Management Discussion and Analysis of Financial and Operational Performance for the year ended 30 June 2015

31 August 2015

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 2015 compared with the year ended 30 June 2014 ("prior year" or "prior corresponding period") except where otherwise stated.

All references to $ are 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 column 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").

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

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1 OVERVIEW

Infigen Energy (Infigen) is a developer, owner and operator of renewable energy generation assets in Australia. Infigen has an operating capacity of 557 megawatts (MW) comprising six wind farms, the 89.1 MW Alinta wind farm in Western Australia (WA), the three Lake Bonney wind farms in South Australia (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 New South Wales (NSW). Infigen holds a 100% equity interest in each wind farm. Infigen also owns and operates the Capital East energy storage and solar photovoltaic demonstration facility adjacent to its Capital wind farm.

Infigen sells the generation output from its operations through 'run of plant' power purchase agreements (PPAs) and Large-scale Generation Certificate (LGC) sales agreements, retail supply agreements and on a merchant basis (wholesale electricity and LGC markets). Each wind farm is entitled to create one LGC for each MWh that is exported to the grid after applying the marginal loss factor.

Output from Alinta wind farm is sold under contracts to AGL and Alinta Energy. The majority of the output of the Capital wind farm is contracted to meet demand from the Sydney Desalination Plant under a long-term retail supply agreement and a long-term LGC supply contract. Output from the three Lake Bonney wind farms and Woodlawn wind farm is sold on a merchant basis. Of Infigen's six operational Australian wind farms, approximately 40% of annual P50[1] production is currently contracted under medium and long-term agreements.

Infigen's development pipeline comprises approximately 1,200 MW of large-scale wind projects and solar photovoltaic projects in Australia.

1.1 US discontinued operations

Throughout the 2015 financial year Infigen advanced sale processes for its US wind business and US solar development pipeline. Infigen's US wind business comprises Class B equity interests of 1,089 MW in 18 US wind farms, and Infigen's investment in Class A cash flow interests in relation to nine of those wind farms, as well as a US based asset management business.

On 15 July 2015, Infigen announced that it had agreed to sell its US wind business to Primary Wind Power, LLC for approximately US$272.5 million. Completion of the transaction is subject to various closing conditions being satisfied including receipt of relevant US regulatory approvals and certain third party consents and approvals being obtained. Global Facility lender consent to the transaction has been received. This transaction is expected to close in October 2015.

On 28 July 2015, Infigen announced that it had completed the sale of substantially all of its US solar development pipeline to a wholly owned subsidiary of SunPower Corporation. Infigen will receive net after tax cash proceeds of approximately US$29.5 million from the transaction. Under the terms of the sale agreement with SunPower, Infigen is eligible to receive further contingent cash payments which are dependent upon certain milestones being achieved and other conditions being satisfied. Further information in relation to these transactions is available at www.infigenenergy.com/investors/asxreleases.html

Completion of the sale of the US wind business will result in Infigen repaying approximately 25% of its Global Facility borrowings and reducing its interest rate derivative liabilities by approximately US$24.2 million. Collectively, the two US sale transactions will result in Infigen's cash being increased by approximately $95 million.

[1] The best estimate of electricity production in a year where there is a 50% probability that the given level of electricity production will be exceeded in any year

Despite this, Infigen remains relatively highly geared and will continue to use the majority of its future net operating cash flow to repay borrowings.

