



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

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25 February 2015

APPENDIX 4D AND INTERIM FINANCIAL REPORT

Attached are the following reports relating to the interim financial results for Infigen Energy (ASX: IFN):

- Appendix 4D – Half Year Report
- Infigen Energy Group – Interim Financial Report to 31 December 2014
- Management Discussion and Analysis of Financial and Operational Performance for the half year ended 31 December 2014

ENDS

For further information please contact:
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Group Manager, Investor Relations & Strategy
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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, 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 GROUP

Appendix 4D – Half Year Report 31 December 2014

Name of entity:	Infigen Energy (ASX: IFN), a stapled entity comprising Infigen Energy Limited (ABN 39 105 051 616), Infigen Energy (Bermuda) Limited (ARBN 116 360 715), and the Infigen Energy Trust (ARSN 116 244 118)
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Reporting period

Current Period:	1 July 2014 - 31 December 2014
Previous Corresponding Period:	1 July 2013 - 31 December 2013

Results for announcement to the market

	% Movement	31 December 2014 \$'000	31 December 2013 \$'000
Revenues from ordinary activities	(9%)	125,518	137,923
Profit / (Loss) from ordinary activities after tax attributable to members	110%	1,554	(15,333)
Profit / (Loss) for the period attributable to members	110%	1,554	(15,333)

Distributions

	Record date	Payment date	Amount per security	Franked amount per security
Interim distribution declared subsequent to 31 December 2014	N/A	N/A	Nil	N/A
Interim distribution declared subsequent to 31 December 2013	N/A	N/A	Nil	N/A

A brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the attached Management Discussion and Analysis of Financial and Operational Performance for the half year ended 31 December 2014.

Financial statements

Refer to the attached consolidated financial statements for the half year ended 31 December 2014.

Net tangible asset backing per security

	31 December 2014	30 June 2014
Net tangible asset backing per stapled security	0.30 cents	0.31 cents

Control gained or lost over entities during the period

Two US entities Caprock Solar 1 LLC and Caprock Solar 2 LLC were incorporated on 31 October 2014. Seven US entities, Loving Solar LLC, Ochoa Solar LLC, Livingston Ridge Solar LLC, Cooper Ranch Solar LLC, Wood Draw Solar LLC, Strata Solar LLC and Bluestem Solar LLC were incorporated on 10 December 2014. One German entity, Infigen Energy Verwaltungs GmbH was voluntarily liquidated on 29 August 2014. Three US entities, Mexia Solar 1 LLC, Limestone Solar 1 LLC and Tortolita Solar 1 LLC were voluntarily deregistered on 30 September 2014, 1 October 2014 and 10 October 2014 respectively.

Associates and joint venture entities

Refer to the attached consolidated financial statements for the half year ended 31 December 2014.

Accounting standards used by foreign entities

Refer to Note 1 "Statement of Accounting Policies" of the attached consolidated financial statements for the half year ended 31 December 2014.

Commentary on results and Outlook

Refer to the attached Management Discussion and Analysis of Financial and Operational Performance for the half year ended 31 December 2014.

Audit / review of accounts upon which this report is based and Qualification of audit / review

This report is based on accounts which have been reviewed by an independent auditor. This auditor has issued an un-qualified review report on the financial statements for the Infigen Energy Group for the half year ended 31 December 2014.



Infigen Energy Limited

ACN 105 051 616

Infigen Energy Trust

ARSN 116 244 118

Interim Financial Reports
for the Half Year Ended
31 December 2014

Registered office:

Level 22
56 Pitt Street
Sydney NSW 2000



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Corporate Structure

The Infigen Energy Group (the Group) consists of the following entities:

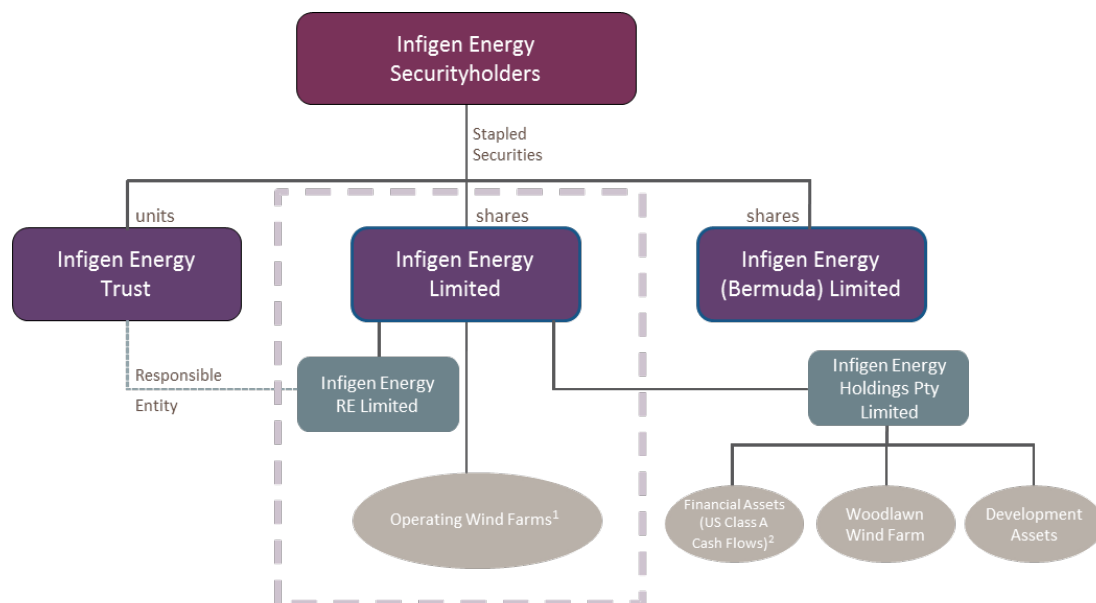
- Infigen Energy Limited (IEL), a public company incorporated in Australia;
- Infigen Energy Trust (IET), a managed investment scheme registered in Australia;
- Infigen Energy (Bermuda) Limited (IEBL), a company incorporated in Bermuda; and
- the subsidiary entities of each of IEL and IET.

One share in each of IEL and IEBL and one unit in IET have been stapled together to form a single stapled security (IFN security).

Infigen Energy RE Limited (IERL) is the Responsible Entity of IET.

The current stapled structure of the Infigen Energy Group was established immediately prior to listing on the Australian Securities Exchange in 2005 and currently cannot be materially simplified due to the Group's corporate debt facility (Global Facility). IEBL was established and included in the Group's stapled structure in 2005 to provide flexibility regarding potential investment ownership structures. IEBL has not been utilised for that purpose since it was established and the Group aims to wind-up this entity when it is feasible to do so.

The following diagram represents the structure of the Infigen Energy Group, including identifying the entities and assets within the Global Facility borrower group.



Entities and assets within the Global Facility borrower group.

1. The wholly-owned subsidiaries of Infigen Energy Limited (IEL) that are Class B members in the US institutional equity partnerships (IEPs) and entitled to returns, including cash distributions, from the IEPs, are included within the Global Facility borrower group. The IEPs, which are not wholly owned, are not members of that group.
2. Through its subsidiaries, Infigen Energy Holdings Pty Limited (IEH) has provided funding to certain wholly-owned subsidiaries of IEL which in turn acquired Class A interests in relation to nine of IEL's US operating wind farms. Like IEH, those subsidiaries of IEL are owned by a member of the Global Facility borrower group but are 'Excluded Companies' for the purposes of the Global Facility.

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission, these Financial Statements are combined financial statements that present the consolidated financial statements and accompanying notes of both the Infigen Energy Group and IET.



Directors' Report

The Directors of Infigen Energy Limited (IEL) and the Directors of Infigen Energy RE Limited (IERL), the Responsible Entity of Infigen Energy Trust (IET), present their report together with the Interim Financial Report of the Group and the Trust (refer below) for the half year ended 31 December 2014.

The Interim Financial Report of IEL comprises the consolidated Interim Financial Report of IEL and its controlled entities, including IET and its controlled entities and Infigen (Bermuda) Limited (IEBL), (the Infigen Energy Group or the Group).

The Interim Financial Report of IET comprises the consolidated Interim Financial Report of IET and its controlled entities (the Infigen Energy Trust Group or the Trust).

The following people were Directors of IEL and IERL during the half year and up to the date of this report, unless otherwise indicated:

- Michael Hutchinson
- Miles George
- Philip Green
- Fiona Harris
- Ross Rolfe AO

Review of Operations

Infigen Energy Group

Infigen Energy reported a Statutory Profit for the six months to 31 December 2014 of \$1.6 million. This was a favourable movement of \$16.9 million compared with a Statutory Loss of \$15.3 million in the prior corresponding period.

The major factor contributing to the movement was the non-recurrence of interest rate swap termination expenses. Higher revenue from US solar photovoltaic (PV) activities, higher net income from US Institutional Equity Partnerships (IEPs), and a greater cash distribution from Infigen Energy's US Class A cash flow interests for a full six-month period were offset by lower revenue in Australia due to poor wind conditions.

Further details are provided in the Management Discussion and Analysis of Financial and Operational Performance Report for the six months ended 31 December 2014.

Infigen Energy Trust

The net loss attributable to the unit holders of IET for the half year ended 31 December 2014 amounted to \$349,000 (half year ended 31 December 2013: \$325,000 loss).

Changes in State of Affairs

Work continued on the solar PV development pipeline including securing power purchase agreements for the Rio Bravo I & II (20 MW each) and Wildwood II (15 MW) projects in the US during the period.

Future Developments

The Group has initiated processes to assess the potential to unlock value from its portfolio. These processes have not yet been completed and it remains uncertain whether any transaction will eventuate.

In the US, we expect both full year production and average portfolio price to be in line with FY14, while in Australia, we expect both full year production and average portfolio price to be approximately 10% lower than in FY14.

Full year operating costs in the US are forecast to be at the upper end of the guidance range of between US\$76-78 million, and Australian operating costs are forecast to be near or below the lower end of the full year guidance range of \$35-37 million.

Subject to these operating conditions prevailing, the Group remains on track to achieve its previous guidance of approximately \$90 million of cash flow available to repay Global Facility borrowings and pay distributions to Class A members.

Directors' Report (continued)

Rounding

The Group is an entity of a kind referred to in Class order 09/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 4.

Signed in accordance with a resolution of Directors.

On behalf of the Directors of IEL and IERL:

A handwritten signature in black ink, appearing to read "Miles George".

