



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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ASX Release

25 February 2010

APPENDIX 4D AND CONSOLIDATED INTERIM FINANCIAL REPORT

Attached are the following reports relating to Infigen Energy (ASX: IFN):

- Appendix 4D for the Half Year to 31 December 2009; and
- IFN Consolidated Interim Financial Report to 31 December 2009.

Also attached is the Financial Report to 31 December 2009 of the Infigen Energy Trust which remains subject to review.

ENDS

For further information please contact:

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About Infigen Energy:

Infigen Energy is a specialist renewable energy business which owns and operates wind farms in Australia, the United States, Germany and France. Infigen listed on the Australian Securities Exchange on 28 October 2005 and has a market capitalisation of approximately A\$1.1 billion.

Infigen's business comprises interests in 41 wind farms that have a total capacity of approximately 2,246MW and are diversified by wind resource, currency, equipment supplier, off-take arrangements and regulatory regime.

For further information about Infigen Energy please visit our website: www.infigenenergy.com

INFIGEN ENERGY GROUP

APPENDIX 4D

Half Year Report

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)**

ABN: **As Above**

1. Details of the reporting period

Current Period: 1 July 2009 - 31 December 2009 (FY 2010)

Previous Corresponding Period: 1 July 2008 - 31 December 2008 (FY 2009)

2. Results for announcement to the market

	% Movement	2010 A\$'000	2009 A\$'000
2.1 Revenues from ordinary activities	(2.9%)	146,650	150,970
2.2 Profit / (Loss) from ordinary activities after tax attributable to members	79.3%	(18,278)	(88,402)
2.3 Profit / (Loss) for the period attributable to members	79.3%	(18,278)	(88,402)
2.4 Distributions	Amount per security	Franked amount per security	
Interim distribution (FY 2010) – per fully paid stapled security	nil	-	
Final distribution (FY 2009) – per fully paid stapled security	4.5 cents	-	
2.5 Record date for determining entitlement to the Interim Distribution	FY 2010: not applicable FY 2009: 31 December 2008		
2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood: Refer to section 10			

Infigen Energy Group

Appendix 4D – Half Year Report

3. Details of distributions

	Record Date	Payment Date
2009 Final Distribution	30 June 2009	17 September 2009
2010 Interim Distribution	Not applicable	Not applicable

Distribution guidance for the 2010 financial year will be provided once the outcomes of the US and European sales processes are known. Accordingly, an interim distribution has not been declared for the six month period ended 31 December 2009.

In September 2009, Infigen Energy paid a final distribution of 4.5 cents per stapled security. The distribution that was paid on 17 September 2009 was fully tax deferred.

4. Details of distribution reinvestment plan

Infigen Energy established a Distribution Reinvestment Plan (DRP) in June 2006 under which eligible stapled security holders were invited to reinvest part or all of any distribution received in additional stapled securities.

On 17 December 2008, Infigen confirmed that the DRP had been suspended until further notice and therefore no new securities have been issued under the DRP during the half-year ended 31 December 2009.

Unless subsequently amended or withdrawn, DRP application forms previously received by the registry will be included as DRP participants for future distributions when the DRP is no longer suspended.

5. Net tangible asset backing per security

	31 December 2009	30 June 2009
Net tangible assets backing per stapled security (\$)	0.55	0.58

6. Control gained or lost over entities during the period

6.1 Name of entity (or group of entities) over which control was gained	Not applicable
6.2 Date control was gained	Not applicable
6.3 Consolidated profit after tax from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	Not applicable
6.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not applicable

Infigen Energy Group

Appendix 4D – Half Year Report

7. Details of associates and joint venture entities

7.1 Name of entity (or group of entities) over which significant influence was gained	Hargraves Wind Farm Pty Ltd Flyers Creek Wind Farm Pty Ltd Cherry Tree Wind Farm Pty Ltd Woakwine Wind Farm Pty Ltd Glen Innes Windpower Pty Ltd Lincoln Gap Wind Farm Pty Ltd Archer Point Wind Park Pty Ltd Dixie Wind Farm Pty Ltd Bodangora Wind Farm Pty Ltd Cooma Wind Power Pty Ltd NEP New Zealand Pty Ltd RPV Developments Pty Ltd
7.2 Date significant influence was gained	21 July 2009
7.3 Percentage holding in the associate	Hargraves Wind Farm Pty Ltd (50%) Flyers Creek Wind Farm Pty Ltd (50%) Cherry Tree Wind Farm Pty Ltd (50%) Woakwine Wind Farm Pty Ltd (50%) Glen Innes Windpower Pty Ltd (50%) Lincoln Gap Wind Farm Pty Ltd (50%) Archer Point Wind Park Pty Ltd (50%) Dixie Wind Farm Pty Ltd (50%) Bodangora Wind Farm Pty Ltd (50%) Cooma Wind Power Pty Ltd (50%) NEP New Zealand Pty Ltd (33%) RPV Developments Pty Ltd (32%)
7.4 Consolidated profit / (loss) after tax from ordinary activities and extraordinary items after tax of the associate (or group of entities) since the date in the current period.	(\$42,000)
7.5 Profit / (loss) from ordinary activities and extraordinary items after tax of the associate (or group of entities) for the whole of the previous corresponding period	(\$81,000)

8. Other significant information

Not Applicable.

9. Accounting standards used by foreign entities

Refer to the attached financial statements Note 1, Statement of Significant Accounting Policies and to the equivalent note in the FY 2009 Annual Report.

Infigen Energy Group

Appendix 4D – Half Year Report

10. Commentary on results

Distribution

No interim distribution has been declared for the half year period ended 31 December 2009. Distribution guidance for the 2010 financial year will be provided once the outcomes of the US and European sales processes, which are currently being undertaken by the Group, are known.

Revenue

IFN generated energy totalling 1,996GWh during the half year ended 31 December 2009 which was in line with the prior corresponding period. Revenue from continuing operations of \$146.7 million was 2.9% lower than the \$151.0 million earned in the prior corresponding period. A stronger Australian dollar reduced reported revenues from overseas. On a constant currency basis, revenue increased by 4%. In Australia, 152,000 renewable energy certificates (RECs) that were generated during the period, in excess of contracted RECs generated, were not sold on market due to weakness in the REC price. Generation in the United States experienced an 8% reduction. These negative variances were significantly offset by improved performance in Europe and contributions from new assets commencing operations in Australia and in Europe.

