency rate from 25.0 to 19.0, the commissioning of the Woodlawn Wind Farm on time and on budget and the execution of service and availability agreements with Vestas covering approximately two thirds of Infigen's Australian wind farms until 31 December 2017.

Infigen has an operating capacity of 557 MW comprising six wind farms, namely the 89.1 MW Alinta Wind Farm in WA, the three Lake Bonney wind farms in SA with capacities of 80.5 MW, 159 MW and 39 MW respectively, and the 140.7 MW Capital and 48.3 MW Woodlawn wind farms in NSW. Infigen holds a 100% equity interest in each of its Australian wind farms.

The transition of the Australian business into a post-warranty operating environment continues. The Australian business now directly manages the reliability of plant through predictive and preventative maintenance strategies, optimal scheduling of maintenance activities, and efficient supply chain management – functions previously carried out by OEMs.

The business continues to invest in people and system capabilities to manage these functions through a 24 x 7 Operations Control Centre (OCC), energy markets risk management systems, and asset management and maintenance systems.

Infigen sells the output from its Australian wind farms through 'run of plant' PPAs and LGC sales agreements, retail supply agreements and on a merchant basis (wholesale electricity and LGC markets). Output from the Lake Bonney 1 and Alinta wind farms is sold under contracts. The majority of the capacity of the Capital Wind Farm is contracted to meet demand from the Sydney Desalination Plant under long term retail supply agreements, while a small component of the output is sold on a merchant basis. Output from the Lake Bonney 2 & 3 and the Woodlawn wind farms is sold on a merchant basis. Of Infigen's six operational wind farms 55% of annual P50 production is currently contracted under medium and long term agreements.

7.2 United States FY12 Performance

Year ended	30 June 2012	30 June 2011	Change	Change %
Operating Capacity (MW)	1,089	1,089	-	-
Production (GWh)	3,136	3,332	(196)	(6)
P50 Production (GWh)	3,313	3,313	-	-

US Business	30 June 2012	30 June 2011	Change	Change %
Total Revenue (US\$M)	143.9	150.0	(6.1)	(4)
Operating costs (US\$M)	(75.9)	(68.6)	(7.3)	(11)
Operating EBITDA (US\$M)	68.0	81.4	(13.4)	(16)
PTCs (US\$M)	72.5	67.1	5.4	(8)

US Business Translation to AUD				
Revenue (A\$M)	140.8	150.4	(9.6)	(6)
Operating EBITDA (A\$M)	65.0	81.1	(16.1)	(20)

US Wind farms	30 June 2012	30 June 2011	Change	Change %
Wind farm revenue (US\$M)	140.5	145.3	(5.0)	(3)
Wind farm costs (US\$M)	(73.4)	(64.6)	8.8	(14)
Wind farm EBITDA (US\$M)	67.1	80.7	(13.6)	(19)
EBITDA margin	47.8%	55.5%		(7.7) ppt
Average price (US\$/MWh)	44.80	43.62	0.9	2
Wind farm costs (US\$/MWh)	23.41	19.39	4.43	23
EBITDA margin inc PTCs	64.9%	68.4%		(3.5) ppt

Infigen Asset Management	30 June 2012	30 June 2011	Change	Change %
Revenue (US\$M)	3.4	4.7	(1.2)	(28)
Operating costs (US\$M)	(2.5)	(4.0)	(1.5)	(38)
EBITDA (US\$M)	0.9	0.7	(0.2)	(29)

There was no change to Infigen's operating capacity in the US during the period with operating capacity remaining at 1,089 MW (Class B interest).

Production decreased 6% reflecting below prior year wind conditions partially offset by improved site availability.

Total revenue decreased 4% to US\$143.9 million primarily reflecting lower production, lower merchant electricity prices and a lower contribution from the Infigen Asset Management business, partially offset by higher compensated revenue.

Total operating costs increased 11% or US\$7.3 million to US\$75.9 million in line with guidance for post-warranty operating costs. This resulted from higher component replacement and repair (US\$2.5 million), higher post-warranty maintenance expenses at sites transitioning off OEM warranties (\$2.4 million), legal and professional fees (US\$1.7 million) and a step-up in turbine O&M costs following the execution of extended warranty, service and maintenance agreements with Mitsubishi (US\$1.1m), partially offset by lower Infigen Asset Management costs (-US\$0.5 million). On a weighted average basis 27% of Infigen's interest in US wind farm capacity was under warranty in FY12 compared with 54% in FY11.

Operating EBITDA for the US business decreased 16% or US\$13.4 million to US\$68.0 million reflecting lower revenue from lower production and merchant prices, and higher post-warranty wind farm costs.

7.2.1 Production

Year ended	30 June 2012	30 June 2011	Change
Operating Capacity (MW)	1,089	1,089	-
Capacity Factor	32.8%	35.1%	(2.7) ppt
Turbine Availability	96.1%	96.4%	(0.3) ppt
Site Availability	95.3%	94.5%	0.8 ppt
Production (GWh)	3,136	3,332	(196)

Production decreased 6% or 196 GWh to 3,136 GWh reflecting below prior year wind conditions in the first half and slightly weaker than expected wind conditions in the second half. Production from most wind farms was below the prior year. Major component failures and curtailments particularly at the GSG, Mendota, Sweetwater 5 and Crescent Ridge wind farms also contributed to lower production. This was partially offset by the DVAR repair at Aragonne that adversely affected the prior year production, lower icing events due to warmer weather through winter and blade leading edge repairs and enhancements (leading edge protection) at the Sweetwater wind farms.

Site availability of 95.3% represents a 0.8% improvement on the prior year. Turbine availability of 96.1% was marginally below the prior year. The primary contributors to lower turbine availability were gearbox replacements.

Production by Asset Vintage (GWh)				
Year ended	30 June 2012	30 June 2011	Change	Change %
2003/2004	716	760	(44)	(6)
2005	519	574	(55)	(10)
2006	820	859	(39)	(4)
2007	1,081	1,139	(58)	(5)
Total	3,136	3,332	(197)	(6)

7.2.2 Price

Approximately 84% of Infigen's US capacity is contracted. The capacity contracted and the PPA expiry dates are provided in the following table.

Wind Farm	Equity MW with PPA	PPA End Date
Crescent Ridge	40.8	Jun-13
Buena Vista	38	Apr-16
Sweetwater 2	45.8	Feb-17
Blue Canyon	37.1	Jan-23
Cedar Creek	200.3	Nov-27
Combine Hills	20.5	Dec-27
Sweetwater 1	18.8	Dec-23
Caprock	80	Dec-24
Sweetwater 3 ¹⁴	50.6	Dec-25
Kumeyaay	50	Dec-25
Sweetwater 3 ¹⁴	16.9	Dec-25
Bear Creek	14.2	Mar-26
Aragonne Mesa	90	Dec-26
Sweetwater 4	127.6	May-27
Jersey Atlantic	2.2	Mar-26
Allegheny Ridge I	80	Dec-29
Total	912.8	

