ASX RELEASE

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25 August 2014

INFIGEN ENERGY FY14 FULL YEAR RESULTS

Infigen Energy (ASX: IFN) today announced its financial and operational results for the year ended 30 June 2014 (FY14). Infigen reported a statutory net loss after tax of $8.9 million ($7.9 million net profit after tax before significant items) notwithstanding weakening market conditions in Australia. This was a $71.1 million improvement on the prior corresponding period, which included a $58.4 million impairment expense in relation to Infigen's US business.

Highlights for the year included:

- Steady financial and operational results underpinned by improved production in Australia and operating costs within guidance
- The acquisition of certain United States (US) Class A interests that deliver attractive returns and improve Infigen's US cash flow profile
- Profitable sale of US solar development projects resulting from the ongoing investment in attractive US solar development opportunities

On an economic interest basis Infigen has delivered Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) growth of 7% to $170.0 million and net operating cash flow of $96.2 million, after payment of $16.8 million of interest rate swap termination costs.

Key measures of business performance on an economic interest basis compared to the prior year are outlined below.

- Production increased by 1% to 4,670 GWh
- Revenue increased by 6% to $303.2 million
- EBITDA increased by 7% to $170.0 million
- Net operating cash flow increased by 14% to $96.2 million
- Net profit before significant items was $7.9 million
- Statutory loss decreased by 89% to $8.9 million

From its net operating cash flow Infigen:

- repaid $35.3 million of Global Facility debt
- distributed $41.4 million to US Class A tax equity members, and
- paid $16.8 million in interest rate swaps termination costs (significant item).

The $93.5 million result was $13.5 million ahead of the $80 million guidance previously provided. In addition, Infigen refinanced its Woodlawn debt facility, reduced Woodlawn related borrowings by $1.9 million and repaid $4.0 million of its borrowings under the Union Bank facility used to fund Infigen's acquisition of certain US Class A interests.

Business performance was solid during the year primarily due to 6% revenue growth and control of costs. Revenue was underpinned by higher production in Australia and the US, and favourable FX movements, partially offset by lower Large-scale Generation Certificate (LGC) prices and lower wholesale electricity prices in Australia. Operating costs were flat year-on-year in local currency terms but the FX movements that benefitted revenue were partially offset by higher operating costs in Australian dollar terms.

During the year Infigen monetised its first construction ready US solar development projects resulting in a net gain on sale of $4.4 million.

Infigen's Managing Director, Miles George, said, "The ongoing regulatory uncertainty in Australia had an adverse effect on the financial performance of the business, however, more favourable wind conditions, good availability and careful management of operating and overhead costs resulted in a steady EBITDA outcome."

"In the US, a steady and supportive regulatory regime assisted in delivering a solid operating result and provided the investment confidence to seize opportunities to profitably exploit our development pipeline, including the sale of two solar development projects during the year."

"Our investment in US Class A interests during the year represents a useful step in addressing the challenge of removing the constraints of our existing capital structure in order to further grow our business and resume distributions to our securityholders," he said.

FY15 GUIDANCE

In Australia, the acute regulatory uncertainty that has developed since the Australian Government's appointment of a Panel to conduct another review of the legislated Renewable Energy Target (RET) has resulted in poor liquidity in the LGC market and a significant decline in LGC prices. The LGC spot market price is currently below $30 levels having traded in the low $20s in June 2014. The outlook for LGC prices remains highly uncertain, with a recovery in LGC prices predicated on lasting restoration of regulatory certainty.

Wholesale electricity prices in Australia have also declined significantly following the repeal of the carbon price (which took effect from 1 July 2014) and due to demand reduction in the National Electricity Market of approximately 8% over the last five years. As a result, subject to the outcome of the RET review, the average bundled price across Infigen's Australian portfolio is expected to be around 10% lower than FY14 based on current forward markets.

In the US, average prices are expected to be only slightly higher than in FY14 due to slightly higher expected merchant prices and some indexation related increases.

In FY15:

- US operating costs are forecast to be between US$76 and US$78 million (including Infigen Asset Management costs)
- Australian operating costs are forecast to be between A$36 and A$38 million (including Energy Markets costs)
- US production is expected to improve primarily due to improved availability across the Gamesa fleet, and
- Australian production is expected to be broadly in line with FY14.

Cash flow to Infigen from its Class B interests in US wind farms is expected to be approximately US$33 million. Subject to the outcome of the RET review, the total cash flow that we expect to have available to repay Global Facility debt and distribute to US Class A tax equity members will be approximately $90 million.

In FY15, Infigen will continue to pursue certain growth opportunities. In the US, the development team will continue to advance the solar development pipeline including new projects in California and New York. In Australia, the development team will continue to explore opportunities that are supported by State and Territory Government initiatives.

OUTLOOK

The outlook for Infigen's Australian business is currently highly uncertain. This is primarily attributable to regulatory instability caused by the latest RET review and associated industry and political positioning and commentary. The current review commenced just 14 months after the last review was concluded. The review Panel's report is expected to be released imminently. Recent media reports indicate that the Australian Government may be considering significant adverse changes to annual targets, subject to enactment of necessary legislation. Significant reductions to the annual targets would have a material adverse effect on the Australian renewable energy industry, including Infigen, unless appropriate grandfathering or other effective arrangements were implemented to reflect the fact that existing investments were made in good faith in pursuit of explicit Commonwealth objectives and legislation.

LGC prices are currently significantly below those required to sustain existing investment or encourage new investment. If this were to continue it would likely lead to significant asset impairments across the industry, including for Infigen. Continuing depressed prices would also create significant pressure on Infigen's capacity to meet financial covenants in our borrowing facilities.

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

Infigen Energy

Full Year Results
12 months ended 30 June 2014

25 August 2014

Our generation, your future

Our generation, your future

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

Presenters:

Miles George	Managing Director & Chief Executive Officer
Chris Baveystock	Chief Financial Officer

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Performance Overview

Solid performance of the business due to revenue growth, underpinned by higher production

Operational Outcomes

- Safety performance was steady with a Lost Time Injury Frequency Rate (LTIFR) of 1.2
- Group production up 1% to 4,670 GWh from higher production in both the US and Australia
- Activity in the US increased to progress and originate attractive solar development opportunities

Financial Outcomes

- Revenue increased 6% to $303 million primarily driven by higher production and favourable FX
- Operating costs were $118 million, within the market guidance ranges for each region
- A net gain on sale of $4.4 million was recognised from the sale of US development projects
- Lower net borrowing costs, unrealised FX gains and a positive allocation of return (interest) was more than offset by interest rate swap termination costs of $16.8 million (a significant item)
- Net income from US institutional equity partnerships (IEPs) increased 65% to $48.4 million
- Net loss of $8.9 million was an improvement of $71.1 million or 89%
- Net profit after tax and before significant items was $7.9 million
- Net operating cash flow increased 14% to $96.2 million and increased 34% to $113.0 million before significant items
- Outperformed guidance of $80 million cash flow available for reduction of liabilities

Financial Performance Overview (Economic Interest)

Net profit after tax and before significant items of $7.9 million

Year ended 30 June	2014	2013	Change % F/(A)	Comments
Production (GWh)	4,670	4,605	1	• Better wind conditions in Australia and the US
Revenue ($ million)	303.2	286.1	6	• Higher production and US REC revenue and favourable FX • Lower electricity prices, Australian LGC prices and compensated revenue
Operating costs ($ million)	117.7	109.3	(8)	• Restructure cost savings, lower legal costs and lower insurance costs • Higher turbine O&M costs for bonus and incentive payments (offset by higher revenue) and new Gamesa agreements, higher balance of plant maintenance and repairs and costs related to US Class A investment • Operating costs were within guidance ranges of US$73-76 million in the US and A$35-37 million in Australia
Corporate, development & other costs and income ($ million)	15.5	18.6	17	• Higher costs for corporate and development activity partially offset by restructure cost savings and gain on sale of US solar developments
EBITDA ($ million)	170.0	158.2	7	
Net loss ($ million)	(8.9)	(80.0)	89	• Higher net income from US IEPs • Interest rate swap termination costs • Significant item (Impairment) in prior year

F = favourable; A = adverse

Our generation, your future

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Summary Statutory P&L and Financial Metrics

Year ended 30 June ($ million)	2014	2013 (restated)	*Change % F/(A)*
Revenue	**273.3**	**259.7**	*5*
EBITDA	**169.2**	**143.0**	***18***
Depreciation & amortisation	(123.9)	(114.1)	*(9)*
Significant item - Impairment	-	(39.4)	*100*
EBIT	**45.4**	**(10.5)**	***532***
Net borrowing costs, revaluation of financial instruments & allocation of return (interest)	(71.4)	(82.1)	*13*
Net income from US Institutional Equity Partnerships	31.2	8.2	*280*
Significant item - Interest rate swap termination costs	(16.8)	-	*n.m.*
Loss before tax	**(11.6)**	**(84.5)**	***86***
Tax benefit	2.7	4.5	*(40)*
Net loss	**(8.9)**	**(80.0)**	***89***

Year ended 30 June	2014	2013 (restated)	*Change % F/(A)*
Net operating cash flow per security (cps)#	**12.5**	**11.7**	***7***
EBITDA margin	**61.9%**	**55.1%**	***6.8 ppts***
Book value / security (cps)	**64**	**63**	***2***
Book gearing	**66.9%**	**65.9%**	***1.0 ppts***