Net Loss

Net loss has improved by \$70.1 million to \$18.3 million for the half-year ended 31 December 2009 compared with a loss of \$88.4 million in the prior corresponding half year. This is mainly the result of lower net financing costs, a net contribution from Institutional Equity Partnerships ('IEPs' or 'US tax equity') and a much lower level of non-recurring costs, which last year included the one-off costs of separation from the Babcock & Brown group.

Operating costs were \$8.9 million higher than the corresponding period mainly due to the 14% increase in installed capacity as well as the inclusion of the cost base of our newly acquired US asset management business, 'Bluarc'. Corporate costs were reduced by \$1.3 million to \$10.4 million.

Depreciation and amortisation expense increased by approximately 3% from \$73.7 million in the prior corresponding period to \$76.0 million, primarily reflecting new assets commencing operations.

Outlook

IEL is well positioned as a pure renewable energy generation business, focussed on being a cost competitive provider of utility-scale renewable energy. As a strategic priority, IEL will focus its attention on the Australian market which is expected to grow strongly and where Infigen already has a leadership position as the largest generator of wind power.

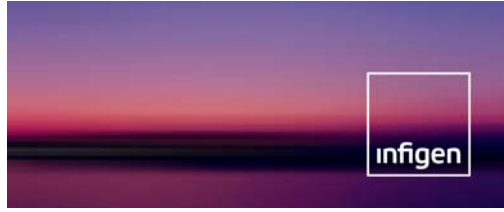
IEL has a high quality pipeline representing over 1,000MW of development opportunities in Australia as well as the capabilities to deliver this over the next 5 years. IEL will also continue to invest in asset management capabilities including, where appropriate, bringing existing asset management capabilities 'in-house' to capture further operational performance improvements and cost savings. In addition, IEL has established an Energy Markets team that will focus on opportunities to become a more active and broader energy market participant in Australia, including strategies to expand its interests in the energy market generally and to build its customer base.

11. Audit / review of accounts upon which this report is based

This report is based on accounts which have been reviewed. Refer to the attached financial statements.

12. Qualification of review

Not applicable



INFIGEN ENERGY GROUP

**Comprising Infigen Energy Limited
and its controlled entities**

ABN 39 105 051 616

**Interim Financial Report
for the Half-Year Ended
31 December 2009**

Infigen Energy Group

Interim Financial Report – 31 December 2009

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This interim financial report does 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 2009 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.

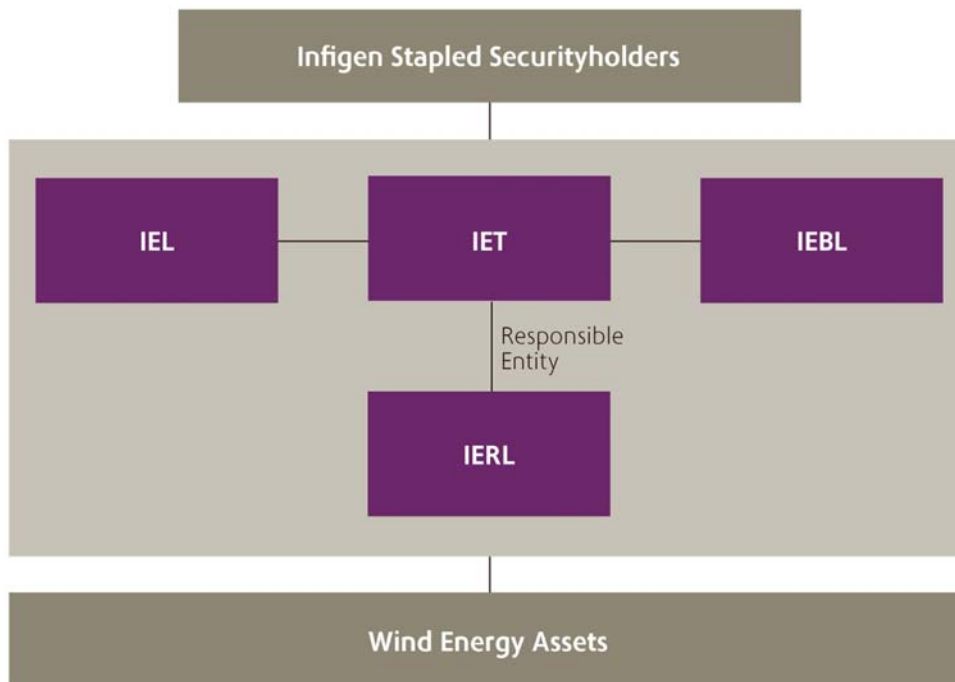
Infigen Energy Group Group Structure

As at the date of this report, Infigen Energy Group (the “Group”) consists of the following entities:

- Infigen Energy Limited (“IEL”);
- Infigen Energy Trust (“IET”);
- Infigen Energy (Bermuda) Limited (“IEBL”); and
- subsidiary entities of each of IEL and IET.

The issued securities in IEL, IET and IEBL have been stapled together and trade as listed stapled securities on the Australian Securities Exchange (ASX code: IFN). Each stapled security represents one share in each of IEL and IEBL and one unit in IET. Infigen Energy RE Limited (“IERL”), a wholly owned subsidiary of the Group, has been appointed as the responsible entity of IET.

The following diagram provides an overview of the Group’s structure.



UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement IEL has been identified as the parent of the consolidated group comprising IEL and its controlled entities, IET and its controlled entities and IEBL. Therefore the IEL consolidated financial statements attached include all entities forming part of the Group.

As IET is also considered a disclosing entity, separate financial statements for the IET consolidated group at 31 December 2009 have been prepared.

Infigen Energy Group

Directors' Report

In respect of the half year ended 31 December 2009, the directors of IEL submit the following report on the consolidated interim financial report of Infigen Energy Limited ("IEL").

AASB Interpretation 1002, *Post-Date-of-Transition Stapling Arrangements*, applies to stapling arrangements occurring during annual reporting periods ended on or after 31 December 2005 where the identified parent does not obtain an ownership interest in the entity whose securities have been stapled. As a consequence of the stapling arrangement involving no acquisition consideration and no ownership interest being acquired by the combining entities, no goodwill is recognised in relation to the stapling arrangement and the interests of the equity holders in the stapled securities are treated as minority interests.

