infigen

INFIGEN ENERGY ANNUAL REPORT 2015

Power from the source

POWERING UP

OUR PRODUCTION OF 1,459,000 MEGAWATT HOURS IN FY15:

Used **0** litres of water

Could fully recharge the batteries of **17M** Tesla Model S vehicles

Emitted **0** greenhouse gases from fuel

INFIGEN'S DEVELOPMENT PIPELINE:

Comprises **~1,200** megawatts of large-scale wind and solar projects

Represents **20%** of all large-scale wind and solar projects with development approval

AT THE END OF THIS FINANCIAL YEAR INFIGEN:

Directly employed
66
people in Australia

Contributed
$189,000
in cash to community sponsorship

Donated
$160,000
to raise awareness about renewable energy and climate change

Had significantly
ADVANCED
the sales of its US wind business and solar development pipeline

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OVERVIEW & ABOUT US

Infigen Energy is a developer, owner and operator of renewable generation. We own six wind farms and a solar farm with a combined installed capacity of 557 megawatts across New South Wales, South Australia and Western Australia.

Infigen's operating wind and solar farms generate enough power to meet the needs of over 250,000 homes. Infigen's renewable energy generation represents a saving of approximately over a million tonnes of carbon dioxide a year.

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

Infigen Energy was formed in June 2003 and listed on the Australian Securities Exchange (ASX) in October 2005. Infigen Energy's ASX code is IFN.

Our Commitments

TO COMMUNITIES

- **Keeping an open dialogue with our communities**
  Our Community Engagement Spectrum guides us in setting engagement objectives and activities like formation of consultation committees, and assessing our level of engagement.
- **Fostering local relationships**
  We build relationships through independent community fund committees who oversee Infigen's sponsorship allocation.
- **Seeking to source locally**
  We prefer to source materials and services from locally based suppliers.
- **Raising awareness about renewable energy**
  We committed to implementing the Guide for Responsible Corporate Engagement in Climate Policy. We continue to promote renewable energy using factual and scientific data and work closely with environmental groups.

TO DIVERSITY

Infigen has a Diversity Policy as part of its corporate governance framework. By June 2017 we aim to:

- Increase workforce participation of females and persons from minority backgrounds by 20% compared to 1 July 2015
- Increase participation of females and persons from minority backgrounds within the middle, senior, executive and non-executive director occupational categories by 25% on a merit basis
- Achieve pay equality within each occupational group

TO ENVIRONMENT

Carbon Disclosure Project invited companies to speak out on behalf of the business community in support of a universal climate agreement ahead of the UN Climate Change Conference in Paris in December 2015. Infigen has joined this initiative and made a pledge to:

- Setting greenhouse gas emissions reduction targets that limit global warming to below 2°C
- Putting a strategy in place to procure 100% of electricity from renewable sources
- Conducting responsible corporate engagement in climate policy
- Providing climate change information in corporate reports
- Putting a price on carbon

Find Infigen's photos and social communities on Facebook, Instagram, Twitter and LinkedIn.

Infigen   Infigen-energy

Operational Assets

	ASSET	COD*	CAPACITY (MW)	PURCHASE AGREEMENT
1	ALINTA	JAN 2006	89.1	POWER JUN 2026 LGCs JUN 2016 JAN 2021
2	LAKE BONNEY 1	MAR 2005	80.5	MERCHANT
2	LAKE BONNEY 2	SEP 2008	159.0	MERCHANT
2	LAKE BONNEY 3	JUL 2010	39.0	MERCHANT
3	WOODLAWN	OCT 2011	48.3	MERCHANT
3	CAPITAL	JAN 2010	140.7	POWER & LGCs** FEB 2030
4	CAPITAL EAST	OCT 2013	0.1	MERCHANT

OPERATIONAL WIND FARM ☐
OPERATIONAL SOLAR FARM ☐

* Commercial operation date

** Effectively all output is contracted when Sydney Desalination Plant is operating. ~50% of LGCs are sold on a merchant basis when the plant is not operating

Development Pipeline

	PROJECT NAME	CAPACITY (MW)	PLANNING STATUS	CONNECTION STATUS
1	BODANGORA	90-100	APPROVED	INTERMEDIATE
2	CAPITAL 2	90-100	APPROVED	ADVANCED
3	FLYERS CREEK	100-115	APPROVED	INTERMEDIATE
4	CHERRY TREE	45-40	APPROVED	ADVANCED
5	FORSAYTH	80-90	APPROVED	INTERMEDIATE
6	WALKAWAY 2&3	~400	APPROVED	INTERMEDIATE
7	WOAKWINE	~450	APPROVED	INTERMEDIATE
8	BOGAN RIVER	12	APPROVED	INTERMEDIATE
9	CAPITAL	50	APPROVED	ADVANCED
10	CLONCURRY	30	N/A	EARLY
11	MANILDRA	50	APPROVED	ADVANCED

WIND FARM ☐
SOLAR FARM ☐

CORPORATE STRUCTURE

The Infigen Energy group (Infigen) 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 IEL and IET.