# cps = cents per security
n.m. = not meaningful; ppts = percentage point change

Reconciliation of Statutory to Economic Interest

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Year ended 30 June 2014 ($ million)	Statutory	Add: Allocate share of profit of associates	Less: Non-controlling Interest	Economic Interest
Revenue	273.3	47.6	(17.7)	303.2
Operating EBITDA	**171.1**	**26.3**	**(11.9)**	**185.5**
Other costs and income	(15.5)	-	-	(15.5)
Share of net profits of associates and JVs	13.7	(13.7)	-	-
EBITDA	**169.2**	**12.6**	**(11.9)**	**170.0**
Depreciation & Amortisation	(123.9)	(26.7)	8.9	(141.7)
EBIT	**45.4**	**(14.1)**	**(3.0)**	**28.3**
Net borrowing costs, revaluation of financial instruments & allocation of return (interest)	(71.4)	(0.2)	0.2	(71.4)
Net income from US Institutional Equity Partnerships	31.2	14.4	2.8	48.4
Significant item - Interest rate swap termination costs	(16.8)	-	-	(16.8)
Loss before tax	**(11.6)**	**0.1**	**-**	**(11.5)**
Tax benefit	2.7	(0.1)	-	2.6
Net loss	**(8.9)**	**-**	**-**	**(8.9)**

The slides that follow are presented on an economic interest basis

Summary Economic Interest Financial Metrics

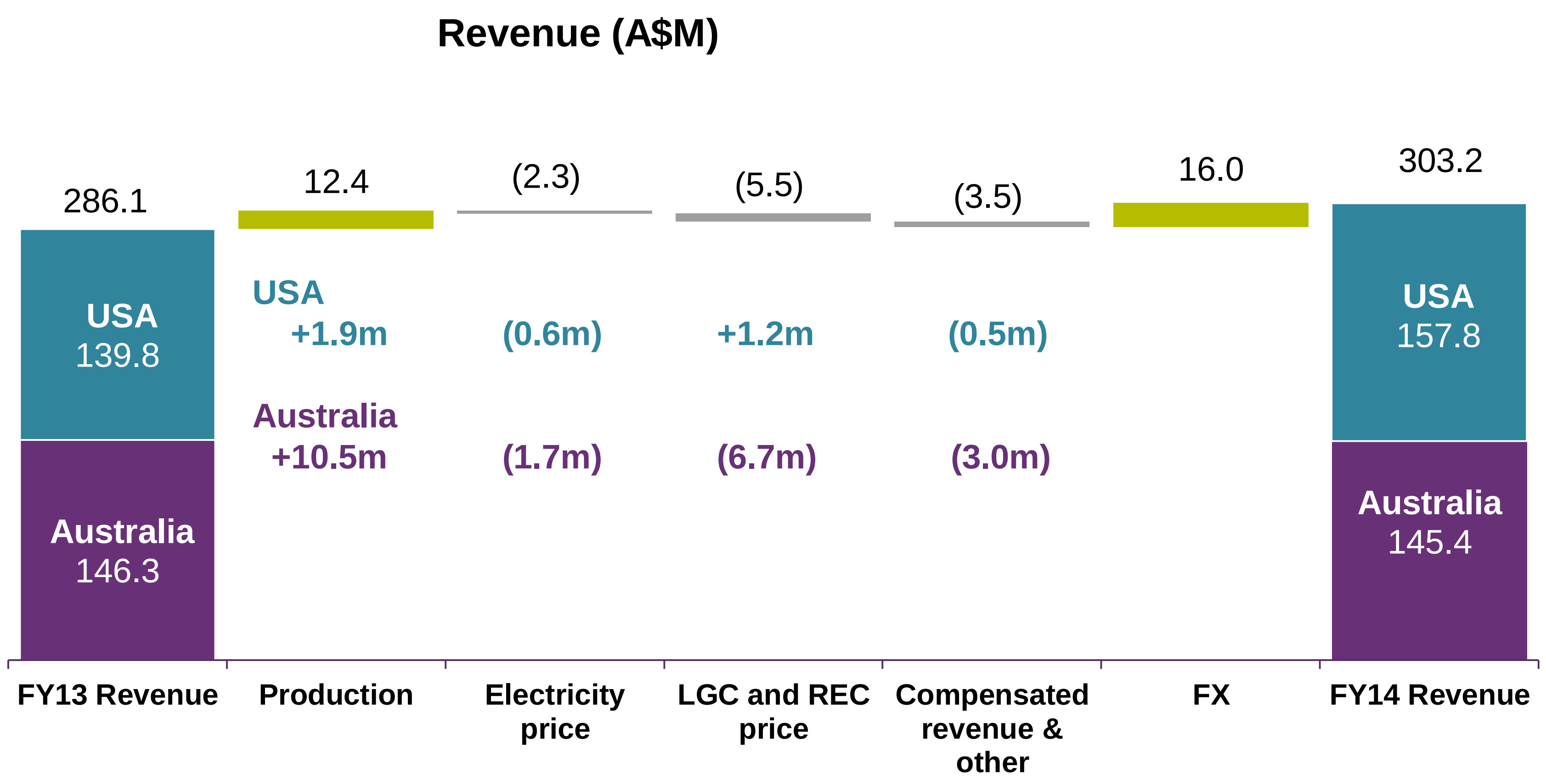
Year ended 30 June ($ million)	2014	2013	*Change %* F/(A)
Revenue	**303.2**	**286.1**	***6***
Operating EBITDA	185.5	176.8	*5*
Other costs and income	(15.5)	(18.6)	*17*
EBITDA	**170.0**	**158.2**	***7***
Depreciation & amortisation	(141.7)	(130.3)	*(9)*
Significant item - Impairment	-	(58.4)	*100*
EBIT	**28.3**	**(30.4)**	*193*
Net borrowing costs, revaluation of financial instruments & allocation of return (interest)	(71.4)	(83.3)	*14*
Net income from US Institutional Equity Partnerships	48.4	29.3	*65*
Significant item - Interest rate swap termination costs	(16.8)	-	*n.m.*
Loss before tax	**(11.5)**	**(84.5)**	***86***
Tax benefit / (expense)	2.6	4.5	*(42)*
Net Loss	**(8.9)**	**(80.0)**	***89***

Year ended 30 June	2014	2013	*Change %* F/(A)
Net operating cash flow per security (cps)	**12.6**	**11.0**	***15***
EBITDA margin	**56.1%**	**55.3%**	***0.8 ppts***
Book value / security (cps)	**64**	**63**	***2***
Book gearing	**66.9%**	**65.9%**	***1.0 ppts***

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

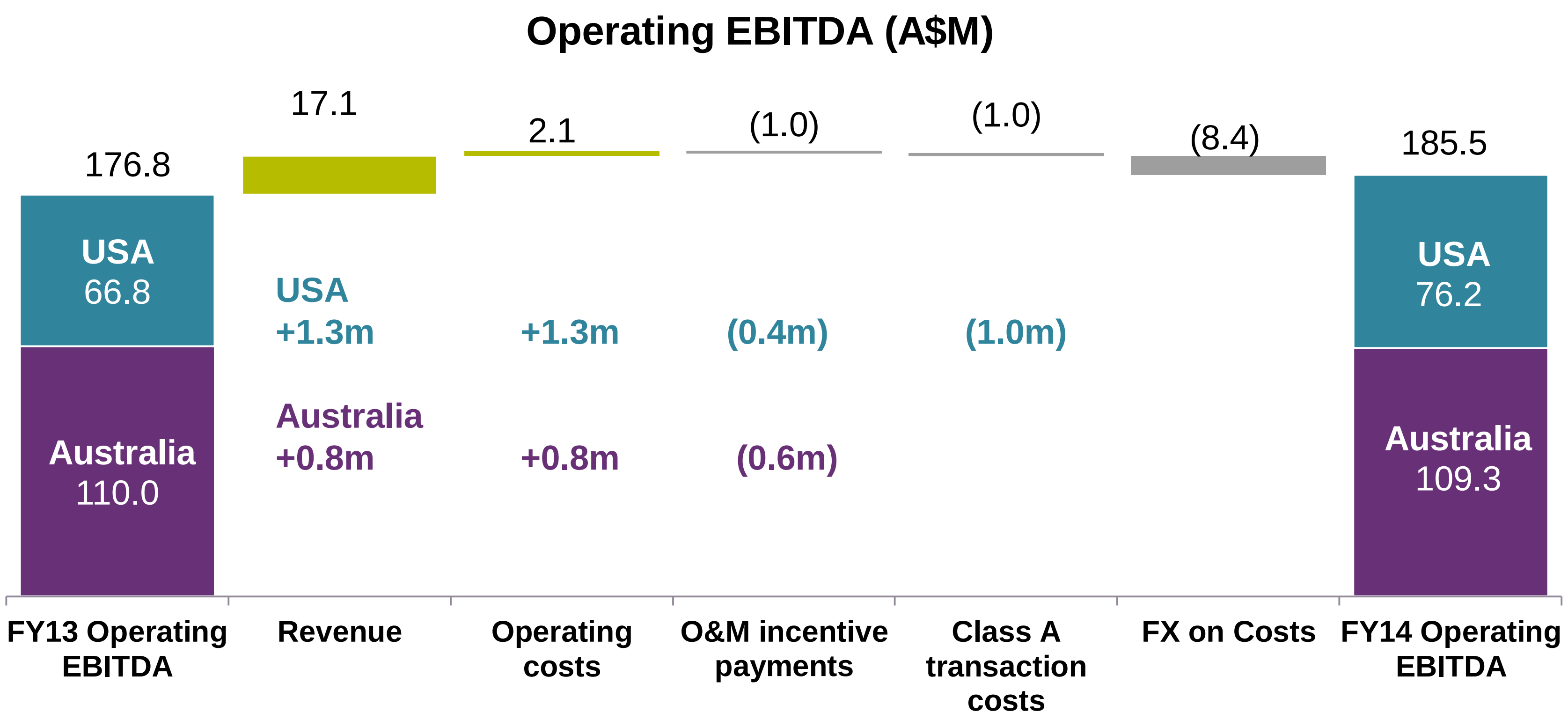
Revenue

Higher production, favourable FX and higher US REC prices offset by lower prices in Australia