Whilst stapled arrangements occurring prior to the application of AASB Interpretation 1002 are grandfathered and can continue to be accounted for in accordance with the principles established in UIG 1013, for disclosure purposes and the fact that IEL has entered into stapling arrangements both pre and post transition to A-IFRS, the interests of the equity holders in all stapled securities (regardless of whether the stapling occurred pre or post transition to A-IFRS) have been treated as a minority interest under the principles established in AASB Interpretation 1002.

Directors

The names of the directors of IEL during or since the end of the half-year and to the date of this report are:

Mr Graham Kelly
Mr Anthony Battle
Mr Douglas Clemson
Mr Michael Hutchinson
Mr Miles George

Each of the above individuals has held their position as director for the entire period.

Review of Operations

Distribution

No interim distribution has been declared for the half year period ended 31 December 2009. Distribution guidance for the 2010 financial year will be provided once the outcomes of the US and European sales processes, which are currently being undertaken by the Group, are known.

Revenue

IEL generated energy totalling 1,996GWh during the half year ended 31 December 2009 which was in line with the prior corresponding period. Revenue from continuing operations of \$146.7 million was 2.9% lower than the \$151.0 million earned in the prior corresponding period. A stronger Australian dollar reduced reported revenues from overseas. On a constant currency basis, revenue increased by 4%. In Australia, 152,000 renewable energy certificates (RECs) that were generated during the period, in excess of contracted RECs generated, were not sold on market due to weakness in the REC price. Generation in the United States experienced an 8% reduction. These negative variances were significantly offset by improved performance in Europe and contributions from new assets commencing operations in Australia and in Europe.

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Infigen Energy Group Directors' Report (continued)

the 14% increase in installed capacity as well as the inclusion of the cost base of our newly acquired US asset management business, 'Bluarc'. Corporate costs were reduced by \$1.3 million to \$10.4 million.

Depreciation and amortisation expense increased by approximately 3% from \$73.7 million in the prior corresponding period to \$76.0 million primarily reflecting new assets commencing operations.

Outlook

IEL is well positioned as a pure renewable energy generation business, focussed on being a cost competitive provider of utility-scale renewable energy. As a strategic priority, IEL will focus its attention on the Australian market which is expected to grow strongly and where Infigen already has a leadership position as the largest generator of wind power.

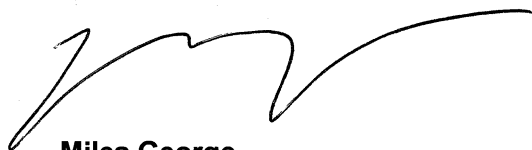
IEL has a high quality pipeline representing over 1000MW of development opportunities in Australia as well as the capabilities to deliver this over the next 5 years. IEL will also continue to invest in asset management capabilities including, where appropriate, bringing existing asset management capabilities 'in-house' to capture further operational performance improvements and cost savings. In addition, IEL has also established an Energy Markets team that will focus on opportunities to become a more active and broader energy market participant in Australia including strategies to expand its interests in the market generally and to build its customer base.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 6.

Signed in accordance with a resolution of directors.

On behalf of the Directors of IEL:



Miles George

Director

Sydney, 25 February 2010

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Auditor's Independence Declaration

As lead auditor for the review of Infigen Energy Limited for the half year ended 31 December 2009, 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 Limited and the entities it controlled during the period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
25 February 2010

Independent auditor's review report to the members of Infigen Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Infigen Energy Limited, which comprise the balance sheet as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Infigen Energy Group (the consolidated entity). The consolidated entity comprises both Infigen Energy Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of Infigen Energy Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 report is 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 2009 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 Infigen Energy Limited, 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

Independent auditor's review report to the members of Infigen Energy Limited (continued)

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the company for the half-year ended 31 December 2009 included on Infigen Energy Limited's web site. The company's directors are responsible for the integrity of the Infigen Energy Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

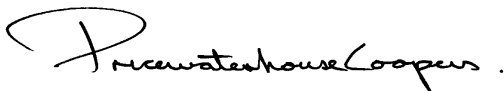
Independence

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

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 report of Infigen Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



A J Wilson
Partner
Sydney
25 February 2010



Darren Ross
Partner
Sydney
25 February 2010

Infigen Energy Group Directors' Declaration

In the opinion of the directors of Infigen Energy Limited ("IEL"), the consolidated half-year financial statements and notes for Infigen Energy Group as set out on pages 10 to 28:

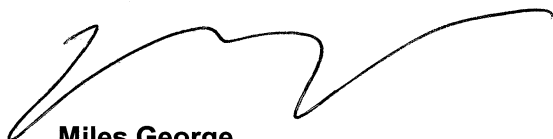
- a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) give a true and fair view of the consolidated half-year financial position of IEL as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows, for the six months ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- b) there are reasonable grounds to believe that IEL will be able to pay its respective debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors of IEL:



Miles George

Director

Sydney, 25 February 2010

Consolidated statements of comprehensive income for the half year ended 31 December 2009

	Note	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Revenue from continuing operations	2	146,650	150,970
Income from institutional equity partnerships	3	34,558	38,378
Other income	3	18,126	11,204
Operating expenses	4	(65,516)	(54,668)
Depreciation and amortisation expense	4	(76,000)	(73,746)
Interest expense		(45,309)	(47,106)
Finance costs relating to institutional equity partnerships	4	(21,491)	(46,429)
Other costs	4	(9,472)	(28,467)
Significant non-recurring items	4	(5,450)	(49,319)
Share of net losses of associates accounted for using the equity method		(42)	-
Net loss before income tax benefit		(23,946)	(99,183)
Income tax benefit		5,668	18,394
Loss from continuing operations		(18,278)	(80,789)
Loss from discontinued operations		-	(7,613)
Net loss for the period		(18,278)	(88,402)
Other comprehensive income			
Changes in the fair value of cash flow hedges, net of tax		14,936	(307,971)
Exchange differences on translation of foreign operations		(24,522)	26,444
Total comprehensive loss for the period, net of tax		(27,864)	(369,929)
Net loss for the period is attributable to stapled security holders as:			
Equity holders of the parent		(19,397)	(93,251)
Equity holders of the other stapled entities (minority interests)		857	968
Other minority interests		262	3,881
		(18,278)	(88,402)
Total comprehensive loss is attributable to stapled security holders as:			
Equity holders of the parent		(28,983)	(374,778)
Equity holders of the other stapled entities (minority interests)		857	968
Other minority interests		262	3,881
		(27,864)	(369,929)
Loss per share of the parent based on earnings attributable to the equity holders of the parent:			
Basic (cents per security)	12	(2.4)	(10.8)
Diluted (cents per security)	12	(2.4)	(10.8)