1.2 FY15 highlights

- **Signed agreement to sell US solar development pipeline:** Infigen will receive net cash proceeds of US$29.5 million during FY16 from the sale. This transaction closed on 27 July 2015.
- **Signed agreements to sell US wind business:** The sale price of approximately US$272.5 million (Class A and Class B interests) includes net proceeds of US$40.5 million for Infigen's Class A interests. This transaction is expected to complete in October 2015 and will materially reduce Global Facility borrowings.
- **Australian operating costs** of $34.7 million were below the guidance range of $36-38 million in part due to lower costs related to lower production.
- **Entered into joint development agreement:** A leading turbine supplier acquired options to purchase a 50% equity interest in the Bodangora and Forsayth wind farm developments. Where the options have been exercised the agreement terms provide for Infigen to receive certain fees and other amounts that will largely fund Infigen's share of the remaining development costs.
- **Innovative production hedging:** Infigen co-developed and implemented a new wind risk production hedging arrangement with Swiss Re Corporate Solutions to manage cash flow and earnings volatility associated with its Australian operating wind farms.
- **Reduced borrowings**: Infigen repaid $61.5 million of Global Facility borrowings and $4.6 million of Woodlawn project finance facility borrowings. In addition, approximately 25% of the Global Facility debt will be repaid on completing the sale of the US wind business in FY16.
- **Renewable Energy Target legislated:** Infigen played a key leadership role in debate and negotiations that moderated the reduction in the Large-scale Renewable Energy Target and restored legislative certainty for the renewable energy industry in Australia.

1.3 FY15 key financial outcomes

The US wind business and US solar development assets are reported as discontinued operations at 30 June 2015. Accordingly, the comparative consolidated statements of comprehensive income have been re-presented to present the discontinued operations separately from continuing operations. A loss from discontinued operations of $285.2 million was largely due to a US$221.2 million impairment of the US business following its reclassification to being held for sale.

Unless otherwise stated all FY15 and FY14 financial measures in this document are on a continuing operations basis. FY14 balance sheet items have not been re-presented.

Summary of the key financial outcomes and metrics

Year ended ($M unless otherwise indicated)	30 June 2015	30 June 2014	Change %
Revenue	133.8	145.4	(8)
EBITDA	83.5	92.6	(10)
Depreciation and amortisation	(54.5)	(52.6)	(4)
EBIT	29.0	40.0	(28)
Borrowing and financing costs	(47.2)	(75.9)	38
Loss from continuing operations	(18.2)	(35.9)	49
Tax (expense) / benefit	(0.2)	3.5	(106)
Net loss from continuing operations	**(18.4)**	**(32.4)**	**43**
(Loss) / profit from discontinued operations	(285.2)	23.5	(1,313)
Net loss	**(303.6)**	**(8.9)**	**(3,310)**
EBITDA margin	62.4%	63.7%	(1.3) ppts
Net operating cash flow per security (cps)	4.3	2.6	68
Earnings per security (cps)[2]	(2.3)	(5.9)	61

Position at ($M unless otherwise indicated)	30 June 2015	30 June 2014	Change %
Debt[3]	787	1,075	27
Cash	45	81	(44)
Net debt[4]	742	994	25
Institutional Equity Partnerships (IEPs)	-	773	n.m.
Securityholders' equity	261	492	(47)
Book gearing (including IEPs)[5]	74.0%	78.2%	4.2 ppts
EBITDA / (net debt + equity)	8.3%	6.2%	2.1 ppts
Net assets per security ($)	0.34	0.64	(47)
Net tangible assets per security ($)	0.17	0.31	(45)

2 Calculated using weighted average issued securities and net loss from continuing operations
3 Debt associated with continuing operations
4 Net debt associated with continuing operations
5 Excluding IEPs book gearing was 66.9% in the previous corresponding period

2 OUTLOOK

During FY16, we expect to complete the sale of the US wind business and refine our Australian organisation structure to meet the needs of the refocused business. Corporate and overhead costs will be reduced to reflect the needs of the business from FY17 onwards following the separation of the US business in FY16.

Infigen can now pursue profitable growth opportunities in the Australian market with a business that has lower risk and is less complex. The capital structure has been simplified and partially de-risked now that the Australian assets have been uncoupled from the US assets, the exposure to the US cash flow “dip” has been eliminated, and the outlook for maintaining Global Facility covenant compliance has improved.

The cash balance in the Excluded Companies will increase by approximately $95 million in FY16 following receipt of proceeds from the sales of the US solar development pipeline and Class A cash flow interests. This increases our financial resilience and provides some funds to pursue profitable growth in Australia.

We will no longer have the financial complexity that results from consolidating Institutional Equity Partnerships in Infigen’s accounts, thereby making the remaining business far easier to understand and value.