Miles George

Director

Sydney, 25 February 2015



Auditor's Independence Declaration

As lead auditor for the review of Infigen Energy Group and Infigen Energy Trust Group for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Infigen Energy Group and the entities it controlled during the period and Infigen Energy Trust Group and the entities it controlled during the period

A handwritten signature in black ink, appearing to read 'M Upcroft', is written over a faint, light-colored signature line.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
25 February 2015



Independent auditor's review reports to the stapled security holders of Infigen Energy Group and the unit holders of Infigen Energy Trust Group

Report on the Half-Year Financial Reports

We have reviewed the accompanying half-year financial reports of the Infigen Energy Group ('Infigen Energy Group') and Infigen Energy Trust Group ('Infigen Energy Trust Group') which comprises the consolidated statements of financial position as at 31 December 2014, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Infigen Energy Group and Infigen Energy Trust Group. The Infigen Energy Group comprises Infigen Energy Limited and the entities it controlled during that half-year. The Infigen Energy Trust Group comprises the Infigen Energy Trust and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial reports

The directors of Infigen Energy Limited and Infigen Energy Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial reports based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Infigen Energy Group and Infigen Energy Trust Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of the Infigen Energy Group and Infigen Energy trust Group are not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of Infigen Energy Group and Infigen Energy Trust Group's financial position as at 31 December 2014 and of their performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Marc Upcroft'.

Marc Upcroft
Partner

Sydney
25 February 2015



Directors' Declaration

In the opinion of the Directors of Infigen Energy Limited (IEL) and the Directors of the Responsible Entity of Infigen Energy Trust (IET), Infigen Energy RE Limited (IERL) (collectively referred to as 'the Directors'):

- a) the financial statements and notes of IEL and its controlled entities, including IET and its controlled entities and Infigen Energy (Bermuda) Limited (the 'Infigen Energy Group') and IET and its controlled entities (the 'Infigen Energy Trust Group') set out on pages 8 to 29 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of Infigen Energy Group's and Infigen Energy Trust Group's financial position as at 31 December 2014 and of their performance for the half year ended on that date; and
- b) there are reasonable grounds to believe that both Infigen Energy Group and Infigen Energy Trust Group will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors of IEL and IERL:

A handwritten signature in black ink, appearing to read "Miles George", with a long, sweeping horizontal stroke extending to the right.

Miles George

Director

Sydney, 25 February 2015

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	INFIGEN ENERGY GROUP			INFIGEN ENERGY TRUST GROUP	
	Note	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Revenue from continuing operations	3	125,518	137,923	-	-
Income from institutional equity partnerships	4	31,145	29,800	-	-
Other income	4	9,371	2,027	-	4
Operating expenses		(52,759)	(51,503)	(349)	(329)
Corporate costs		(7,031)	(7,953)	-	-
Other expenses	5	(3,382)	(3,036)	-	-
Depreciation and amortisation expense	5	(61,844)	(61,410)	-	-
Interest expense	5	(34,644)	(35,139)	-	-
Finance costs relating to institutional equity partnerships	5	(10,371)	(12,712)	-	-
Other finance costs	5	(3,408)	(22,474)	-	-
Share of net profits of associates and joint ventures using the equity method		9,427	5,457	-	-
Net profit / (loss) before income tax benefit		2,022	(19,020)	(349)	(325)
Income tax benefit		(468)	3,687	-	-
Net profit / (loss) for the half year		1,554	(15,333)	(349)	(325)
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Changes in the fair value of cash flow hedges, net of tax		(9,758)	27,472	-	-
Exchange differences on translation of foreign operations		24,505	575	-	-
Other comprehensive income for the half year, net of tax		14,747	28,047	-	-
Total comprehensive income / (loss) for the half year		16,301	12,714	(349)	(325)
Net income / (loss) for the half year is attributable to stapled security holders as:					
Equity holders of the parent		1,957	(14,963)	-	-
Equity holders of the other stapled entities (minority interests)		(403)	(370)	(349)	(325)
		1,554	(15,333)	(349)	(325)
Total comprehensive income / (loss) is attributable to stapled security holders as:					
Equity holders of the parent		16,704	13,084	-	-
Equity holders of the other stapled entities (minority interests)		(403)	(370)	(349)	(325)
		16,301	12,714	(349)	(325)
Earnings per share of the parent based on earnings attributable to the equity holders of the parent:					
Basic (cents per security)	11	0.26	(2.0)	(0.1)	0.0
Diluted (cents per security)	11	0.26	(2.0)	(0.1)	0.0

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	INFIGEN ENERGY GROUP			INFIGEN ENERGY TRUST GROUP	
	Note	As at 31 Dec 2014 \$'000	As at 30 Jun 2014 \$'000	As at 31 Dec 2014 \$'000	As at 30 Jun 2014 \$'000
Current assets					
Cash and cash equivalents		71,496	80,699	392	392
Trade and other receivables		46,182	37,689	-	-
Inventory		12,343	16,164	-	-
Derivative financial instruments	7	-	994	-	-
Total current assets		130,021	135,546	392	392
Non-current assets					
Receivables		4,427	4,925	743,313	742,619
Investment in financial assets	7	97,509	86,384	-	-
Derivative financial instruments	7	154	303	-	-
Investment in associates and joint ventures	6	112,895	96,292	-	-
Property, plant and equipment		1,992,967	1,895,409	-	-
Deferred tax assets		53,059	50,453	-	-
Intangible assets		275,885	257,124	-	-
Total non-current assets		2,536,896	2,390,890	743,313	742,619
Total assets		2,666,917	2,526,436	743,705	743,011
Current liabilities					
Trade and other payables		35,506	32,419	3,845	3,511
Borrowings	8	63,231	63,984	-	-
Derivative financial instruments	7	34,996	33,964	-	-
Provisions		1,378	2,900	-	-
Total current liabilities		135,111	133,267	3,845	3,511
Non-current liabilities					
Borrowings	8	1,039,151	1,011,061	-	-
Derivative financial instruments	7	109,599	98,343	-	-
Provisions		20,908	19,082	-	-
Total non-current liabilities		1,169,658	1,128,486	-	-
Institutional equity partnerships classified as liabilities	9	852,613	772,625	-	-
Total liabilities		2,157,382	2,034,378	3,845	3,511
Net assets		509,535	492,058	739,860	739,500
Equity holders of the parent					
Contributed equity	13	2,305	2,305	754,603	753,894
Reserves		(177,007)	(192,221)	-	-
Retained earnings		(53,715)	(55,672)	(14,743)	(14,394)
		(228,417)	(245,588)	739,860	739,500
Equity holders of the other stapled entities (non-controlling interests)					
Contributed equity	13	760,864	760,155	-	-
Retained earnings		(22,912)	(22,509)	-	-
		737,952	737,646	-	-
Total equity		509,535	492,058	739,860	739,500

The above statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	INFIGEN ENERGY GROUP					
	Attributable to equity holders of the parent					
	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Total equity at 1 July 2013	2,305	(208,349)	(47,495)	(253,539)	737,554	484,015
Net loss for the half year	-	-	(14,963)	(14,963)	(370)	(15,333)
Changes in the fair value of cash flow hedges, net of tax	-	27,472	-	27,472	-	27,472
Exchange differences on translation of foreign operations and movement in fair value	-	575	-	575	-	575
Total comprehensive loss for the half year	-	28,047	(14,963)	13,084	(370)	12,714
Transactions with equity holders in their capacity as equity holders:						
Recognition of share-based payments	-	321	-	321	-	321
Issues of securities to KMP for deferred remuneration	-	-	-	-	818	818
Total equity at 31 December 2013	2,305	(179,981)	(62,458)	(240,134)	738,002	497,868
Total equity at 1 July 2014	2,305	(192,221)	(55,672)	(245,588)	737,646	492,058
Net income / (loss) for the half year	-	-	1,957	1,957	(403)	1,554
Changes in the fair value of cash flow hedges, net of tax	-	(9,758)	-	(9,758)	-	(9,758)
Exchange differences on translation of foreign operations and movement in fair value	-	24,505	-	24,505	-	24,505
Total comprehensive income / (loss) for the half year	-	14,747	1,957	16,704	(403)	16,301
Transactions with equity holders in their capacity as equity holders:						
Recognition of share-based payments	-	467	-	467	-	467
Issue of securities to KMP for deferred remuneration	-	-	-	-	709	709
Total equity at 31 December 2014	2,305	(177,007)	(53,715)	(228,417)	737,952	509,535

The above statements of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

	INFIGEN ENERGY TRUST GROUP		
	Contributed equity	Retained earnings	Total
	\$'000	\$'000	\$'000
Total equity at 1 July 2013	753,076	(13,748)	739,328
Net loss for the half year	-	(325)	(325)
Total comprehensive loss for the half year	-	(325)	(325)
Recognition of share-based payments	818		818
Total equity at 31 December 2013	753,894	(14,073)	739,821
Total equity at 1 July 2014	753,894	(14,394)	739,500
Net loss for the half year	-	(349)	(349)
Total comprehensive income / (loss) for the half year	-	(349)	(349)
Recognition of share-based payments	709	-	709
Total equity at 31 December 2014	754,603	(14,743)	739,860

The above statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP		
	Note	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Cash flows from operating activities					
Profit / (loss) for the half year		1,554	(15,333)	(349)	(325)
Adjustments for:					
Net income from institutional equity partnerships		(20,773)	(17,088)	-	-
Gain on revaluation for fair value through profit or loss on financial assets		(1,661)	(641)	-	-
Cash distributions received from financial assets		6,172	3,977	-	-
Depreciation and amortisation of non-current assets	5	61,844	61,410	-	-
Unrealised foreign exchange (gains) / losses		(1,833)	4,071	-	-
Amortisation of share based payments expense		605	535	-	-
Amortisation of borrowing costs capitalised		1,275	2,186	-	-
Accretion of decommissioning and restoration provisions		127	127	-	-
Share of losses / (profits) from associates and joint ventures		(9,427)	(5,457)	-	-
Cash distributions received from associates and joint ventures		6,009	5,000	-	-
Decrease / (Increase) in deferred tax balances		324	(3,711)	-	-
Changes in operating assets and liabilities, net of effects from acquisition and disposal of businesses:					
(Increase)/decrease in assets:					
Current receivables and other current assets		(10,374)	(18,414)	-	-
Increase/(decrease) in liabilities:					
Current payables		10,229	6,549	334	318
Non-current payables		1,826	451	-	-
Net cash from operating activities		45,897	23,662	(15)	(7)
Cash flows from investing activities					
Payment for property, plant and equipment		(3,903)	(3,843)	-	-
Payment for intangible assets		(7,486)	(571)	-	-
Payments for investments in financial assets		-	(84,924)	-	-
Net cash used in investing activities		(11,389)	(89,338)	-	-
Cash flows from financing activities					
Proceeds from issue of equity securities		-	-	709	818
Proceeds from borrowings, net of capitalised borrowing costs		-	106,600	-	-
Repayment of borrowings		(33,850)	(60,862)	-	-
Repayment from / (loans) to related parties		-	-	(694)	(807)
Distributions paid to institutional equity partnerships		(12,180)	(14,601)	-	-
Net cash used in financing activities		(46,030)	31,137	15	11
Net decrease in cash and cash equivalents		(11,522)	(34,539)		4
Cash and cash equivalents at the beginning of the half year		80,699	121,213	392	383
Effects of exchange rate on the balance of cash held in foreign currencies		2,319	405	-	-
Cash and cash equivalents at the end of the half year		71,496	87,079	392	387

The above cash flow statements should be read in conjunction with the accompanying notes.