Operating EBITDA

One-off transaction costs and incentive payments offset by revenue gains and restructure savings

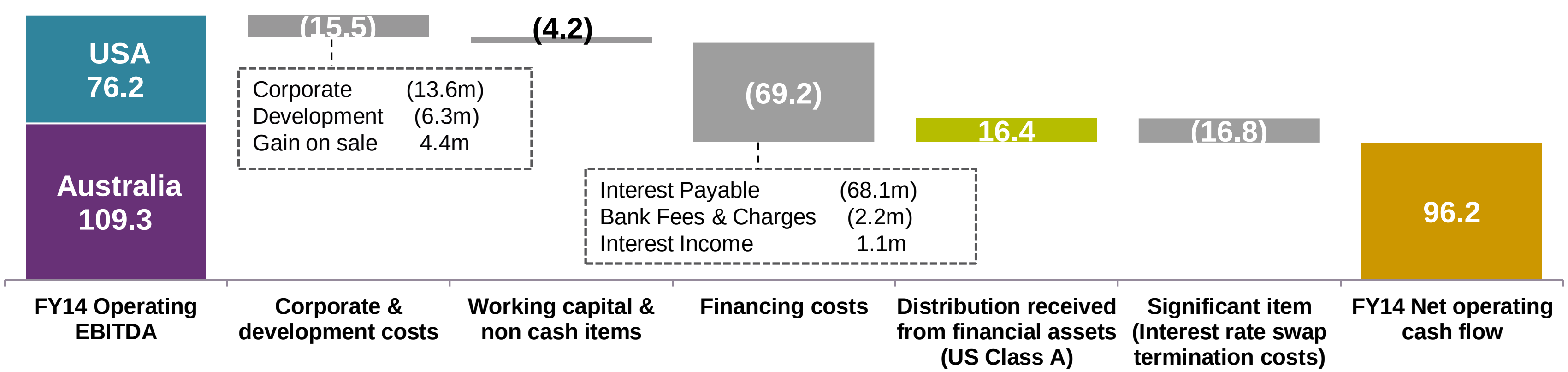


Operating Cash Flow

Higher EBITDA and lower financing costs were offset by interest rate swap termination costs

Year ended 30 June ($ million)	2014	2013	*Change % F/(A)*
Operating EBITDA	**185.5**	**176.8**	***5***
Corporate, development & other costs	(15.5)	(18.6)	*17*
Movement in working capital & non-cash items	(4.2)	(2.0)	*(110)*
Financing costs & taxes paid	(69.2)	(72.1)	*4*
Distributions from financial assets (US Class A interests)	16.4	-	*n.m.*
Net operating cash flow before significant items	**113.0**	**84.2**	***34***
Significant item - Interest rate swap termination costs	(16.8)	-	*n.m.*
Net operating cash flow	**96.2**	**84.2**	***14***

Operating cash flow (A$M)



Cash Flow – Cash Movement

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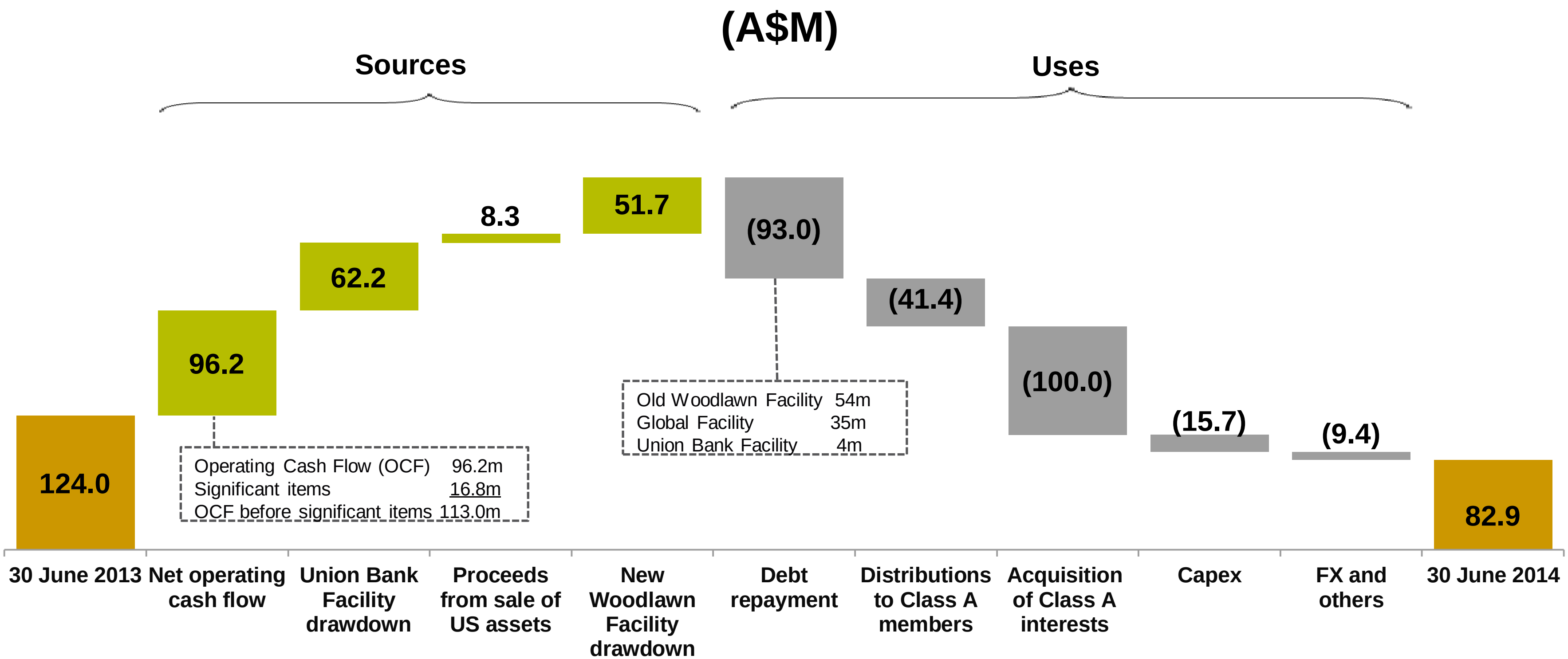
Lower cash balance largely attributable to investment in US Class A interests



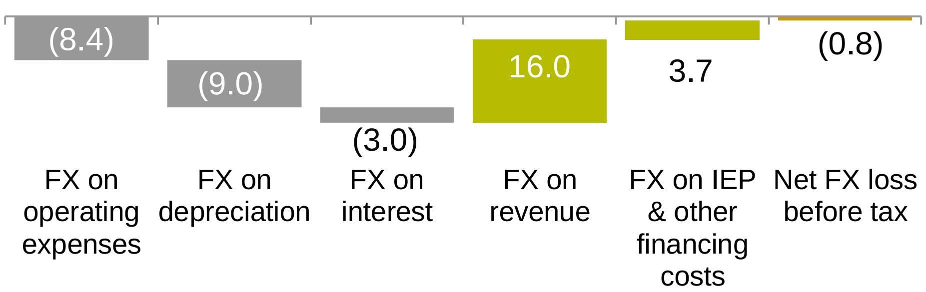
Comments

- 30 June 2014 closing cash balance included $61m of 'Excluded Company' cash
- Excluded Company cash movements included equity investment in Class A interests, operating and capital expenditure related to development in the US and Australia, income from the investment in Class A interests, the proceeds from the sale of US solar PV development projects and the net income from Woodlawn after refinancing costs
- Capex included Gamesa fleet transitional make good related items, balance of plant equipment and development expenditure

