Infigen Energy

Interim Results
Six months ended 31 December 2014

25 February 2015

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Our generation, your future

Our generation, your future

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

Presenters:

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Performance Overview (Economic Interest)

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Net profit improvement not withstanding poor wind conditions in Australia

Six months ended 31 December	2014	2013	Change % F/(A)	Comments
Safety (LTIFR)	1.2	2.3	48	• Lost time injury frequency rate improved
Production (GWh)	2,103	2,242	(6)	• Better wind conditions and site availability than in pcp in the US offset by poor wind conditions in Australia
Revenue ($M)	139.6	149.3	(6)	• Lower overall production • Lower electricity prices • Higher compensated revenue and other revenue • Favourable FX movement
Operating costs ($M)	61.5	59.2	(4)	• Lower production-linked variable turbine O&M costs offset by adverse FX translation
Corporate, development and other costs ($M)	10.4	11.1	6	• Progressed US solar projects • Lower corporate costs
EBITDA ($M)	67.7	79.0	(14)	
Net profit/(loss) ($M)	1.6	(15.3)	110	• Higher net income from US IEPs • Significant item (interest rate swap termination costs) in pcp
Operating cash flow ($M)	49.7	24.5	103	• Non-recurrent significant item in the pcp • Working capital improvement

F = favourable; A = adverse; pcp = prior corresponding period

Our generation, your future

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

Summary Statutory P&L and Financial Metrics

Six months ended 31 December ($ million)	2014	2013	*Change % F/(A)*
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 US Institutional Equity Partnerships (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)	**1.6**	**(15.3)**	***110***

n.m. = not meaningful

Reconciliation of Statutory to Economic Interest

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Six months ended 31 December 2014 ($ million)	Statutory	Add: Allocate share of profit of associates	Less: US minority interest	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 US 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**

The slides that follow are presented on an economic interest basis

Summary Economic Interest Financial Metrics

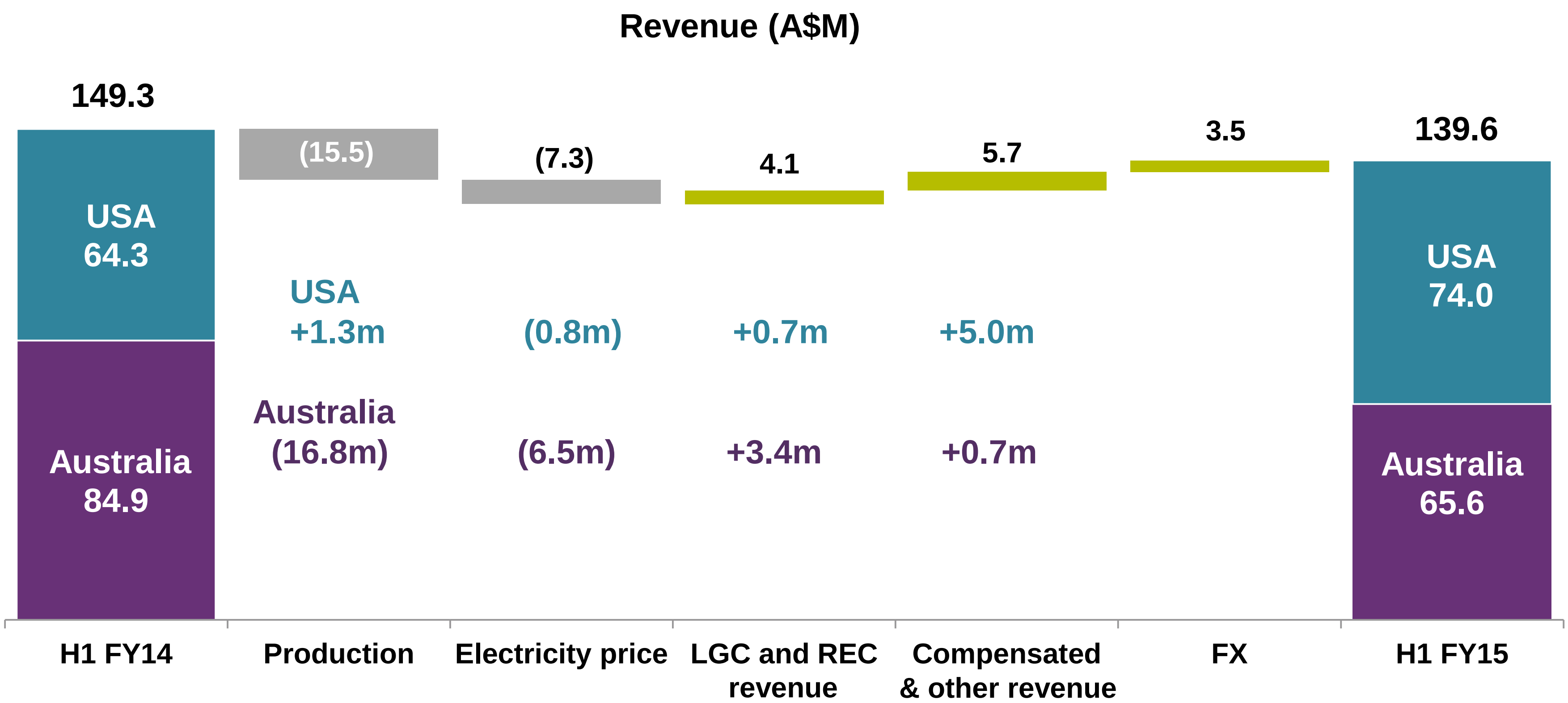
Six months ended 31 December ($ million)	2014	2013	*Change % F/(A)*
Revenue	**139.6**	**149.3**	***(6)***
Operating EBITDA	78.1	90.1	*(13)*
Corporate, development and other costs	(10.4)	(11.1)	*6*
EBITDA	**67.7**	**79.0**	***(14)***
Depreciation and amortisation	(70.9)	(70.6)	-
EBIT	**(3.2)**	**8.5**	***(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 US IEPs	33.9	28.0	*21*
Significant item - interest rate swap termination costs	-	(16.8)	*n.m.*
Profit/(Loss) before tax	**2.0**	**(19.0)**	***110***
Income tax benefit/(expense)	(0.5)	3.7	*(114)*
Net profit/(loss)	**1.6**	**(15.3)**	***110***