1. Summary of accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. This interim financial report consists of separate consolidated interim financial statements for:

- Infigen Energy Group (the Group), being Infigen Energy Limited (IEL), Infigen Energy Trust (IET), Infigen Energy (Bermuda) Limited (IEBL) and the controlled entities of IEL and IET; and
- Infigen Energy Trust Group (the Trust), being Infigen Energy Trust (IET) and its controlled entities.

Stapled security

The shares of IEL and IEBL and the units of IET are combined and issued as stapled securities in Infigen Energy Group. The shares of IEL and IEBL and the units of IET cannot be traded separately and can only be traded as stapled securities.

(a) Basis of preparation of half year report

The consolidated interim financial report of the Group and the Trust for the half year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Group and the Trust has relied upon the relief available to stapled entities in ASIC Class Order 13/1050 as amended by Class 13/1644 to allow preparation of consolidated or combined financial statements. Under this approach, Infigen Energy Limited has been treated as the 'parent' of the stapled entity for the purposes of preparing consolidated financial statements, with the other stapled entities being presented as non-controlling interests.

As permitted by Class Order 05/642 issued by the Australian Securities and Investments Commission, these financial statements are combined financial statements that present the consolidated financial statements and accompanying notes of both the Group and the Trust.

Legislative and regulatory regime

These financial statements have been prepared on the basis of the legislative and regulatory regime that exists as at 31 December 2014 and at the date of this report.

Significant changes to the regulatory regime, including any changes to the legislated Renewable Energy Target (RET), would be likely to affect the carrying values of assets, (including Property, Plant and Equipment, Deferred Tax Assets and Intangible Assets) and future renewable energy project development.

Summary of accounting policies (continued)

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim period, except as described below.

(i) Critical accounting estimates and judgments

For several years the Infigen security price has traded at a very substantial discount to its reported book value per security. The directors consider the market discount reflects a number of factors including, but not limited to, regulatory uncertainty in relation to the Renewable Energy Target in Australia, the outlook for reinstatement of distributions by the Group, the Group's gearing, and the Group's capacity to remain compliant with the leverage ratio covenant associated with its Global Facility borrowings. A positive resolution to the regulatory uncertainty in Australia should result in better prices for LGCs and improved liquidity in the LGC market. Furthermore, Infigen continues to pursue initiatives aimed at improving its financial flexibility, including considering asset sales and financing options for its portfolio.

The Group has initiated processes to assess the potential to unlock value from its portfolio. These processes have not yet been completed and it remains uncertain whether any transaction will eventuate.

Any transaction will be considered in the context of the overall benefit to Infigen security holders. While the directors have assessed that the value of the Group's assets meets or exceeds their book value, in light of the prolonged market discount to this value it is possible that a strategic transaction at below book value might be undertaken in order to accelerate the realisation of value for securityholders.

Deferred tax assets recognised in relation to unused tax losses in Australia are considered recoverable given that tax losses are expected to offset future Australian taxable income within a reasonable time horizon. The sale of any Australian assets would likely result in a reduction in the Australian group's forecast taxable earnings which would affect the deferred tax asset currently recognised.

Infigen Energy Trust

The capital structure of the Group includes long term loan funding from IET to other Group entities. This is recorded as a related party receivable in IET. These loans are assessed as recoverable. The potential sale of cash generating assets may however affect the ability of IET to realise this receivable in full.

(ii) Changes in accounting policy

A number of new or amended standards became applicable for the current reporting period, however, the Group or the Trust did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) Impact of standards issued but not yet applied by the Group

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. When adopted, it is likely to affect the Group's accounting for its financial assets since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Group has not yet decided whether to early adopt AASB 9 and has not assessed the effect.

(iv) Impact of standards issued but not yet available for early adoption

IFRS 15 Revenue from contracts with customers replaces IAS 18 which covers contracts for goods and services, and IAS 11, which covers construction contracts. The standard is applicable for the first interim period within the annual reporting periods beginning on or after 1 January 2017. This new standard redefines the recognition of revenue based on control of a good or service rather than the existing notion of risks and rewards. When adopted, it is likely to affect the Group's revenue as a result of changes to measurement and timing of revenue recognition. The Group has not yet assessed the effect.

2. Segment information

Segment information provided to the Board of Directors

The Group has determined the operating segments based on the reports reviewed by the Board of Directors of IEL that are used to make strategic decisions.

The Board of Directors considers the business primarily from a geographic perspective and has identified two reportable segments. The reporting segments consist of the wind farm and generation businesses held within each geographical area.

The Board of Directors assesses the performance of the operating segments based on a measure of EBITDA (Segment EBITDA).

This measurement basis (Segment EBITDA) excludes the effects of equity-settled share-based payments which are included in Corporate costs and unrealised gains/losses on financial instruments.

Segment EBITDA is calculated on an economic interest basis. The Group has joint control over interests in seven US LLCs in which it owns 50% to 59.3% of the Class B Interests. Under IFRS, these interests are included in the statutory results of the Group using the equity method. Under the economic interest basis, the equity accounted share of profits/losses from joint ventures, and investment in associates and joint ventures is grossed up to include the Group's share of the financials on a line by line basis.

The Group also has a controlling interest in two US LLCs in which it owns more than 50% but less than 100% of the Class B interests. Under IFRS, the Group fully consolidates the financial performance of these companies within its statutory results and recognises a minority interest. Under the economic interest basis, the minority interests are excluded from the Group's results on a line by line basis.

Interest income and expenditure are not allocated to segments, as this type of activity is driven by the corporate treasury function, which manages the cash position of the Group.

The Board of Directors reviews segment revenues on a proportional basis, reflective of the economic ownership held by the Group. The adjustments shown for the equity accounted associates, joint ventures and non-controlling interests relate solely to the US segment.



Notes to the Consolidated financial statements
For the half year ended 31 December 2014

Segment information (continued)

The segment information provided to the Board of Directors for the operating segments together with a reconciliation of segment EBITDA to operating loss before income tax for the half year ended 31 December 2014 is as follows:

	INFIGEN ENERGY GROUP						
	Statutory basis \$'000	Add: Share of profits of associates & JVs \$'000	Less: Minority Interests \$'000	Economic Interest Basis \$'000	Allocated to segments on an economic interest basis		
					Australia \$'000	US \$'000	Unallocated \$'000
Half year ended 31 December 2014							
Segment revenue	125,518	21,538	(7,427)	139,629	65,623	74,006	-
Operating costs	(52,759)	(11,949)	3,223	(61,485)	(15,910)	(45,575)	-
Segment EBITDA from operations	72,759	9,589	(4,204)	78,144	49,713	28,431	-
Corporate costs	(7,031)	-	-	(7,031)	-	-	(7,031)
Development costs	(2,778)	-	-	(2,778)	(907)	(1,871)	-
Share of profits of associates & joint ventures	9,427	(9,429)	-	(2)	(2)	-	-
Other income and costs	(604)	-	-	(604)	11	(615)	-
EBITDA	71,773	160	(4,204)	67,729	48,815	25,945	(7,031)
Depreciation & amortisation	(61,844)	(13,680)	4,622	(70,902)	(26,396)	(44,506)	-
EBIT	9,929	(13,520)	418	(3,173)	22,419	(18,561)	(7,031)
Net finance costs	(28,681)	(57)	126	(28,612)	-	-	(28,612)
Net income from IEPs	20,774	13,624	(544)	33,854	-	33,854	-
Profit before income tax	2,022	47	-	2,069	22,419	15,293	(35,643)
Tax benefit / expense	(468)	(47)	-	(515)	(515)	-	-
Net profit after tax	1,554	-	-	1,554	21,904	15,293	(35,643)
Half year ended 31 December 2013							
Segment revenue	137,923	19,007	(7,677)	149,253	84,918	64,335	-
Operating costs	(51,485)	(10,493)	2,807	(59,171)	(19,128)	(40,043)	-
Segment EBITDA from operations	86,438	8,514	(4,870)	90,082	65,790	24,292	-
Corporate costs	(7,953)	-	-	(7,953)	-	-	(7,953)
Development costs	(3,036)	-	-	(3,036)	(1,361)	(1,675)	-
Share of profits of associates & joint ventures	5,457	(5,506)	-	(49)	(49)	-	-
Other costs	(14)	-	-	(14)	(14)	-	-
EBITDA	80,892	3,008	(4,870)	79,030	64,366	22,617	(7,953)
Depreciation & amortisation	(61,410)	(13,687)	4,546	(70,551)	(26,170)	(44,381)	-
EBIT	19,482	(10,679)	(324)	8,479	38,196	(21,764)	(7,953)
Net finance costs	(38,817)	(59)	119	(38,757)	-	-	(38,757)
Net income from IEPs	17,088	10,738	205	28,031	-	28,031	-
Significant item – swap termination	(16,773)	-	-	(16,773)	-	(16,773)	-
Loss before income tax	(19,020)	-	-	(19,020)	38,196	(10,506)	(46,710)
Tax benefit / expense	3,687	-	-	3,687	3,687	-	-
Net loss after tax	(15,333)	-	-	(15,333)	41,883	(10,506)	(46,710)

Segment information (continued)

A summary of assets and liabilities by operating segment is provided as follows:

	INFIGEN ENERGY GROUP			Allocated to segments on an economic interest basis		
	Statutory basis \$'000	Add: Share of assets and liabilities of associates & JVs \$'000	Less: Minority Interest \$'000	Total Economic interest basis \$'000	Australia \$'000	US \$'000
As at 31 December 2014						
Total segment assets	2,666,917	380,682	(186,174)	2,861,425	1,164,920	1,696,505
Total assets includes:						
Investment in associates & joint ventures	112,895	(112,895)	-	-	-	-
Additions to non-current assets (other than financial assets and deferred tax)	11,389	871	(607)	11,653	1,873	9,780
Total segment liabilities	2,157,382	380,682	(186,174)	2,351,890	821,563	1,530,327
As at 30 June 2014						
Total segment assets	2,526,436	345,549	(166,486)	2,705,499	1,177,398	1,528,101
Total assets includes:						
Investment in associates & joint ventures	96,292	(96,292)	-	-	-	-
Additions to non-current assets (other than financial assets and deferred tax)	13,833	2,258	(377)	15,714	5,110	10,604
Total segment liabilities	2,034,378	345,549	(166,486)	2,213,441	815,374	1,398,067

3. Revenue

	INFIGEN ENERGY GROUP	
	Half year ended 31 Dec 2014	Half year ended 31 Dec 2013
	\$'000	\$'000
From continuing operations		
Sale of energy and environmental products ¹	34,763	44,607
Lease of plant and equipment ²	83,164	91,241
Compensated revenue	718	-
Asset management services	6,873	2,075
	125,518	137,923

¹ Includes revenue from the sale of electricity and from the generation of environmental certificates. The Group generates environmental certificates (including LGCs) and sells them under contractual arrangements and on market.