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

Consolidated balance sheets as at 31 December 2009

	Note	As at 31 Dec 2009 \$'000	As at 30 Jun 2009 \$'000
Current assets			
Cash and cash equivalents		215,675	409,334
Trade and other receivables	6	75,917	48,412
Inventory – Australian renewable energy certificates		8,025	4,801
Prepayments		10,503	14,509
Other current assets		5,588	1,385
Derivative financial instruments		11,411	5,105
Total current assets		327,119	483,546
Non-current assets			
Prepayments		6,016	6,803
Investment in associates		4,532	-
Derivative financial instruments		5,861	3,717
Property, plant and equipment		3,188,656	3,396,213
Deferred tax assets		92,013	88,342
Goodwill		26,706	27,455
Intangible assets		383,274	401,705
Total non-current assets		3,707,058	3,924,235
Total assets		4,034,177	4,407,781
Current liabilities			
Trade and other payables	8	94,207	83,910
Borrowings		106,508	80,703
Derivative financial instruments		52,319	59,331
Current tax payables		645	2,043
Provisions		1,412	2,885
Total current liabilities		255,091	228,872
Non-current liabilities			
Payables		240	246
Borrowings		1,421,470	1,567,636
Derivative financial instruments		48,103	73,584
Provisions		230	193
Deferred tax liabilities		54,745	50,012
Total non-current liabilities		1,524,788	1,691,671
Institutional equity partnerships classified as liabilities	9	1,406,020	1,567,062
Total liabilities		3,185,899	3,487,605
Net assets		848,278	920,176
Equity holders of the parent			
Contributed equity	14	4,122	4,496
Reserves		(132,079)	(128,264)
Retained earnings		171,190	190,587
		43,233	66,819
Equity holders of the other stapled entities (minority interests)			
Contributed equity	14	815,055	857,617
Reserves		(19,368)	(20,564)
Retained earnings		9,358	8,501
		805,045	845,554
Other minority interests		-	7,803
Total equity		848,278	920,176

The above balance sheets should be read in conjunction with the accompanying notes.

Consolidated statements of changes in equity for the half year ended 31 December 2009

Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
Total equity at 1 July 2008	1,014,410	(63,922)	9,594	960,082	166,343	1,126,425
Net loss for the period	-	-	(92,283)	(92,283)	3,881	(88,402)
Changes in the fair value of cash flow hedges, net of tax	-	(307,971)	-	(307,971)	-	(307,971)
Exchange differences on translation of foreign operations and movement in fair value of net investment hedges	-	26,444	-	26,444	-	26,444
Total comprehensive income for the period	-	(281,527)	(92,283)	(373,810)	3,881	(369,929)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	9,746	-	-	9,746	-	9,746
Purchase of securities – on market buyback	(21,142)	-	-	(21,142)	-	(21,142)
Disposal of minority interest on sale of subsidiary	-	-	-	-	(161,839)	(161,839)
Distributions paid	(62,974)	-	-	(62,974)	-	(62,974)
Total equity at 31 December 2008	940,040	(345,449)	(82,689)	511,902	8,385	520,287
Total equity at 1 July 2009	862,113	(148,828)	199,088	912,373	7,803	920,176
Net loss for the period	-	-	(18,540)	(18,540)	262	(18,278)
Changes in the fair value of cash flow hedges, net of tax	-	14,936	-	14,936	-	14,936
Exchange differences on translation of foreign operations and movement in fair value of net investment hedges	-	(24,522)	-	(24,522)	-	(24,522)
Total comprehensive income for the period	-	(9,586)	(18,540)	(28,126)	262	(27,864)

Consolidated cash flow statements for the half year ended 31 December 2009

Note	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Cash flows from operating activities		
Loss for the period	(18,278)	(88,402)
Adjustments for:		
Distributions paid to minority interests	(6,529)	(7,924)
Interests in institutional equity partnerships	(13,068)	8,051
Loss on revaluation for fair value through profit or loss financial assets – financial instruments	4,094	13,605
Loss on sale of investment	-	16,925
Depreciation and amortisation of non-current assets	76,000	112,430
Foreign exchange (gain)/loss	(10,818)	293
Amortisation of borrowing costs capitalised	3,118	3,470
Increase/(decrease) in current tax liability	(6,422)	9,337
(Increase)/decrease in deferred tax balances	(735)	(13,129)
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	(19,700)	(5,941)
Increase/(decrease) in liabilities:		
Current payables	13,881	30,959
Net cash from operating activities	21,543	79,674
Cash flows from investing activities		
Proceeds on sale of subsidiary, net of cash disposed and transaction expenses	-	275,867
Payments in relation to potential sale of overseas assets	(3,064)	-
Payment in relation to contingent hedging of proceeds from potential disposal of overseas assets	(10,758)	-
Payments in relation to asset held for sale	-	(41,446)
Payment for property, plant and equipment and intangible assets	(107,785)	(309,335)
Payment for investments in controlled entities and associates	(6,875)	(21,067)
Loans advanced	(1,760)	(54,379)
Repayment of loans	1,020	-
Refund of investment prepayment	-	2,684
Net cash used in investing activities	(129,222)	(147,676)
Cash flows from financing activities		
Payment for security buy-back	(6,301)	(21,142)
Proceeds from borrowings	-	408,195
Repayment of borrowings	(36,330)	(152,859)
Loans from related parties	-	13,440
Distributions paid to security holders	(36,635)	(53,229)
Net cash provided by / (used in) financing activities	(79,266)	194,405
Net decrease in cash and cash equivalents	(186,945)	126,403
Cash and cash equivalents at the beginning of the half year	409,334	208,505
Effects of exchange rate on the balance of cash held in foreign currencies	(6,714)	53,118
Cash and cash equivalents at the end of the half year	215,675	388,026

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

Notes to the consolidated financial statements

1. Summary of accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does 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 2009 and any public announcements made by Infigen Energy during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Except for the following, the accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period:

Segment reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in any changes to the reportable segments presented from the prior period.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors of IEL.

Goodwill is allocated by management to groups of cash-generating units on a segment level. The application of AASB 8 Operating Segments from 1 July 2009 has not resulted in any impairment of goodwill. There has been no other impact on the measurement of the Group's assets and liabilities.