As at	31 Dec 2014	31 Dec 2013	*Change % F/(A)*
Book value / security (cps)	**66**	**65**	***2***
Book gearing	**66.8%**	**67.7%**	***(0.9) ppts***

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

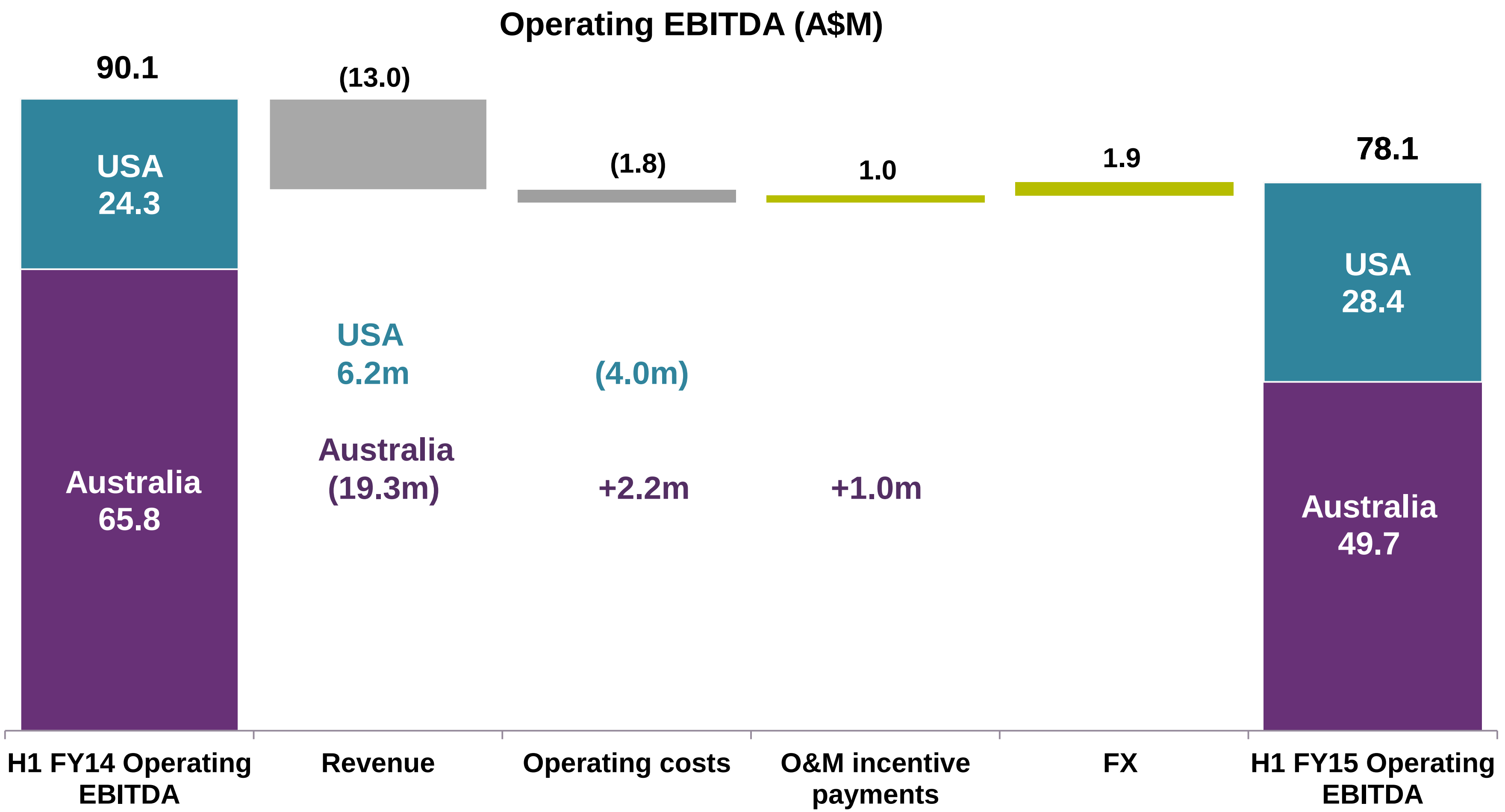
Revenue

Poor production and prices in Australia offset by US solar PV activity and FX



Operating EBITDA

Lower revenue in Australia was partially offset by lower operating costs and higher US revenue