² In accordance with UIG 4 Determining whether an Asset Contains a Lease, revenue that is generated under certain power purchase agreements, where the Group sells substantially all of the related electricity and environmental certificates to one customer, is classified as lease income.

4. Other income

	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP	
	Half year ended 31 Dec 2014	Half year ended 31 Dec 2013	Half year ended 31 Dec 2014	Half year ended 31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
From continuing operations:				
Income from institutional equity partnerships				
Value of production tax credits offset against Class A liability ³	28,581	27,808	-	-
Value of taxes offset against Class A liability ³	(7,101)	(7,329)	-	-
Tax benefits recognised during the half year	9,665	9,321	-	-
	31,145	29,800	-	-
Other income				
Interest income	429	681	-	4
Interest income on financial asset	4,771	-	-	-
Fair value gains on financial instruments	2,353	1,338	-	-
Foreign exchange gains	1,818	-	-	-
Other income	-	8	-	-
	9,371	2,027	-	4

³ Refer Note 9 for further details.



5. Expenses

	INFIGEN ENERGY GROUP	
	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
From continuing operations:		
Net loss before income tax has been arrived at after charging the following expenses:		
Other expenses:		
Development costs	2,778	3,036
Other expenses	604	-
	3,382	3,036
Depreciation and amortisation expense:		
Depreciation of property, plant & equipment	55,052	55,126
Amortisation of intangible assets	6,792	6,284
	61,844	61,410
Interest expense:		
Interest expense on borrowings	16,419	16,239
Interest expense on derivative financial instruments	18,225	18,900
	34,644	35,139
Finance costs relating to institutional equity partnerships:		
Allocation of return on outstanding Class A liability ¹	11,754	13,490
Movement in residual interest (Class A) ¹	(3,148)	(2,473)
Non-controlling interest (Class B) ¹	1,765	1,695
	10,371	12,712
Other finance costs:		
Fair value losses on financial instruments ²	577	17,548
Bank fees and loan amortisation costs	2,704	3,490
Foreign exchange losses	-	1,309
Recognition and unwinding of discount on decommissioning provisions	127	127
	3,408	22,474

¹ Refer Note 9 for further details.

² Fair value losses on financial instruments in the half year ended 31 December 2013 are realised losses of \$16,773,000 relating to termination of certain interest rate swaps as well as unrealised losses on FX Options and Electricity Options which do not qualify for hedge accounting.

6. Investment in Associates and Joint Ventures

	INFIGEN ENERGY GROUP	
	Half year ended 31 Dec 2014	Year ended 30 June 2014
	\$'000	\$'000
a) Movements in carrying amounts		
Carrying amount at the beginning of the period	96,292	97,968
Share of profits after income tax	9,427	13,705
Distributions received	(6,009)	(13,649)
Effects of exchange rate changes	13,185	(1,732)
Carrying amount at the end of the period	112,895	96,292

b) Interest in associates and joint ventures

Set out below are the associates of the Group as at 31 December 2014. The interests listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

	Place of business / country of incorporation	Ownership interest %		Nature of relationship	Measurement method
		30 December 2014	30 June 2014		
31 December 2014					
Sweetwater 1 LLC	US	50%	50%	Joint venture	Equity method
Sweetwater 2 LLC	US	50%	50%	Joint venture	Equity method
Blue Canyon 1 LLC	US	50%	50%	Joint venture	Equity method
Combine Hills 1 LLC	US	50%	50%	Joint venture	Equity method
Sweetwater 3 LLC	US	50%	50%	Joint venture	Equity method
Wind Park Jersey LLC	US	59.3%	59.3%	Joint venture	Equity method
Sweetwater 4-5 LLC	US	53%	53%	Joint venture	Equity method
Australian associate entities	Australia	32%-50%	32%-50%	Associate	Equity method

All US joint ventures held Class B interests in wind farm operating entities. The Australian associate entities held interests in renewable energy developments.

All associates and joint ventures are private entities and therefore no quoted security prices are available.

c) Contingent liabilities in respect of associates and joint ventures

	As at 31 Dec 2014 \$'000	As at 30 June 2014 \$'000
Letters of credit	1,655	1,358

Letters of credit generally relate to wind farm construction, operations and decommissioning and represent the maximum exposure. These are incurred jointly with other investors of the associate or joint venture.

Investments in Associates and Joint Ventures (continued)

d) Summarised financial information of associates and joint ventures

The Group's share of the results of its principal associates and joint ventures and its aggregated assets and liabilities are as follows:

	Company's share of:			
	Assets \$'000	Liabilities \$'000	Revenues \$'000	Profit \$'000
Half year ended 31 December 2014				
Sweetwater 1 LLC	17,011	12,640	1,049	38
Sweetwater 2 LLC	48,117	39,183	2,187	1,900
Blue Canyon 1 LLC	27,714	15,511	1,522	(1,757)
Combine Hills 1 LLC	24,562	9,963	1,121	(124)
Sweetwater 3 LLC	72,445	62,866	3,257	2,740
Wind Park Jersey LLC	21,593	21,619	1,517	(150)
Sweetwater 4-5	282,135	221,594	10,885	6,829
Australian associate entities	1,205	375	-	(49)
	494,782	383,751	21,538	9,427
Year ended 30 June 2014				
Sweetwater 1 LLC	15,182	11,362	2,150	232
Sweetwater 2 LLC	43,063	36,937	4,728	543
Blue Canyon 1 LLC	25,063	12,842	3,554	1,336
Combine Hills 1 LLC	22,246	9,010	2,488	661
Sweetwater 3 LLC	64,338	58,385	7,227	2,525
Wind Park Jersey LLC	20,023	19,247	3,050	(493)
Sweetwater 4-5	252,729	199,575	24,460	8,986
Australian associate entities	1,252	246	-	(85)
	443,896	347,604	47,657	13,705

7. Fair value hierarchy

a) Fair value measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Derivative financial instruments
- Financial assets

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes by using the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2014 and 30 June 2014.

As at 31 December 2014	INFIGEN ENERGY GROUP			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Derivative financial instruments				
Interest rate cap – Woodlawn	-	68	-	68
Interest rate swaps – Union Bank Facility	-	86	-	86
Financial assets				
Investment in financial assets	-	-	97,509	97,509
Total assets	-	154	97,509	97,663
Liabilities				
Derivative financial instruments				
Interest rate swaps – Global Facility	-	143,689	-	143,689
Interest rate swaps – Woodlawn	-	-	-	-
Interest rate swaps – Union Bank Facility	-	906	-	906
Total liabilities	-	144,595	-	144,595

Fair value hierarchy (continued)

As at 30 June 2014

Assets	INFIGEN ENERGY GROUP			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Derivative financial instruments				
FX Option	-	994	-	994
Interest rate cap – Woodlawn	-	139	-	139
Interest rate swaps – Union Bank Facility	-	164	-	164
Financial assets				
Investment in financial assets	-	-	86,384	86,384
Total assets	-	1,297	86,384	87,681
Liabilities				
Derivative financial instruments				
Interest rate swaps – Global Facility	-	131,298	-	131,298
Interest rate swaps – Woodlawn	-	100	-	100
Interest rate swaps – Union Bank Facility	-	909	-	909
Total liabilities	-	132,307	-	132,307

Effective 31 October 2013, a wholly-owned subsidiary of the Group acquired a financial asset for US\$79,163,500 (AUD\$84,894,000), being an investment in IJA Portfolio LLC, an unlisted entity which holds investments in Class A interests of Group-related US wind farm project entities. IJA Portfolio LLC is a private investing entity for which it is not possible to determine the fair value of this investment using quoted prices or observable market data. As such, the investment has been classified as level 3 for the purposes of the disclosure requirements of AASB113 *Fair Value Measurement*.

Effective 1 January 2014, a wholly-owned subsidiary of the Group acquired financial assets for US\$13,350,000 (AUD\$15,076,000), being an investment in Class A interests in two Group-related US wind farm projects entities. These investments are in private investing entities for which it is not possible to determine the fair value of these investments using quoted prices or observable market data. As such, the investment has been classified as level 3 for the purposes of the disclosure requirements of AASB113 *Fair Value Measurement*.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2014.

b) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of derivative financial instruments not traded in an active market (for example, interest rate derivatives) is determined using valuation techniques. These valuation techniques utilise observable market data and do not rely upon entity specific estimates. If all significant inputs required to fair value derivative financial instruments are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for financial assets.

Financial assets represent an investment in a privately held joint arrangement that holds tax equity interests in US wind farm projects. The financial asset entitles the Group to specified cash flows and returns in accordance with the contractual arrangements.

Specific valuation techniques used to value derivative financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

Fair value hierarchy (continued)

- The fair value of FX options is determined using forward exchange rates at the balance sheet date
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments. This includes the financial assets.

All of the resulting fair value estimates are included in level 2 except for the financial asset explained in (c) below.