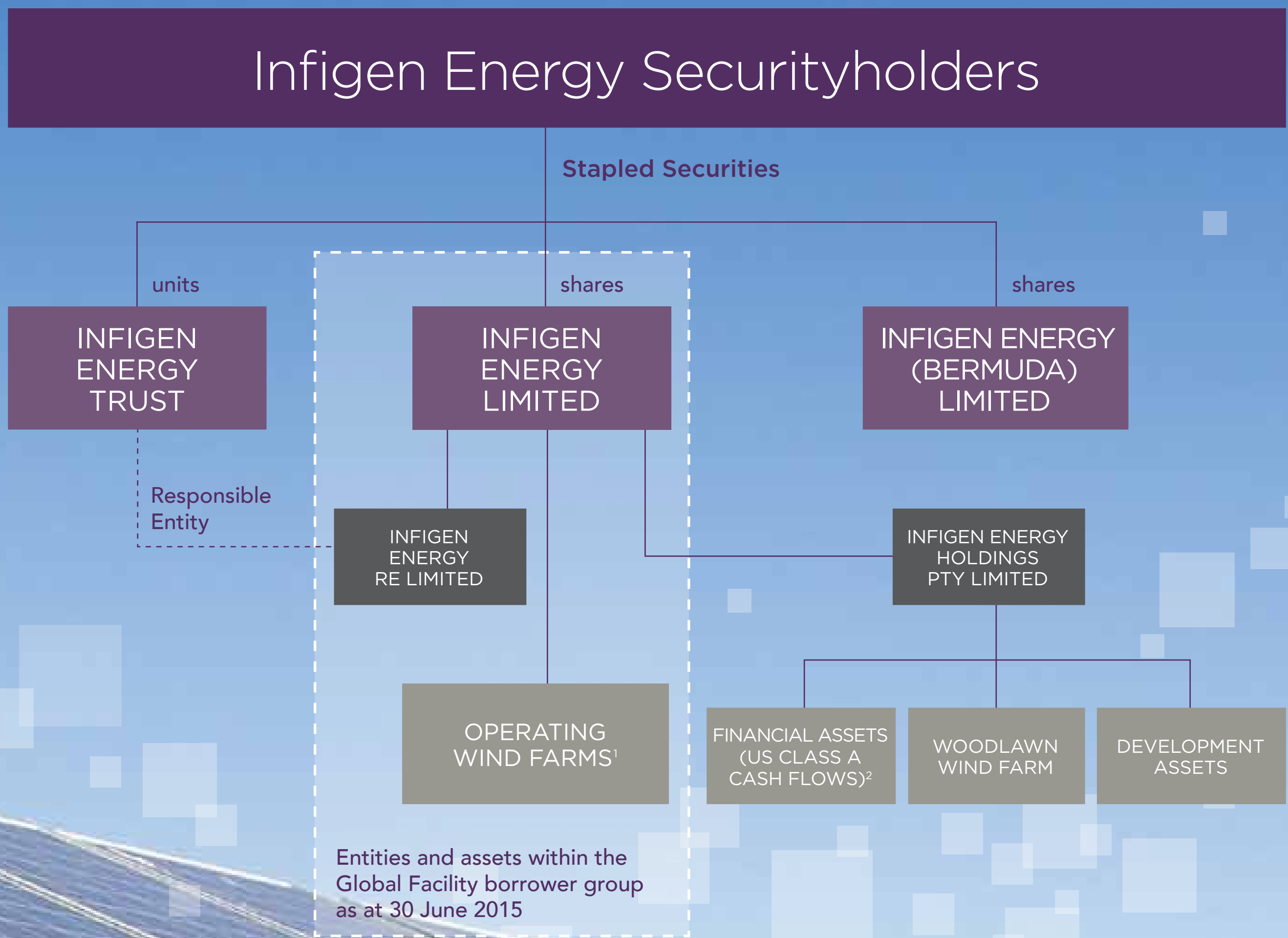
One share in each of IEL and IEBL and one unit in IET have been stapled together to form a single stapled security, tradable on the Australian Securities Exchange under the 'IFN' code.

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 Infigen's corporate debt facility (Global Facility).

IEBL was established and included in Infigen'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 Infigen 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 the entities and assets within the Global Facility borrower group. For further Corporate Governance information regarding the Infigen Energy group, refer the Corporate Governance statement on Infigen's website.



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 hold 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.

3 On 15 July 2015 Infigen announced that it had executed purchase and sale agreements for the sale of its US wind business, which includes all of Infigen's Class B and Class A interests in relation to US operating wind farms. The majority of the sale proceeds will be received by a wholly-owned subsidiary of the Global Facility borrower group, with the net sale proceeds (after transaction related costs) being applied to repayment of Global Facilities debt. The balance of the sale proceeds will be received by 'Excluded Companies' and the net sale proceeds (after transaction related costs) will be retained outside the Global Facility borrower group.

BUSINESS HIGHLIGHTS

OPERATING CASH FLOW FROM CONTINUING OPERATIONS INCREASED BY

69%

to $33.2 million

REPAID BORROWINGS OF

$66.1M

OPERATING COSTS DECREASED BY

4%

AGREED TO SELL US SOLAR DEVELOPMENT PIPELINE FOR

US$37.9M

SIGNED AGREEMENTS* TO SELL US WIND BUSINESS FOR

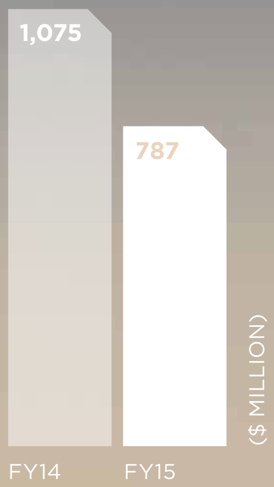
$272.5M

ENTERED INTO JOINT DEVELOPMENT AGREEMENT WITH A LEADING TURBINE SUPPLIER FOR

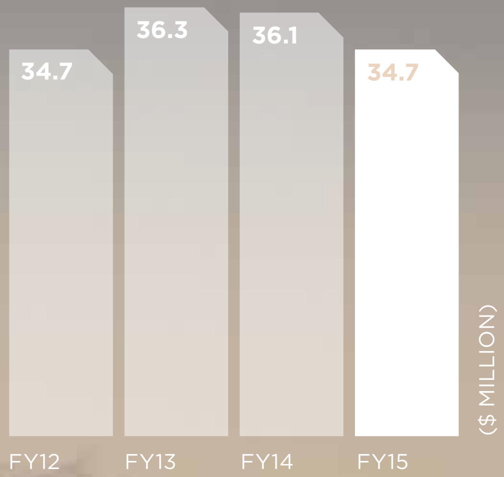
2 WIND FARMS

The outcome of the sale of the US wind and solar development business represented the best achievable value for securityholders and is a significant milestone on the path to improving the future prospects for Infigen and its securityholders.

* Announced on 15 July 2015



TOTAL DEBT
REDUCED BY
$288M



OPERATING COSTS
REMAIN PREDICTABLE

SALE OF US SOLAR
DEVELOPMENT PIPELINE
US$37.9M

SALE OF US WIND BUSINESS
US$272.5M

RENEWABLE ENERGY IN AUSTRALIA

AUSTRALIA'S RENEWABLE ENERGY TARGET IN 2015

11.11%

Australia's electricity generation sector accounts for one third of the nation's carbon emissions. The deployment of battery and smart metering systems with renewable energy technologies is going to change electricity supply in the same way internet and mobile technology have disrupted telecommunication systems and transformed our consumption of information. Complementary policies that account for the cost of carbon emissions and enable early adaptation to these disruptive changes protect the electricity system from becoming dysfunctional.

CHANGING AUSTRALIA'S ELECTRICITY GENERATION MIX

Implemented through large-scale and small-scale schemes, Australian renewable energy policy is designed to reduce emissions of greenhouse gases in the electricity generation sector and encourage the generation of electricity from sustainable and renewable sources.