Following the sale of the US wind business, Infigen will repay approximately $245 million of Global Facility debt and will have approximately $647 million of net debt. The majority of the surplus operating cash flow from continuing operations will continue to be directed to debt reduction. We will assess opportunities to contract our operating assets and development projects. Meanwhile the business is enjoying stronger cash flows from improved electricity prices, and significantly improved LGC prices for our merchant assets. Every one dollar increase in the bundled price of electricity and LGCs contributes approximately $1 million in additional EBITDA to the business. Infigen will pursue refinancing of the residual Global Facility when business conditions make that achievable on terms that align with the interests of the group and its securityholders.

Infigen expects wind conditions to improve in FY16 primarily because FY15 was anomalously below historical long term average wind conditions. As a result production in FY16 is expected to improve relative to FY15 performance but weather patterns and wind conditions are by nature variable from year to year. Infigen has sought to manage the economic effect of this wind variability by entering into an innovative production hedging arrangement with Swiss Re that is expected to deliver more certainty to Infigen’s revenue for the first three quarters of FY16.

During FY16 Infigen will assess opportunities to extend its post-warranty service and maintenance agreements with third party service providers to further reduce its exposure to the cost of turbine component replacements. A full year contribution of contractual cost increases at the Capital wind farm and higher costs associated with higher production are expected to result in higher operating costs in FY16 of between $37.5 million and $39.5 million.

Infigen expects to repay approximately $35 million of Global Facility borrowings in FY16 in addition to the debt repayment associated with the sale of the US wind business.

Collectively, the two US sale transactions will result in Infigen's cash in Excluded Companies increasing to approximately $125 million. Residual FX exposure and the variability of earnings necessitates that Infigen retains a portion of these funds for the management of Global Facility covenant compliance. The normalised cash flow to equity from the Woodlawn wind farm is expected to be approximately $6 million per annum from FY17, or approximately one cent per security. During FY16 Infigen will assess its best opportunities to deploy its cash resources to achieve profitable growth and improve total securityholder returns.

The amended RET legislation and its requirement for a near doubling of large-scale renewable energy capacity in the next five years creates opportunities for profitable growth in the industry. Infigen has 1,200 MW or 20% of the approximately 6,000 MW of proposed large-scale projects that have received development approval. Infigen will seek to participate in this growth opportunity through a combination of strategies including selling permitted and construction ready developments, jointly building development projects maintaining minority equity ownership and an operator role, and as capital becomes available, building and owning up to 100% of certain projects in our development portfolio.

The National Electricity Market is going through structural adjustment. Retirement and withdrawal of aging thermal power plant is a consequence of lower demand and expectation of new renewable capacity resulting from legislated renewable energy targets and aspirational State and Territory targets. During 2015, it was announced that 3,820 MW of generation capacity in NSW and SA would be withdrawn over the medium term, which is expected to reduce the surplus reserve by approximately half according to the market operator's 2015 Electricity Statement of Opportunity. Penetration of rooftop solar, smart metering and energy storage systems are changing the landscape of the Australian electricity market resulting in lower demand from the centralised power system. Infigen will assess the opportunities that may be available to it as a result of these changes.

3 REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

Year ended ($M) unless stated otherwise	30 June 2015	30 June 2014	Change %
Operating capacity (MW)	557	557	-
Production (GWh)	1,459	1,572	(7)
Capacity factor	29.9%	32.2%	(2.3) ppts
Turbine availability	97.2%	97.2%	-
Site availability	96.5%	96.6%	(0.1) ppts
Revenue	133.8	145.4	(8)
Operating costs	(34.7)	(36.1)	4
Operating EBITDA	99.1	109.3	(9)
Corporate and development costs, and other income	(15.6)	(16.7)	7
EBITDA	83.5	92.6	(10)
Depreciation and amortisation	(54.5)	(52.6)	(4)
EBIT	29.0	40.0	(28)
Net borrowing costs	(55.3)	(58.1)	5
Net FX and revaluation of derivatives	8.0	(1.0)	900
Significant item – interest rate swap termination costs	-	(16.8)	n.m.
Loss from continuing operations	(18.2)	(35.9)	49
Tax (expense) / benefit	(0.2)	3.5	(106)
(Loss) / profit from discontinued operations	(285.2)	23.5	(1,313)
Net (loss)	(303.6)	(8.9)	(3,310)
Operating EBITDA margin (%)	74.1	75.2	(1.1) ppts
Average price ($/MWh)	91.7	92.5	(1)
Operating costs ($/MWh)	23.8	23.0	(3)