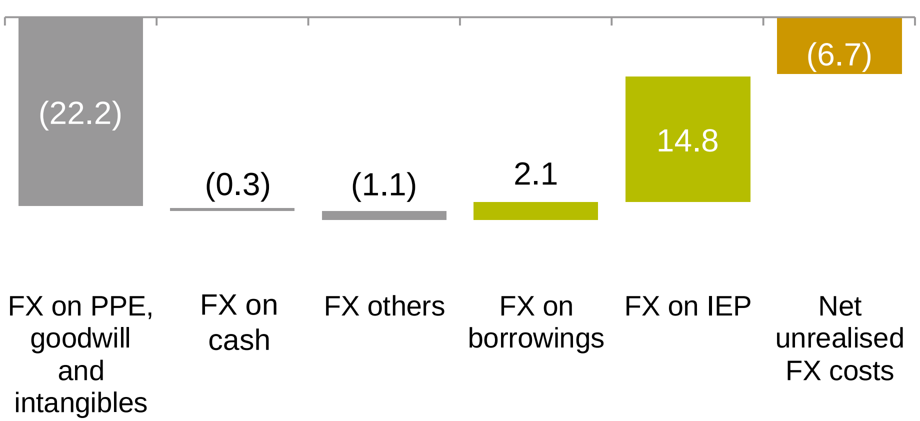
Impact of FX

FX movements resulted in decreased assets in Australian dollar terms

Profit and Loss (A$M)



Balance Sheet (A$M)



Comments

- Profit and Loss: FX had an adverse effect on expenses partially offset by a positive effect on revenue, net IEP income and other financing costs
- Balance Sheet: Total liabilities in AUD terms have benefitted from a stronger AUD at 30 June 2014 compared to 30 June 2013

Average yearly rate to:

AUD:USD 30 June 2014 = 0.9179, 30 June 2013 = 1.0242

AUD:EUR 30 June 2014 = 0.6764, 30 June 2013 = 0.7941

Closing rate:

AUD:USD 30 June 2014 = 0.9420, 30 June 2013 = 0.9275

AUD:EUR 30 June 2014 = 0.6906, 30 June 2013 = 0.7095

Balance Sheet

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Interest rate derivative liability lower due to swap terminations and higher forward interest rates

A$M as at	30 June 2014	30 June 2013
Cash	82.9	124.0
Receivables, inventory & prepayments	64.5	62.5
PPE, goodwill & intangibles	2,421.3	2,571.7
Investments in financial assets	86.4	-
Deferred tax	50.4	50.5
Total Assets	**2,705.5**	**2,808.7**
Payables & provisions	60.4	62.2
Borrowings	1,076.5	1,060.0
Tax equity (US)	515.9	588.7
Deferred revenue (US)	428.3	459.1
Interest rate derivatives	132.3	154.7
Total Liabilities	**2,213.4**	**2,324.7**
Net Assets	**492.1**	**484.0**

Debt Ratios	30 June 2014	30 June 2013
Net Debt / EBITDA	**5.8x**	**5.9x**
EBITDA / Interest	**2.4x**	**2.3x**
Net Debt / (Net Debt + Net Assets)	**66.9%**	**65.9%**

Debt Ratios calculated on an IFN economic interest basis

Debt service and leverage metrics in the above table include the Global Facility, the Woodlawn project finance facility and the Union Bank facility and differ from the Global Facilities covenant metrics

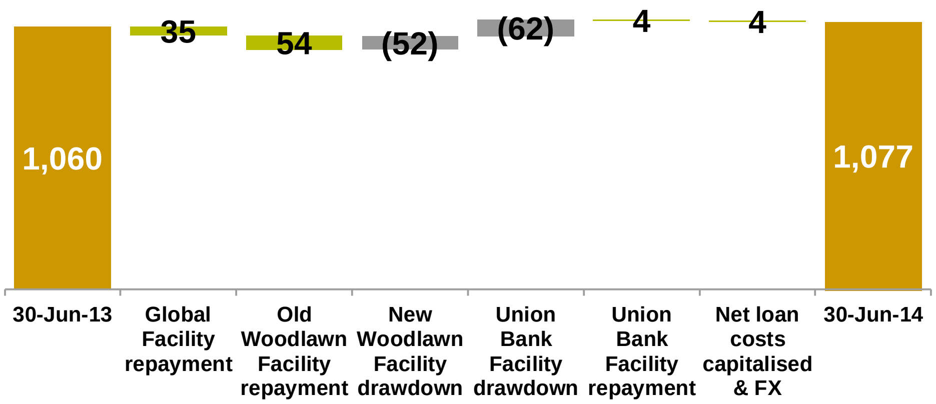
Comments

- Borrowings increased $16.5 million largely due to the new Union Bank Facility offset by Global Facility and Woodlawn Facility amortisation, and FX translation
- Interest rate swap terminations and movement in forward interest rates resulted in a $22.4 million reduction to the interest rate derivative liability
- Global Facility leverage ratio covenant satisfied for the period ended 30 June 2014

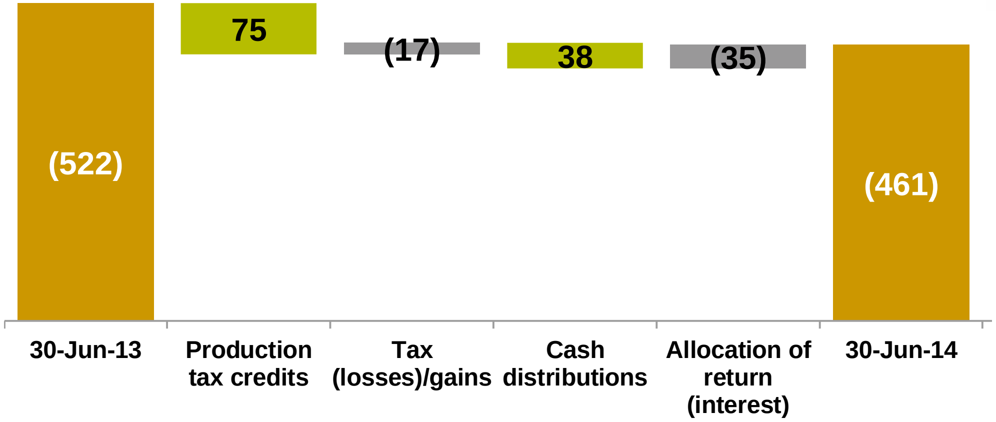
Borrowings and Tax Equity

Interest rate derivative liability reduction following swap terminations and higher forward rates

Movement in borrowings (A$m)



Class A capital balance (US$m)



Comments

- $35 million of Global Facility borrowings repaid
- Woodlawn facility refinanced (ahead of schedule) with 5 year and 10 year term loans in two equal tranches
- Union Bank facility drawn down to fund acquisition of US Class A interests
- Production tax credits and cash used to repay Class A capital balances

Our generation, your future

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Operational Performance: US

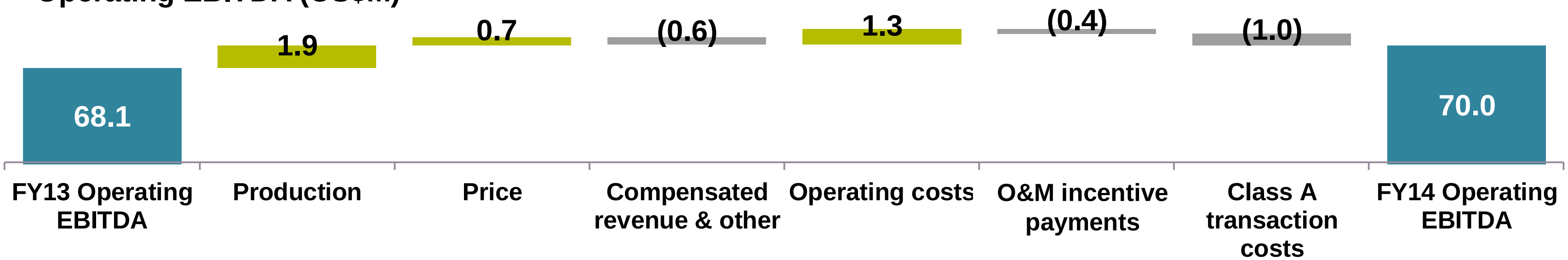
Higher production from better wind conditions partially offset by higher operating costs

Year ended 30 June	2014	2013	F/(A)%
Operating capacity (MW)	**1,089**	1,089	-
Production (GWh)	**3,098**	3,089	-
Revenue (US$M)	**144.9**	142.9	*1*
Operating costs (US$M)	**74.9**	74.8	-
Operating EBITDA (US$M)	**70.0**	68.1	*3*
Operating EBITDA Margin	**48.3%**	47.7%	*0.6 ppts*
Average price (US$/MWh)	**45.5**	45.0	*1*
Operating costs (US$/MWh)	**24.2**	24.2	-

Comments

- Production increase reflected better wind conditions and steady site availability, partially offset by lower turbine availability at GSG and Mendota (maintenance transitioned to Gamesa)
- Revenue increase reflects higher production and REC revenue and higher merchant electricity prices offset by lower average electricity prices and lower compensated revenue
- Operating EBITDA increase reflects higher revenue and stable operating costs
- US development activity has increased with attractive opportunities identified and progressed
- Investment in Class A interests has improved the cash flow profile of the business
- Profitable sale of Wildwood and Pumpjack solar development assets

Operating EBITDA (US$M)