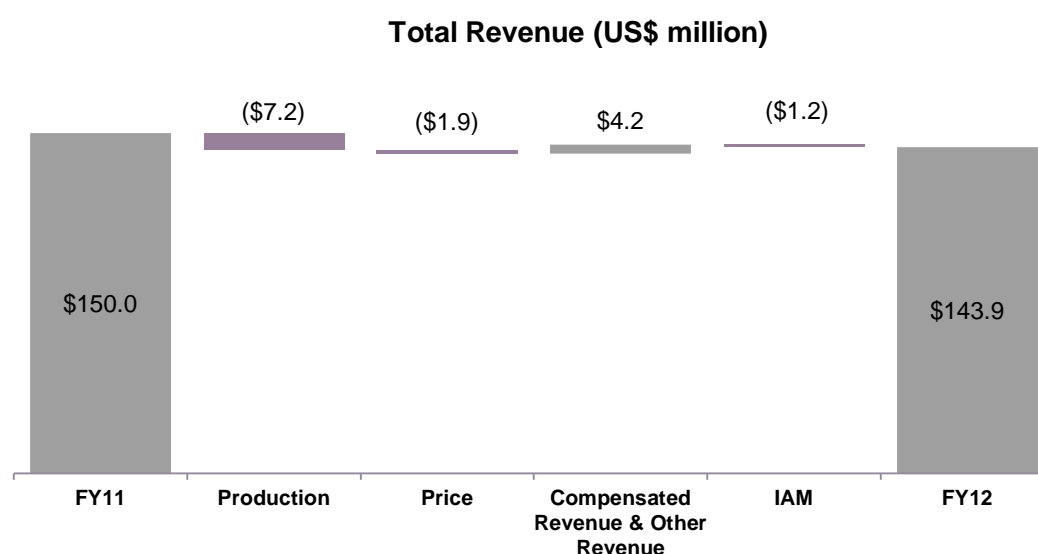
The simple average (total wind farm revenue divided by total production) electricity price realised was US\$44.80/MWh compared to US\$43.62/MWh in the prior year. This was due to the receipt of compensated revenue related to prior periods (see Section 7.2.3), higher realised prices from merchant wind farms in the Texas (ERCOT) market, PPA price escalators, partially offset by lower realised electricity prices from merchant wind farms in the North East (PJM) market.

The average PJM and ERCOT time weighted average prices for the year are outlined below. Infigen's merchant despatch weighted average price exceeded the time weighted average price in both markets during the period. In the prior period the despatch weighted average price of Infigen's merchant assets operating in the ERCOT market was lower than the time weighted average price, and lower than the FY12 despatch weighted average price.

Period (US\$/MWh)	FY12	FY11	Change %
PJM	23.70	29.95	(21)
ERCOT	16.78	25.60	(34)

¹⁴ Note there are two PPAs at the Sweetwater 3 Wind Farm

7.2.3 Total revenue



Total revenue decreased 4% or US\$6.1 million to US\$143.9 million reflecting lower wind farm revenue and lower Infigen Asset Management revenue.

Wind farm revenue decreased 3% or US\$4.9 million to US\$140.5 million. This primarily reflected lower production (-US\$7.2 million) and lower merchant electricity prices (-US\$1.9 million), partially offset by compensated revenue (+\$4.2 million).

Lower merchant electricity prices was a net outcome of lower realised prices in the PJM market (-\$2.4 million) partially offset by higher realised prices in the ERCOT market (+\$0.5 million).

The compensated revenue was predominantly attributable to equipment related insurance claims at the Aragonne Mesa, Sweetwater 2 and Allegheny Ridge wind farms and compensation for grid curtailments.

Revenue by asset vintage (US\$ million)				
Year ended	30 June 2012	30 June 2011	Change	Change %
2003/2004	21.6	21.2	0.5	2
2005	24.9	27.1	(2.3)	(8)
2006	43.7	45.9	(2.2)	(5)
2007	50.3	51.2	(0.9)	(2)
Total	140.5	145.3	(4.9)	(3)

7.2.4 Operating costs

Year ended (A\$M)	30 June 2012	30 June 2011	Change	Change %
Wind farm costs	73.4	64.6	8.8	14
IAM costs	2.5	4.0	(1.5)	(38)
Total Operating Costs	75.9	68.6	7.3	11

Total operating costs increased 11% or US\$7.3 million to US\$75.9 million reflecting increased post-warranty wind farm costs in line with previous guidance, partially offset by lower IAM costs.

Wind farm costs increased 14% or US\$8.8 million to US\$73.4 million. This primarily reflects:

- increased unscheduled turbine O&M and component replacement for wind farms that are off warranty (+\$2.5 million);
- costs associated with necessary work undertaken to transition certain wind farms off warranty, including extensive end-of-warranty inspections (+\$2.4 million);
- costs associated with extended warranty agreements (+\$1.1 million);
- an increase in legal and professional costs (+\$1.7 million); and
- higher balance of plant and other direct costs (+\$0.8 million).

Wind farm costs

Year ended (US\$M)	30 June 2012	30 June 2011	Change	Change %
Asset management	12.2	9.7	2.5	26
Turbine O&M	35.2	29.7	5.5	19
Balance of plant	7.2	6.8	0.4	6
Other direct costs	18.8	18.4	0.4	2
Total wind farm costs	73.4	64.6	8.8	14
<i>Wind farm costs US\$/MWh</i>	<i>23.41</i>	<i>19.39</i>	<i>4.02</i>	<i>21</i>

On a P50 production basis (3,313 GWh) unit wind farm costs of \$22.16/MWh remained in line with the previously guided US\$20.50/MWh to US\$25.50/MWh range.

Wind farm costs on an actual per megawatt-hour production basis increased 21% or US\$4.02/MWh to US\$23.41/MWh reflecting higher costs associated with a higher proportion of wind farms off warranty, higher asset management costs and lower production.

On 2 July 2012 Infigen announced extended warranty, service and maintenance agreements with Mitsubishi. The agreements cover 564 (1 MW) turbines across five wind farms (Caprock, Aragonne Mesa, Buena Vista, Sweetwater 4 and Cedar Creek) in four US states. Under the agreements, Mitsubishi will provide extended warranties, turbine maintenance services and replacement components for the turbines until 30 March 2017.

These agreements, which on an equity interest basis cover 39% of Infigen's US installed capacity reflect the implementation of Infigen's stated strategies to manage post-warranty operating costs and will help Infigen to achieve its objective of containing post-warranty wind farm costs across its US portfolio to within the previously guided range in the medium term. The agreements will also reduce the post-warranty working capital needs at each of these five wind farms (through a reduction of inventory costs).

7.2.5 Infigen Asset Management revenue and costs

Year ended (US\$M)	30 June 2012	30 June 2011	Change	Change %
Revenue	3.4	4.7	(1.3)	(28)
Costs	2.5	4.0	(1.5)	(38)
EBITDA	0.9	0.7	0.2	29

The rebranded and refocused Infigen Asset Management business continues to provide competitive tension in the post-warranty O&M service market for Infigen, and provides a range of site management, turbine maintenance and administrative services to all of Infigen's US assets.