Production

Production decreased 7% or 113 GWh to 1,459 GWh due to poor wind conditions at all sites except Alinta (-100 GWh) and lower availability (-13 GWh). The availability variance comprised network losses (-12 GWh) and turbine and balance of plant factors (-1 GWh).

Prices

Electricity

TWA wholesale electricity ($/MWh)	FY15	FY14	10 year average
SA (Lake Bonney)	39.29	61.71	50.28
NSW (Capital & Woodlawn)	35.17	52.26	42.96
WA (Alinta)[6]	57.34	42.68	54.28

Source: NEM Sight

[6] Data from the Wholesale Electricity Market of WA dates back to September 2006; Alinta wind farm will only become exposed to merchant electricity prices in 2026.

Time weighted average (TWA) spot electricity prices in SA and NSW were 36% and 33% lower respectively than the pcp due to removal of the carbon price from 1 July 2014, and the non-recurrence of market events that led to high price events in the pcp.

Infigen's dispatch weighted average (DWA) electricity prices decreased 45% to $30.28/MWh in SA and 35% to $34.64/MWh in NSW. The decreases broadly correlate with the TWA price decreases in each region.

The electricity generated from the Alinta wind farm in WA is sold under a contract to Alinta Energy until June 2026. 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 $13,800/MWh.

During the year there was one half-hourly settlement interval above $300/MWh in NSW and 49 in SA compared to seven in NSW and 74 in SA in the pcp. There was one negative price event in NSW and 154 in SA compared to none in NSW and 18 in SA in the pcp.

Large-scale Generation Certificates (LGCs)

Period	FY15	FY14	Change %
LGC Price ($/LGC)	38.46	30.84	25

The average merchant LGC price for the year of $38.46/LGC was 25% higher compared to an average price of $30.84/LGC in the prior year. The closing LGC market price at 30 June 2015 was $51.75/LGC, up 82% compared to $28.50/LGC at 30 June 2014. The increase was driven by the legislated agreement for a 33,000 GWh renewable energy target in 2020, which was negotiated during the latter half of FY15. The legislation was passed by the Senate on 23 June 2015.

Bundled pricing

The weighted average portfolio bundled (electricity and LGCs) price was $91.7/MWh, 1% lower than $92.5/MWh in the prior year. This reflected lower merchant electricity prices due to the removal of the carbon price and lower demand, and lower average electricity prices realised at Lake Bonney 1 due to its PPA expiring in March 2015, partially offset by higher average LGC prices.

Revenue

Revenue decreased $11.6 million or 8% to $133.8 million as a result of lower production (-$14.3 million) and lower electricity prices (-$12.6 million), partially offset by higher LGC revenue (+$13.8 million), and compensated and other revenue (+$1.4 million).

Operating costs

During FY15 Infigen's Australian wind turbines were covered by Original Equipment Manufacturer's warranty (Suzlon) or post-warranty service and maintenance agreements (Suzlon and Vestas). This contributed to the stability and predictability of wind farm costs.