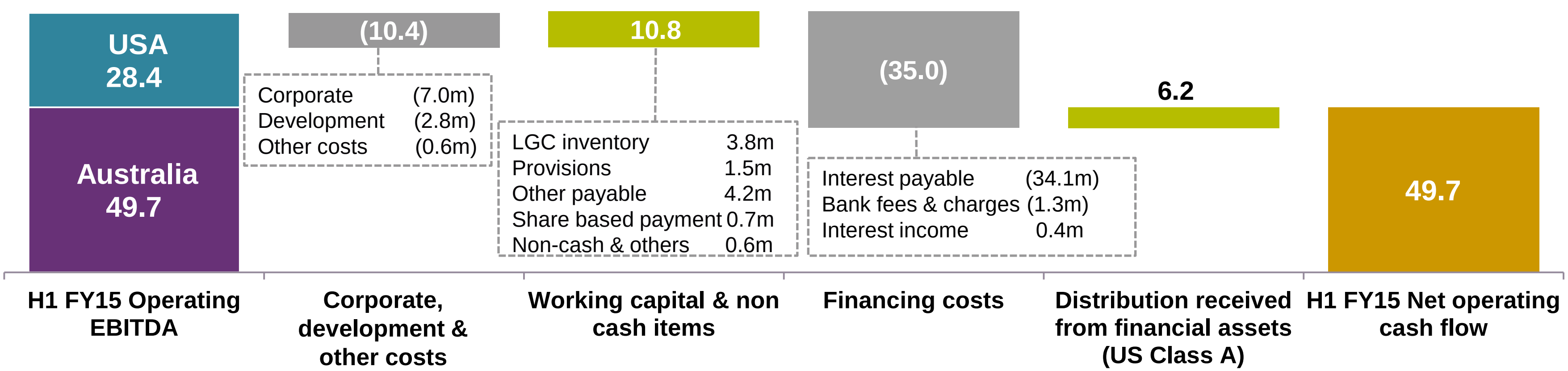


Operating Cash Flow

Working capital improvement and non-recurrent significant item resulted in higher OCF

Six months ended 31 December ($ million)	2014	2013	*Change % F/(A)*
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*
Financing costs and taxes paid	(35.0)	(35.5)	*1*
Distributions from financial assets (US Class A interests)	6.2	4.0	*55*
Operating cash flow before significant item	**49.7**	**41.3**	***20***
Significant item - interest rate swap termination costs	-	(16.8)	*n.m.*
Operating cash flow	**49.7**	**24.5**	***103***
Operating cash flow per security (cps#)	6.5	3.2	*102*

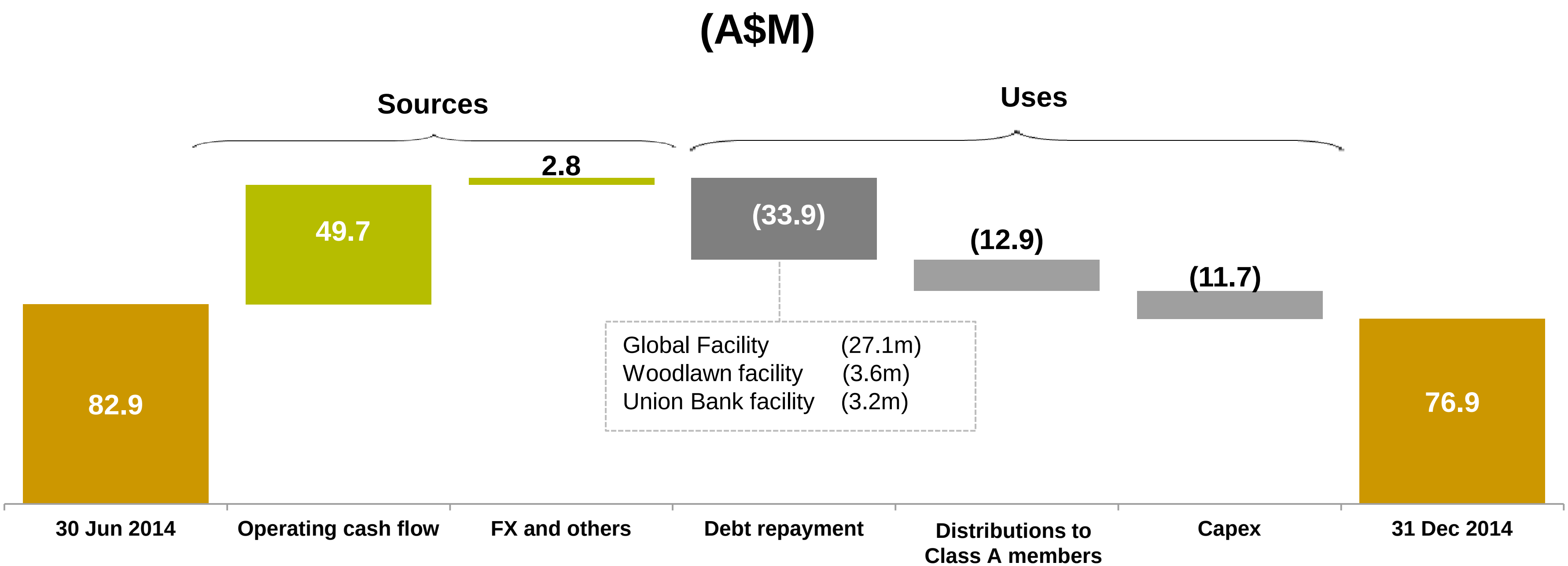
Operating cash flow (A$M)