What can Australia's large-scale renewable energy target[1] achieve by 2020?

1. Additional capacity of ~6,000 MW prepares Australia's electricity sector to transition its ageing fleet of coal-fired power stations.
2. Generation from clean energy, equivalent to powering ~5 million homes, is a significant contributor to Australia's 2020 carbon emissions reduction commitments.
3. A thriving renewable energy industry that will create a further 6,500 jobs and $10 billion of investment in Australia's economy.

Sources: Australian Energy Market Operator, Climate Council, Clean Energy Council, McKinsey Quarterly

HOW DOES THE LARGE-SCALE RENEWABLE ENERGY TARGET SCHEME WORK?

The legislated demand creates an incentive for additional generation from renewable energy sources. The scheme operates through tradable certificates known as Large-scale Generation Certificates. Creation of certificates is managed by the Clean Energy Regulator.

Eligible large-scale renewable power stations produce certificates for every megawatt hour of power they generate, creating the supply side of the certificate market.

Large end users or retailers of electricity buy these certificates to meet their renewable energy obligations, forming the demand side of the certificate market. Large end users or retailers of electricity then surrender these certificates to the regulator to meet the renewable percentage target set by the Clean Energy Regulator each year. Certificates are traded at a rate determined by supply and demand of the market, and certificate revenues contribute to the commercial viability of renewable generation.

INFIGEN'S DEVELOPMENT AND OPERATING EXPERIENCE

The renewable energy target of 33,000 GWh by 2020 requires a near doubling of Australia's large-scale renewable energy capacity in the next five years. Infigen has 1,200 MW or 20% of Australia's approximately 6,000 MW of publicly proposed wind and solar PV projects, with development approvals in New South Wales, Queensland, South Australia, Victoria and Western Australia. Infigen remains the largest owner of wind energy capacity in Australia.

ALL OF INFIGEN'S GENERATORS ARE 100% GREENPOWER ACCREDITED

In addition to the large-scale target, Australians can buy GreenPower certificates for their homes and businesses. By purchasing GreenPower, the equivalent amount of new renewable energy is added to the electricity grid. GreenPower is the only voluntary government accredited program in Australia[3] that enables electricity providers to purchase renewable energy on behalf of households and businesses.

1 Renewable Energy (Electricity) Act 2000 (Cth) (REE Act)

2 Climate Change Authority

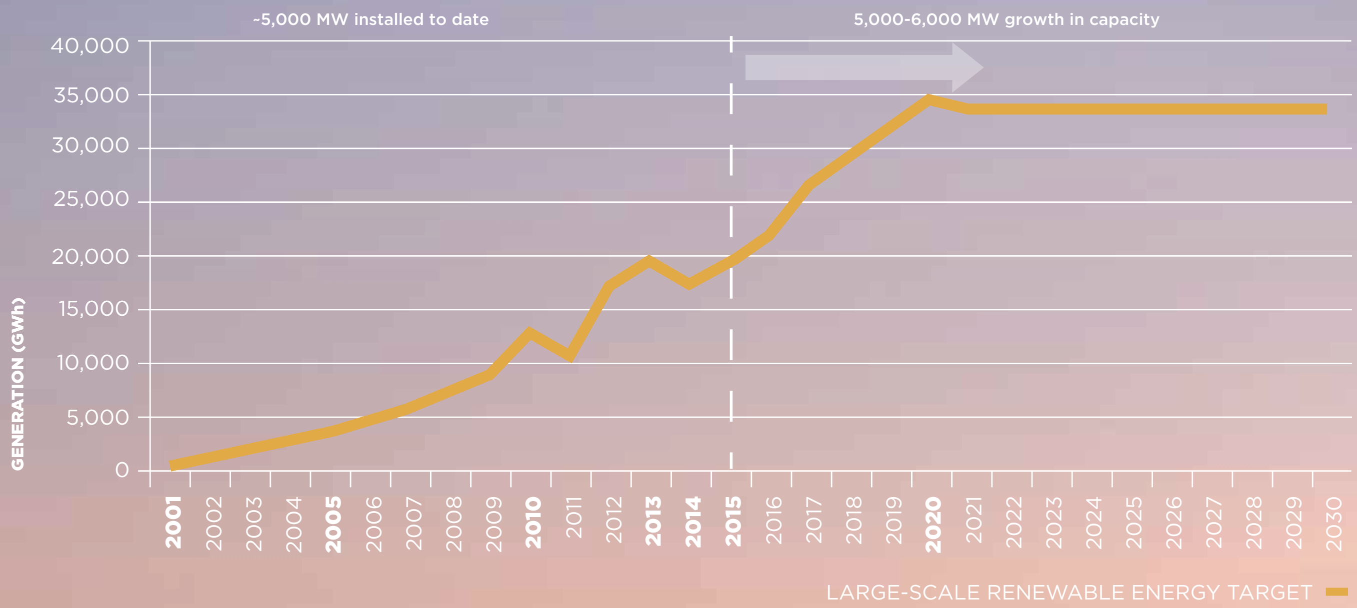
3 A joint initiative of the ACT, NSW, SA, VIC and TAS governments

AUSTRALIA'S ELECTRICITY SECTOR

"There has been little public discussion on the increasing age of Australia's coal fired power stations and how they are to be replaced. Australia's coal fired power stations are ageing units using less efficient technology. Currently, the average age of Australia's coal power station fleet is over 30 years. By 2020, around 40% will be over 40 years old, and 15% over 50 years in age, and by 2030 the average age will exceed 40 years, with 40% of the fleet then over 50 years old. 2030 and beyond may seem like a long way into the future, but not when one considers that it takes around a decade to plan, permit, finance and build new power stations."

AGEING, INEFFICIENT AND UNPREPARED BY ANDREW STOCK (CLIMATE COUNCIL)

Large-scale Renewable Energy Target



2001: The RET commenced operation as the Mandatory Renewable Energy Target with bipartisan support from Liberal and Labor parties

2009: RET expanded to 45,000 GWh by 2020

2012: Wind capacity grew 18% per year from FY09 to FY13

2013: Government initiated RET review

2015: RET review is completed and 2020 target reduced to 33,000 GWh

2015: 5,000-6,000 MW of new renewable energy capacity to be installed by 2020

Sources: Australian Energy Market Operator, Climate Council, Clean Energy Council, McKinsey Quarterly

Australia's most significant national renewable energy policy mechanism, the Renewable Energy Target, has been in place since 2001.