Year ended ($M)	30 June 2015	30 June 2014	Change	Change %
Asset management	6.5	6.0	(0.5)	(8)
Turbine O&M	18.4	18.3	(0.1)	(1)
Balance of plant	0.4	1.6	1.2	75
Other direct costs	7.4	7.3	(0.1)	(1)
Total wind farm costs	**32.7**	**33.1**	**0.4**	**1**
Energy Markets	2.0	3.0	1.0	33
Australian operating costs	**34.7**	**36.1**	**1.4**	**4**

Australian operating costs decreased $1.4 million or 4% to $34.7 million. The key variances include:

- $0.5 million increase in asset management costs due to direct costing to Asset Management of Energy Markets costs (+$1.0 million), partially offset by savings in travel, personnel costs and professional fees (-$0.5 million);
- $0.1 million increase in turbine operations and maintenance costs due to a post-warranty step up in costs at Capital since January 2015 (+$1.3 million), offset by lower production linked payments at wind farms with Vestas turbines (-$1.0 million) and unscheduled turbine maintenance costs (-$0.2 million);
- $1.2 million decrease in balance of plant costs due to lower scheduled and unscheduled maintenance works at wind farms with Vestas turbines; and
- $0.1 million increase in other direct costs associated with higher connection costs at all sites (+$0.1 million) and higher land lease expenses (+$0.1 million) offset by lower insurance costs (-$0.1 million).

Operating Earnings Before Interest, Tax, Depreciation and Amortisation (**Operating EBITDA**) was $99.1 million, down 9% or $10.2 million. This was primarily due to lower revenue, slightly offset by lower operating costs.

Corporate costs were $13.6 million, down 2% or $0.3 million.

Development costs were $2.0 million, down 29% or $0.8 million due to lower indirect costs.

EBITDA was $83.5 million, down 10% or $9.1 million reflecting lower operating EBITDA, slightly offset by lower corporate and development costs.

Depreciation and amortisation expense was $54.5 million, 4% or $1.9 million higher than the prior year largely due to increases associated with intangible development rights and other assets.

Earnings Before Interest and Tax (**EBIT**) was $29.0 million, 28% or $11.0 million lower due to lower EBITDA and higher depreciation and amortisation expense.

Financing costs

The following table provides a summary of net financing costs.

Year ended ($M)	30 June 2015	30 June 2014	Change %
Interest expense	(53.2)	(54.9)	3
Bank fees and amortisation of loan costs	(2.8)	(4.2)	33
Amortisation of decommissioning costs	(0.1)	(0.1)	-
Total borrowing costs	**(56.1)**	**(59.2)**	**5**
Interest income	0.8	1.1	(27)
Net borrowing costs	**(55.3)**	**(58.1)**	**5**

Net borrowing costs were $55.3 million, down 5% or $2.8 million. A lower debt balance as at 30 June 2015 compared to the pcp reduced interest expense (-$1.7 million) and bank fees and loan costs (-$1.4 million). This was partially offset by lower interest income (+$0.3 million).

Net FX and revaluation of derivatives were $8.0 million, up $9.0 million due to higher FX gains (+$4.6 million) and higher fair value gains on financial instruments (+$4.4 million).

Interest rate swap termination costs of $16.8 million in the pcp were recorded as a significant item.

Loss from continuing operations before tax was $18.2 million, a $17.7 million favourable variance to the pcp due to lower borrowing costs and termination of interest rate swaps in the pcp.

Income tax expense of $0.2 million was $3.7 million lower than the $3.5 million income tax benefit in the pcp due to a less favourable operating result from the Australian business.

Loss from discontinued operations was $285.2 million, a $308.7 million unfavourable variance to the pcp primarily due to a US$221.2 million or $284.5 million impairment of the US business following its reclassification to being held for sale and $32.3 million from interest rate swaps that are no longer hedge accounted due to the US wind business being held for sale partially offset by the gain on disposal of the US solar development pipeline.

Infigen reported a **net loss after tax** for the year of $303.6 million, which was $294.7 million higher than the prior year.

4 DEVELOPMENT ACTIVITY

Development activity during the year continued to focus on advancing opportunities to realise value from the development pipeline.

During the year Infigen entered into a joint development agreement with a leading turbine supplier in relation to the Bodangora and Forsayth wind farm developments. Under the agreement the turbine supplier acquired options to purchase a 50% equity interest in each project company and obtained a period of exclusivity for equipment supply to these projects. On 23 August 2015 the turbine supplier exercised its option in relation to the Bodangora wind farm development. An overview of Infigen's development pipeline is provided in Appendix C.