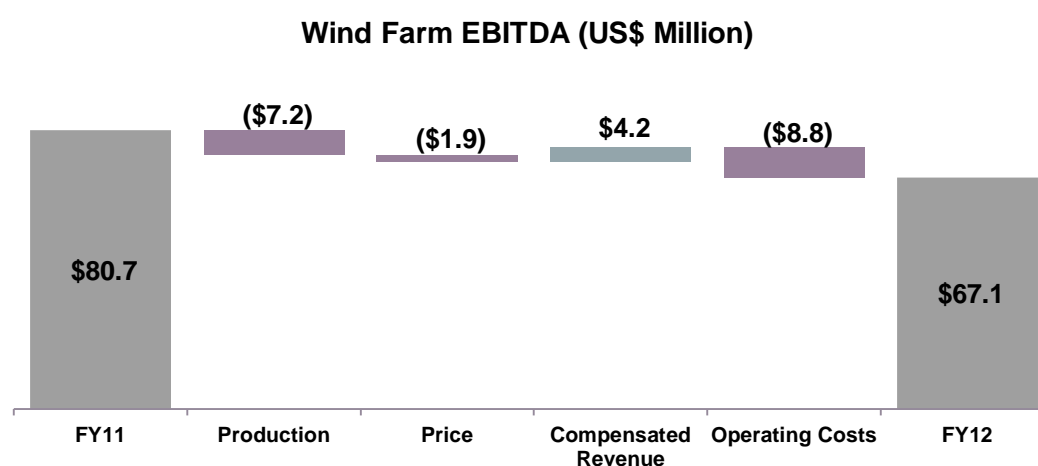
Revenue from Infigen Asset Management operations was US\$3.4 million compared with US\$4.7 million in the prior year. The US\$1.3 million reduction reflects the expiration of two asset management services contracts at third party wind farms at the end of FY11.

Operating costs associated with the Infigen Asset Management business decreased US\$1.5 million from US\$4.0 million to US\$2.5 million reflecting lower costs incurred as a result of the expiration of contracts described above.

7.2.6 Operating EBITDA

Operating EBITDA for the US business decreased 16% or US\$13.4 million to US\$68.0 million reflecting lower revenue from lower production, higher wind farm costs, partially offset by a marginal improvement in the profitability of Infigen Asset Management.

Wind Farm EBITDA decreased 19% or US\$13.6 to US\$67.1 million reflecting lower revenue from lower production and higher post-warranty wind farm costs.



The Infigen Asset Management business contributed EBITDA of US\$0.9 million compared with US\$0.7 million in the prior year.

EBITDA Margins Year ended	30 June 2012	30 June 2011	Change pts
Wind farms	47.8%	55.5%	(7.7)
Wind farms & PTC	65.5%	69.6%	(3.5)

EBITDA margin from the wind farms was 50.4% compared with 55.5% in the prior year. This primarily reflected higher post-warranty wind farm costs associated with component failures and unscheduled maintenance.

7.2.7 Depreciation and amortisation

Depreciation and amortisation increased US\$0.3 million to US\$80.8 million. Infigen depreciates its US wind farms and associated plant using the straight line method over 25 years reflecting their useful lives.

7.2.8 Development

During the period Infigen established renewable energy development activities in the US through securing a team of experienced development professionals and commencing the identification and development of solar and wind project opportunities.

On 29 February 2012 Infigen announced the execution of a Joint Development Agreement with Pioneer Green Solar II, LLC to develop a portfolio of solar energy projects. The agreement provides for the further development of approximately 300 MW of solar energy projects located in California, Arizona and Texas. The projects range in size from 20 MW to 100 MW, with initial project construction potential from calendar 2013 onwards, subject to market conditions.

7.3 Australia FY12 Performance

Year ended (\$M) unless stated otherwise	30 June 2012	30 June 2011	Change	Change %
Operating Capacity (MW)	557	508	48	10
Production (GWh)	1,402	1,335	67	5
P50 Production (GWh)	1,606	1,506	100	7
Total Revenue (\$M)	125.8	117.2	8.6	7
Operating Costs (\$M)	(34.7)	(31.2)	(3.5)	11
Operating EBITDA (\$M)	91.1	86.0	5.1	(6)
Operating EBITDA margin (%)	72.4	73.4	(1.0) ppt	
Average Price (A\$/MWh)	89.72	87.80	1.92	2
Operating Cost (A\$/MWh)	24.77	23.37	(1.40)	(6)

Operating capacity in Australia increased 10% to 556.6 MW reflecting the addition of the Woodlawn Wind Farm in NSW, which became fully operational in October 2011. On a time weighted average basis, operating capacity increased 9% as this year included a nine month contribution from the Woodlawn Wind Farm.

Production increased 5% to 1,402 GWh reflecting the commissioning of the Woodlawn Wind Farm and improved wind conditions at the Lake Bonney wind farms partially offset by below prior year wind conditions at the Alinta and Capital wind farms, increased network constraints in SA and WA, and lost production at the Capital Wind Farm due to substation equipment failure.

Revenue increased 7% to \$125.8 million reflecting a net improvement in production as described above and higher electricity and LGC prices.

Operating EBITDA increased 6% or \$5.1 million to \$91.1 million reflecting higher revenue partially offset by increased operating costs related to new capacity and post-warranty turbine O&M costs.

The Woodlawn Wind Farm reached practical completion in October 2011. It was completed on time and on budget (\$115 million construction cost) with no lost time injuries. The \$55 million Woodlawn project finance facility was fully drawn during the year.

Progress continued on Infigen's Australian development pipeline with the most prospective projects advanced in anticipation of improved market and investment conditions. Planning approval was received for the Capital 2 and Woakwine wind farms during the period and development applications were submitted for the Bodangora, Forsayth, Flyers Creek and Cherry Tree wind farms. In addition, a development application for the 1 MW Capital East Solar Farm comprising a solar photovoltaic (PV) and energy storage facility was lodged. In early July 2012 planning approval was granted for the facility.

7.3.1 Production

Year ended	30 June 2012	30 June 2011	Change
Operating capacity (MW)	556.6	508.3	48.3
Capacity factor	28.9%	30.1%	(1.2) ppt
Turbine availability	96.6%	97.4%	(0.8) ppt
Site availability	95.1%	97.3%	(2.2) ppt
Production (GWh)	1,402	1,335	67

Production increased 5% or 67 GWh to 1,402 GWh. This reflected an initial contribution from the new Woodlawn Wind Farm (+118 GWh) and improved wind conditions at the Lake Bonney wind farms (+69 GWh). These positive factors were partially offset by below prior year wind conditions at the Alinta (-31 GWh) and Capital (-41 GWh) wind farms, increased network constraints in SA (-21 GWh) and WA (-10 GWh), and lost production at the Capital Wind Farm (-17 GWh) due to failure of a neutral earthing transformer (NET).

Network constraints are imposed by the transmission network service provider (TNSP) due to temporary limitations of the distribution network, for which Infigen has to follow directions and receives no compensation. In SA, 33 GWh of lost production due to network constraints were the result of limits on the interconnectors between SA and Victoria (VIC) together with the local TNSP undertaking a program of network repairs and upgrades. It is expected that this program will continue in the medium term resulting in similar constraints in FY13.

However, these constraints are expected to improve substantially in the longer term due to proposed interconnector investment between SA and VIC, TNSP upgrades and continued focus on constraints in SA by regulatory bodies. Infigen is taking an active part in a Regulatory Investment Test being undertaken to ascertain if additional network infrastructure can be installed to assist with resolving constraints between SA and VIC, and is actively working with the TNSP and regulatory bodies to explore all available avenues to decrease the level of constraints on the network in the south east of SA.

In WA the TNSP had to undertake repairs to the network due to damage caused by adverse weather conditions resulting in 11 GWh of lost production.