cps = cents per security

Cash Flow – Cash Movement

Lower cash balance largely attributable to higher debt repayment



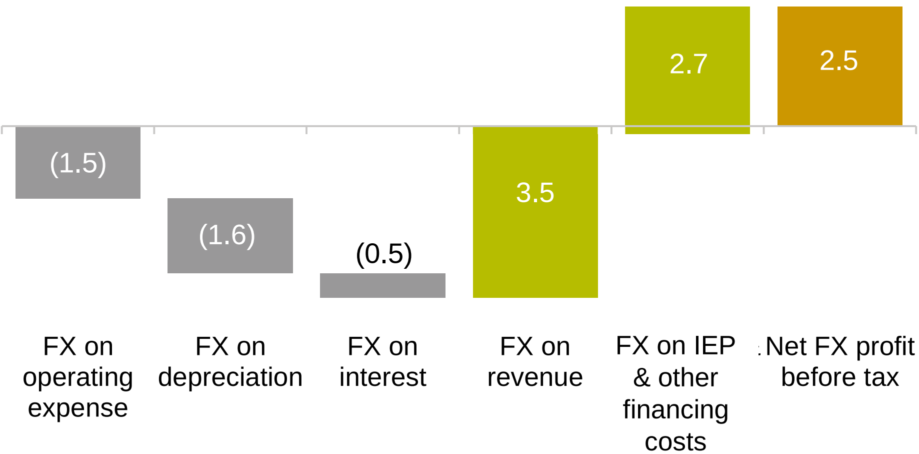
Comments

- 31 December 2014 closing cash balance included $52.3 million of Excluded Company cash
- Capex included security deposits to secure solar PV power purchase agreements and connection agreements in the US

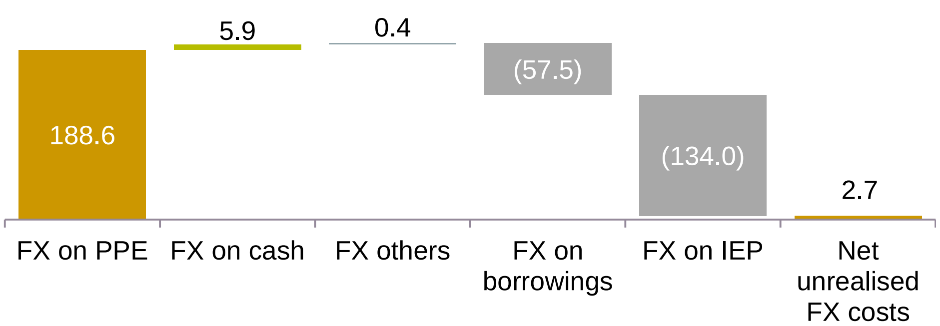
Impact of FX

FX movements had a net positive effect on income

Profit and Loss (A$M)



Balance Sheet (A$M)



Comments

- Profit and Loss: FX had a positive effect on revenue and IEP income partially offset by an adverse effect on operating expenses, depreciation and interest expense
- Balance Sheet: lower AUD:USD at 31 December 2014 compared with 30 June 2014 adversely affected borrowings and IEP liabilities in AUD terms offset by favourable translation of property, plant and equipment

Average rate for the six months ended:

AUD:USD 31 Dec 2014 = 0.8886, 31 Dec 2013 = 0.9214

AUD:EUR 31 Dec 2014 = 0.6913, 31 Dec 2013 = 0.6858

Closing rate:

AUD:USD 31 Dec 2014 = 0.8202, 30 Jun 2014 = 0.9420

AUD:EUR 31 Dec 2014 = 0.6746, 30 Jun 2014 = 0.6906

Balance Sheet

Increase in net assets was largely due to FX movements

A$M as at	31 Dec 2014	30 Jun 2014
Cash	76.9	82.9
Receivables, inventory and prepayments	69.5	64.5
PPE, goodwill and intangibles	2,567.4	2,421.3
Investments in financial assets	97.5	86.4
Deferred tax and other assets	50.1	50.4
Total assets	**2,861.4**	**2,705.5**
Payables and provisions	67.2	60.4
Borrowings	1,104.0	1,076.5
Tax equity (US)	558.0	515.9
Deferred revenue (US)	478.1	428.3
Derivative liabilities	144.6	132.3
Total liabilities	**2,351.9**	**2,213.4**
Net assets	**509.5**	**492.1**