5 CASH FLOW

5.1 Cash movement

Cash at 30 June 2015 was \$45.2 million, 44% or \$35.5 million lower than \$83.0 million at 30 June 2014[7]. The cash balance at 30 June 2015 comprises \$11.0 million held by entities within the Global Facility Borrower Group[8] (\$22.0 million at 30 June 2014) and \$34.2 million held by entities outside of that group ('Excluded Companies') (\$61.0 million at 30 June 2014).

Cash inflows for the year included operating cash flow from continuing operations of \$33.2 million and proceeds transferred from discontinued operations of \$20.2 million.

Other cash movements included \$66.1 million for debt repayments (refer to Section 6.1), \$10.5 million for US solar development, and \$1.1 million for property plant and equipment (PP&E) capex. Expenditure on PP&E included IT costs associated with financial and reporting system upgrades and wind farm related capital expenditure.

The \$11 million reduction in Global Facility Borrower Group cash is related to the cash held in discontinued operations. The \$26.8 million reduction in Excluded Companies cash is primarily due to a \$14.5 million distribution from Excluded Companies to the Global Facility Borrower Group to support Global Facility covenant compliance and capex related to the US solar development pipeline, with the latter more than recouped from the sale of the pipeline in early FY16.

[7] Of the \$80.7 million (statutory) cash balance held at 30 June 2014, \$11.2 million was related to discontinued operations

[8] Infigen's borrowings include a multi-currency Global Facility secured by Infigen's interests in all of its operational wind farms except Woodlawn - 'the Borrower Group'

5.2 Operating Cash Flow

Year ended ($M)	30 June 2015	30 June 2014	Change %
Operating EBITDA	99.1	109.3	(9)
Corporate, development and other costs	(15.6)	(16.7)	7
Movement in working capital and non-cash items	2.4	(2.9)	183
Financing costs and taxes paid	(52.7)	(70.1)	25
Net operating cash flow from continuing operations	**33.2**	**19.6**	**69**
Net operating cash flow from discontinued operations	**46.3**	**75.9**	**(39)**
Net operating cash flow	**79.5**	**95.5**	**(17)**

Net operating cash flow was $79.5 million, down 17% or $16.0 million due to lower net operating cash flow from continuing operations (-$13.6 million) and lower operating EBITDA (-$10.2 million). This was partially offset by a favourable movement in working capital and non-cash items (+$5.3 million), lower financing costs due to the non-recurrence of interest rate swap termination costs in the pcp, and lower corporate and development costs (+$1.1 million).

6 CAPITAL MANAGEMENT

6.1 Debt

Total debt[9] relating to continuing operations (including capitalised loan costs[10]) at 30 June 2015 was $786.9 million comprising Global Facility borrowings of $741.5 million and Woodlawn facility borrowings of $45.4 million. This was $288.2 million lower than the pcp primarily due to a $302.6 million reclassification of Global Facility borrowings ($245.3 million) and Union Bank borrowings ($57.3 million) related to the discontinued US operations. Of the remaining variance Global Facility debt repayments of $61.5 million and Woodlawn project finance facility repayments of $4.6 million were offset by the net foreign exchange movements and amortisation of capitalised loan costs of $80.5 million.

The Global Facility is a multi-currency facility with outstanding USD, EUR and AUD balances. Upon completing the sale of the US wind business, the outstanding foreign currency balances are expected to be US$143 million and EUR21.2 million. Infigen holds USD and EUR cash balances to partially hedge this exposure.

The average margin across both facilities was 127 basis points for the year. Infigen has interest rate hedges in place for the majority of its borrowings.

Infigen expects to continue to satisfy the Global Facility leverage ratio covenant in conformity with the terms of the facility in the medium term. Infigen currently intends to apply a portion of the proceeds from the sale of its US Class A cash flow interests towards contributing to future Global Facility leverage ratio covenant compliance, if and when appropriate.