Economic curtailments occur when Infigen exercises discretion not to run the wind farms in seeking to avoid negative prices for merchant plant. During the year Infigen lost 5 GWh of production due to economic curtailments, however, this resulted in Infigen avoiding \$0.9 million in negative revenue based on the actual negative prices for those periods or approximately \$1.9 million based on the expected price outcome had Infigen generated during those periods (as this would have exacerbated the negative prices during those periods).

Site availability decreased to 95.1% compared with 97.3% in the prior year. This reflected ramping up of the turbine availability at the Woodlawn Wind Farm, lower turbine availability due to warranty repairs at the Alinta and Capital wind farms and blade replacements on two turbines at the Lake Bonney wind farms along with downtime associated with the NET failure at Capital.

A NET at the Capital Wind Farm was taken out of service in January 2012 following the identification of a fault. Following temporary repairs and return to service the NET failed in March 2012 limiting output at the Capital Wind Farm to a maximum of 65

MW for the balance of FY12. This constraint was subsequently removed in early July 2012 due to the implementation of an innovative protection system which allowed the wind farm to operate on one NET instead of two.

In late August 2012 a number of outages will take place at the Capital Renewable Energy Precinct to facilitate the removal of the in-service NETs and replacement of the failed NET. The in-service NETs will be repaired by being fitted with new tanks that will eliminate the original fault. Additional outages will then occur to reinstall the repaired NETs and return the wind farm to its normal operating configuration. This is expected to be completed around late September to early October 2012 with no material effect on production.

Infigen is seeking compensation for the cost of replacing the NETs, interim repairs and losses as a result of business interruption. At this stage it is too early to determine the quantum of compensation that will be sought.

7.3.2 Prices

Electricity

In SA and NSW time weighted average spot electricity prices were 7% and 19% lower than the prior year respectively. The ten year average prices to 30 June 2012 in SA and NSW were \$43.31/MWh and \$39.17/MWh respectively. The following table outlines the time weighted average electricity prices for SA and NSW.

Period (\$/MWh)	FY12	FY11	10 Year Average
SA - Electricity	30.28	32.58	43.31
NSW - Electricity	29.67	36.74	39.17
Large-scale Generation Certificates	39.39	35.74	n/a

Infigen's dispatch weighted average electricity price increased 25% to \$28.27/MWh in SA and decreased 33% to \$29.67/MWh in NSW. This decrease in NSW reflects the lack of volatility in FY12 described below.

Average spot prices in Australia can be significantly influenced by short term extreme price events. Wholesale electricity spot prices can vary between the market price floor of -\$1,000/MWh and the market price cap of \$12,500/MWh.

There was little volatility in the wholesale electricity market during FY12.

In SA, Infigen had exposure to seven trading intervals where prices exceeded \$300/MWh and 13 intervals where prices were below -\$100/MWh and resulted in a net benefit of \$0.2 million.

In NSW, Infigen had exposure to a single trading interval where prices exceeded \$300/MWh but this had a negligible effect on revenue. In FY11, Infigen benefited from high price events resulting in a net revenue gain of approximately \$1.4 million over one week in February 2011.

Large-scale Generation Certificates

The average monthly LGC price for the year was \$39.39/LGC compared with \$35.74/LGC in the prior year. The LGC price at 30 June 2012 was \$36.42 compared to \$39.60 at 30 June 2011.

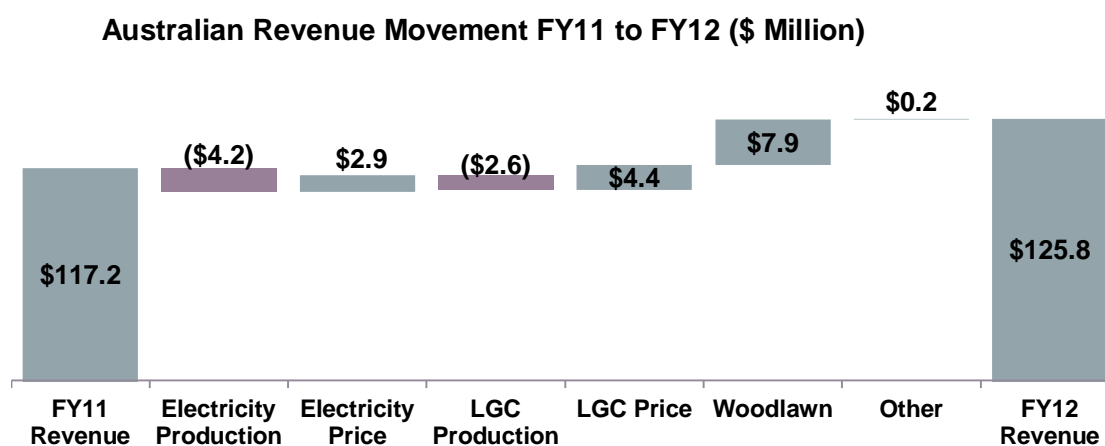
The realised weighted average portfolio bundled (electricity and LGCs) price was \$89.72/MWh, 2% higher than \$87.80/MWh realised in the prior year. This reflected price escalation for the contracted assets, higher dispatched weighted wholesale electricity prices in SA and higher average LGC prices throughout the year.

7.3.3 Revenue

Total revenue increased 7% or \$8.6 million to \$125.8 million. This reflected initial production from the Woodlawn Wind Farm (+\$7.9 million), increased production from the Lake Bonney 1 and 2 wind farms (+\$5.5 million), higher average merchant LGC prices and wholesale electricity prices (+\$4.9 million) and off-take contract price inflation (+\$1.3 million). This was partially offset by lower revenue from below prior year production at the Alinta and Capital wind farms (-\$6.9 million), the failure of a NET at the Capital Wind Farm in January 2012 (-\$1.9 million) and increased network constraints (-\$2.2 million).

At 30 June 2012 Infigen held approximately 276,000 LGCs with a book value of \$10 million compared to approximately 244,000 with a book value of \$8.8 million at 30 June 2011. These LGCs were recognised in revenue at the weighted average market price for the month in which they were created. The closing market price of \$36.42 per LGC at 30 June 2012 was slightly lower than the average price at which these LGCs were brought to account. An environmental certificate revaluation expense of \$0.5 million is recognised in the FY12 results.

The following graph highlights the relative contributions to the period on period change in revenue.



7.3.4 Operating Costs

Wind farm costs

Year ended (A\$M)	30 June 2012	30 June 2011	Change	Change %
Asset management	6.5	6.8	(0.7)	(4)
Turbine O&M	16.9	14.3	2.8	18
Balance of plant	1.0	0.4	0.6	150
Other direct costs	6.9	6.9	0.1	1
Total wind farm costs	31.3	28.5	2.8	10
<i>Wind farm costs \$/MWh</i>	<i>22.32</i>	<i>21.34</i>	<i>0.98</i>	<i>5</i>

Wind farm costs increased 10% or \$2.8 million to \$31.3 million reflecting:

- initial costs from the addition of the Woodlawn Wind Farm in FY12 (+\$1.8 million);
- increase in post-warranty major component replacements of gearboxes and generators (\$1.8 million);
- scheduled and unscheduled balance of plant costs (\$0.6 million);
- lower asset management costs due to a temporary reduction in employee numbers and reduced end of warranty inspection costs (-\$0.9 million); and
- lower land rent, insurance and other costs (-\$0.5 million).