The best evidence of fair value is current prices in an active market for similar financial assets. Where such information is not available the Directors consider information from a variety of sources including:

- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalisation rate derived from an analysis of market evidence

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the half year ended 31 December 2014:

	Investment in financial assets IJA Portfolio LLC \$'000
Opening balance at 30 June 2014	
Acquisitions	86,384
Interest income on financial asset	4,771
Distributions received as return of investment	(6,172)
Net foreign currency exchange differences	12,526
Closing balance at 31 December 2014	97,509

There were no transfers between level 2 and level 3 financial instruments during the period.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 31 December 2014 \$'000	Valuation techniques	Range of inputs (probability-weighted average)	Relationship to unobservable inputs to fair value
Financial assets	97,509	Discounted cash flows	Discount rates 5.7%-7.7%	An increase or decrease in discount rate of 100bps would change the fair value by approximately \$4,403,000

(iii) Valuation processes

The Group performs the valuations of level 3 financial instruments in-house for financial reporting purposes. These valuations are prepared half-yearly and reviewed by the finance teams, Chief Financial Officer and the Board Audit, Risk and Compliance Committee.

8. Borrowings

		INFIGEN ENERGY GROUP	
		Half year ended 31 Dec 2014 \$'000	Year ended 30 June 2014 \$'000
Current			
<i>Secured</i>			
At amortised cost:			
Global Facility		50,000	49,779
Bank facility – Union Bank		10,936	9,187
Project finance debt – Woodlawn		2,295	5,018
		63,231	63,984
Non-current			
<i>Secured</i>			
At amortised cost:			
Global Facility		955,008	929,768
Bank facility – Union Bank		51,856	48,387
Project finance debt – Woodlawn		44,084	44,974
Capitalised loan costs		(11,797)	(12,068)
		1,039,151	1,011,061
Total debt		1,102,382	1,075,045

9. Institutional equity partnerships classified as liabilities

The following table includes the components of institutional equity partnerships classified as liabilities: Class A member liabilities; non-controlling interests relating to Class B members and deferred revenue.

	INFIGEN ENERGY GROUP					
	Class A members		Class B members		Total	
	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended
	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Components of institutional equity partnerships:						
At period beginning	384,047	450,306	55,327	51,919	439,374	502,225
Distributions/financing	(12,180)	(42,266)	-	(1,742)	(12,180)	(44,008)
Value of production tax credits offset against Class A liability	(28,581)	(56,253)	-	-	(28,581)	(56,253)
Value of taxes offset against Class A liability	7,101	14,653	-	-	7,101	14,653
Allocation of return on outstanding Class A liability	11,755	26,332	-	-	11,755	26,332
Movement in residual interest (Class A)	(3,148)	(3,467)	-	-	(3,148)	(3,467)
Non-controlling interest (Class B)	-	-	1,765	6,074	1,765	6,074
Foreign exchange loss / (gain)	55,977	(5,258)	8,281	(924)	64,258	(6,182)
At period end	414,971	384,047	65,373	55,327	480,344	439,374
Deferred revenue:						
At period beginning					333,251	356,817
Deferred benefits recognised in profit and loss during the period					(9,664)	(18,544)
Foreign exchange loss / (gain)					48,682	(5,022)
At period end					372,269	333,251
					852,613	772,625

10. Distributions paid

Distributions in respect of the half year ended 31 December 2014 were nil (half year ended 31 December 2013: nil).

11. Earnings per share / unit

	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP	
	Half year ended 31 Dec 2014 cents per security	Half year ended 31 Dec 2013 cents per security	Half year ended 31 Dec 2014 cents per security	Half year ended 31 Dec 2013 cents per security
(b) Basic and diluted earnings per stapled security / parent entity share:				
<i>Parent entity share</i>				
From continuing operations attributable to the parent entity shareholders	0.26	(2.0)	-	-
Total basic and diluted earnings per share attributable to the parent entity shareholders¹	0.26	(2.0)	-	-
<i>Stapled security</i>				
From continuing operations attributable to the stapled security holders	0.20	(2.0)	(0.1)	0.0
Total basic and diluted earnings per security attributable to the stapled security holders¹	0.20	(2.0)	(0.1)	0.0

¹ The number of performance rights/units outstanding has not been included in the calculation of diluted EPS as they are anti-dilutive.

(c) Reconciliation of earnings used in calculating earnings per share / unit

The earnings and weighted average number of shares / units used in the calculation of basic and diluted earnings per share / unit are as follows:

	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP	
	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Earnings attributable to the parent entity shareholders				
From continuing operations	1,957	(14,963)	-	-
Total earnings attributable to the parent entity shareholders	1,957	(14,963)	-	-
Earnings attributable to the stapled security holders				
From continuing operations	1,554	(15,333)	(349)	(325)
Total earnings attributable to the stapled security holders	1,554	(15,333)	(349)	(325)



(d) Weighted average number of shares used as the denominator

	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP	
	Half year ended	Half year ended	Half year ended	Half year ended
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	No.'000	No.'000	No.'000	No.'000
Weighted average number of shares for the purposes of basic and diluted earnings per share	766,975	764,134	766,975	763,116

12. Contingent liabilities

	INFIGEN ENERGY GROUP	
	As at	As at
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Letters of credit	52,623	45,135

Letters of credit generally relate to wind farm construction, operations and decommissioning and represent the maximum exposure. No liability was recognised by the parent entity of the Group in relation to these letters of credit, as their combined fair value is immaterial.

Deed of Cross Guarantee

Under the terms of ASIC Class Order 98/1418 (as amended by Class Order 98/2017) certain wholly-owned controlled entities have been granted relief from the requirement to prepare audited financial reports. Infigen Energy Limited has entered into an approved deed of indemnity for the cross-guarantee of liabilities with those controlled entities.

Acquisition of Class A Interests in US wind farms

During the year ended 30 June 2014, the Group acquired a share of various Class A interests in Group-related US wind farms. The acquisitions resulted in a put option being held by the seller, whereby the Group may be required to acquire the residual interests held by the seller after December 2018. The exercise of this option is at the discretion of the seller and is only likely to be exercised if certain performance outcomes are achieved. At this point in time, it cannot be determined whether it is probable that the option will be exercised. The maximum exposure to the Group under the option is capped at US\$3.5 million, (AUD\$3.9m). As such, no liability has been recognised for the option as at 31 December 2014.



13. Contributed equity

	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP	
	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Fully paid stapled securities				
Balance as at 1 July	762,460	761,642	753,894	753,076
Issue of securities	709 ¹	818 ²	709 ¹	818 ²
Balance as at 31 December	763,169	762,460	754,603	753,894
Attributable to:				
Equity holders of the parent	2,305	2,305		
Equity holders of the other stapled entities (minority interests)	760,864	760,155		
	763,169	762,460		
	INFIGEN ENERGY GROUP		INFIGEN ENERGY TRUST GROUP	
	Half year ended 31 Dec 2014 No.'000	Half year ended 31 Dec 2013 No.'000	Half year ended 31 Dec 2014 No.'000	Half year ended 31 Dec 2013 No.'000
Number of fully paid stapled securities				
Balance as at 1 July	764,993	762,266	764,993	762,266
Issue of securities	2,895	2,727	2,895	2,727
Balance as at 31 December	767,888	764,993	767,888	764,993

¹ 2,894,147 stapled securities at 24.5 cents each

² 2,727,462 stapled securities at 30 cents each

Stapled securities entitle the holder to participate in dividends from IEL and IEBL and in distributions from IET. The holder is entitled to participate in the proceeds on winding up of the stapled entities in proportion to the number of and amounts paid on the securities held.

14. Subsequent events

Since the end of the half year, in the opinion of directors of IEL and IERL, there have not been any transactions or events of a material or unusual nature likely to affect significantly the operations or affairs of IEL and IET in future financial periods.



Management Discussion and Analysis of Financial and Operational Performance for the six months ended 31 December 2014

25 February 2015

All amounts 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 six months ended 31 December 2014 compared with the six months ended 31 December 2013 (“prior period” or “prior corresponding period”) except where otherwise stated.

As required by the International Financial Reporting Standards (IFRS), Infigen consolidates 100% of all controlled entities within its result. Infigen also accounts for seven of its US joint ventures using the equity method.

The financial and operational 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 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 Statutory Result

1.1 Statutory Profit

Infigen reported a Statutory Profit for the six months to 31 December 2014 of \$1.6 million. This was a favourable movement of \$16.9 million compared with a Statutory Loss of \$15.3 million in the prior corresponding period (pcp).

The major factor contributing to the movement was the non-recurrence of interest rate swap termination expenses. Higher revenue from US solar photovoltaic (PV) activities, higher net income from US Institutional Equity Partnerships (IEPs), and a greater cash distribution from Infigen's US Class A cash flow interests for a full six-month period were offset by lower revenue in Australia due to poor wind conditions. Further details are provided in Section 1.3.

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

Six months ended 31 December (\$M)	2014	2013	Change %
Revenue	125.5	137.9	(9)
EBITDA	71.8	80.9	(11)
Depreciation and amortisation	(61.8)	(61.4)	(1)
EBIT	9.9	19.5	(49)
Net borrowing costs	(37.0)	(38.1)	3
FX and derivative revaluations	3.6	(0.7)	614
Interest income on financial asset	4.8	-	n.m.
Net income from IEPs	20.8	17.1	22
Significant item - interest rate swap termination costs	-	(16.8)	n.m.
Profit/(Loss) before tax	2.0	(19.0)	111
Income tax benefit/(expense)	(0.5)	3.7	(114)
Net profit/(loss) after tax	1.6	(15.3)	110
Operating cash flow	45.9	23.7	94
Operating cash flow per security ¹ (cps)	6.0	3.1	94
Earnings per security (cps) ²	0.3	(2.0)	115

Position at (\$M unless otherwise indicated)	31 Dec 2014	30 Jun 2014	Change %
Debt	1,102	1,075	(3)
Cash	72	81	(11)
Net debt	1,031	994	(4)
Tax equity liabilities	480	439	(9)
Securityholders' equity	510	492	4
Book gearing	66.9%	66.9%	-
EBITDA/(net debt + equity)	10.4%	11.4%	(1) ppts
Net assets per security (\$)	0.66	0.64	3
Net tangible assets per security (\$)	0.30	0.31	(3)
Capital expenditure ³	11.4	13.8	17

¹ Calculated using securities on issue at the end of six months

² Calculated using weighted average issued securities

³ Represents the cash outflow in relation to capital expenditure

1.2 Reconciliation of Statutory Accounts to Economic Interest

Infigen internally reports, and believes that it is more useful to review, the financial performance of the business from an economic interest perspective and has therefore reconciled the economic and statutory presentation for the key income statement line items below. An explanation of the entities that are consolidated and equity accounted is available in the Management Discussion and Analysis for the year ended 30 June 2014. Following this section all figures will reference “Economic Interest” unless specifically stated otherwise.