Development costs

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

Principles of consolidation

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1. Summary of accounting policies (cont'd)

Rounding off of amounts

Infigen Energy Group is of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

2. Revenue

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
From continuing operations¹		
Revenue from the sale of energy and products	33,641	48,655
Revenue from lease of plant and equipment ²	101,311	100,180
Compensation for revenues lost as a result of O&M providers not meeting contracted turbine availability targets	7,914	2,135
Revenue from asset management services	3,784	-
	146,650	150,970
From discontinued operations (Note 5)		
Revenue from the sale of energy and products	-	141,778
Compensation for revenues lost as a result of O&M providers not meeting contracted turbine availability targets	-	2,906
	-	144,684

¹ Includes revenue from the sale of electricity and from the sale of green products, such as Renewable Energy Certificates (RECs). The Group generates RECs in Australia and sells them under contractual arrangements and on market. \$15,863,000 of RECs are included within revenue from continuing operations for the six months ended 31 December 2009. The Group retained approximately 250,000 unsold RECs (\$8,025,000) at 31 December 2009. These unsold RECs are recorded in the balance sheet and revenue is deferred until they are sold.

² Under UIG INT 4, certain of the Group's contractual arrangements relating to the sale of electricity and green products are required to be classified as leases.

3. Other income

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Income from institutional equity partnerships		
Value of benefits provided – production tax credits (Class A)	39,870	52,179
Value of benefits provided – tax losses (Class A)	38,123	81,224
Benefits deferred during the period	(43,435)	(95,025)
	34,558	38,378
Other income		
Interest income	3,873	6,016
Foreign exchange gains	12,597	-
Fair value gains on financial instruments	1,656	-
Other income	-	5,188
	18,126	11,204

4. Expenses

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Net loss before income tax has been arrived at after charging the following expenses:		
Operating expenses:		
Wind farm operations and maintenance costs	51,897	43,042
Corporate costs	10,355	11,626
Development costs	200	-
Expenses relating to potential sale of overseas assets	3,064	-
	65,516	54,688
Depreciation and amortisation expense:		
Depreciation of property, plant & equipment	67,953	66,109
Amortisation of intangible assets	8,047	7,637
	76,000	73,746
Finance costs relating to institutional equity partnerships		
Allocation of return on outstanding balance (Class A)	30,670	38,162
Movement in residual interest (Class A)	(10,752)	6,364
Minority interest (Class B)	1,573	1,903
	21,491	46,429
Other costs:		
Fair value losses on financial instruments	5,750	19,501
Foreign exchange losses	-	2,850
Bank fees and loan amortisation costs	3,722	6,116
	9,472	28,467
Significant non-recurring items:		
Termination of management agreements (refer below)	-	40,000
Transition-related expenses (refer below)	5,450	4,549
Management charges – base fees	-	4,770
	5,450	49,319

The Group had previously entered into management agreements and an exclusive financial advisory agreement with Babcock & Brown. During the half year ended 31 December 2008, the Group terminated these agreements for a total settlement of \$40,000,000 before associated costs.

Of the \$40,000,000, a payment of \$35,000,000 was made on 31 December 2008. The remainder, \$5,000,000, was paid on 30 June 2009.

As a consequence of terminating the management agreements, Infigen Energy has undertaken transition programs in Australia and the US. During the half year ended 31 December 2009, the Group incurred \$5,450,000 in relation to the transition program in the US. During the half year ended 31 December 2008, the Group incurred \$4,549,000 in relation to the transition program in Australia. Management charges of \$4,770,000 that were incurred during the half year ended 31 December 2008 under previous management agreements with the Babcock & Brown group have been reclassified as a significant non-recurring item in that period.

5. Discontinued operations

(a) Details of operations disposed and held for sale

Half year ended 31 December 2009

During the half year ended 31 December 2009, IEL initiated sale processes relating to its US and European businesses. A potential sale of any of these businesses will only take place to the extent that achievable sale prices exceed the benefits of holding the respective business. Consequently, the financial information of these businesses is included within continuing operations for the half year ended 31 December 2009.

No operations were classified as discontinued during the half year ended 31 December 2009.

Half year ended 31 December 2008

Sale of Spanish Portfolio

In August 2008, IEL agreed to sell its portfolio of operating Spanish wind energy assets. The sale was subject to local authority consents and financial close occurred in January 2009.

Sale of Portuguese Portfolio

In November 2008, the Group agreed to sell its jointly owned wind farms in Portugal. The sale and settlement occurred simultaneously in November 2008.

(b) Financial performance of operations disposed and held for sale

The results of the discontinued operations during the half year ended 31 December 2008 are presented below:

	Half year ended 31 Dec 2008		
	Portugal \$'000	Spain \$'000	Total \$'000
Revenue (Note 2)	74,819	69,865	144,684
Other income	3,251	1,284	4,535
Expenses	(72,513)	(70,384)	(142,897)
Profit before income tax	5,557	765	6,322
Income tax expense	(2,530)	(4,324)	(6,854)
Profit / (loss) after income tax of discontinued operations	3,027	(3,559)	(532)
Loss on sale of subsidiary before income tax	(3,631)	-	(3,631)
Income tax expense	(3,450)	-	(3,450)
Loss on sale of subsidiary after income tax	(7,081)	-	(7,081)
Loss from discontinued operations	(4,054)	(3,559)	(7,613)

5. Discontinued operations (cont'd)

(c) Details of the sale of the subsidiary

	Half year ended 31 Dec 2008 \$'000
Consideration received:	
Cash received from sale	291,894
Total disposal consideration	291,894
Group's share of net assets attributable to discontinued operations	295,525
Loss on sale before income tax	(3,631)
Income tax expense	(3,450)
Loss on sale after income tax	(7,081)
Net cash inflow on disposal:	
Cash and cash equivalents consideration	291,894
Less: cash and cash equivalents balance disposed of	(16,027)
Proceeds on sale of subsidiary, net of cash disposed of	275,867

6. Trade and other receivables

	As at 31 Dec 2009 \$'000	As at 30 June 2009 \$'000
Current:		
Trade receivables	59,661	35,504
Interest receivables	2,911	27
Amounts due from related parties	-	1,616
Indirect tax receivables	10,115	8,909
Other	3,230	2,356
	75,917	48,412

7. Investments in controlled entities and associates

Half-Year Ended 31 December 2009

IEL, or subsidiaries of IEL, previously agreed to purchase a group of assets, which included certain minority interests relating to entities that IEL already controls and interests in a pipeline of development projects in Australia and New Zealand, from Babcock & Brown for \$23,400,000.