Wind farm costs on a megawatt hour basis increased 5% or \$0.98/MWh to \$22.32/MWh (excluding Energy Markets costs as these relate to revenue optimisation).

This primarily reflects:

- higher turbine O&M costs associated with post-warranty component replacements;
- higher unscheduled balance of plant (collector circuits, substation and MET maintenance) costs;
- lower asset management costs due to a temporary reduction in employee numbers; and
- lower insurance costs following the commissioning of Woodlawn Wind Farm and lower costs from production linked land leases.

On a P50 production basis (1,606 GWh) unit wind farm costs of \$19.49/MWh remained below the previously guided \$20.40/MWh to \$25.40/MWh range. Actual unit costs in FY12 were also within this range.

On 26 April 2012 Infigen announced that it had executed post-warranty service and maintenance agreements with Vestas. The agreements cover 367.6 MW of installed capacity comprising 166 turbines across the three stages of the Lake Bonney Wind Farm (Lake Bonney 2 and 3 are still under the original OEM warranty and will transition to the new arrangement upon expiry in January 2013) and the Alinta Wind Farm. Under the agreements, Vestas will provide turbine maintenance services and replacement components for the turbines until 31 December 2017. Infigen will be responsible for operating the sites and for maintenance of the balance of plant.

These agreements reflect the implementation of Infigen's stated strategies to manage post-warranty wind farm costs. Infigen has taken a significant step toward containing post-warranty wind farm costs within the previously guided range in the medium term, across its Australian portfolio.

The agreements are competitive with alternative solutions available to Infigen, including in-house maintenance and third-party providers and will achieve reduced risk in a post-warranty environment.

All of Infigen's Australian wind turbines are now either covered by their original OEM warranty or a post-warranty service agreement. This will reduce the volatility in Infigen's Australian wind farm costs.

Year ended (A\$M)	30 June 2012	30 June 2011	Change	Change %
Total Wind Farm Costs	31.3	28.5	2.8	10
<i>Wind farm costs \$/MWh</i>	<i>22.32</i>	<i>21.34</i>	<i>0.98</i>	<i>5</i>
Total Operating Costs	34.7	31.2	3.5	11
<i>Total operating costs \$/MWh</i>	<i>24.77</i>	<i>23.35</i>	<i>1.42</i>	<i>6</i>

Total operating costs increased 11% or \$3.5 million to \$34.7 million primarily reflecting an increase in capacity following the Woodlawn Wind Farm commencing operation, post-warranty major component replacements at the Alinta and Lake Bonney 1 wind farms, higher post-warranty turbine O&M costs, additional scheduled and unscheduled balance of plant costs, and higher energy markets costs.

Energy Markets

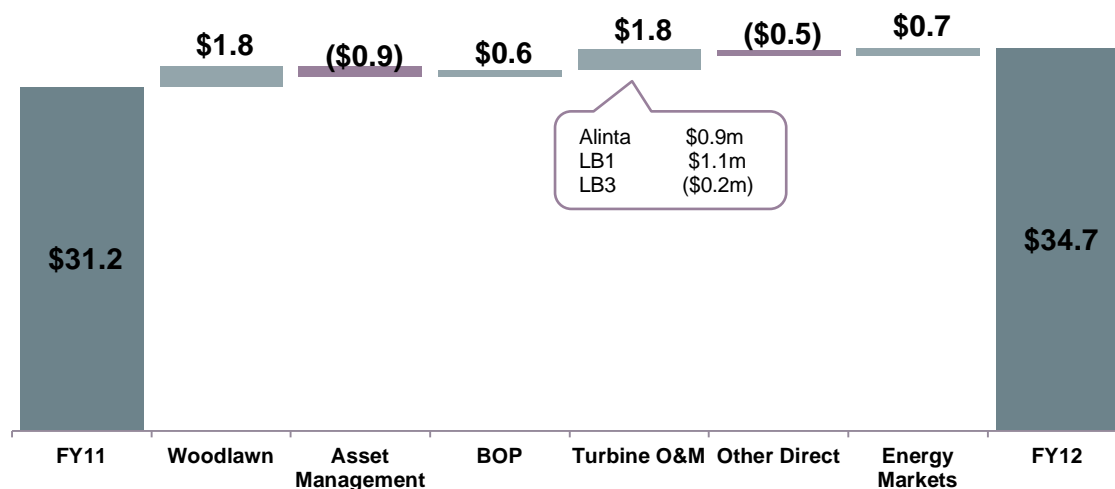
Year ended (A\$M)	30 June 2012	30 June 2011	Change	Change %
Revenue	5.3	6.5	(1.2)	(18)
Costs	3.4	2.7	0.7	26
EBITDA	1.9	3.8	(1.9)	(50)

The Energy Markets function manages Infigen's energy market and energy risk management activities including the purchase and sale of electricity, LGCs and other environmental products required to fulfill Infigen's obligations on behalf of its customers.

Energy Markets revenue (included in total revenue) decreased \$1.2 million to \$5.3 million reflecting lower energy sales due to the NET failure at the Capital Wind Farm (described above).

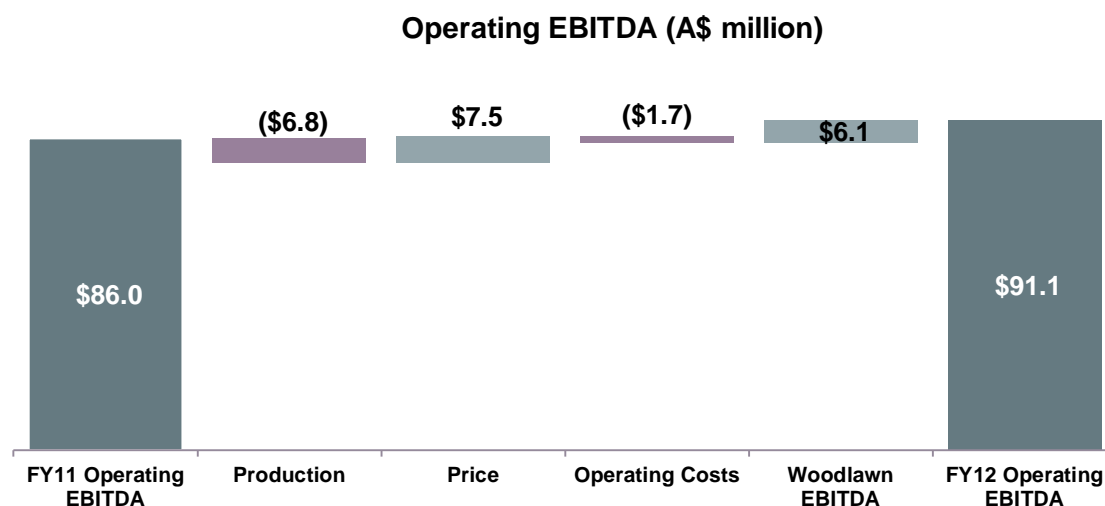
Energy Markets costs increased \$0.7 million to \$3.4 million reflecting increased investment to support the function in generating profitable returns.

Australian Operating Cost Movement FY11 to FY12 (A\$ million)



7.3.5 Operating EBITDA

Operating EBITDA increased 6% or \$5.1 million to \$91.1 million reflecting increased production from new assets and higher average electricity and LGC prices, offset by below prior year wind conditions in WA and NSW and increased post-warranty operating costs including those from new assets.