CHAIRMAN'S REPORT

Dear Securityholders,

On behalf of the Infigen Boards it is my pleasure to present your 2015 annual report. I am pleased to report that the outlook for the business has improved over the last 12 months despite the significant and unwelcome regulatory uncertainty in Australia that persisted since the 2013 Federal election.

This uncertainty was resolved late in the year when the major political parties finally agreed on legislation to amend the large-scale renewable energy targets for 2018 to 2030 inclusive. Infigen played a key leadership role in debate and negotiations that moderated the proposed reduction in the Large-scale Renewable Energy Target. On behalf of my fellow directors and Infigen securityholders, I take this opportunity to acknowledge the important industry-leading role our Managing Director, Miles George, played in achieving this outcome.

Nonetheless, it was most disappointing that, despite pre-election commitments, the Government chose to attack the RET and reduce the legislated investment incentives upon which material industry investment had already been committed. This episode had a materially adverse effect on your company. The periodic political attacks on the wind industry remain a regrettable ongoing undermining of our industry.

Towards the end of the financial year we sold substantially all of our US solar development business for US$37.9 million and soon thereafter signed agreements to sell our US wind business for US$272.5 million. As a result we no longer account for either of these businesses in our continuing operations. These sales were necessary to reduce our high levels of debt and to accommodate the fact that for some years cash flows from these assets will now largely accrue to the Class A investors, rather than to debt servicing or equity. While our debt levels still remain high, these transactions will terminate the complex structure of the US business.

Your company achieved net operating cash flow from continuing operations of $33.2 million during the 2015 financial year. This was 69% higher than FY14, noting that the prior year included a $16.8 million interest rate swap termination expense. Normalising for this, net operating cash flow was down 4% which was largely attributable to 7% lower production for FY15, offset by lower operating costs and some recovery in LGC prices.

Operating costs were below our guidance range, partly as a result of effective management, and partly as a consequence of lower production. We remain focussed on further improving our financial performance for the benefit of securityholders through management of our revenues and our costs.

Board and Management

Your Board remains unchanged, although for personal reasons Fiona Harris is currently on unpaid leave of absence. We look forward to her return in due course.

There was one change to the executive management team during the year. David Smith was promoted to the position of US CEO in September 2014 following Craig Carson's decision to leave Infigen to pursue other opportunities. David has more than 16 years of experience in the power industry including working with Infigen for nine years. Prior to assuming his current role, David was the Vice President, Commercial at Infigen US, with a broad range of responsibilities across the business. David played a key role in securing the sale agreements for the US solar and wind businesses.

Following the completion of the sale of the US business the Board and management will reassess our corporate capability requirements and refine the organisation structure to pursue our future strategy.

Business Performance

Variability of wind conditions caused Infigen's operational and financial performance to come in below the prior year. Such variability is inherent in our business model. However our net operating cash flow increased by 69% to $33.2 million, noting that in the prior year we incurred interest rate swap termination costs of $16.8 million. Excluding this significant item net operating cash flow was down 4%.

We repaid $66.1 million of outstanding borrowings including $61.5 million of Global Facility debt and $4.6 million of Woodlawn debt. In addition, the reclassification of the US wind business as being held for sale resulted in reclassifications of $245.3 million of Global Facility debt, $57.3 million of Union Bank debt, $870.3 million of Institutional Equity Partnerships ("Class A") liabilities and $32.3 million of interest rate derivative liabilities to discontinued operations. These items will be extinguished or cease to be liabilities of Infigen on completion of the US wind business sale.

Infigen reported a net loss from continuing operations of $18.4 million. This was a $14 million improvement compared with a $32.4 million net loss from continuing operations in the prior year. Infigen's statutory net loss of $303.6 million compared with a net loss of $8.9 million in the prior year. The $294.7 million variance was largely due to the loss from the discontinued US operations, which included a $286.8 million write down related to the US wind business.

"The sale of our US wind business is consistent with our strategic objective of improving the capital structure of the business."
MIKE HUTCHINSON

The sale of our US wind business is consistent with our strategic objective of improving the capital structure of the business. Following a competitive sale process the outcome represented the best achievable value for securityholders and is a milestone on the path to improving the future prospects for Infigen and its securityholders.

The capital structure has been simplified and de-risked now that the Australian assets have been uncoupled from the US assets, the exposure to the US cash flow "dip" has been eliminated, and the capacity to maintain Global Facility covenant compliance has improved.

Infigen can now pursue growth opportunities in the Australian market with a business that has lower risk and is less complex. The cash balance in the Excluded Companies will increase by approximately $95 million to approximately $125 million in FY16 following receipt of proceeds from the sales of the US solar development pipeline and Class A cash flow interests. This increases our financial resilience and provides some funds to pursue profitable growth in Australia. In addition to this, the Excluded Companies can expect approximately $6 million per annum of free cash flow to be generated by our Woodlawn wind farm along with opportunities associated with our development pipeline.

During the year we maintained the option value associated with the Australian development pipeline. We have sought ways to deploy and conserve our scarce capital efficiently. During the year we entered into a joint development agreement with a leading turbine supplier who acquired options to purchase 50% equity interests in the Bodangora and Forsayth wind farm developments. Where the options have been exercised the agreement terms provide for Infigen to receive certain fees and other amounts that will largely fund Infigen's share of the remaining development costs.

We remain committed to further improving community engagement and support in the regions around our operating and development assets. We seek to maintain strong ties in these communities and to share the economic benefits that our projects generate. We do this by several means, including through our community consultation committees where local members determine the allocation of our sponsorship commitments, and by hosting events at wind farms and within the community.

Outlook

Infigen moves into the 2016 financial year with opportunities and challenges.

5,000 to 6,000 MW of new renewable energy capacity is now required to meet the Large-scale Renewable Energy Target. This should support future LGC prices for existing and new projects. State and Territory sponsored tenders for new renewable energy capacity will further drive demand.

However, Infigen's debt remains high and we will have to balance our need to retain prudential cash reserves and our desire to make further investments in growth opportunities.

We remain confident that we can sustain compliance with the obligations associated with our debt facilities in the medium term, subject to merchant prices for energy and LGCs, and the effect of exchange rates on the residual foreign currency balances of our debt facility.

On behalf of the Board, I would like to thank David Smith and our US business team for their efforts during the year and through the two sale processes. We wish them well for the future as we will soon part company.