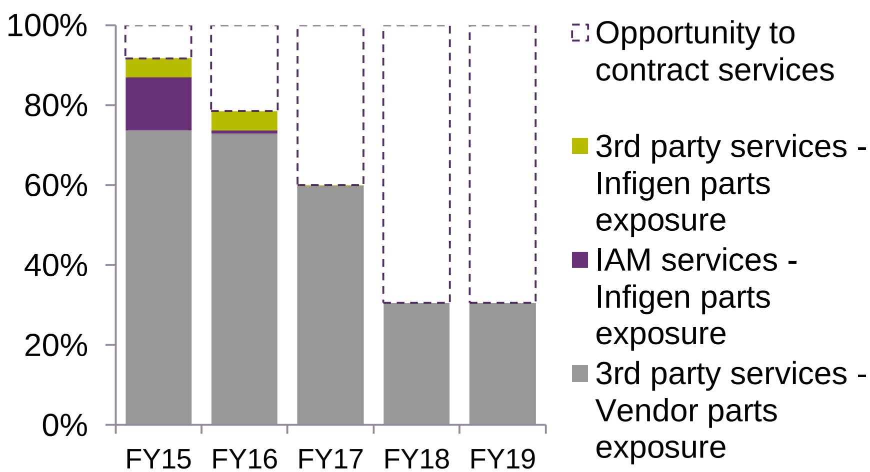
ppts = percentage point change

Operating Costs: US

Operating costs remain steady and within full year cost guidance range

Year ended 30 June	2014	2013	F/(A)%
Asset management/admin	**13.8**	**15.9**	*13*
Turbine O&M	**35.6**	**33.1**	*(8)*
Balance of plant	**8.1**	**6.9**	*(17)*
Other direct costs	**17.4**	**18.9**	*8*
Total operating costs (US$M)	**74.9**	**74.8**	-

Turbine warranty and maintenance profile



Comments

- Asset management cost decrease reflected lower legal costs (resolution of Gamesa dispute) and restructure cost savings, partially offset by transaction costs for acquisition of Class A interests
- Higher turbine O&M costs due to Gamesa warranty and maintenance agreements and Mitsubishi (MHI) bonus payments
- Balance of plant cost increase was due to higher maintenance costs and equipment upgrades
- Other direct costs decrease reflected lower transmission and connection fees and lower insurance and tax expenses
- Met full year guidance of between US$73-76 million
- Executed 5 year extended warranty, service and maintenance agreement with MHI for Combine Hills wind farm
- Post warranty service and maintenance agreements continue to support cost containment

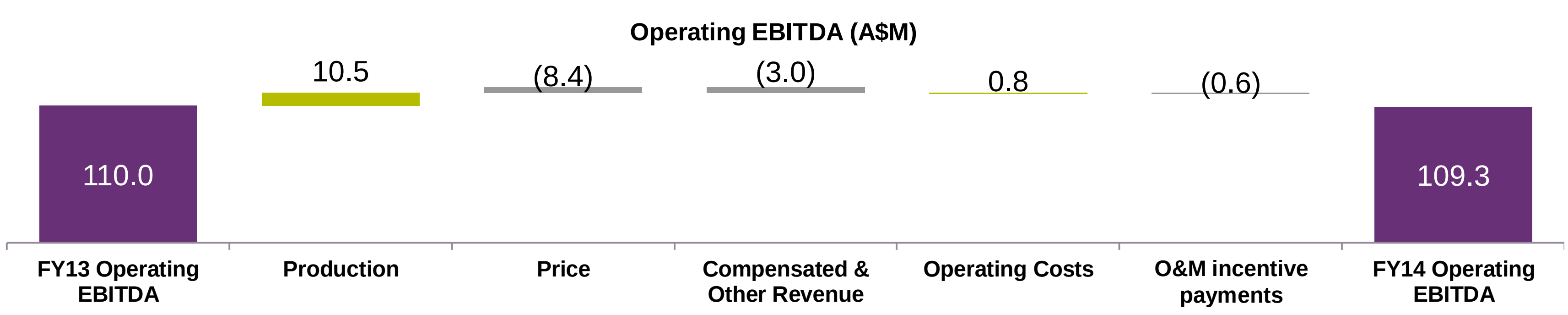
Operational Performance: Australia

Stable operating EBITDA driven by higher production from improved wind conditions

Year ended 30 June	2014	2013	F/(A)%
Operating capacity (MW)	557	557	-
Production (GWh)	1,572	1,516	4
Revenue (A$M)	145.4	146.3	(1)
Operating costs (A$M)	36.1	36.3	1
Operating EBITDA (A$M)	109.3	110.0	(1)
Operating EBITDA margin	75.2%	75.2%	-
Average price (A$/MWh)	92.5	96.6	(4)
Operating costs (A$/MWh)	23.0	23.9	4

Comments

- Production increase reflected better wind conditions at all wind farms except Alinta and higher turbine availability
- Revenue decrease reflected lower LGC prices, lower electricity prices and higher compensated revenue in prior year, mostly offset by higher production
- Operating costs decreased due to the organisational restructure and cost saving initiatives undertaken in February 2013 offset by incentive payments to O&M service providers for exceeding availability and production targets
- Marginally lower operating EBITDA due to lower revenue, which was mostly attributable to a subdued LGC market

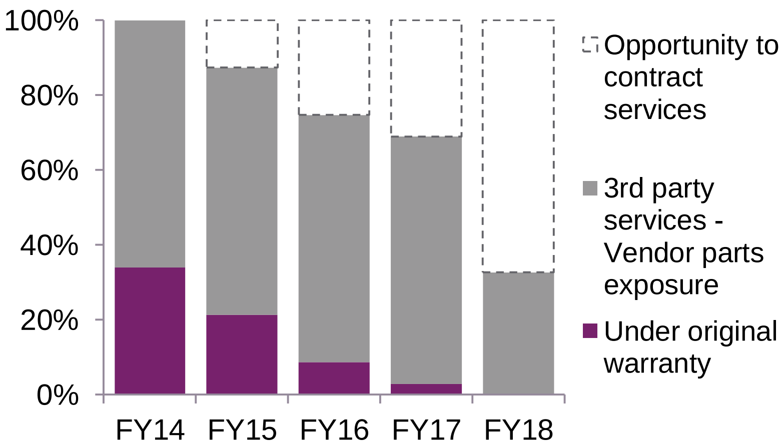


Operating Costs: Australia

Turbine productivity incentive payments were offset by cost savings initiatives

Year ended 30 June	2014	2013	F/(A)%
Asset management/admin	**6.0**	**7.0**	*14*
Turbine O&M	**18.3**	**17.2**	*(6)*
Balance of plant	**1.6**	**0.9**	*(78)*
Other direct costs	**7.3**	**7.5**	*3*
Wind/Solar farm costs	**33.1**	**32.6**	*(2)*
Energy Markets	**3.0**	**3.7**	*19*
Total operating costs	**36.1**	**36.3**	*1*

Turbine warranty and maintenance profile



Comments

- Lower asset management costs resulted from cost saving initiatives implemented in early 2013
- Higher turbine O&M costs due to higher unscheduled turbine maintenance at Alinta and higher variable incentive payments at wind farms with Vestas turbines
- Higher scheduled and unscheduled balance of plant works
- Lower insurance costs
- Lower professional fees for Energy Markets activities
- Operating costs reflect a fully contracted turbine warranty and maintenance profile
- Discussions with service providers to provide post warranty services at Capital and Woodlawn
- Within full year guidance range of A$35-37 million

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US Market Update

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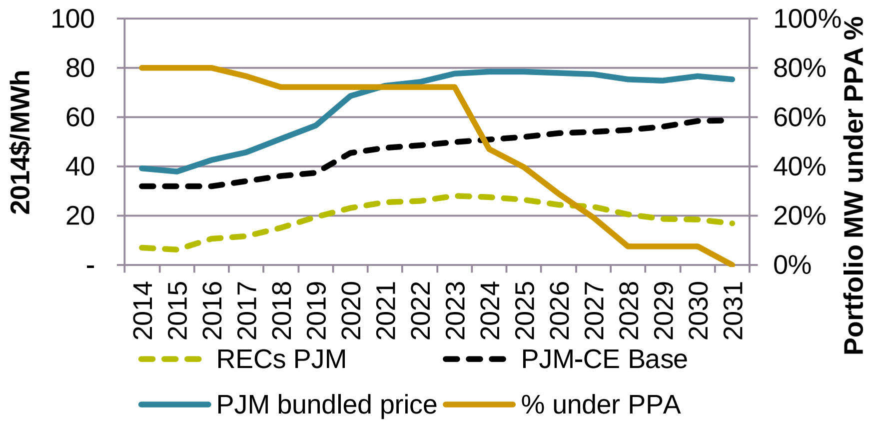
Infigen's US assets are largely insulated from merchant electricity prices in the medium term

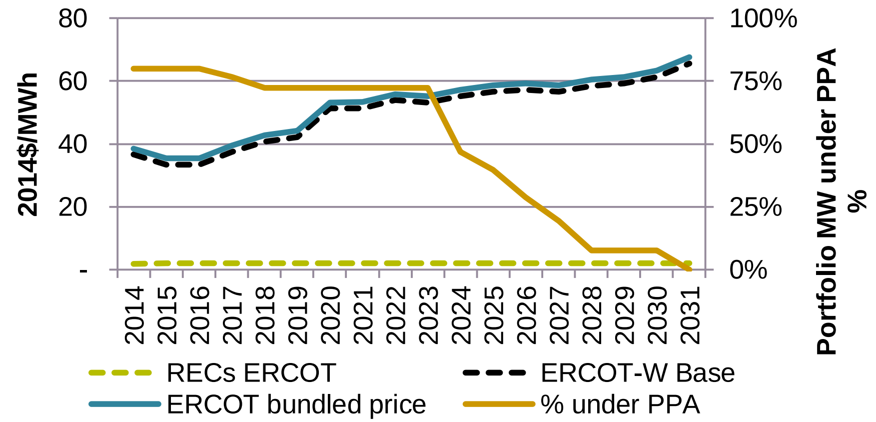
Market Drivers and Outlook

- Infigen's US portfolio is highly contracted with weighted average remaining duration of 10.5 years
- PJM electricity and REC prices are forecast to improve from 2015 onwards and to remain steady and stronger as Infigen's assets come off contract
- ERCOT REC prices are forecast to remain subdued as the market is fully supplied. ERCOT electricity prices are forecast to improve from 2018 onwards and to gradually increase as Infigen's assets come off contract
- Electricity price step up evident in 2020 reflects the expectation of a national carbon price and tightening gas supply