EBITDA margin for the period was 72.4% compared with 73.4%. The lower margin primarily reflects lower revenues driven by below prior year wind conditions in WA and NSW and higher wind farm costs due to post-warranty component replacements described above.

7.3.6 Depreciation and amortisation

Depreciation and amortisation increased \$7.3 million to \$53.3 million reflecting an increased depreciable asset base following the commissioning of the Woodlawn Wind Farm and higher software and IT depreciation. Infigen depreciates its Australian wind farms and associated plant using the straight line method over 25 years reflecting their useful lives.

7.3.7 Construction

Construction of the Woodlawn Wind Farm near Bungendore in NSW was completed during the period with a total construction cost of \$115 million. The merchant Woodlawn Wind Farm is part financed by a \$55 million project finance facility.

The wind farm achieved practical completion on 17 October 2011. There were no lost time injuries during construction of the project.

The Woodlawn Wind Farm provides enough renewable energy annually to power approximately 23,000 homes and will assist in meeting New South Wales' electricity demand.

The project has created more than 150 direct jobs during construction and many more indirect jobs in Australia involving the fabrication of towers, buildings, switch rooms and electrical equipment. Infigen has provided on-site apprentices with valuable work experience and the development has also benefitted the local

community through increased economic activity. The wind farm together with Infigen's other wind farms will aid Australia's transition to a low carbon economy and contribute to Australia's commitment to reduce greenhouse gas emissions and achieve the goal of generating 20% of electricity from renewable sources by 2020.

7.3.8 Development

During the period the development team continued to advance the most prospective projects in the wind and solar development pipeline in anticipation of improved market and investment conditions, and carried out work necessary to sustain the option value of the pipeline.

Planning approval was received for the Capital 2 and Woakwine wind farms and development applications for the Bodangora, Forsayth, Flyers Creek and Cherry Tree wind farms were all placed on public exhibition. In addition, a development application for the 1 MW Capital East Solar Farm comprising a solar PV and energy storage facility was lodged.

A key area of focus for the development team is managing regulatory and/or political risk. The election of three new state governments in the past 18 months has significantly increased the risk of undesirable planning law changes.

During the period, the Victorian Government introduced restrictive wind farm planning regulations. Infigen has one small development asset (Cherry Tree) located in Victoria. Based on its current configuration the proposed wind farm is expected to be mildly affected by the new regulations.

In NSW, the NSW Government has released draft wind farm planning guidelines for comment. There are various requirements within the draft guidelines that Infigen and the industry believe should not remain in the final form of the guidelines. Further, the guidelines will not apply to the Flyers Creek Wind Farm development. The Bodangora Wind Farm development was adjusted to account for proposed wind farm planning guidelines and is the first NSW project to be placed on public exhibition under these proposed guidelines.

Infigen is continuing to progress wind energy assessment, grid studies and connection applications to further these developments. Major progress was achieved at several sites regarding network connection for pipeline projects including Western Power awarding contracts for the construction of the Perth to Three Springs 330kV transmission line - vital to development of the Walkaway 2 and 3 projects. Connection Investigation for Network Access Agreements were signed with Transgrid for Capital Solar Farm, Capital 2 Wind Farm and Bodangora Wind Farm.

At the proposed Flyers Creek Wind Farm, Infigen is exploring the feasibility of a wind farm co-operative. It is anticipated that the co-operative would invest in one of the turbines at the site. At this early stage there is strong community support for the initiative. The public exhibition of this proposal was completed during the period.

Infigen has already received planning approval for its Capital 2 Wind Farm and as such the new guidelines will not apply to that project. Infigen has a significant competitive advantage due to strong community support in areas where it has existing wind farms, the planning status of its development pipeline and the location of the project opportunities in its pipeline.

In Queensland, the State Government is considering its position. The Forsayth Wind Farm was placed on public exhibition (until August 2012).

In SA, the opposition is applying pressure in pursuit of negative changes to that State's planning laws.

Infigen looks to mitigate this political risk through ongoing extensive efforts to engage with policy makers and the communities in which it operates.

Wind Farm Development Pipeline

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	DA lodged	Intermediate
Walkaway 2 & 3*	WA	~400	Approved	Intermediate
Woakwine	SA	~450	Approved	Intermediate
Total		1,225 –1,275		

* Infigen has a 32% equity interest

Infigen continued to explore solar opportunities during the period. At its Capital Renewable Energy Precinct, Infigen is undertaking early works towards the development of a small solar / energy storage demonstration plant. A development application for 1 MW of solar PV and energy storage was lodged with planning approval received in July 2012.

As the cost of solar PV continues to decrease and companies such as Infigen leverage their capabilities toward utility scale solar PV development, the opportunity for solar PV to play an important role in achieving Australia's goal of generating 20% of electricity from renewable sources by 2020 will increase.

In February the Department of Resources, Energy and Tourism invited the shortlisted projects for the first round of the PV stream of Solar Flagships to resubmit bids following the failure of the initial preferred bidder to meet its obligations under the funding agreement. The Infigen-Suntech consortium was unsuccessful in its bid; however, the Minister referred its application to the Australian Renewable Energy Agency (ARENA).

Solar PV represents a sizeable growth opportunity for Infigen. The Solar Flagships process has created a strong level of internal solar PV expertise and this is now being used to identify and exploit commercially viable on and off-grid solar PV opportunities and pursue ARENA funding.

Solar Farm Development Pipeline

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
Total		267		

Infigen has a 50% equity interest

8 Outlook

Infigen begins the 2013 financial year (FY13) with the ongoing focus on continuous improvement in operational performance and building on the FY12 solid operating cash flow performance.

In FY13, production in the US and Australia is expected to improve on the FY12 outcome. This is based on a strong historical correlation to long term mean energy production to date in the US, a full year contribution from the Woodlawn Wind Farm in Australia, and a general improvement in overall wind conditions. Ongoing network constraints in South Australia will continue to adversely affect Australian production.

The US assets remain highly contracted and unlikely to experience any material deterioration in revenues as a result of continued low wholesale electricity prices. Infigen's Australian merchant assets will benefit from the introduction of a price on carbon that has increased wholesale electricity prices since the commencement of FY13. LGC prices are expected to remain stable.

Wind farm costs are forecast to be in the US\$74 million to US\$79 million range (equivalent to US\$22.34 to US\$23.85 per MWh on a P50 basis) in the US and \$34 million to \$37 million range (equivalent to \$20.37 to \$22.17 per MWh on a P50 basis) in Australia. The US and Australian businesses will benefit from reduced component risk and volatility in costs following the post-warranty agreements executed in FY12.

Energy Markets costs in Australia and Infigen Asset Management costs in the US are expected to be around the same as FY12, subject to a similar level of activity.

Subject to these operating conditions prevailing, the amount of surplus cash flow from operations available to amortise debt under the Global Facility during FY13 is expected to be approximately \$55 million.

Following feedback from market participants, Infigen will no longer provide annual production and revenue guidance but will instead publish unaudited production and revenue outcomes each quarter. This information, with prior corresponding period comparisons, is proposed to be lodged with the Australian Securities Exchange on or around the last trading day of the month following the end of each quarter.