The Group paid \$9,244,000 (including \$2,011,000 that remains in escrow) in the period to 30 June 2009 and a further \$10,509,000 during the half-year ended 31 December 2009 in relation to the purchases of:

- Minority interests relating to the Caprock, Aragonne and Niederrhein wind farms;
- The US asset management business; and
- The interests in the pipeline of development projects in Australia and New Zealand, which included interests in land, development rights and shares in various entities.

The Group has retained further payments of \$3,647,000, relating to the afore-mentioned assets pending resolution of certain issues with Babcock & Brown.

Associates

As noted above, the Group purchased interests in the shares of various development entities. These interests range from 32% to 50%, depending on the entity, each of which has been treated as an associate.

The Group paid \$4,574,000 for the interests in the shares in these development entities and has equity accounted its interests.

Summary financial information for equity accounted investees at the end of, and during, the half-year ended 31 December 2009, adjusted for the percentage ownership held by the Group, is as follows:

	31 Dec 2009 \$'000
Assets and liabilities	
Total assets	364
Total liabilities	(687)
	(323)
	Half year ended 31 Dec 2009 \$'000
Results	
Revenues	-
Net loss after income tax	(42)

Half-Year Ended 31 December 2008

In September 2008, Sonnenberg Windpark GmbH & Co KG, a subsidiary of IEL, purchased 100% of the share capital of Seehausen GmbH which operates the Seehausen wind farm in Germany.

The purchase price, including associated costs, was approximately \$970,000.

8. Trade and other payables

	As at 31 Dec 2009 \$'000	As at 30 June 2009 \$'000
Current:		
Trade payables and accruals	69,877	66,322
Interest payable	68	72
Goods and services and other taxes payable	9,411	7,879
Amounts due to related parties	-	978
Deferred income	10,249	7,299
Other	4,602	1,360
	94,207	83,910

9. Institutional equity partnerships classified as liabilities

	Class A members		Class B members		Total	
	As at 31 Dec 2009 \$'000 (Half year)	As at 30 June 2009 \$'000 (Full year)	As at 31 Dec 2009 \$'000 (Half year)	As at 30 June 2009 \$'000 (Full year)	As at 31 Dec 2009 \$'000 (Half year)	As at 30 June 2009 \$'000 (Full year)
Class A and Class B liabilities:						
At period beginning	1,016,042	969,402	96,040	71,155	1,112,082	1,040,557
Institutional liabilities acquired on consolidation of US wind farm investments	-	-	-	-	-	-
Distributions (Class A & B)	(770)	(3,125)	(5,800)	(20,175)	(6,570)	(23,300)
Value of benefits provided – production tax credits (Class A)	(39,870)	(111,217)	-	-	(39,870)	(111,217)
Value of benefits provided – tax losses (Class A)*	(38,123)	(134,333)	-	-	(38,123)	(134,333)
Allocation of return on outstanding balance (Class A)	30,670	82,298	-	-	30,670	82,298
Movement in residual interest (Class A)	(10,752)	16,094	-	-	(10,752)	16,094
Uplift on minority interest (Class B) resulting from purchase price allocation	-	-	-	24,971	-	24,971
Minority interest (Class B)	-	-	1,572	6,195	1,572	6,195
Foreign exchange gain/(loss)	(93,044)	196,923	(8,784)	13,894	(101,828)	210,817
At period end	864,153	1,016,042	83,028	96,040	947,181	1,112,082
Deferred revenue:						
At period beginning					454,980	265,762
Resulting from business combinations during the period					-	-
Benefits deferred during the period					43,435	158,732
Foreign exchange gain/(loss)					(39,576)	30,486
At period end					458,839	454,980
					1,406,020	1,567,062

* This comprises the following:

	For the half year ended 31 Dec 2009 \$'000	For the year ended 30 June 2009 \$'000
Total Taxable Income/Loss before accelerated tax depreciation	14,892	61,842
Accelerated tax depreciation	(53,015)	(196,175)
Tax loss	(38,123)	(134,333)

10. Distributions paid and proposed

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Final distribution in respect of 2009 year of 4.5 cents per stapled security (2008: 7.25 cents) paid on 17 September 2009 (2008: 18 September 2008), 100% tax deferred (2008: 100% tax deferred) ¹	36,635	62,974
Total distributions paid	36,635	62,974
Distributions not recognised at the end of the half year		
Since the end of the half year no interim distribution has been declared ² (2008: 4.5 cents per stapled security). The aggregate amount of the distribution settled in cash after the end of the half year from contributed equity, but not recognised as a liability at the end of the half year, is:	-	38,170

The balance of the franking account at 31 December 2009 is \$ nil (31 December 2008: \$ nil).

¹ Of the \$36,635,000 (2008: \$62,974,000) final distribution, no distributions (2008: 16%) were settled through the issue of stapled securities under the Distribution Reinvestment Plan which was suspended in December 2008. The distribution paid in cash was \$36,635,000 (2008: \$53,229,000) and the amount settled through the issue of stapled securities under the Distribution Reinvestment Plan was nil (2008: \$9,745,000).

² Distribution guidance for the 2010 financial year will be provided once the outcomes of the US and European sales processes, currently being undertaken by the Group, are known. Accordingly, an interim distribution for the six month period ending 31 December 2009 has not been declared.

11. Segment information

(a) Description of segments

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

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the operating segments for the half-year ended 31 December 2009 is as follows:

Half year ended 31 Dec 2009	Australia	US	Germany	France	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	40,071	75,106	17,603	7,574	140,354
Inter-segment revenue	-	(2,840)	-	-	(2,840)
Revenue from external customers	40,071	72,266	17,603	7,574	137,514
EBITDA	30,986	37,498	13,136	6,546	88,166

Half year ended 31 Dec 2008	Australia	US	Germany	France	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	37,615	85,755	9,901	6,382	139,653
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	37,615	85,755	9,901	6,382	139,653
EBITDA	32,875	53,571	7,052	5,622	99,120

The Board of Directors assesses the performance of the operating segments based on a measure of EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central 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.