I would like to thank my fellow Directors including the Managing Director, Miles George, his senior management team and all Infigen staff for their contributions to the business during the year.

Finally, I would like to thank securityholders for your continued support. Your Directors look forward to welcoming you to our Annual General Meeting to be held at 11am on 13 November 2015 at The Mint, 10 Macquarie Street, Sydney.

MIKE HUTCHINSON
Chairman

MANAGING DIRECTOR'S REPORT

Dear Securityholders,

During the 2015 financial year (FY15) your management team's focus was on maintaining steady operational performance, improving the capital structure of the business, reducing Global Facility debt, and playing a key leadership role in debate and negotiations that moderated the reduction in the Large-scale Renewable Energy Target.

Key Milestones

Throughout FY15 Infigen advanced the sale processes of its US wind business and US solar development pipeline. Infigen's US wind business comprises Class B equity interests of 1,089 MW in 18 US wind farms, and Infigen's investment in Class A cash flow interests in relation to nine of those wind farms, as well as a US based asset management business.

On 27 July 2015 Infigen completed the sale of substantially all of its US solar development pipeline to a wholly owned subsidiary of SunPower for approximately US$37.9 million, having signed the agreement for the sale in late June 2015.

On 15 July 2015 Infigen announced that it had agreed to sell its US wind business to Primary Wind Power, LLC, an affiliate of ArcLight Capital Partners, for approximately US$272.5 million.

During the year Infigen entered into a joint development agreement with a leading global investor and turbine supplier. That party acquired options to purchase 50% equity interests in Infigen's Bodangora and Forsayth wind farm developments.

Infigen also co-developed and implemented a new wind risk production hedging arrangement with Swiss Re to manage cash flow and earnings volatility associated with its Australian operating wind farms.

Acting on Climate Change

The costs of addressing or mitigating climate change will be substantial but that cost pales into insignificance relative to the cost of inaction. Australia's Federal Budget cannot afford to pay polluters to achieve the required emissions reductions.

It is only by reducing emissions through caps, or by putting a price on emissions that we can deliver our share towards solving this global problem. Our least well off global citizens will suffer the most if insufficient action is taken. The most well off economies, whose wealth has in large part originated from decades of carbon emissions, must make meaningful commitments for the benefit of all.

The carbon reduction commitment that Australia is taking to the Paris climate change talks is an encouraging step. But it requires effective and stable policies to achieve these commitments. The Renewable Energy Target is by far our most successful policy for reducing carbon emissions. Since a mandatory target was first introduced in 2001, this policy has driven the start of the modernisation of our electricity industry, adding over 5,000 MW of clean renewable energy generation to our electricity system. By placing downward pressure on wholesale electricity prices it has so far had an overall downward effect on retail prices, despite the cost of the LGCs. It has had no cost to the Commnowealth budget. The RET's relative success as a carbon emissions reduction policy is also in part due to it being one of our few effective policies in this area. For this reason, and relative to other nations, it gets a disproportionate amount of media attention.

Vested interests in highly polluting generation platforms of the past, whose own industry appears to escape scrutiny on political, health or environmental grounds, have been incentivised to see the RET fail. As large and well-known companies they have leveraged media attention to conflate and confuse the real drivers of electricity price increases in order to influence consumer sentiment. Off the back of this attention, partisan positions and personal preferences are espoused to win political points, when the vast majority of Australians are yearning for unity on such important policies.

Whatever the mix of carbon emission reduction policies that Australia adopts to achieve its 2015 commitments, the costs for our economy and consumers will be lessened with unwavering and united political support. Investor confidence is a fragile thing. It is in our own interest, our nation's interest and our global interest that those who influence investor confidence stop undermining it in their own short-term self-interest, and instead work hard to earn it back.

Zero Harm

Infigen's first priority is the safety of our people and the communities in which we operate. Our goal is zero harm: zero lost time incidents and zero injuries. Infigen's safety performance as measured on a rolling 12-month lost time injury frequency rate was zero at 30 June 2015. Infigen's total recordable injury frequency rate fell from 14.4 to 9.7 during FY15. Infigen recorded no lost time injuries in FY15 compared to one injury in FY14. I am pleased to report that it has been more than seven years since we had a Lost Time Injury at the Lake Bonney and Alinta wind farms.

Operational and Financial Review

The US wind business and US solar development assets are reported as discontinued operations at 30 June 2015, and accordingly this operational and financial review is of the continuing Australian business. A loss from discontinued operations of $285.2 million was reported in FY15 largely due to a US$221.2 million impairment of the US business following its reclassification to being held for sale.

Production decreased 7% or 113 GWh to 1,459 GWh in FY15 primarily due to wind variation, and to a lesser extent lower turbine and site availability.

Revenue decreased $11.6 million or 8% to $133.8 million as a result of lower production and lower electricity prices, partially offset by slightly higher LGC revenue later in the year, and higher compensated and other revenue.

During FY15 Infigen's wind turbines were covered by Original Equipment Manufacturer's warranty (Suzlon) or post-warranty service agreements (Suzlon and Vestas). This contributed to the stability and predictability of operating costs. At $34.7 million these were below the guidance range of between $36 million and $38 million.

"Investor confidence is a fragile thing. It is in our own interest, our nation's interest and our global interest that those who influence investor confidence stop undermining it in their own short-term self-interest, and instead work hard to earn it back." **MILES GEORGE**

Within this result some step-up in post-warranty costs was offset by lower costs associated with lower production and lower unscheduled maintenance. Corporate costs were down 2% to $13.6 million and development costs were down 29% to $2.0 million due to lower indirect costs.

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

Infigen repaid $61.5 million of Global Facility debt and $4.6 million of Woodlawn project finance facility borrowings.

Completion of the sale of the US wind business will result in Infigen repaying approximately 25% of its Global Facility borrowings and reducing its interest rate derivative liabilities by approximately 25% or US$25 million, noting that this amount is sensitive to rates prevailing at time of the interest rate swap close out payments.

Guidance and Outlook

Infigen begins the 2016 financial year with a business that has lower risk and is less complex, operating in a much improved regulatory environment. The priorities for the year include exploring opportunities to contract the output of our existing merchant wind farms at attractive prices, and to monetise or otherwise exploit the value of our 1,200 MW development pipeline as it becomes desirable to do so. Meanwhile the business' merchant assets are enjoying stronger cash flows from significantly improved LGC prices.

We will look for opportunities to secure contracts that could underpin the construction of our most prospective development opportunities. We will also continue to seek to secure post-warranty service and maintenance agreements that help to make our operating cost base more stable and predictable.