9 Appendix A – Balance Sheet by Country

A\$ million	30-Jun-12 IFN Statutory Interest	Less US Minority Interest	30-Jun-12 IFN Economic Interest	Australia	United States
Cash	126.7	(0.5)	126.2	110.7	15.5
Receivables	32.5	(1.1)	31.4	18.6	12.7
Inventory & LGCs	15.9	0.0	15.9	15.9	0.0
Prepayments	15.9	(0.3)	15.6	5.9	9.7
PPE	2,430.1	(151.0)	2,279.1	961.2	1,317.8
Goodwill & intangibles	318.0	(16.1)	302.0	137.1	164.9
Deferred tax assets	48.4	0.0	48.4	48.4	0.0
Other assets	4.5	(0.0)	4.5	4.5	(0.0)
Total assets	2,992.0	(169.0)	2,823.0	1,302.4	1,520.6
Payables	45.0	(3.3)	41.7	15.4	26.4
Provisions	3.7	0.0	3.7	3.7	0.0
Borrowings	1,069.2	0.0	1,069.2	742.0	327.3
Tax Equity (US)	684.4	(118.9)	565.4	0.0	565.4
Deferred revenue (US)	472.8	(46.8)	426.0	0.0	426.0
Interest rate derivative	191.2	0.0	191.2	128.5	62.6
Total Liabilities	2,466.2	(169.0)	2,297.2	889.6	1,407.6
Net assets	525.8	(0.0)	525.8	412.8	113.0

Foreign exchange rates				
As at	30 June 2012	30 June 2011	Change %	
USD	1.0238	1.0609	(3)	
EUR	0.8084	0.7367	10	

10 Appendix B - Institutional Equity Partnerships

Infigen holds interests in 12 limited liability companies (Institutional Equity Partnerships or IEPs), which in turn hold interests in 18 wind farm projects in the US.

The capital structure of each IEP comprises Class A membership interests and Class B membership interests.

10.1 Funding

Each IEP is funded on a stand-alone, non-recourse basis for Class A and Class B members (Infigen is a Class B member).

The long term equity funding is contributed by Class A members and Class B members in proportions which vary from project to project - depending on the project, Class A Members have contributed between 50% and 80% of initial capital and the Class B members have contributed the remainder.

Generally, holders of Class A membership interests are institutional investors.

Infigen holds Class B membership interests. Infigen's interest is in the range from 50% to 100% of total Class B membership interests.

10.2 Economic interests

The membership interests in the IEPs have rights to two types of economic interests:

- Tax allocations (including taxable income/loss and production tax credits (PTCs)); and
- Cash distributions.

The Class A and B members have varying entitlements to the economic interests depending on the life stage of the wind farms as follows:

Membership Interest	Stage 1: Until the earlier of (i) Class B Capital repaid or (ii) a fixed date*	Stage 2: After Class B Capital repaid and until the reallocation date"	Stage 3: Post reallocation date
Class A	All taxable income/loss and PTCs	All taxable income/loss, PTCs and cash distributions	Depending on the IEP, between 5%-25% of taxable income/loss, PTCs and cash distributions
Class B	All cash distributions	Nil	Depending on the IEP, between 75%-95% of taxable income/loss, PTCs and cash distributions

* the fixed date is one that is, at the time that capital is initially contributed, expected to be later than the date by which the Class B initial capital is expected to be repaid

Reallocation Date is the point in time that Class A capital has been returned and a target return on the Class A capital has been achieved. The target returns range between 5.9% and 8.3% depending on the IEP and accumulate based on the outstanding Class A capital balance.

10.3 Accounting for IEPs

Under Australian equivalents to International Financial Reporting Standards (AIFRS), Infigen either controls, or jointly controls, the strategic and operating decisions of the IEPs. Infigen commenced this treatment in FY08 when, based on accounting standards, control was determined to have been attained.

Consequently, Infigen either consolidates or proportionally consolidates IEPs under AIFRS.

Infigen recognises assets and liabilities of the IEPs in its AIFRS financial statements based on the following proportions:

Institutional Equity Partnership	Relevant wind farms	IFN Class B interest	Proportion consolidated (AIFRS)
2003/2004 Portfolio			
Blue Canyon Windpower LLC	Blue Canyon	50%	50%
Caprock Wind LLC	Caprock	100%	100%
Eurus Combine Hills LLC	Combine Hills	50%	50%
Sweetwater Wind 1 LLC	Sweetwater 1	50%	50%
Sweetwater Wind 2 LLC	Sweetwater 2	50%	50%
2005 Portfolio			
JB Wind Holdings LLC	Bear Creek, Jersey Atlantic	59.3%	59.3%
Crescent Ridge Holdings LLC	Crescent Ridge	75%	100% with 25% non-controlling interest
Kumeyaay Holdings LLC	Kumeyaay	100%	100%
Sweetwater Wind 3 LLC	Sweetwater 3	50%	50%
2006 Portfolio			
Wind Portfolio Holdings 1 LLC	Allegheny, Aragonne, Buena Vista, GSG, Mendota	100%	100%
2007 Portfolio			
CCWE Holdings LLC	Cedar Creek	66.67%	100% with 33.33% non-controlling interest
Sweetwater 4-5 Holdings LLC	Sweetwater 4, Sweetwater 5	53%	53%

10.4 IEP Liabilities:

10.4.1 Class A Liability (AIFRS):

- These are classified as a liability under AIFRS as IEPs have limited lives and the allocation of income earned is governed by contractual agreements over the life of the investment;
- The Class A liability is calculated by discounting future tax allocations and cash distributions using the effective interest method:
 - The effective interest rate that is used to calculate the liability was determined at the date that control was deemed to have been attained and is not subsequently adjusted;
 - Future tax allocations and cash distributions that are incorporated into the calculation of the Class A liability include those that accrue in each of the aforementioned three stages, i.e. including those post the repayment of the Class A capital balance;
- The Class A liability is increased or decreased for the following:

Component	Increase/Decrease to Class A Liability	Income/Expense
1. Value of PTCs	Decrease	Income
2. Tax (i)losses/(ii)gains (including tax depreciation)	(i) Decrease/ (ii) Increase	(i) Income/ (ii) Expense
3. Cash distributions	Decrease	N/A
4. Allocation of return (Class A)	Increase	Expense
5. Movement in residual interest (Class A)	(i) Increase/ (ii) Decrease	(i) Expense/ (ii) Income

Value of PTCs relates to the income stream that Class A members receive in the form of tax credits. All of Infigen's US wind farms receive one PTC for each megawatt hour of electricity produced for a period of ten years from the date of first commercial operation of the wind farm.

Tax losses/gains represent an estimate of taxable losses or gains accruing to Class A members during the period. Under US tax law a wind farm owner may depreciate the book value of its wind farms over an accelerated time frame. In the early years of operations this gives rise to significant tax losses as the accelerated tax depreciation is greater than the operating profit of the wind farm.

Cash distributions represent cash distributed to Class A members in Stage 2 and Stage 3.

Allocation of return (Class A) is the agreed target return on the capital balance of the Class A member.

The change in residual interest (Class A) reflects period on period changes in expectations of future tax allocations and cash distributions.

Class A Capital Balance:

The Class A capital balance is different to the Class A liability as the former is the balance of initial capital contributed by Class A members, plus the targeted return (which is itself different to the effective interest rate), that is yet to be repaid to Class A members through tax allocations and/or cash distributions at a given point in time.