Six months ended 31 December 2014 (\$M)	Statutory	Add: Allocate share of profit of associates	Less: US minority interests	Economic interest
Revenue	125.5	21.5	(7.4)	139.6
Operating EBITDA	72.8	9.6	(4.2)	78.1
Corporate, development and other costs	(10.4)	-	-	(10.4)
Share of net profits of associates	9.4	(9.4)	-	-
EBITDA	71.8	0.2	(4.2)	67.7
Depreciation and amortisation	(61.8)	(13.7)	4.6	(70.9)
EBIT	9.9	(13.5)	0.4	(3.2)
Net borrowing costs	(37.0)	(0.1)	0.1	(37.0)
FX and derivative revaluations	3.6	-	-	3.6
Interest income on financial asset	4.8	-	-	4.8
Net income from IEPs	20.8	13.6	(0.5)	33.9
Significant item - interest rate swap termination costs	-	-	-	-
Profit/(loss) before tax	2.0	-	-	2.0
Income tax benefit/(expense)	(0.5)	-	-	(0.5)
Net profit/(loss)	1.6	-	-	1.6

Six months ended 31 December 2013 (\$M)	Statutory	Add: Allocate share of profit of associates	Less: US minority interests	Economic interest
Revenue	137.9	19.0	(7.7)	149.3
Operating EBITDA	86.4	8.5	(4.9)	90.1
Corporate, development and other costs	(11.1)	-	-	(11.1)
Share of net profits of associates	5.5	(5.5)	-	-
EBITDA	80.9	3.0	(4.9)	79.0
Depreciation and amortisation	(61.4)	(13.7)	4.5	(70.6)
EBIT	19.5	(10.7)	(0.3)	8.5
Net borrowing costs	(38.1)	-	0.1	(38.0)
FX and derivative revaluations	(0.7)	-	-	(0.7)
Interest income on financial asset	-	-	-	-
Net income from IEPs	17.1	10.7	0.2	28.0
Significant item - interest rate swap termination costs	(16.8)	-	-	(16.8)
Profit/(Loss) before tax	(19.0)	-	-	(19.0)
Income tax benefit/(expense)	3.7	-	-	3.7
Net profit/(loss)	(15.3)	-	-	(15.3)

1.3 Review of statement of income

Six months ended 31 December (\$M unless otherwise indicated)	2014	2013	Change %
Revenue	139.6	149.3	(6)
Operating EBITDA	78.1	90.1	(13)
EBITDA	67.7	79.0	(14)
Depreciation and amortisation	(70.9)	(70.6)	-
EBIT	(3.2)	8.5	(137)
Net borrowing costs	(37.0)	(38.0)	3
FX and derivative revaluations	3.6	(0.7)	614
Interest income on financial asset	4.8	-	n.m.
Net income from IEPs	33.9	28.0	21
Significant item - interest rate swap termination costs	-	(16.8)	n.m.
Profit/(Loss) before significant item and tax	2.0	(19.0)	111
Income tax benefit/(expense)	(0.5)	3.7	(114)
Net profit/(loss)	1.6	(15.3)	110

Revenue was \$139.6 million, down 6% or \$9.7 million on the pcp reflecting lower overall production and electricity prices, offset by a declining Australian dollar⁴, higher compensated revenue and higher Large-scale Generation Certificate (LGC) and Renewable Energy Credit (REC) revenue.

- In the US, revenue increased 9% or US\$5.6 million to US\$65.0 million⁵ reflecting higher production (+US\$1.3 million), higher IAM revenue (+US\$3.9 million), higher REC revenue (+US\$0.7 million) and higher compensated and other revenue (+US\$0.6 million) offset by lower electricity prices (-US\$0.9 million).
- In Australia, revenue decreased \$19.3 million or 23% to \$65.6 million as a result of lower production (-\$16.8 million) and lower merchant electricity prices (-\$6.5 million), offset by higher LGC revenue (+\$3.4 million) and higher compensated revenue (+\$0.7 million).

Operating earnings before interest, tax, depreciation and amortisation (**Operating EBITDA**) was \$78.1 million, down 13% or \$12 million. This was primarily due to the revenue items described above partially offset by lower Australian operating costs.

Development costs were \$2.8 million, down 10% or \$0.3 million primarily reflecting lower costs in Australia, partially offset by increased activity in further progressing development opportunities in the US.

Corporate costs were \$7.0 million, down 12% or \$1.0 million reflecting the non-recurrence of corporate activity costs incurred in the pcp.

EBITDA was \$67.7 million, down 14% or \$11.3 million due to lower operating EBITDA partially offset by lower development and corporate costs.

⁴ The average AUD:USD rate for the six months ended 31 December 2014 was 0.8886 compared with 0.9214 in the pcp

⁵ Includes asset management revenue and income from solar PV activities earned by Infigen Asset Management (IAM)

Depreciation and amortisation expenses were \$70.9 million, \$0.3 million higher than the pcp. In the US, depreciation and amortisation decreased US\$1.4 million to US\$39.5 million, while in Australia (including corporate assets), depreciation and amortisation increased \$0.2 million to \$26.4 million. The balance of \$1.6 million was due to the depreciation of the AUD. Infigen depreciates its US and Australian wind farms and associated plant using the straight line method over 25 years.

Net borrowing costs were \$37.0 million, down 3% or \$1.0 million. Interest expense was \$0.5 million lower due to lower outstanding Global Facility and Woodlawn facility borrowings partially offset by a full period of interest payable on the Union Bank facility borrowings and a declining Australian dollar.

Six months ended 31 December (\$M)	2014	2013	Change %
Interest expense	(34.6)	(35.1)	1
Bank fees and amortisation of loan costs	(2.6)	(3.4)	24
Amortisation of decommissioning costs	(0.2)	(0.2)	-
Total borrowing costs	(37.4)	(38.7)	3
Interest income	0.4	0.7	(43)
Net borrowing costs	(37.0)	(38.0)	3

The **FX and revaluation of derivatives** (movements in non-hedge FX, interest rate and electricity derivatives) was \$3.6 million. The FX gain was due to the depreciation of the AUD and revaluation of the USD and EUR debt held by an Australian company within the Group. The revaluation of derivatives represents mark to market movements at 31 December 2014 of various financial instruments that cannot be hedge accounted due to their IFRS classification as ineffective hedges.

The **interest income on financial asset** of \$4.8 million is the (non-cash) return on Infigen's US Class A cash flow interests.

Termination of interest rate swaps in the pcp resulted in an expense of \$16.8 million and was recorded in significant items.

Net income from US IEPs⁶ was \$33.9 million, up 21% or \$5.9 million compared to \$28.0 million in the pcp. Further details are available in Appendix C.

Income tax expense of \$0.5 million was \$4.2 million higher than the \$3.7 million benefit in the pcp largely due to the higher net profit before tax.

Net profit after tax for the six months was \$1.6 million, a favourable movement of \$16.9 million compared with the pcp.

1.4 Safety

Infigen's first priority is the safety of our people and the communities in which we operate. Our goal is zero lost time incidents and injuries. Infigen's safety performance as measured on a rolling 12 month lost time injury frequency rate (LTIFR) improved to 1.2 at 31 December 2014 compared with 2.3 at 31 December 2013.

⁶ Institutional Equity Partnerships

2 Cash Flow

2.1 Cash movement

Cash at 31 December 2014 was \$76.9 million, 7% or \$6.0 million lower than the \$82.9 million balance at 30 June 2014. The cash balance at 31 December 2014 included \$52.3 million held by entities ('Excluded Companies') outside the Global Facility Borrower Group⁷.

Cash movements during the period included:

- Debt reduction (-\$33.9 million)
- Capital expenditure for development and property, plant and equipment (-\$11.7 million)
- Distributions paid to Class A members (-\$12.9 million)
- Operating cash flow (+\$49.7 million) including distributions received from US Class A financial assets (+\$6.2 million)
- FX movements (+\$2.8 million)

2.2 Operating cash flow (OCF)

Six months ended 31 December (\$M)	2014	2013	Change %
Operating EBITDA	78.1	90.1	(13)
Corporate, development and other costs	(10.4)	(11.1)	6
Movement in working capital and non-cash items	10.8	(6.2)	274
Net financing costs and taxes paid	(35.0)	(35.5)	1
Distributions received from financial assets ⁸	6.2	4.0	55
OCF before significant items	49.7	41.3	20
Interest rate swap termination costs	-	(16.8)	n.m.
Operating cash flow	49.7	24.5	103
OCF of associates and joint ventures	(7.6)	(10.3)	26
OCF of non-controlling interests	3.8	4.5	(16)
Operating cash flow (statutory)	45.9	18.7	145

Operating cash flow was \$49.7 million, 103% or \$25.2 million higher than the pcp due to movement in working capital (+\$17.0 million), interest rate swap termination costs in the pcp (+\$16.8 million), distributions received from investments in US Class A interests (+\$2.2 million) and lower corporate, development and financing costs (+\$1.2 million) partially offset by lower operating EBITDA (-\$12.0 million). The positive working capital movement during the period was due to sales of LGCs from inventory, an increase in payables and reductions in provisions together with some non-cash expense items. The pcp adverse working capital movement was due to the accumulation of LGCs reserved for forward sales commitments.

⁷ Infigen's borrowings include a multi-currency Global Facility secured by Infigen's interests in all of its operational wind farms except Woodlawn and Infigen's US Class A cash flow interests - 'the Global Facility Borrower Group'

⁸ Investments in US Class A cash flow interests

3 Capital Management

3.1 Debt

Total debt at 31 December 2014 was \$1,104 million⁹ (including capitalised loan costs¹⁰) comprising \$1,007 million of Global Facility borrowings, \$63 million of financial asset related borrowings and \$46 million of Woodlawn facility borrowings. This was an increase of \$27.5 million compared with 30 June 2014. During the six months, Infigen repaid \$27.1 million of Global Facility borrowings, \$3.6 million of Woodlawn facility borrowings and \$3.2 million of Union Bank facility borrowings. The depreciation of the AUD against the USD resulted in \$59.5 million in unfavourable FX movements with the balance comprising expensed and capitalised loan costs.

During the period, Infigen distributed \$9 million in cash from Excluded Companies to the Global Facility Borrower Group to support Global Facility leverage ratio covenant compliance.