Infigen expects wind conditions to improve in FY16 primarily because FY15 was anomalously below historical long term average wind conditions. As a result production in FY16 is expected to improve relative to FY15 performance but weather patterns and wind conditions are by nature variable from year to year. Accordingly, we will continue to report our Production and Revenue on a quarterly basis.

A full year contribution of contractual operating and maintenance cost increases at the Capital wind farm and higher costs associated with higher production are expected to result in higher operating costs of between $37.5 million and $39.5 million in FY16.

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

Following the sale of the US wind business Infigen will repay approximately $245 million of Global Facility debt and will have approximately $647 million of net debt at 30 June 2015 foreign exchange rates. The majority of the remaining business' surplus operating cash flow will continue to be directed to debt reduction.

During 2015 it was announced that 3,820 MW of coal-fired generation capacity in NSW and SA would be withdrawn over the medium term. This is expected to reduce the surplus generation reserve by approximately half according to the Australian Electricity Market Operator's 2015 Electricity Statement of Opportunity. LGC traded market prices have already risen to levels that should support new offtake contracts becoming available. Every one dollar increase in the bundled price of electricity and LGCs contributes approximately $1 million in additional EBITDA to our business.

The outlook for our remaining Australian business is improved following the recent passage of the amended Renewable Energy Target legislation in Australia that provides policy certainty. The amended legislation requires a near doubling of large-scale renewable energy capacity in the next five years, creating opportunities for profitable growth in the industry. Infigen is well positioned to participate in those opportunities with its significant and well advanced development pipeline.

On behalf of management, I would like to thank our colleagues in the US for their commitment and achievements since Infigen was formed, and especially for their dedicated efforts and outstanding perseverance over the last year. We wish them all the best for the future.

I would like to acknowledge our Australian employees for their diligence throughout the US sales processes, and express gratitude for their unwavering support during the period of uncertainty created by the RET review process.

Finally, I would like to thank securityholders for your ongoing support. I look forward to meeting with you at the AGM, and reporting further on the performance of the business at that time.

MILES GEORGE
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

OF FINANCIAL AND OPERATIONAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

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31 August 2015

All figures in this report relate to businesses of the Infigen Energy Group ("Infigen" or "the Group"), being Infigen Energy Limited ("IEL"), Infigen Energy Trust ("IET") and Infigen Energy (Bermuda) Limited ("IEBL") and the subsidiary entities of IEL and IET, for the year ended 30 June 2015 compared with the year ended 30 June 2014 ("prior year" or "prior corresponding period") except where otherwise stated.

All references to $ are a reference to Australian dollars unless specifically marked otherwise. Individual items and totals are rounded to the nearest appropriate number or decimal. Some totals may not add down the column due to rounding of individual components. Period on period changes on a percentage basis are presented as favourable (positive) or unfavourable (negative). Period on period changes to items measured on a percentage basis are presented as percentage point changes ("ppts").

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

OVERVIEW

Infigen Energy (Infigen) is a developer, owner and operator of renewable energy generation assets in Australia. Infigen has an operating capacity of 557 megawatts (MW) comprising six wind farms, the 89.1 MW Alinta wind farm in Western Australia (WA), the three Lake Bonney wind farms in South Australia (SA) with capacities of 80.5 MW, 159 MW and 39 MW respectively, and the 140.7 MW Capital and 48.3 MW Woodlawn wind farms in New South Wales (NSW). Infigen holds a 100% equity interest in each wind farm. Infigen also owns and operates the Capital East energy storage and solar photovoltaic demonstration facility adjacent to its Capital wind farm.

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

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

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

US discontinued operations

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

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

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

Infigen played a key leadership role in debate and negotiations that moderated the reduction in the Large-scale Renewable Energy Target and restored legislative certainty for the renewable energy industry in Australia.

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

CONTINUED

Completion of the sale of the US wind business will result in Infigen repaying approximately 25% of its Global Facility borrowings and reducing its interest rate derivative liabilities by approximately US$24.2 million. Collectively, the two US sale transactions will result in Infigen's cash being increased by approximately $95 million. Despite this, Infigen remains relatively highly geared and will continue to use the majority of its future net operating cash flow to repay borrowings.

FY15 highlights

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

FY15 key financial outcomes

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

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

Summary of the key financial outcomes and metrics.

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

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

2 Calculated using weighted average issued securities and net loss from continuing operations

3 Debt associated with continuing operations

4 Net debt associated with continuing operations

5 Excluding IEPs book gearing was 66.9% in the previous corresponding period

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

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

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

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

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

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

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

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

Production

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

Prices

ELECTRICITY

TWA WHOLESALE ELECTRICITY ($/MWh)	FY15	FY14	10 YEAR AVERAGE
SA (Lake Bonney)	39.29	61.71	50.28
NSW (Capital & Woodlawn)	35.17	52.26	42.96
WA (Alinta)[6]	57.34	42.68	54.28

Source: NEM Sight

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

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

The electricity generated from the Alinta wind farm in WA is sold under a contract to Alinta Energy until June 2026. Average spot prices in Australia can be significantly influenced by short term extreme price events. Wholesale electricity spot prices can vary between the market price floor of -$1,000/MWh and the market price cap of $13,800/MWh.

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

LARGE-SCALE GENERATION CERTIFICATES (LGCS)

PERIOD	FY15	FY14	CHANGE %
LGC Price ($/LGC)	38.46	30.84	25

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

BUNDLED PRICING

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

Revenue

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

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

Operating costs

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

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

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

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

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

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

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

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

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

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

Financing costs

The following table provides a summary of net financing costs.