Ventyx Forecast PJM Prices



Ventyx Forecast ERCOT Prices

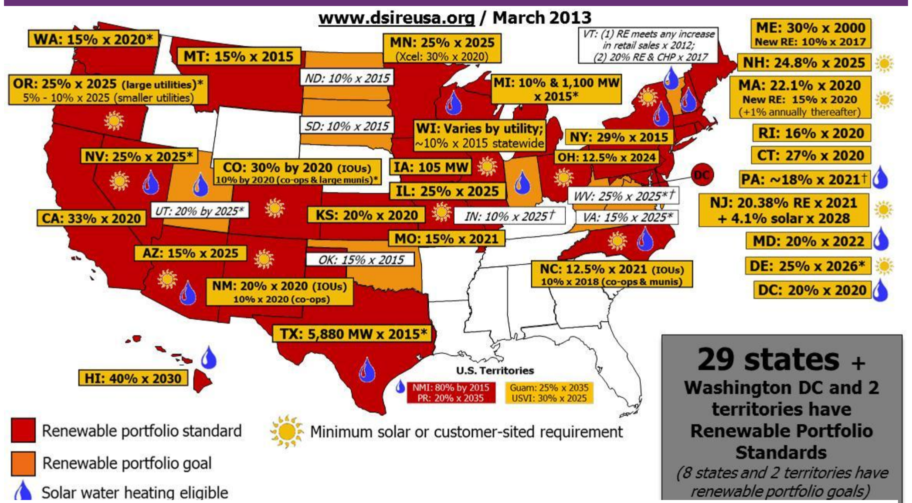


Source: Ventyx North American Power Spring 2014 Reference Case; Infigen

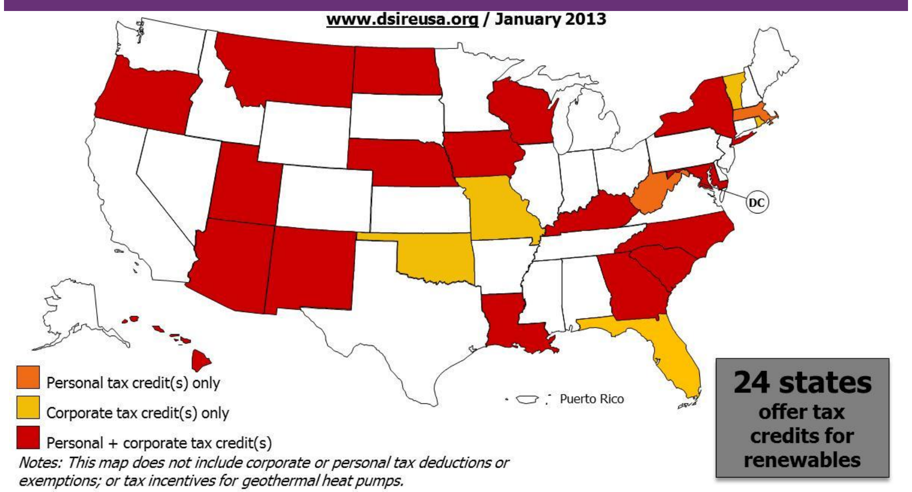
US Market Update

Federal action on climate change is gaining traction with strong continuing state level support

States with Renewable Portfolio Standards



States with Tax Credits for Renewables



Regulatory update

- Investment Tax Credit for solar development in place until December 2016
- Strong support for renewable incentives at the State level
- In February 2014 the EPA released a rule proposal that seeks to reduce US carbon emissions by 30% of 2005 levels by 2030
- States have until 30 June 2016 to come up with their own plan on how to implement the rule to reduce average emissions intensity of their generation
- The primary mechanism will be tough emission limits on coal fired generation thereby making lower carbon emitting technologies more competitive
- Secretary of State Kerry pursuing a campaign for global action on emissions reductions
- US and China committed to collaborate through enhanced policy dialogue, including the sharing of information regarding their respective post-2020 plans to limit greenhouse gas emissions
- US policies to address carbon emissions aligned with most countries

Australia - RET Review

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Securityholders' investments and lenders' capital may be at significant risk

Comments

- Any adverse change to the RET without adequate grandfathering of existing investments will destroy substantial shareholder value and threaten our ability to meet debt obligations
- Changes to the regulatory regime, including changes to the legislated LRET trajectory would be likely to affect the carrying values of assets and prospects for future renewable energy development projects
- The legislated target trajectory was a central element in the business cases on which existing investments in Australian renewable energy assets were made in good faith. Infigen's infrastructure investments are analogous to infrastructure investments in toll road concessions and port leases through public-private partnerships
- Investors should not bear the risk of damage to the value of their investments caused by a downwards adjustment of the legislated target trajectory
    - Government ministers fully appreciate this argument
- Infigen's many international infrastructure investors and lenders would regard an adverse change to the RET legislation as a realisation of sovereign risk

Australian regulatory outcomes and value implications

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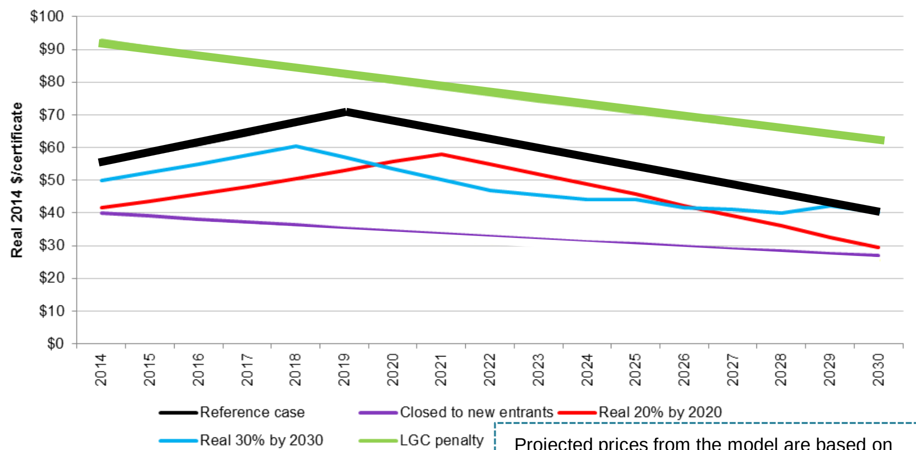
Adverse regulatory outcomes will lead to value destruction and manifest sovereign risk

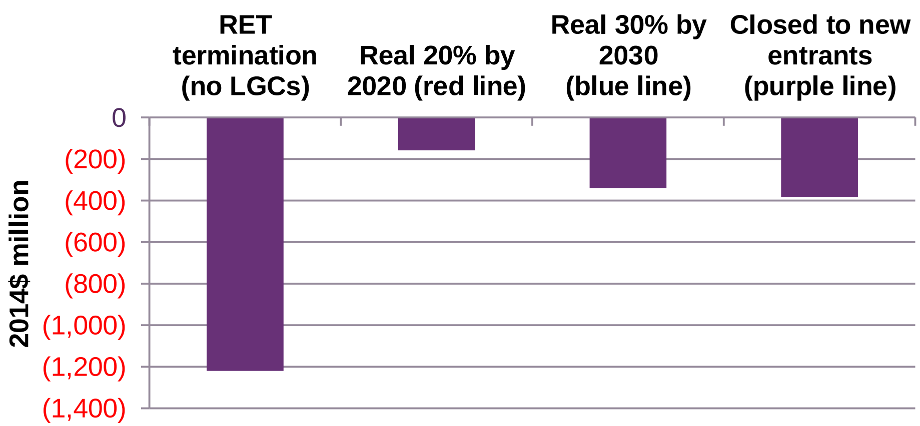
LGC forward prices under various regulatory outcomes