3.2 Net debt

Net debt for the consolidated entity increased from \$994 million at 30 June 2014 to \$1,027 million at 31 December 2014. The net movement of \$33 million was due to unfavourable FX movements offset by period debt repayment.

3.3 Equity

Total equity increased 4% from \$492.1 million at 30 June 2014 to \$509.5 million at 31 December 2014. The increase of \$17.4 million is attributable to:

- An exchange difference on the translation of foreign operations and movement in fair value of net investments (+\$24.5 million);
- The net profit for the period (+\$1.6 million);
- A net increase in the share based payments reserve (+\$1.2 million); and
- A change in the fair value of interest rate hedges (-\$9.8 million).

During the period 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.

3.4 Gearing

The following table provides a comparison of Infigen's book gearing at 31 December 2014 and 30 June 2014. The changes in gearing percentages reflect the movements in net debt and equity described above.

As at (\$M)	31 Dec 2014	30 Jun 2014	Change %
Net debt	1,027	994	(3)
Total equity	510	492	4
Book gearing	66.8%	66.9%	0.1 ppts
US IEP tax equity ¹¹	558	516	(8)
Total gearing	75.8%	75.4%	(0.4) ppts

A balance sheet by country is provided in Appendix A.

⁹ Includes \$1.7 million joint venture borrowings (\$1,102 million on a statutory basis)

¹⁰ Capitalised loan costs accounted for \$11.8 million at 31 December 2014

¹¹ Refer to Appendix C

4 US Operational Performance Review

4.1 Overview

Six months ended 31 December	2014	2013	Change	Change %
Total revenue (US\$M)	65.0	59.4	5.6	9
Operating costs (US\$M)	40.5	36.9	(3.6)	(10)
Operating EBITDA (US\$M)	24.5	22.4	2.1	9
Operating EBITDA margin	37.7%	37.7%	-	-
Average price (US\$/MWh)	43.2	43.0	0.2	-
Operating costs (US\$/MWh)	29.6	27.6	2.0	(7)
Production tax credits (US\$M)	32.6	35.1	(2.5)	(7)

US business translation to AUD				
Revenue (A\$M)	74.0	64.3	9.7	15
Operating EBITDA (A\$M)	28.4	24.3	4.1	17

Infigen's operating capacity remained at 1,089.4 MW (Class B interest) in the US. In 2013 Infigen acquired Class A cash flow interests in nine of its operating wind farms in the US.

4.2 Production

Six months ended 31 December	2014	2013	Change
Operating capacity (MW)	1,089	1,089	-
Capacity factor	28.4%	27.8%	0.6 ppts
Turbine availability	97.0%	96.2%	0.8 ppts
Site availability	95.4%	95.3%	0.1 ppts
Production (GWh)	1,367	1,336	31

Production increased 31 GWh or 2% to 1,367 GWh primarily due to better wind conditions in the South and Mid-West (+42 GWh) and higher availability at sites with Gamesa turbines (+48 GWh), offset by lower wind conditions in other regions (-33 GWh) and lower availability due to equipment maintenance and repairs (-26 GWh).

Site availability of 95.4% was broadly in line with the prior period. Turbine availability increased slightly to 97.0% due to availability improvements at all sites with Gamesa turbines.

Following a review by a technical consultant, Infigen has updated the long term mean annual energy production (P50) estimate of its Class B economic interest in its US wind portfolio to 3,240 GWh, a 2% decrease from the prior P50 estimate.

4.3 Price

The US\$43.2/MWh average price (total wind farm revenue of US\$59.1 million¹² divided by total production) was slightly higher than US\$43.0/MWh realised in the pcp. This was due to higher contracted and merchant REC prices in the PJM region offset by lower merchant electricity prices in the PJM and ERCOT regions. The time weighted average (TWA) electricity prices for the relevant regions are outlined below.

Six months ended 31 December (US\$/MWh)	2014	2013	Change %
PJM-AECO (Jersey Atlantic)	33.8	36.9	(8)
PJM-CE (GSG, Mendota & Crescent Ridge)	28.1	29.6	(5)
ERCOT-W (Sweetwater 5)	31.7	32.0	(1)

¹² Excludes IAM revenue

4.4 Revenue

Revenue increased 9% or US\$5.6 million to US\$65.0 million¹³ reflecting higher IAM revenue (+US\$3.9 million, due to US\$4.0 million from solar PV activities), higher production (+US\$1.2 million), higher REC revenue (+US\$0.7 million) and higher compensated and other revenue (+US\$0.6 million). This was partially offset by lower merchant electricity prices (-US\$0.7 million).

4.5 Operating costs

Six months ended 31 December (US\$M)	2014	2013	Change	Change %
Asset management ¹⁴	8.2	6.6	(1.6)	(24)
Turbine O&M	18.9	17.7	(1.2)	(7)
Balance of plant	4.6	4.0	(0.5)	(15)
Other direct costs	8.9	8.5	(0.4)	(5)
Total operating costs	40.5	36.9	(3.6)	(10)

Total operating costs increased by US\$3.6 million to US\$40.5 million reflecting:

- US\$1.6 million increase in asset management costs primarily due to one-off employee related costs, equipment write-offs and higher IAM contractor costs. The prior period included a reimbursement of reactive power fees;
- US\$1.2 million increase in turbine O&M costs primarily due to 3-year oil changes, equipment repairs and inspections at Cedar Creek and Sweetwater;
- US\$0.5 million increase in balance of plant costs associated with unscheduled transformer maintenance and repairs at Allegheny, GSG, Mendota and Sweetwater 4; and
- US\$0.4 million increase in other direct costs primarily due to higher property taxes at Sweetwater and higher connection costs at Kumeyaay.

4.6 Operating EBITDA

Operating EBITDA for the US business increased US\$2.1 million or 9% to US\$24.5 million primarily reflecting higher income related to solar PV activities partially offset by higher operating costs. Operating EBITDA margin was in line with the pcp at 37.7%.

4.7 Development

Work continued on the solar PV development pipeline including securing power purchase agreements for the Rio Bravo I & II (20 MW each) and Wildwood II (15 MW) projects during the period.

Project origination and development activities during the period have resulted in Infigen's US development pipeline now comprising over 1,200 MW of late, mid and early stage projects across ten states.

¹³ Includes asset management revenue and income from solar PV activities earned by IAM

¹⁴ Includes asset management costs related to IAM

5 Australian Operational Performance Review

5.1 Overview

Six months ended 31 December	2014	2013	Change	Change %
Total revenue (\$M)	65.6	84.9	(19.3)	(23)
Operating costs (\$M)	15.9	19.1	3.2	17
Operating EBITDA (\$M)	49.7	65.8	(16.1)	(24)
Operating EBITDA margin	75.8%	77.5%	(1.7) ppts	-
Average price (\$/MWh)	89.1	93.7	(4.6)	(5)
Operating costs (\$/MWh)	21.6	21.1	(0.5)	(2)

Infigen's operating capacity in Australia remained at 556.7 MW during the period.

5.2 Production

Six months ended 31 December	2014	2013	Change
Operating capacity (MW)	557	557	-
Capacity factor	30.0%	36.9%	(6.9) ppts
Turbine availability	97.4%	97.7%	(0.3) ppts
Site availability	96.6%	97.6%	(1.0) ppts
Production (GWh)	736	906	(170)

Production decreased 19% or 170 GWh to 736 GWh primarily as a result of lower wind conditions across the portfolio and to a lesser extent lower site and turbine availability.

5.3 Prices

The TWA spot electricity prices in SA and NSW were 41% and 35% lower than the pcp respectively due to removal of the carbon price and the non-recurrence of market events that led to high price events in the pcp.

Six months ended 31 December	2014	2013	10 year average
TWA wholesale electricity (\$/MWh)			
SA (Lake Bonney)	37.99	64.94	49.84
NSW (Capital & Woodlawn)	35.53	54.33	42.65

Infigen's dispatch weighted average (DWA) electricity prices decreased 47% to \$30.50/MWh in SA and 34% to \$36.46/MWh in NSW. The decreases broadly correlate with the TWA price decreases in each region.

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 negative \$1,000/MWh and the market price cap of \$13,500/MWh. Price volatility had little effect on the average price outcomes during the period.

For LGCs, the volume weighted average monthly market spot price for the period of \$31.90/LGC was 5% lower than the average price of \$33.51/LGC in the pcp. The closing spot LGC price at 31 December 2014 was \$33.35/LGC compared with \$33.00/LGC at 31 December 2013.

5.4 Revenue

Revenue decreased \$19.3 million or 23% to \$65.6 million as a result of lower production (-\$16.8 million) and lower merchant electricity prices (-\$6.5 million), offset by higher LGC revenue (+\$3.4 million) and higher compensated revenue (+\$0.7 million).

5.5 Operating Costs

Infigen's Australian wind turbines are covered by their Original Equipment Manufacturer's warranty (Woodlawn) or post-warranty service agreements with Vestas (Alinta, Lake Bonney 1, 2 & 3) and Suzlon (Capital).

Six months ended 31 December (\$M)	2014	2013	Change	Change %
Asset management	3.4	3.2	(0.2)	(6)
Turbine O&M	7.9	10.2	2.3	23
Balance of plant	0.0	0.5	0.5	100
Other direct costs	3.7	3.7	-	-
Total wind farm costs	14.9	17.6	2.7	15
Energy Markets	1.0	1.6	0.6	38
Total operating costs	15.9	19.1	3.2	17

Total operating costs decreased \$3.2 million or 17% to \$15.9 million. The key variances include:

- \$0.2 million increase in asset management costs associated with legal and professional fees;
- \$2.3 million decrease in turbine O&M costs associated with lower production-linked O&M incentive payments due to lower production (-\$1.0 million) and lower variable turbine maintenance costs (-\$1.3 million);
- \$0.5 million decrease in balance of plant costs primarily due to lower unscheduled maintenance at Lake Bonney; and
- \$0.6 million lower Energy Markets expenses.

5.6 Operating EBITDA

Operating EBITDA decreased \$16.1 million or 24% to \$49.7 million reflecting lower production and lower merchant electricity prices, slightly offset by higher LGC revenue and compensated revenue and lower operating costs.

Operating EBITDA margin decreased to 75.8% compared to 77.5% in the pcp.

5.7 Development

Development activity during the period focused on advancing opportunities to realise value from the development pipeline.

The development pipeline of approximately 1,300 MW is generally well advanced with several near construction ready projects awaiting an outcome from the 2014 review of the Renewable Energy Target.