YEAR ENDED ($M)	30 JUNE 2015	30 JUNE 2014	CHANGE %
Interest expense	(53.2)	(54.9)	3
Bank fees and amortisation of loan costs	(2.8)	(4.2)	33
Amortisation of decommissioning costs	(0.1)	(0.1)	–
Total borrowing costs	**(56.1)**	**(59.2)**	**5**
Interest income	0.8	1.1	(27)
Net borrowing costs	**(55.3)**	**(58.1)**	**5**

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

DEVELOPMENT ACTIVITY

Development Pipeline

APPENDIX C

	PROJECT NAME	CAPACITY (MW)	PLANNING STATUS	APPROVAL DATE	CONNECTION STATUS
1	BODANGORA#	90-100	APPROVED	AUG 2013	ADVANCED
2	CAPITAL 2	90-100	APPROVED	NOV 2011	OFFER RECEIVED
3	FLYERS CREEK	100-115	APPROVED	MAR 2014	INTERMEDIATE
4	CHERRY TREE	45-50	APPROVED	NOV 2013	ADVANCED
5	FORSAYTH#	80-90	APPROVED	SEP 2012	ADVANCED
6	WALKAWAY 2&3*	~400	APPROVED	DEC 2008	INTERMEDIATE
7	WOAKWINE	~450	APPROVED	JUN 2012	INTERMEDIATE
8	BOGAN RIVER	12	APPROVED	DEC 2010	INTERMEDIATE
9	CAPITAL	50	APPROVED	DEC 2010	OFFER RECEIVED
10	CLONCURRY	30	N/A	N/A	EARLY
11	MANILDRA	50	APPROVED	MAR 2011	ADVANCED

WIND FARM
SOLAR FARM

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

* Infigen has a 32% equity interest

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

During the year Infigen entered into a joint development agreement with a leading turbine supplier in relation to the Bodangora and Forsayth wind farm developments.

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

MANAGEMENT DISCUSSION AND ANALYSIS

CASH FLOW

Cash movement

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

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

Other cash movements included $66.1 million for debt repayments (refer to Page 22), $10.5 million for US solar development, and $1.1 million for property plant and equipment (PP&E) capex. Expenditure on PP&E included IT costs associated with financial and reporting system upgrades and wind farm related capital expenditure.

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

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

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

Operating Cash Flow

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL MANAGEMENT

Debt

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

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

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

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

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

Net debt

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

Equity

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

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

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

Gearing

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

AS AT ($M)	30 JUNE 2015	30 JUNE 2014	CHANGE %
Net debt	742	994	(25)
IEPs	–	773	n.m.
Total equity	261	492	(47)
Book gearing	74.0%	66.9%	(7.1) ppts
Book gearing including IEPs	74.0%	78.2%	4.2 ppts

A balance sheet by country is provided in Appendix A.

Distributions

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

HEALTH, SAFETY AND ENVIRONMENT

Zero harm

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

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

YEAR ENDED	30 JUNE 2015	30 JUNE 2014	CHANGE %
Total recordable injury frequency rate	9.7	14.4	33
Lost time injury frequency rate	–	4.8	–

Greenhouse gas emissions

YEAR ENDED	30 JUNE 2015	30 JUNE 2014	CHANGE %
Scope 1 (tCO_2e)	274	216	27
Scope 2 emissions (tCO_2e)	2,664	2,502	6
Emissions intensity (tCO_2e/MWh)	0.002	0.002	–
Total energy consumption (GJ)	17,450	16,200	8

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

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

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

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

Scope 2 emissions are those released into the atmosphere as a result of activities at Infigen's wind and solar farms and our offices. Examples are the emissions from the electricity used in site offices during periods of no wind. Scope 2 emissions increased by 6% to 2,664 tonnes of CO_2e. Both scope 1 and scope 2 include the emission of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).

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

ZERO HARM

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

MANAGEMENT DISCUSSION AND ANALYSIS

BALANCE SHEET

APPENDIX A

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

FOREIGN EXCHANGE RATES	30 JUNE 2015	30 JUNE 2014	CHANGE %
AUD:USD (average rate)	0.8319	0.9179	(9)
AUD:EUR (average rate)	0.6942	0.6764	3
AUD:USD (closing rate)	0.7680	0.9420	(18)
AUD:EUR (closing rate)	0.6866	0.6906	(1)

Operational Assets

APPENDIX B

	ASSET	CAPACITY	COD*	PPA ENDS	CUSTOMER
1	ALINTA	89.1 MW	JAN 2006	ELECTRICITY JUN 26 LGCs JUN 16 & JAN 21	ALINTA & AGL
2	LAKE BONNEY 1	80.5 MW	MAR 2005	N/A	MERCHANT
2	LAKE BONNEY 2	159.0 MW	SEP 2008	N/A	MERCHANT
2	LAKE BONNEY 3	39.0 MW	JUL 2010	N/A	MERCHANT
3	WOODLAWN	48.3 MW	OCT 2011	N/A	MERCHANT
4	CAPITAL	140.7 MW	JAN 2010	FEB 30	SDP*** & MERCHANT
5	CAPITAL EAST	0.1 MW	OCT 2013	N/A	MERCHANT