Projected prices from the model are based on regulatory certainty

Source : ACIL Allen for 2014 RET review

Effect of regulatory outcome on Infigen's revenue to 2030



Source : Infigen

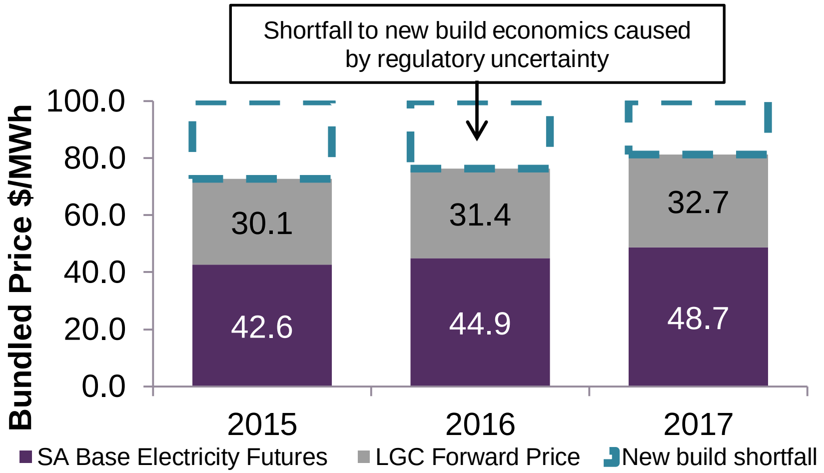
Comments

- The Panel review of the RET is reportedly complete
- Modelling conducted for the Panel shows material reduction in the value of LGCs if the targets are reduced
- Without appropriate grandfathering severe value destruction would occur and be borne by investors and debt financiers
- Australian market PPA tenors are shorter than expected asset life. Investments rely on LGC revenues from existing legislated targets to sustain value
- Without grandfathering, a change to the LRET trajectory will affect Infigen's future revenues, with the projected result using ACIL Allen modelling illustrated here

Australian Electricity and LGC Market Prices

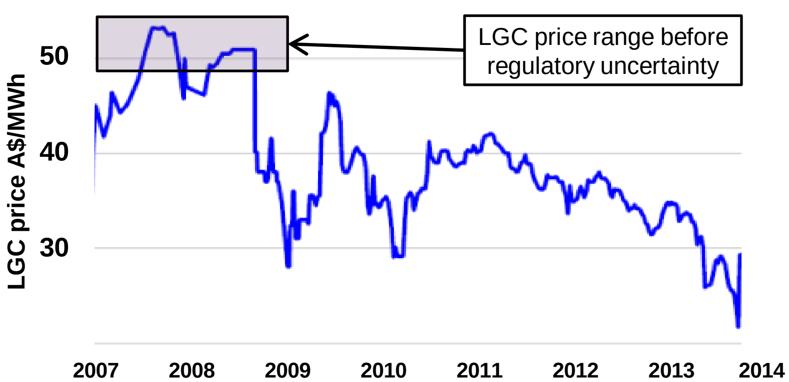
Improved LGC prices needed to preserve value of existing investments and stimulate new build

SA Forward Electricity and LGC prices



Source: D-Cypha, Mercari 7 August 2014

REC/LGC price history



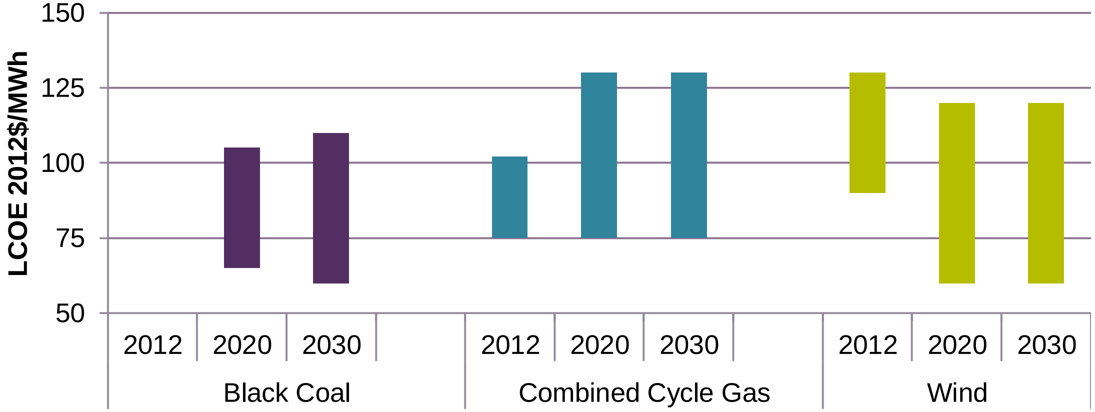
Comments

- The carbon price was repealed with effect from 1 July 2014
- SA electricity futures reflect the expectation of higher gas prices from 2016 as east coast LNG exports ramp up
- The National Electricity Market is oversupplied with old coal generation and electricity demand forecasts remain highly uncertain
- At current electricity prices, gas fired generators will struggle to recover fuel costs and be under pressure to exit
- LGC forward prices remain at depressed levels as a result of acute regulatory uncertainty

Australian Technology Costs

Renewables are increasingly competitive with other technologies for new build electricity generation

Levelised Cost of Energy (LCOE) projections



Source: Bureau of Resources and Energy Economics

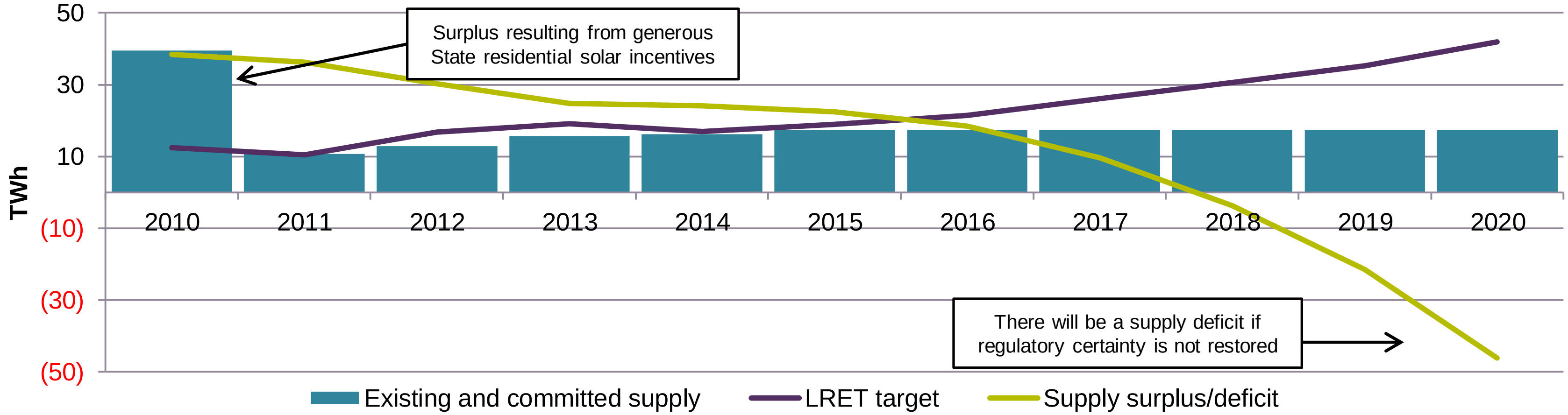
Australian Energy Technology Assessments (AETA) 2012, AETA 2013 Update (no carbon price)

Comments

- Australian wind generation costs are forecast to trend down while fossil fuel generation costs are forecast to trend up; the best wind sites are now competitive with new build fossil fuel generation
- The RET is necessary for renewables to compete against old fully depreciated thermal generators that have already recovered their invested capital and are now being run to failure to delay remediation and closure costs
- The NEM has no retirement signal for old inefficient fossil fuel generation
- The RET was conceived to deliver explicit Commonwealth objectives with the legislated target trajectory underpinning a necessary revenue stream over a significant part of the life of renewable investments

Australian LRET Supply/Demand

Political and industry rhetoric potentially foreshadows serious adverse changes to RET



Source: Green Energy Markets (01/07/2014)

Comments

- Under the existing target the LGC surplus will remain to 2017; with no new build the LGC market would be short by 2018
- Under a reduced target the LGC surplus would extend to 2019, threatening the viability of existing renewable investments by changing the LGC supply/demand equilibrium
- A reduced RET would freeze investment, increase electricity prices, increase Australian taxpayer-funded cost of emissions reductions under the Coalition's Direct Action policy, and boost existing coal fired generation profits
- The real drivers of electricity price rises are increasing network costs now, and rapidly rising gas prices over the next few years – not the RET

Our generation, your future

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

Outlook

Australian outlook highly uncertain until RET future is resolved

Production

- US: improved availability is expected across the Gamesa fleet
- Australia: steady

Prices

- US: average prices expected to be only slightly higher than FY14
- Australia: average portfolio bundled prices expected to be approximately 10% lower than FY14. Merchant LGC prices remain highly uncertain

Operating Costs

- US: expected to be US$76-$78 million. FY14 - US$74.9 million
- Australia: expected to be A$36.5-$38 million. FY14 - A$36.1million
- Lightning strike insurance excess costs and performance bonus payments to O&M service providers are excluded from guidance

Cash Flow

- Cash generated to repay Global Facility borrowings and reduce US Class A liabilities is expected to be approximately A$90 million, subject to currently forecast merchant electricity and LGC prices being achieved