[9] Further information is available in note 15 to the FY15 full year financial statements

[10] Capitalised loan costs accounted for $6.5 million as at 30 June 2015

During the period, Infigen distributed $14.5 million in cash from Excluded Companies to the Global Facility Borrower Group to support Global Facility leverage ratio covenant compliance.

6.2 Net debt

Net debt relating to continuing operations decreased from $994 million at 30 June 2014 to $742 million at 30 June 2015. The net movement of $252 million was primarily due to the reclassification of debt to discontinued operations and FY15 debt repayments offset by unfavourable FX movements.

6.3 Equity

Total equity decreased 47% from $492.1 million at 30 June 2014 to $260.9 million at 30 June 2015. The decrease of $231.2 million is attributable to:

- Loss from discontinued operations (-$285.2 million);
- Net loss from continuing operations (-$18.4 million);
- A change in the fair value of interest rate hedges (+$32.0 million);
- FX exchange difference on translation of foreign operations and movement in fair value of reserves (+$39.1 million); and
- Increase in the share based payments reserve (+$1.3 million).

During the year the number of securities on issue increased by 2,894,147 to 767,887,581. These securities were issued to key management personnel as deferred remuneration under the short term incentive plan.

6.4 Gearing

The following table provides a comparison of Infigen's book gearing at 30 June 2014 and 30 June 2015. The change reflects the movement in net debt and equity described above.

As at ($M)	30 June 2015	30 June 2014	Change %
Net debt	742	994	(25)
IEPs	-	773	n.m.
Total equity	261	492	(47)
Book gearing	74.0%	66.9%	(7.1) ppts
Book gearing including IEPs	74.0%	78.2%	4.2 ppts

A balance sheet by country is provided in Appendix A.

6.5 Distributions

The sweeping of surplus cash flows from operating assets held within the Global Facility Borrower Group to repay debt effectively serves to continue to preclude the payment of distributions to securityholders from the Borrower Group.

No distribution for the year ended 30 June 2015 has been declared.

7 HEALTH, SAFETY AND ENVIRONMENT

7.1 Zero harm

Infigen's first priority is the safety of our people and the communities in which we operate. Our goal is zero harm: zero lost time incidents and injuries.

Infigen's safety performance as measured on a rolling 12-month lost time injury frequency rate (LTIFR) was zero at 30 June 2015. Infigen's total recordable injury frequency rate (TRIFR) fell from 14.4 to 9.7 over the same period. Infigen recorded no lost time injuries (LTIs) in the 2015 financial year compared to one injury in the pcp.

Year ended	30 June 2015	30 Jun 2014	Change %
Total recordable injury frequency rate	9.7	14.4	33
Lost time injury frequency rate	-	4.8	-

7.2 Greenhouse gas emissions

Year ended	30 June 2015	30 Jun 2014	Change %
Scope 1 emissions (tCO2e)	274	216	27
Scope 2 emissions (tCO2e)	2,664	2,502	6
Emissions intensity (tCO2e/MWh)	0.002	0.002	-
Total energy consumption (GJ)	17,450	16,200	8

In June 2015, Infigen became a signatory to the Carbon Disclosure Project (CDP) Road to Paris commitments:

- Commit to greenhouse gas emissions reduction targets that limit global warming to below 2°C
- Commit to having a strategy in place to procure 100% of electricity from renewable sources
- Responsible corporate engagement in climate policy
- Provide climate change information in corporate reports
- Put a price on carbon

Infigen has adopted the Global Reporting Initiative framework to report on emissions and energy consumption from Infigen's operations. Infigen also reports under the National Greenhouse and Energy Reporting framework in accordance with Australian legislation. Infigen reports under the CDP framework[11].

Scope 1 emissions are defined as the release of greenhouse gases into the atmosphere as a direct result of an activity from a facility such as a wind farm (for example, from diesel fuel use in vehicles on site). Scope 1 emissions of Infigen's wind and solar farms increased 27% to 274 tonnes of CO_2e, approximately 179g of CO_2e gases per megawatt hour generated in the 2015 financial year.