Debt ratios	31 Dec 2014	30 Jun 2014
Net Debt / EBITDA	**6.5x**	**5.8x**
EBITDA / Interest	**2.0x**	**2.4x**
Net Debt / (Net Debt + Net Assets)	**66.8%**	**66.9%**

Debt ratios calculated on an IFN economic interest basis

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

Comments

- $33.9 million of borrowings was repaid but borrowings outstanding increased $27.5 million due to adverse FX translation

Our generation, your future

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

Operational Performance: US

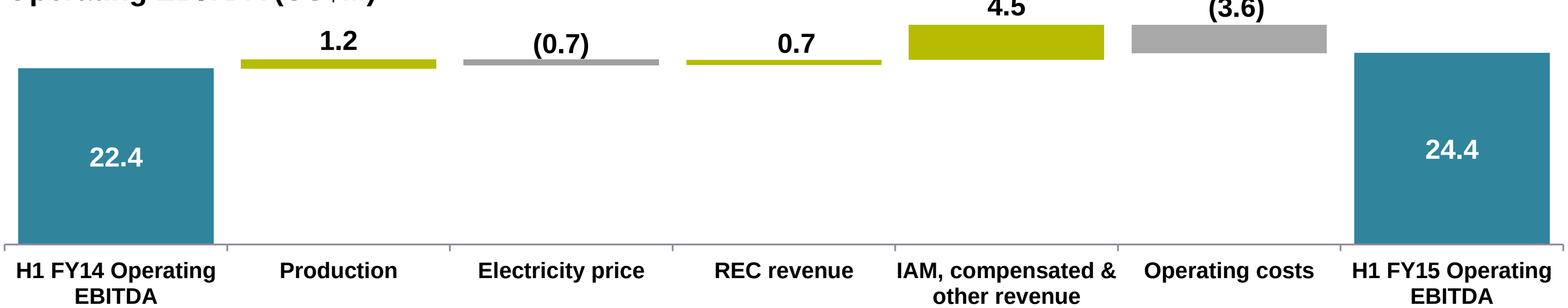
Solar PV activity, better wind conditions and higher availability was offset by higher costs

Six months ended 31 Dec	2014	2013	*F/(A)%*
Operating capacity (MW)	**1,089**	1,089	-
Production (GWh)	**1,367**	1,336	*2*
Revenue (US$M)	**65.0**	59.4	*9*
Operating costs (US$M)	**40.5**	36.9	*(10)*
Operating EBITDA (US$M)	**24.5**	22.4	*9*
Operating EBITDA Margin	**37.7%**	37.7%	-
Average price (US$/MWh)	**43.2**	43.0	-
Operating costs (US$/MWh)	**29.6**	27.6	*(7)*

Comments

- Production increase reflected better wind conditions in the South and Mid-West and higher availability at sites with Gamesa turbines, offset by lower wind conditions in other regions and lower availability
- Revenue increase reflected higher production and higher IAM, REC and compensated revenue offset by lower merchant electricity prices
- Operating EBITDA margin remained steady with income related to solar PV activity offsetting higher operating costs
- Work continued on the solar PV development pipeline including securing PPAs for the Rio Bravo I & II (20 MW each) and Wildwood II (15 MW) projects

Operating EBITDA (US$M)

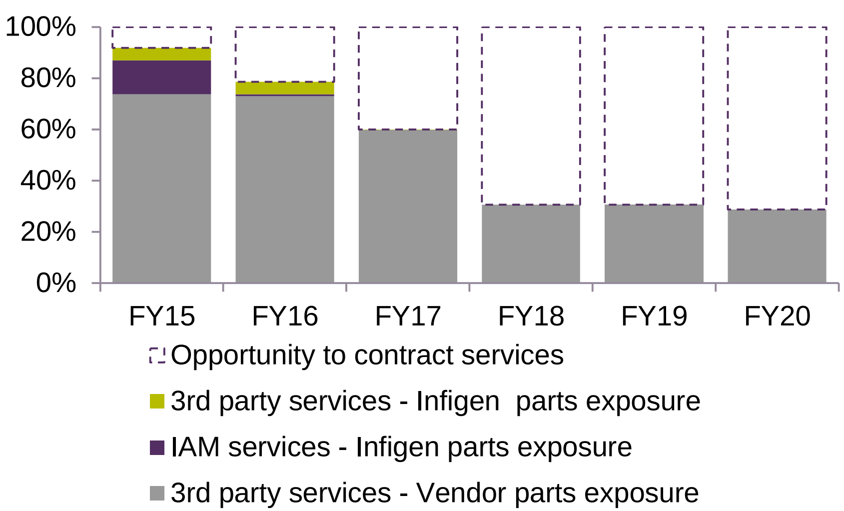


Operating Costs: US

Operating costs increased due to higher employee related and maintenance cycle costs