11. Segment information (cont'd)

A reconciliation of EBITDA to operating profit before income tax is provided as follows:

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Adjusted EBITDA	88,166	99,120
Minority interests proportionally consolidated for segment reporting	6,587	8,808
Income from institutional equity partnerships	34,558	38,378
Other income, net of foreign exchange gains (losses)	18,126	11,204
Share of net profits from associates and joint venture partnerships accounted for using the equity method	(42)	-
Development costs	(200)	-
Corporate costs	(10,355)	(11,626)
Expenses relating to potential sale of overseas assets	(3,064)	-
Significant non-recurring items	(5,450)	(49,319)
Depreciation and amortisation expense	(76,000)	(73,746)
Interest expense	(45,309)	(47,106)
Finance costs relating to institutional equity partnerships	(21,491)	(46,429)
Other costs	(9,472)	(28,467)
Net loss before income tax expense	(23,946)	(99,183)

12. Earnings per security/ share

	Half year ended 31 Dec 2009 Cents per security	Half year ended 31 Dec 2008 Cents per security
Basic loss per stapled security/ parent entity share:		
Parent entity share	(2.4)	(10.8)
Stapled security	(2.3)	(10.6)
Diluted loss per stapled security/ parent entity share:		
Parent entity share	(2.4)	(10.8)
Stapled security	(2.3)	(10.6)

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

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Earnings attributable to the parent entity share holders	(19,397)	(93,251)
Earnings attributable to the stapled security holders	(18,540)	(92,283)
Half year ended 31 Dec 2009 No.'000		
Weighted average number of securities / shares for the purposes of basic earnings per security / share	802,681	867,100
Weighted average number of securities / shares for the purposes of diluted earnings per security / share	812,376	867,100

13. Contingent liabilities

	As at 31 Dec 2009 \$'000	As at 30 Jun 2009 \$'000
Letters of credit	26,343	28,538
Guarantees	42,733	48,863
	69,076	77,401

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

14. Issuances, repurchases and repayments of securities

	No'000	\$'000
Fully paid stapled securities/shares		
Balance as at 1 July 2009	808,177	862,113
Capital distribution	-	(36,635)
On market security buy-back (ii)	(5,716)	(6,301)
Balance as at 31 December 2009	802,461	819,177

Attributable to:

Equity holders of the parent	4,122
Equity holders of the other stapled securities (minority interests)	815,055
	<u>819,177</u>

	No'000	\$'000
Fully paid stapled securities/shares		
Balance as at 1 July 2008	868,601	1,014,410
Capital distribution	-	(62,974)
Distribution reinvestment plan (i)	8,398	9,746
On market security buy-back (ii)	(28,780)	(21,142)
Balance as at 31 December 2008	848,219	940,040

Attributable to:

Equity holders of the parent	4,500
Equity holders of the other stapled securities (minority interests)	935,540
	<u>940,040</u>

14. Issuances, repurchases and repayments of securities (cont'd)

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 respective entities in proportion to the number of and amounts paid on the securities held.

(i) Distribution reinvestment plan

The Group has established a distribution reinvestment plan (DRP) under which holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by being paid in cash. To date, securities have been issued under the plan at a 2.5% discount to the weighted average price of the Group's securities on the ASX over the 10 trading days ending on the trading day which is 3 trading days before the date the stapled securities are due to be allotted.

On 17 December 2008, the Group confirmed that the DRP had been suspended until further notice and therefore no new securities have been issued under the DRP during the half-year ended 31 December 2009.

On 18 September 2008, the Group issued 8,398,000 stapled securities at a price of \$1.16 per security in relation to the payment of the final distribution for the year ended 30 June 2008.

(ii) On market security buy-back

On 16 September 2008, the Group announced its intention to undertake a buy-back of up to 10% of its securities over the following 12 months. On 26 November 2008, security holders approved a resolution at the Annual General Meeting for an on-market security buyback of up to 30% of securities on issue for the period up to 26 November 2009. On 26 November 2009, the Group announced an intention to undertake a further on-market security buy-back of up to 10% of its securities over the following 12 months.

As at 31 December 2009, the Group had purchased 74,538,000 stapled securities under the above buy-back programs at an average price of \$0.90 per security.

15. Subsequent events

Since the end of the half year, there has not been any transaction or event of a material or unusual nature likely to affect significantly the operations or affairs of the Group in future financial periods.



INFIGEN ENERGY TRUST

ARSN 116 244 118

**Financial Report
for the Half-Year Ended
31 December 2009**

Infigen Energy Trust

Financial Report – 31 December 2009

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This financial report does 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 2009 and any public announcements made by the Infigen Energy Group (the “Group”) during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated statements of comprehensive income for the half year ended 31 December 2009

Note	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Interest income	491	2,764
Share of net profit or loss of associates accounted for using the equity method	1,118	221
Operating expenses	(42)	(466)
Finance costs	(3)	(8)
Management charges	(317)	(447)
Termination of management agreement ¹	-	(3,895)
Profit/ (loss) from operating activities	1,247	(1,831)
Finance costs - net profit attributable to the minority interest ²	(358)	(70)
Net operating profit/ (loss)	889	(1,901)
Total comprehensive income for the period, net of tax	889	(1,901)
Net operating profit/ (loss) attributable to unit holders	889	(1,901)
Comprehensive income/ (loss) attributable to unit holders	889	(1,901)
Earnings per unit based on earnings attributable to unit holders:		
Basic (cents per security)	4	0.1
Diluted (cents per security)	4	0.1

¹ IET had previously entered into a management agreement with the Babcock & Brown group. During the half year ended 31 December 2008, the management agreement was terminated.

² This represents the net profit attributable to the minority interest relating to a subsidiary trust of IET. The trust deed of the subsidiary trust contains a finite life clause. Consequently, the units of the subsidiary trust are classified as debt for accounting purposes and the minority interest represented above is classified as finance costs.

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

Consolidated balance sheets as at 31 December 2009

	<u>Note</u>	As at 31 Dec 2009 \$'000	As at 30 June 2009 \$'000
Current assets			
Cash and cash equivalents		249	757
Trade and other receivables		44	3,543
Total current assets		293	4,300
Non-current assets			
Receivables		798,334	836,973
Investment in associates		57,750	56,632
Total non-current assets		856,084	893,605
Total assets		856,377	897,905
Current liabilities			
Trade and other payables		842	561
Total current liabilities		842	561
Non-current liabilities			
Payables		-	494
Share of net assets attributable to minority interests		30,882	30,525
Total non-current liabilities		30,882	31,019
Total liabilities		31,724	31,580
Net assets		824,653	866,325
Equity			
Contributed equity	6	808,791	851,352
Retained earnings		15,862	14,973
Total equity and net assets attributable to the unit holders		824,653	866,325

The above balance sheets should be read in conjunction with the accompanying notes.