Scope 2 emissions are those released into the atmosphere as a result of activities at Infigen's wind and solar farms and our offices. Examples are the emissions from the electricity used in site offices during periods of no wind. Scope 2 emissions increased by 7% to 2,664 tonnes of CO_2e. Both scope 1 and scope 2 include the emission of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).

Total energy consumption of Infigen's operations increased 8% to 17,450 gigajoules in the 2015 financial year compared with previous year due to increased fuel consumption on site.

[11] The 2015 report was published on Infigen's website at www.infigenenergy.com/CDP.html

APPENDIX A – BALANCE SHEET

A$M as at 30 June 2015	Statutory interest	Australia	United States
Cash	45.2	45.2	
Receivables	76.7	76.7	
Inventory LGCs	12.7	12.7	
PPE	830.2	830.2	
Goodwill and intangible assets	126.8	126.8	
Investments in associates	0.5	0.5	
Deferred tax assets and other assets	49.9	49.9	
Assets of disposal group classified as held for sale	1,286.8		1,286.8
Total assets	**2,428.8**	**1,142.0**	**1,286.8**
Payables	29.0	29.0	
Provisions	9.8	9.8	
Borrowings	786.9	786.9	
Derivative liabilities	99.3	99.3	
Liabilities of disposal group classified as held for sale	965.3		965.3
Borrowings and swaps associated with sale of disposal group	277.6		277.6
Total liabilities	**2,167.9**	**925.0**	**1,242.9**
Net assets	**260.9**	**217.0**	**43.9**

Foreign exchange rates	30 June 2015	30 June 2014	Change %
AUD:USD (average rate)	0.8319	0.9179	(9)
AUD:EUR (average rate)	0.6942	0.6764	3
AUD:USD (closing rate)	0.7680	0.9420	(18)
AUD:EUR (closing rate)	0.6866	0.6906	(1)

APPENDIX B – OPERATIONAL ASSETS

Asset	Region	COD[12]	Capacity (MW)	PPA terms	PPA ends	Customer
Lake Bonney 1 wind farm	SA	Mar 2005	80.5	Merchant	N/A	Merchant
Alinta wind farm	WA	Jan 2006	89.1	All output	Electricity - Jun-26 LGCs Jun -16 & Jan-21	Alinta and AGL
Lake Bonney 2 wind farm	SA	Sep 2008	159.0	Merchant	N/A	Merchant
Capital wind farm	NSW	Jan 2010	140.7	Effectively all output is contracted when the desalination plant is operating. ~50% of LGCs are sold on a merchant basis when the plant is not operating.	Feb-30	Sydney Desalination Plant and merchant
Lake Bonney 3 wind farm	SA	Jul 2010	39.0	Merchant	N/A	Merchant
Woodlawn wind farm	NSW	Oct 2011	48.3	Merchant	N/A	Merchant
Capital East solar farm	NSW	Oct 2013	0.12	Merchant	N/A	Merchant
			557			

[12] Commercial operation date

APPENDIX C – DEVELOPMENT PIPELINE

Project	Capacity (MW)	Planning status	Approval date	Connection status
Solar farms				
Bogan River	12	Approved	Dec 2010	Intermediate
Capital	50	Approved	Dec 2010	Offer received
Cloncurry	30	N/A	N/A	Early
Manildra	50	Approved	Mar 2011	Advanced
Wind farms				
Bodangora[13]	90-100	Approved	Aug 2013	Advanced
Capital 2	90-100	Approved	Nov 2011	Offer received
Cherry Tree	45-50	Approved	Nov 2013	Advanced
Flyers Creek	100-115	Approved	Mar 2014	Intermediate
Forsayth[12]	80-90	Approved	Sep 2012	Advanced
Walkaway 2 & 3[14]	~400	Approved	Dec 2008	Intermediate
Woakwine	~450	Approved	Jun 2012	Intermediate
Total (Infigen equity interests)	**~1,200**			

[13] Infigen has a 50% equity interest; A leading turbine supplier has an option to acquire 50%

[14] Infigen has a 32% equity interest