6 Appendix A – Balance Sheet by Country

A\$M	31 Dec 2014 IFN Statutory Interest	Add: US Equity Accounted Investments	Less US Minority Interest	31 Dec 2014 IFN Economic Interest	Australia	United States
Cash	71.5	6.0	(0.6)	76.9	62.1	14.8
Receivables	39.3	4.5	(0.3)	43.5	48.4	(4.9)
Inventory	12.3	1.3	(0.2)	13.4	9.0	4.4
Prepayments	11.3	1.4	(0.1)	12.6	5.3	7.3
PPE	1,993.0	486.3	(167.8)	2,311.5	852.6	1,458.9
Goodwill & intangibles	275.9	(4.0)	(16.0)	255.9	114.5	141.4
Investments in associates	112.9	(112.9)	-	-	-	-
Investment in financial assets	97.5	-	-	97.5	-	97.5
Deferred tax assets & other assets	53.2	(1.9)	(1.2)	50.1	54.0	(3.8)
Total assets	2,666.9	380.7	(186.2)	2,861.4	1,145.9	1,715.6
Payables	35.5	5.6	(2.7)	38.4	11.5	26.9
Provisions	22.3	8.7	(2.2)	28.8	9.5	19.3
Borrowings	1,102.4	1.7	-	1,104.0	684.9	419.2
Tax equity (US)	480.3	204.4	(126.8)	558.0	-	558.0
Deferred revenue (US)	372.3	160.3	(54.4)	478.1	-	478.1
Derivative liabilities	144.6	-	-	144.6	101.0	43.6
Total liabilities	2,157.4	380.7	(186.2)	2,351.9	806.8	1,545.1
Net assets	509.5	-	-	509.5	339.0	170.5

AUD exchange rates as at	31 Dec 2014	30 Jun 2014	Change %
USD	0.8202	0.9420	(13)
EUR	0.6746	0.6906	(2)

7 Appendix B - Asset Summary

United States

Wind Farm	LLC	Vintage	COD ¹⁵	Net capacity Class B interest (MW)	P50 (GWh) ¹⁶	Class B interest	Class A interest ¹⁷	Stage 1 ends	Stage 2 ends	PPA ends	Customer/ Market region
Blue Canyon	Blue Canyon Windpower	2003/04	Dec 2003	37.1	128.6	50%	46%	Flipped	~Jun-15	Jan-23	Western Farmers
Caprock	Caprock Wind	2003/04	Dec 2004 & Apr 2005	80.0	321.6	100%	31%	Flipped	~Dec-16	Dec-24	SPS
Combine Hills	Eurus Combine Hills	2003/04	Dec 2003	20.5	56.2	50%	-	Flipped	~Jun-15	Dec-23	PacifiCorp
Sweetwater 1	Sweetwater Wind 1	2003/04	Dec 2003	18.8	60.2	50%	67%	Flipped	~Dec-23	Dec-23	Luminant
Sweetwater 2	Sweetwater Wind 2	2003/04	Feb 2005	45.8	152.2	50%	30%	Flipped	~Jun-22	Feb-17	Austin Energy
Bear Creek	JB Wind Holdings	2005	Mar 2006	14.2	38.7	59%	50%	Flipped		Mar-26	PPL
Crescent Ridge	Crescent Ridge Holdings	2005	Nov 2005	40.8	118.7	75%	100%	Flipped	~Jun-18	N/A	PJM-CE
Jersey Atlantic	JB Wind Holdings	2005	Mar 2006	4.4	12.7	59%	50%	Flipped		Apr-30	PJM-AECO
Kumeyaay	Kumeyaay Holdings	2005	Dec 2005	50.0	165.7	100%	-	Flipped		Dec-25	SDG&E
Sweetwater 3	Sweetwater Wind 3	2005	Dec 2005	67.5	209.2	50%	23%	Flipped		Dec-25	CPS
Allegheny Ridge I	Wind Portfolio Holdings 1	2006	Jun 2007	80.0	213.7	100%	-	Nov-15		Dec-30	First Energy
Aragonne Mesa	Wind Portfolio Holdings 1	2006	Dec 2006	90.0	272.9	100%	-	Nov-15		Dec-26	APS
Buena Vista	Wind Portfolio Holdings 1	2006	Dec 2006	38.0	101.4	100%	-	Nov-15		Apr-16	PG&E
GSG	Wind Portfolio Holdings 1	2006	Jun 2007	80.0	226.0	100%	-	Nov-15		N/A	PJM-CE
Mendota	Wind Portfolio Holdings 1	2006	Nov 2003	51.7	104.1	100%	-	Nov-15		N/A	PJM-CE
Cedar Creek	CCWE Holdings	2007	Dec 2007	200.3	572.6	67%	28%	Flipped	~Jun-19	Dec-23	PSCo
Sweetwater 4	Sweetwater 4-5 Holdings	2007	May 2007	127.6	365.3	53%	-	Apr-15		May-27	CPS
Sweetwater 5	Sweetwater 4-5 Holdings	2007	Dec 2007	42.7	119.7	53%	-	Apr-15		N/A	ERCOT-W

¹⁵ Commercial operation date

¹⁶ Class B economic interest

¹⁷ Infigen holds Class A interests in relation to nine US wind farms. Infigen directly holds Class A interests in Sweetwater 1 and Blue Canyon. Infigen's Class A interests in relation to the other seven wind farms are held through a joint venture investment vehicle that predominantly allocates cash flows to Infigen. The table above shows the percentage Class A interest held by that investment vehicle in relation to those seven wind farms.

Australia

Wind Farm	Region	COD ¹⁸	Capacity (MW)	P50 (GWh)	PPA terms	PPA ends	Customer
Lake Bonney 1	South Australia	Mar 2005	80.5	197.2	All output	Mar-15	Origin Energy
Alinta	Western Australia	Jan 2006	89.1	344.9	All output	Electricity - Dec-26 LGCs Jun -16 & Jan-21	Alinta & AGL
Lake Bonney 2	South Australia	Sep 2008	159.0	414.3	Merchant	N/A	Merchant
Capital	New South Wales	Jan 2010	140.7	373.2	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.	Dec-30	SDP & Merchant
Lake Bonney 3	South Australia	Jul 2010	39.0	105.6	Merchant	N/A	Merchant
Woodlawn	New South Wales	Oct 2011	48.3	163.5	Merchant	N/A	Merchant

¹⁸ Commercial operation date

8 Appendix C – Institutional Equity Partnerships (Economic Interest)

A detailed description of Infigen's Institutional Equity Partnerships is available in Appendix B of the Management Discussion and Analysis for the financial year ended the 30 June 2014.

8.1 Performance by portfolio

Six months ended 31 Dec 2014 (US\$m)	2003/04 portfolio	2005 portfolio	2006 portfolio	2007 portfolio	Total
Production (GWh)	326	228	355	458	1367
Revenue	10.8	10.3	21.7	24.3	67.1
Costs	6.7	7.1	14.9	10.8	39.5
EBITDA	4.1	3.2	6.7	13.5	27.6
Depreciation and amortisation	7.4	7.9	16.5	11.9	43.6
EBIT	(3.2)	(4.7)	(9.7)	1.6	(16.1)

8.2 Class B Capital Balance Amortisation

The following table provides a summary of Class B capital balances.

Class B capital balances and distributions by vintage (US\$ million)			
	1 July 2014	Distributions received	31 Dec 2014
2003/2004 portfolio	-	-	-
2005 portfolio	1.1	-	1.1
2006 portfolio	88.1	(4.9)	83.2
2007 portfolio	30.5	(5.4)	25.1
Total	119.8	(10.4)	109.4

The following table provides a summary of the movement in Class A capital balances during the period.

8.3 Class A Capital Balance Amortisation

Six months ended 31 Dec 2014 (US\$m)	2003/04 portfolio	2005 portfolio	2006 portfolio	2007 portfolio	Total
Opening balance (1 Jul 2014)	34.4	73.8	146.0	206.3	460.5
Production tax credits	(5.6)	(6.2)	(8.2)	(12.6)	(32.6)
Tax	1.6	1.9	0.1	2.9	6.5
Cash distributions	(3.6)	(2.4)	-	(5.3)	(11.3)
Allocation of return (interest)	0.7	2.4	4.1	6.0	13.3
Closing balance (31 Dec 2014)	27.6	69.6	142.0	197.3	436.5

8.4 US IEPs Net Income

The following table summarises the components of net income from IEPs.

Six months ended 31 December (A\$M)	2014	2013	Change %	2014 (US\$M)	2013 (US\$M)
Value of production tax credits (Class A)	28.6	27.8	3	25.2	25.6
Value of tax (Class A)	(7.1)	(7.3)	3	(6.3)	(6.7)
Deferred revenue recognised during the period	9.7	9.3	4	8.6	8.6
Income from IEPs	31.1	29.8	4	27.5	27.4
Allocation of return (Class A)	(11.8)	(13.5)	13	(10.4)	(12.4)
Movement in residual interest (Class A)	3.1	2.5	24	2.5	2.2
Non-controlling interest (Class B)	(1.8)	(1.7)	(6)	(1.5)	(1.6)
Financing costs related to IEPs	(10.4)	(12.7)	18	(9.4)	(11.8)
Net income from IEPs (statutory)	20.8	17.1	22	18.0	15.6
US equity accounted investments	13.6	10.7	27	11.2	9.7
Non-controlling interests (Class B & Class A)	(0.5)	0.2	350	(0.5)	0.2
Net income from IEPs (economic interest)	33.9	28.0	21	28.7	25.5

Value of production tax credits (Class A) increased 3% due to higher production.

Value of tax (Class A) was \$7.1 million compared with \$7.3 million in the prior period reflecting that all assets have minimal depreciation for tax purposes.

Benefits deferred during the period of \$9.7 million compared with \$9.3 million in the prior period, reflecting unwinding of deferred revenue during the period. Benefits deferred are the difference between tax depreciation and accounting depreciation for the year.

Allocation of return (Class A) goes to delivering the agreed target return on Class A capital balances. The \$11.8 million expense for the period was 13% lower due to lower Class A capital balances.

The movement in residual interest (Class A) was a positive \$3.1 million movement compared with a \$2.5 million movement in the prior period. This reflects period on period changes in expectations of future tax allocations and cash flow, the difference between the actual and expected performance of the portfolio during the period, and the effect of rolling forward the Class A liability calculation by one year.

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.

US equity accounted investments were higher as a result of higher income and lower financing costs related to the IEPs that are equity accounted.

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).