Six months ended 31 Dec	2014	2013	F/(A)%
Asset management	**8.2**	6.6	*(24)*
Turbine O&M	**18.9**	17.7	*(7)*
Balance of plant	**4.6**	4.0	*(15)*
Other direct costs	**8.9**	8.5	*(5)*
Total operating costs (US$M)	**40.5**	36.9	*(10)*

Turbine warranty and maintenance profile



Comments

- Asset management cost increase reflected higher employee related costs and higher IAM contractor costs. The pcp included a reimbursement of reactive power fees
- Higher turbine O&M costs due to 3-year oil changes, equipment repairs and inspections at Cedar Creek and Sweetwater
- Balance of plant cost increase associated with unscheduled transformer maintenance and repairs at Allegheny, GSG, Mendota and Sweetwater 4
- Other direct costs increase due to higher property taxes at Sweetwater and higher connection costs at Kumeyaay
- Expect to be at the upper end of full year guidance for operating costs of between US$76-78 million

Operational Performance: Australia

Lower generation partially offset by lower operating costs

Six months ended 31 Dec	2014	2013	F/(A)%
Operating capacity (MW)	**557**	557	-
Production (GWh)	**736**	906	*(19)*
Revenue (A$M)	**65.6**	84.9	*(23)*
Operating costs (A$M)	**15.9**	19.1	*17*
Operating EBITDA (A$M)	**49.7**	65.8	*(24)*
Operating EBITDA margin	**75.8%**	77.5%	*(1.7) ppts*
Average price (A$/MWh)	**89.1**	93.7	*(5)*
Operating costs (A$/MWh)	**21.6**	21.1	*(2)*

Comments

- Production decrease reflected less favourable wind conditions across the portfolio
- Revenue decrease reflected lower production and lower merchant electricity prices offset by higher LGC revenue
- Operating costs decrease reflected lower costs associated with lower variable O&M costs
- Lower operating EBITDA reflected lower revenue partially offset by lower costs

Australia Operating EBITDA

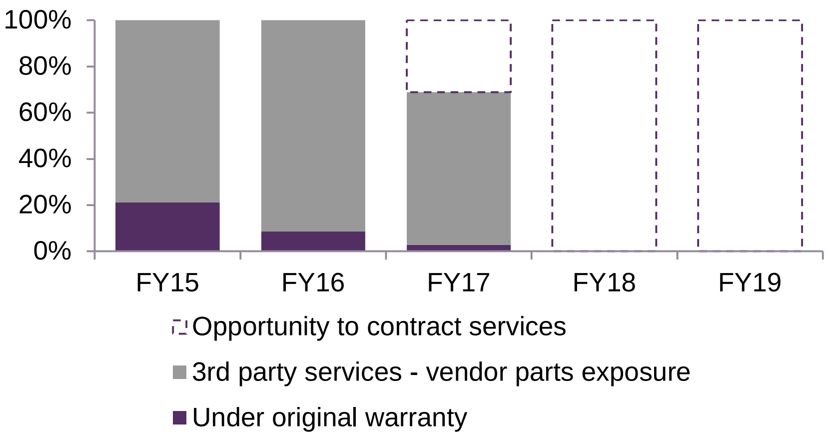
ppts = percentage point change

Operating Costs: Australia

Lower production resulted in lower operating costs

Six months ended 31 Dec	2014	2013	F/(A)%
Asset management	**3.4**	3.2	*(6)*
Turbine O&M	**7.9**	10.2	*23*
Balance of plant	**-**	0.5	*100*
Other direct costs	**3.7**	3.7	-
Wind/Solar farm costs	**14.9**	17.6	*15*
Energy Markets	**1.0**	1.6	*38*
Total operating costs	**15.9**	19.1	*17*

Turbine warranty and maintenance profile



Comments

- Lower turbine O&M costs reflected lower production-linked incentive payments and lower variable maintenance costs
- Balance of plant costs decrease primarily due to lower unscheduled maintenance at Lake Bonney
- Energy Markets expenses were $0.6 million lower
- Expect to be near or below the lower end of the full year guidance range for operating costs of between $35-37 million