The following provides a summary of Class A capital balances.

Economic Interest Class A Capital Balance US\$ million			
Asset vintage	30 June 2012	30 June 2011	Change \$
2003/2004	65.5	81.1	(15.6)
2005	95.2	102.9	(7.7)
2006	162.0	170.1	(8.1)
2007	238.0	251.8	(13.8)
Total	560.7	605.9	(45.2)

The Class A capital balance is reduced or increased for items 1 to 4 above, but there is no adjustment in relation to the residual interest (item 5 above);

10.4.2 Class B Liability (AIFRS):

- Relates to Cedar Creek and Crescent Ridge only;
- The Class B Liability is the equivalent of a non-controlling interest that is ordinarily recognised within equity. However, this item is classified as a liability under AIFRS because (i) the IEPs have limited lives and (ii) the allocation of income earned is governed by contractual agreements over the life of the investment;
- Non-controlling interests are reduced for cash distributions and increased/decreased for the minority's interest in the IEP's profit/loss.

10.4.3 Deferred Revenue:

- Represents the tax-effected difference between tax and accounting depreciation. This is similar to the accounting treatment of a deferred tax liability;
- Accumulates in the early years of the IEP and then reverses slowly over the remaining life of the investment;
- Does not form part of the Class A liability and is an accounting consequence of straight-lining tax depreciation over the life of the wind farm.

Whilst classified as liabilities in the financial statements it is important to note:

- Should future operational revenues from the US wind farm investments be insufficient, there is no contractual obligation on the Group to repay the IEP liabilities.
- Institutional balances outstanding (Class A and Class B non-controlling interests) do not impact Infigen's leverage covenant.
- There is no exit mechanism for institutional investors and consequently there is no re-financing risk.

10.5 Income and Financing Cost related to IEP (USD):

Year ended (US\$ million)	30 June 2012	30 June 2011	Change %
Value of production tax credits (Class A)	80.2	74.5	8
Value of tax losses (Class A)	1.2	16.5	(93)
Benefits deferred during the period	(16.5)	(34.9)	(53)
Income from IEPs	65.0	56.1	16
Allocation of return (Class A)	(43.7)	(46.7)	(6)
Movement in residual interest (Class A)	(9.0)	12.0	n/a
Non-controlling interest (Class B)	(7.6)	(4.6)	66
Financing costs related to IEPs	(60.3)	(39.3)	53
Net income from IEPs (Statutory)	4.7	16.8	(72)
Non-controlling interests (Class B & Class A)	5.0	5.8	(14)
Net income from IEPs (Economic Interest)	9.6	22.6	(58)

10.6 US profit and loss, capital balance movements and distributions

10.6.1 Year ended 30 June 2012

Vintage	2003/04	2005	2006	2007	Total US
Wind Farms	Blue Canyon Caprock Combine Hills Sweetwater 1 Sweetwater 2	Bear Creek Jersey Atlantic Kumeyaay Sweetwater 3 Crescent Ridge	Allegheny Arragonne Buena Vista GSG Mendota	Cedar Creek Sweetwater 4 Sweetwater 5	
Capacity Factor (P50)	40%	35%	30%	36%	35%
Capacity (MW)	202.2	177.0	339.7	370.6	1,089.4
Contracted capacity (MW)	202.2	174.7	208.0	328.0	912.9
% of capacity under PPA	100%	99%	61%	88%	84%
Ave. remaining PPA duration (yrs)	10.5	10.5	13.6	15.2	12.9
Merchant market	N/A	PJM	PJM	ERCOT	
Production (GWh)	716	519	820	1,081	3,136
% of P50	102%	95%	91%	94%	94%
Revenue (US\$m)	21.6	24.9	43.7	50.3	140.5
Operating costs	(12.3)	(13.3)	(30.0)	(17.7)	(73.4)
EBITDA	9.3	11.6	13.7	32.6	67.1
D&A	(11.8)	(12.5)	(25.9)	(30.1)	(80.3)
EBIT	(2.5)	(0.9)	(12.2)	2.5	(13.2)
Capital Balances					
<i>Class B members:</i>					
Opening Balance (US\$m)	2.6	17.7	137.0	113.5	270.8
Cash distributions (US\$m)	(1.8)	(10.1)	(20.7)	(39.4)	(70.4)
Closing Balance (US\$m)	0.8	7.6	116.3	74.1	198.8
<i>Class A members:</i>					
Opening Balance (US\$m)	81.1	102.9	170.1	251.8	605.9
Net amortisation ¹⁵ (US\$m)	(15.6)	(7.7)	(8.1)	(13.8)	(43.8)
Closing Balance (US\$m)	65.5	95.2	162.0	238.0	560.7
Class A members income					
Cash distribution (US\$m)	9.3	4.5	-	-	13.7
PTCs (US\$m)	16.3	12.2	18.6	25.4	72.5
Tax depreciation (US\$m)	0.2	1.7	13.2	27.6	42.7
Additional info					
Remaining PTC value @ P50 (\$m)	36.4	41.6	87.2	135.6	300.7

¹⁵ Net of allocation of return to Class A members

10.6.2 Year ended 30 June 2011

Vintage	2003/04	2005	2006	2007	Total US
Wind Farms	Blue Canyon Caprock Combine Hills Sweetwater 1 Sweetwater 2	Bear Creek Jersey Atlantic Kumeyaay Sweetwater 3 Crescent Ridge	Allegheny Arragonne Buena Vista GSG Mendota	Cedar Creek Sweetwater 4 Sweetwater 5	
Capacity Factor (P50)	40%	35%	30%	36%	35%
Capacity (MW)	202.2	177.0	339.7	370.6	1,089.4
Contracted capacity (MW)	202.2	174.7	208.0	328.0	912.9
% of capacity under PPA	100%	99%	61%	88%	84%
Average remaining PPA duration	11.5	11.5	14.6	16.2	13.9
Merchant market	N/A	PJM	PJM	ERCOT	
Production (GWh)	760	574	859	1,139	3,332
% of P50	108%	105%	95%	99%	100%
Revenue (US\$m)	21.1	27.1	45.9	51.2	145.3
Operating costs	(13.0)	(10.9)	(25.5)	(15.2)	(64.6)
EBITDA	8.1	16.2	20.4	36.0	80.7
D&A	(11.6)	(12.4)	(25.6)	(29.7)	(79.2)
EBIT	(3.5)	3.8	(5.2)	6.2	1.5
Capital Balances					
<i>Class B members:</i>					
Opening Balance (US\$m)	10.6	36.2	157	153.6	357.4
Cash distributions (US\$m)	(8.0)	(18.5)	(20.0)	(40.1)	(86.6)
Closing Balance (US\$m)	2.6	17.7	137	113.5	270.8
<i>Class A members:</i>					
Opening Balance (US\$m)	91.5	107.6	177.8	270	46.9
Net amortisation ¹⁶ (US\$m)	(10.4)	(4.7)	(7.7)	(18.2)	(41.0)
Closing Balance (US\$m)	81.1	102.9	170.1	251.8	605.9
Class A members income					
Cash distribution (US\$m)	1.2	-	-	-	1.2
PTCs (US\$m)	15.3	10.7	17.8	23.3	67.1
Tax depreciation (US\$m)	1.1	5.7	21.2	34.7	62.7

¹⁶ Net of allocation of return to Class A members