Consolidated statements of changes in equity for the half year ended 31 December 2009

	Note	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Total equity at 1 July 2008		1,003,487	16,265	1,019,752
Net loss for the period		-	(1,901)	(1,901)
Total comprehensive income for the period		-	(1,901)	(1,901)
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity, net of transaction costs		9,714	-	9,714
Purchase of securities – on market buyback		(21,079)	-	(21,079)
Distributions paid	6	(62,974)	-	(62,974)
Total equity at 31 December 2008		929,148	14,364	943,512
Total equity at 1 July 2009		851,352	14,973	866,325
Net loss for the period		-	889	889
Total comprehensive income for the period		-	889	889
Transactions with equity holders in their capacity as equity holders:				
Purchase of securities – on market buyback		(5,926)	-	(5,926)
Distributions paid	6	(36,635)	-	(36,635)
Total equity at 31 December 2009		808,791	15,862	824,653

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 2009

Note	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Cash flows from operating activities		
(Loss)/profit for the period	889	(1,901)
Adjustments for:		
Share of associate's profit (less dividends)	(760)	(151)
Changes in operating assets and liabilities:		
Decrease/(increase) in assets:		
Trade and other receivables	3,499	585
(Decrease)/increase in liabilities:		
Trade and other payables	281	(228)
Net cash (used in)/provided by operating activities	3,909	(1,695)
Cash flows from financing activities		
Payment for security buy-back	(5,927)	(21,079)
Repayment of loans advanced	(494)	-
Repayment of borrowings from related parties	38,639	76,030
Distributions paid to security holders	(36,635)	(53,229)
Net cash (used in)/provided by financing activities	(4,417)	1,722
Net increase/(decrease) in cash and cash equivalents	(508)	27
Cash and cash equivalents at the beginning of the half year	757	661
Cash and cash equivalents at the end of the half year	249	688

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

Notes to the consolidated financial statements

1. Summary of accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does 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 2009 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 accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period.

Rounding off of amounts

IET is of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

2. Distributions paid and proposed

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Final distribution in respect of 2009 year of 4.5 cents per stapled security (2008: 7.25 cents) paid in September 2009 (2008: September 2008), 100% tax deferred (2008: 100% tax deferred) ¹	36,635	62,974
Total distributions paid	36,635	62,974
Distributions not recognised at the end of the half year		
Since the end of the half year no interim distribution has been declared ² (2008: 4.5 cents per stapled security). The aggregate amount of the distribution settled in cash after the end of the half year from contributed equity, but not recognised as a liability at the end of the half year, is:	-	38,170

The balance of the franking account at 31 December 2009 is \$ nil (31 December 2008: \$ nil).

¹ Of the \$36,635,000 (2008: \$62,974,000) final distribution, no distributions (2008: 16%) were settled through the issue of stapled securities under the Distribution Reinvestment Plan, which was subsequently suspended in December 2008. The distribution paid in cash was \$36,635,000 (2008: \$53,229,000) and the amount settled through the issue of stapled securities under the Distribution Reinvestment Plan was nil (2008: \$9,745,000).

² Distribution guidance for the 2010 financial year will be provided once the outcomes of the US and European sales processes, currently being undertaken by the Group, are known. Accordingly, an interim distribution for the six month period ending 31 December 2009 has not been declared.

3. Segment information

The principal activities of the consolidated entity during the period were to lend and manage funds to entities carrying on wind farm businesses. These activities were based in Australia.

4. Earnings per unit

	Half year ended 31 Dec 2009 Cents per unit	Half year ended 31 Dec 2008 Cents per unit
Basic earnings / (loss) per unit	0.1	(0.2)
Diluted earnings / (loss) per unit	0.1	(0.2)

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

	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Earnings / (loss) attributable to the unit holders	889	(1,901)

	Half year ended 31 Dec 2009 No.'000	Half year ended 31 Dec 2008 No.'000
Weighted average number of units for the purposes of basic earnings per unit	802,681	867,100
Weighted average number of units for the purposes of diluted earnings per unit	812,376	867,100

5. Contingent liabilities

IET's share of the contingent liabilities of its associate was nil (2008: \$2,584,000). The amount at 31 December 2008 represents a letter of credit.

6. Issuances, repurchases and repayments of units

	No'000	\$'000
Fully paid units		
Balance as at 1 July 2009	808,177	851,353
Capital distribution	-	(36,635)
Distribution reinvestment plan (i)	-	-
On-market security buy-back (ii)	(5,716)	(5,927)
Balance as at 31 December 2009	802,461	808,791

	No'000	\$'000
Fully paid units		
Balance as at 1 July 2008	868,601	1,003,486
Capital distribution	-	(62,974)
Distribution reinvestment plan (i)	8,398	9,715
On-market security buy-back (ii)	(28,780)	(21,078)
Balance as at 31 December 2008	848,219	929,149

Units entitle the holder to participate in distributions from IET. The holder is entitled to participate in the proceeds on winding up of IET in proportion to the number of and amounts paid on the units held.

(i) Distribution reinvestment plan

The Group has established a distribution reinvestment plan (DRP) under which holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by being paid in cash. To date, securities have been issued under the plan at a 2.5% discount to the weighted average price of IFN securities on the ASX over the 10 trading days ending on the trading day which is 3 trading days before the date the stapled securities are due to be allotted. On 17 December 2008, the Group confirmed that the DRP had been suspended until further notice and therefore no new securities have been issued under the DRP since that date.

On 18 September 2008, the Group issued 8,398,000 stapled securities at a price of \$1.16 per security in relation to the payment of the final distribution for the year ended 30 June 2008.

6. Issuances, repurchases and repayments of securities (cont'd)

(ii) On-market security buy-back

On 16 September 2008, the Group announced its intention to undertake a buy-back of up to 10% of its securities over the following 12 months. On 26 November 2008, security holders approved a resolution at the Annual General Meeting for an on-market security buy-back of up to 30% of securities on issue for the period up to 26 November 2009. On 26 November 2009, the Group announced an intention to undertake a further on-market security buy-back of up to 10% of its securities over the following 12 months.

As at 31 December 2009, the Group had purchased 74,538,000 stapled securities under the above buy-back programs at an average price of \$0.90 per security.

7. Subsequent events

Since the end of the half year, in the opinion of the directors of the responsible entity, there has not been any transaction or event of a material or unusual nature likely to affect significantly the operations or affairs of IET in future financial periods.