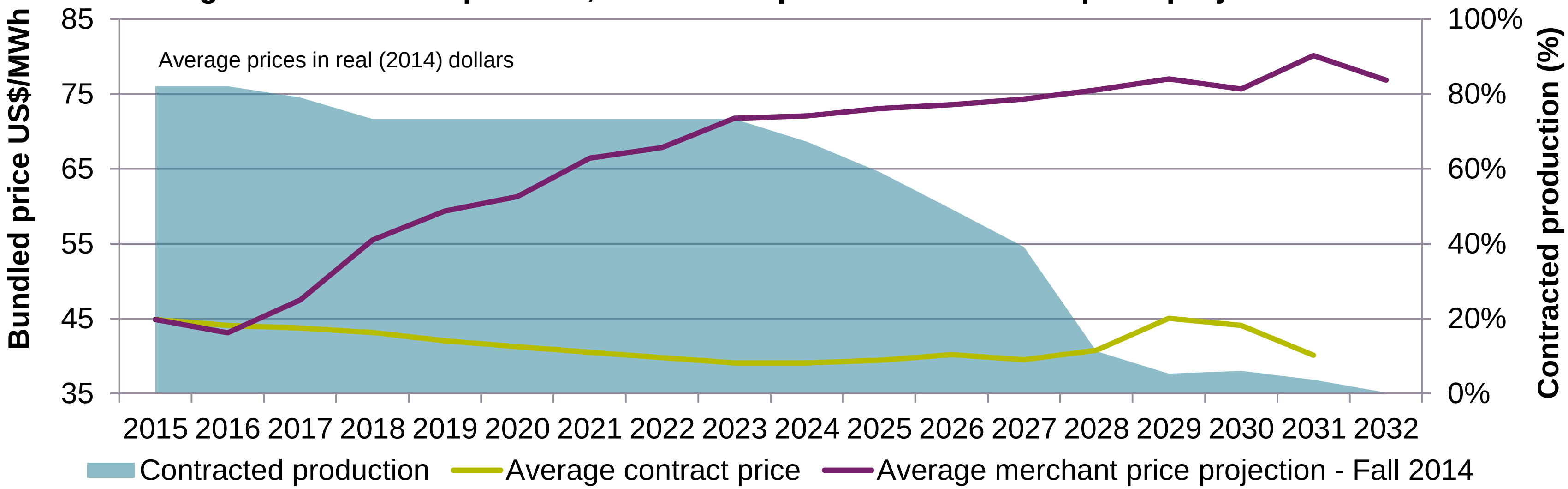
Our generation, your future

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

US Market Update

Supportive regulatory regimes expected to deliver sustained merchant price improvements

Infigen's contracted position, contracted price and merchant price projection



Source: Infigen; Infigen based on external consultant price projections

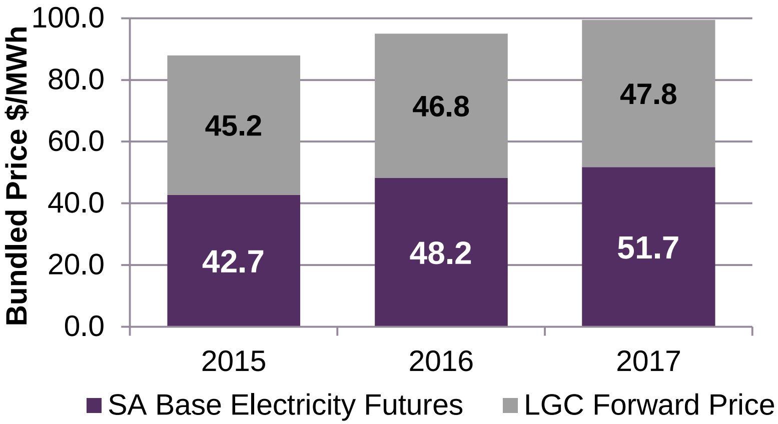
Market Drivers and Outlook

- Infigen's US portfolio is highly contracted with a weighted average remaining PPA duration of 10 years
- A steady increase in electricity and REC prices is forecast as state-based renewable energy targets increase, and US electricity generation carbon emissions standards are tightened
- Electricity price step-up reflects the expectation of tightening gas supply
- Infigen's merchant generation to benefit from higher prices
- Attractive solar PV development opportunities supported by state renewable energy targets and federal investment tax credits

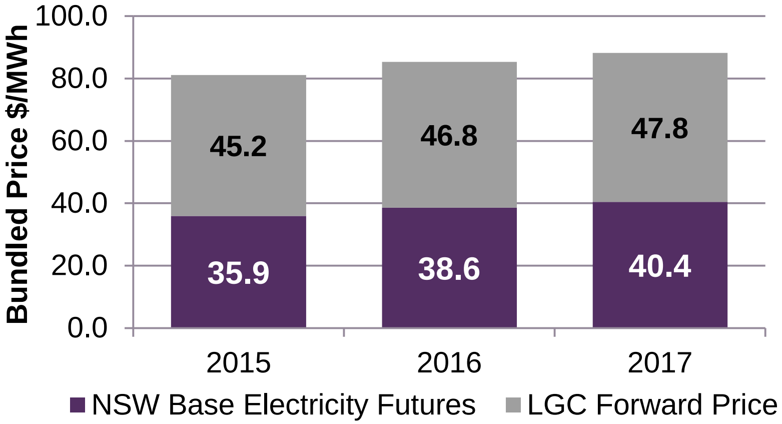
Australian Electricity and LGC Market Prices

Recent increases in forward bundled prices reflect improved market sentiment for RET outcome