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Our generation, your future

Questions

Our generation, your future

Appendix

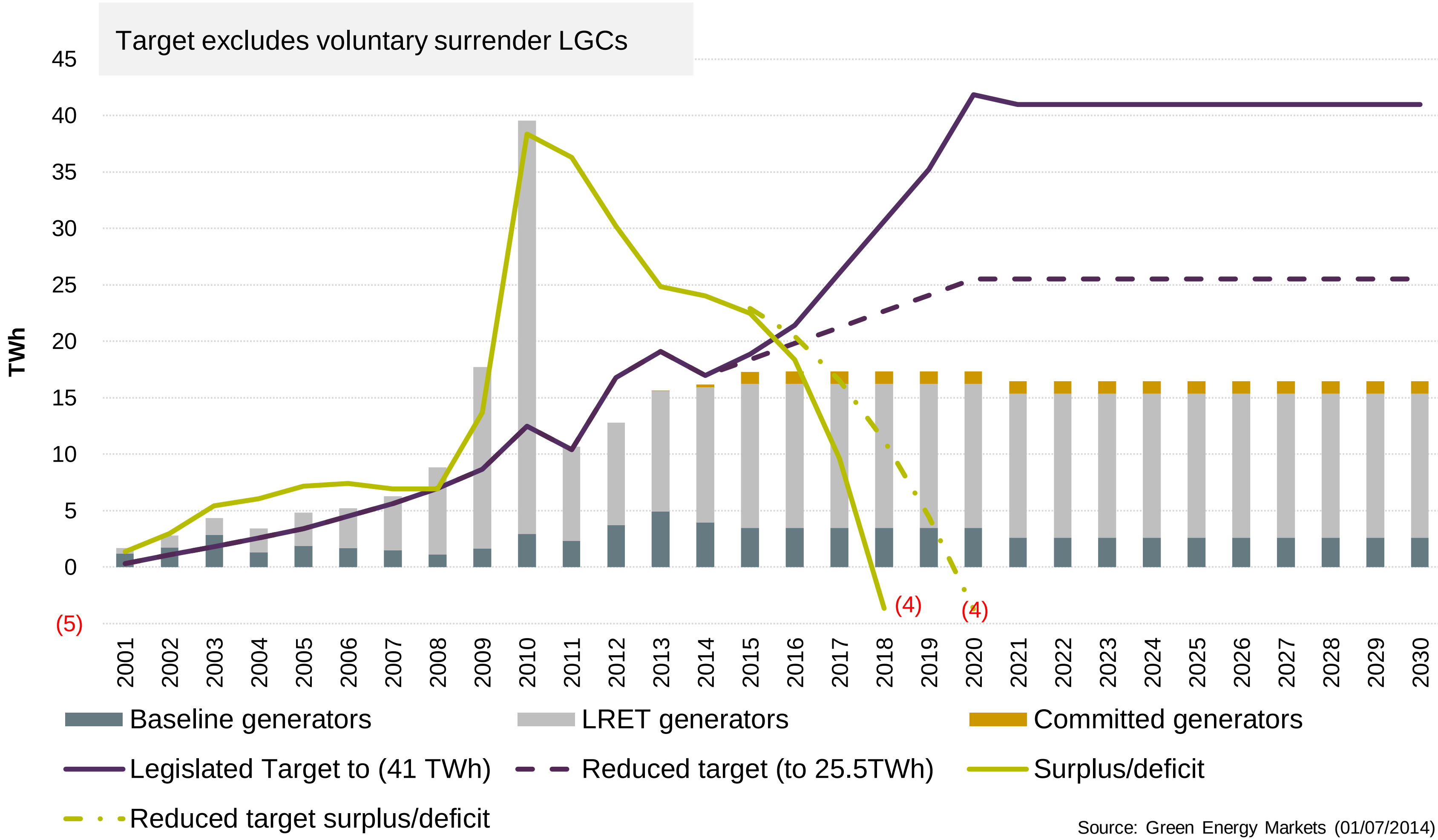
Balance Sheet by Country

A$M	30-Jun-14 IFN Statutory Interest	Add: US Equity Accounted Investments	Less US Minority Interest	30-Jun-14 IFN Economic Interest	Australia	United States
Cash	80.7	2.8	(0.6)	82.9	69.5	13.5
Receivables	30.0	5.5	(1.4)	34.1	24.8	9.3
Inventory	16.2	1.3	(0.3)	17.2	12.9	4.3
Prepayments	12.2	1.2	(0.1)	13.2	6.5	6.8
PPE	1,895.4	435.6	(149.8)	2,181.2	875.5	1,305.6
Goodwill & Intangibles	257.1	(3.5)	(13.5)	240.1	124.4	115.7
Investments in financial assets & other assets	88.1	(1.0)	(0.7)	86.4	2.6	83.8
Investment in associates & JVs	96.3	(96.3)	-	-	-	-
Deferred Tax Assets	50.5	-	(0.1)	50.4	50.4	-
Total Assets	**2,526.4**	**345.5**	**(166.5)**	**2,705.5**	**1,166.5**	**1,539.0**
Payables	32.4	2.8	(2.4)	32.8	7.4	25.3
Provisions	22.0	7.5	(1.9)	27.6	10.9	16.7
Borrowings	1,075.0	1.4	-	1,076.5	693.6	382.9
Tax Equity (US)	439.4	190.0	(113.5)	515.9	-	515.9
Deferred benefits (US)	333.3	143.7	(48.7)	428.3	-	428.3
Derivative Liabilities	132.3	-	-	132.3	103.7	28.6
Total Liabilities	**2,034.4**	**345.5**	**(166.5)**	**2,213.4**	**815.6**	**1,397.8**
Net Assets	**492.1**	**-**	**-**	**492.1**	**350.9**	**141.2**

Institutional Equity Partnerships

Year ended 30 June (A$ million)	2014	2013	Change F/(A)%
Value of production tax credits (Class A)	56.3	50.2	12
Value of tax losses/(gains) (Class A)	(14.7)	(4.5)	(227)
Deferred revenue recognised during the period	18.5	6.3	194
Income from IEPs	**60.1**	**52.0**	**16**
Allocation of return (Class A)	(26.3)	(25.4)	(4)
Movement in residual interest (Class A)	3.5	(15.3)	123
Non-controlling interest (Class B)	(6.1)	(3.0)	(103)
Financing costs related to IEPs	**(28.9)**	**(43.8)**	**34**
Net income from IEPs (Statutory)	**31.2**	**8.2**	**280**
US equity accounted investments	14.4	17.8	(19)
Non-controlling interests (Class B & Class A)	2.8	3.3	(15)
Net income from IEPs (Economic Interest)	**48.4**	**29.3**	**65**

Australia: LRET Supply/Demand



Source: Green Energy Markets (01/07/2014)

US: Acquisition of Class A interests

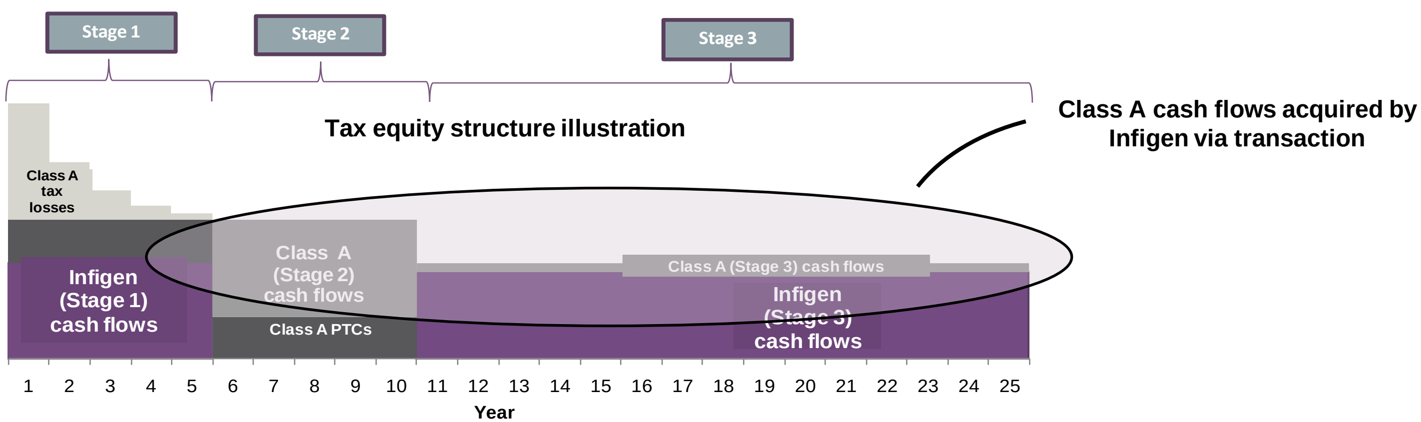
Acquisition offers attractive returns, has a short payback period and is strategically advantageous

Comments

- Infigen acquired Class A interests in nine of its US wind farms for ~US$95m including upfront financing costs
- Class A interests in seven of the wind farms were acquired by a new investment vehicle that is jointly owned by Infigen and the seller of the Class A tax equity interests. The investment vehicle apportions the vast majority of the cash flows attributable to those interests to Infigen
- Infigen also purchased 100% of the seller's Class A interests in the Sweetwater 1 and Blue Canyon wind farms. Completion of this aspect of the transaction occurred in early January 2014

Features and benefits of the transaction included:

- Infigen will receive cash flows from these wind farms during a period when those cash flows would otherwise have been allocated to the Class A tax equity investor
- Infigen's available cash has been applied to a higher return investment in a low interest rate environment and the investment has a relatively short payback period
- Infigen is familiar with and already manages the associated underlying risks in these wind farms
- The underlying assets are highly contracted from a revenue and operating cost perspective through long term power purchase agreements (PPAs) and post-warranty maintenance agreements



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