SA forward electricity and LGC prices



NSW forward electricity and LGC prices



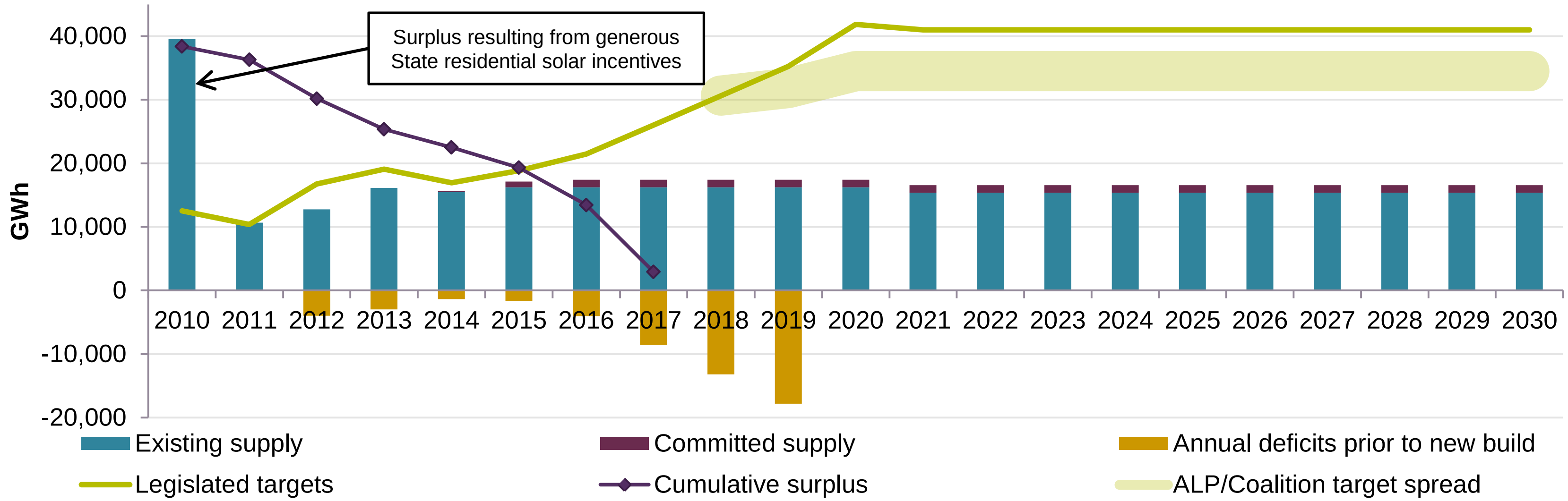
Source: ASX Energy, Mercari, 23 February 2015

Comments

- Electricity futures prices have improved since June 2014, however electricity demand forecasts remain highly uncertain
- SA electricity futures reflect the expectation of higher gas prices from 2016
- LGC forward prices, if sustained and reflected in contract prices, could support the best renewable projects
- Further improvements in prices needed to support all projects that are required to achieve the LRET

Australian LRET Supply/Demand

Improved prospects for a bipartisan RET resolution



Source: Green Energy Markets, December 2014

Comments

- It has been reported that the Government and the Opposition are negotiating a revised large-scale renewable energy target of between 31-38 TWh by 2020 with downward revisions only to the 2019 target and beyond
- Annual deficits are projected to increase significantly while market participants await much needed investment certainty that can only be delivered through bipartisan support of the RET
- The industry has identified sufficient new large-scale renewable energy projects that can be constructed to meet the 2020 target without reaching the shortfall penalty

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- Regulatory & Market Update
- **Outlook**
- Questions

FY15 Outlook

Australian outlook highly uncertain until RET future is resolved

Production

- US: expected to be slightly higher than in FY14
- Australia: expected to be ~10% lower than in FY14

Prices

- US: average portfolio price expected to be in line with FY14
- Australia: average portfolio price expected to be ~10% lower than in FY14

Operating costs

- US: expected to be at the upper end of the full year guidance of between US$76-78 million
- Australia: expected to be near or below the lower end of the full year guidance range of between $35-37 million

Cash flow

- Expected to achieve full year guidance of generating $90 million cash to reduce Class A liabilities and repay Global Facility borrowings, subject to meeting current production, price and operating cost expectations

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- Operational Review
- Regulatory & Market Update
- Outlook
- **Questions**

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Questions

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Appendix

Balance Sheet by Country

A$M	31 Dec 2014 IFN Statutory Interest	Add: US Equity Accounted Investments	Less US Minority Interest	31 Dec 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**

Institutional Equity Partnerships

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Six months ended 31 December (A$ million)	2014	2013	Change F/(A)%
Value of production tax credits (Class A)	28.6	27.8	3
Value of tax gains/(losses) (Class A)	(7.1)	(7.3)	3
Deferred revenue recognised during the period	9.7	9.3	4
Income from IEPs	**31.1**	**29.8**	**4**
Allocation of return (Class A)	(11.8)	(13.5)	13
Movement in residual interest (Class A)	3.1	2.5	24
Non-controlling interest (Class B)	(1.8)	(1.7)	(6)
Financing costs related to IEPs	**(10.4)**	**(12.7)**	**18**
Net income from IEPs (statutory)	**20.8**	**17.1**	**22**
US equity accounted investments	13.6	10.7	27
Non-controlling interests (Class B & Class A)	(0.5)	0.2	350
Net income from IEPs (economic interest)	**33.9**	**28.0**	**21**

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