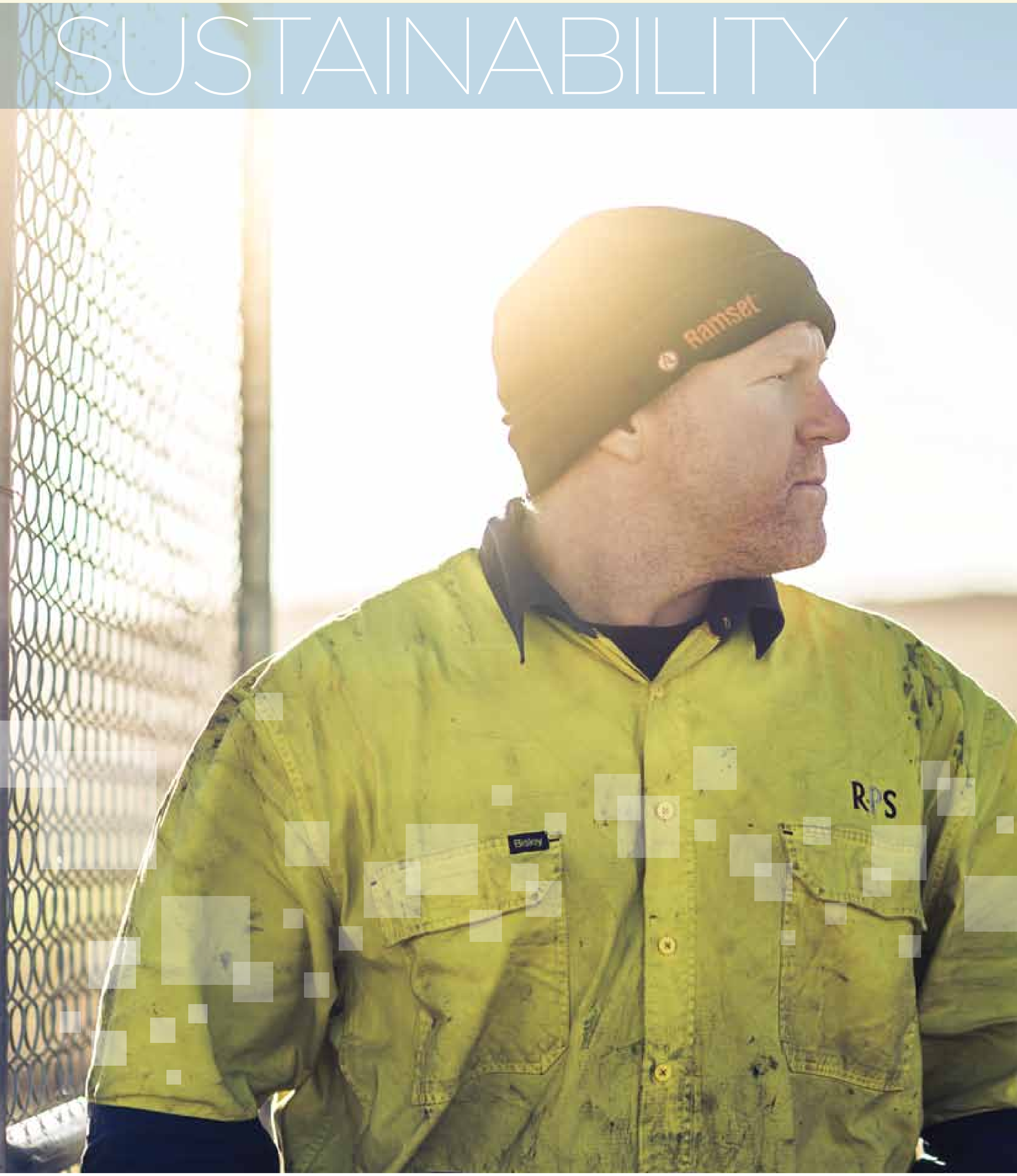
* Commercial operation date

** 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

*** Sydney Desalination Plant

MERCHANT ☐
CONTRACTED ☐

SAFETY AND SUSTAINABILITY



Health, Safety & Environment Committee

The Health, Safety and Environment (HSE) Committee governs the implementation and enhancement of the HSE strategy. The committee assesses legislative and regulatory change across the business, focusses on the progress of the HSE lead and lag indicators, and endorses new policies, procedures and initiatives.

Sustainability Committee

The Sustainability Committee governs the implementation of the sustainability strategy and associated initiatives. Current priorities are: reducing Infigen's carbon emissions, improving employee and community engagement, striving for a zero harm and healthy work environment, and increasing securityholder value.

Committee members are representatives of: the Group Executive, Operations, Strategy, Human Resources, HSE, Risk Management and Investor Relations teams.

Global Reporting Initiative framework

Infigen uses the Global Reporting Initiative (GRI) framework for its sustainability reporting and disclosure. This widely known framework enables Infigen's sustainability performance across environmental, social and economic dimensions to be compared with other organisations internationally. The report references the following GRI aspects and indicators:

- electric utilities disclosure (EU18)
- general standard disclosure (G4-10, G4-24, G4-26)
- overall (DMA, EN31)
- occupational health and safety (DMA, LA5, LA6)
- disaster/emergency planning and response (DMA)
- biodiversity (DMA, EN13, EN14)
- compliance (DMA)
- effluents and waste (EN24)
- environmental grievance mechanisms (DMA, EN34)
- energy (DMA, EN3, EN5)
- emissions (DMA, EN15, EN16, EN18, EN19)
- procurement practices (DMA, EC9)
- public policy (DMA, SO6)
- anti-competitive behaviour (SO7)
- compliance (SO8)
- diversity and equal opportunity (DMA, LA12, LA13)
- employment (DMA, LA1)
- non-discrimination (HR3)
- training and education (LA10, LA11)
- local communities (DMA, SO1, SO2)
- economic performance (EC1, EC2)

For Infigen sustainability means maximising our long term value to stakeholders across environmental, social and economic dimensions.

LOOKING FORWARD
TO THE 2016 FINANCIAL YEAR

Infigen will continue to strive towards achieving its Zero Harm goal, and improve our injury rate by embedding rigorous risk management principles across our operations, building our safety leadership through more safety conversations on site with our people, implementing an HSE Improvement Action Plan, and linking HSE key performance indicators with performance reviews.

ALEX MCCORMACK
HSE Manager

SAFETY AND SUSTAINABILITY

HEALTH, SAFETY AND ENVIRONMENT (HSE)

HSE Performance

OCCUPATIONAL HEALTH AND SAFETY (LA5, LA6)

YEAR ENDED	30 JUNE 2015	30 JUNE 2014	CHANGE %
Total recordable injury frequency rate (TRIFR)[1]	9.7	14.4	33
Lost time injury frequency rate (LTIFR)[2]	–	4.8	n.m.

1 TRIFR = Number (LTI + MTI) X 1,000,000 / total hours worked
2 LTIFR = Number (LTI) x 1,000,000 / total hours worked
n.m. – non-metric

The total recordable injury frequency rate for the 2015 financial year was 9.7, a reduction of 33% from 14.4 in the pcp. In the 2015 financial year two contractors received medically treated injuries, neither of which required notification to regulators; both contractors returned to work the next shift.

Zero Harm

OCCUPATIONAL HEALTH AND SAFETY (DMA)

Infigen's first priority is the health and safety of its people and facilities, and the sustainability of the environment. This means ensuring everyone returns home safely, our facilities operate safely and the environment is not harmed by our activities.

During the 2015 financial year Infigen launched the "Zero Harm" program. This included the HSE Improvement Action Plan which recognises that everyone has a role to play in ensuring a safe and sustainable workplace. The Action Plan aimed to:

- Foster a Zero Harm culture
- Focus on HSE risk management
- Mature the HSE management system
- Advance our leaders through safety training

The Action Plan included key performance indicators, all of which were achieved and have resulted in positive outcomes, including the reduction of injuries – an outstanding achievement.

HSE Management System

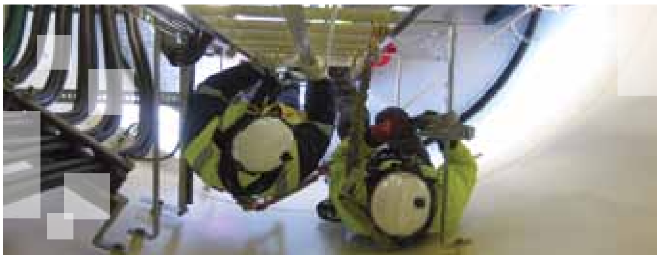
Infigen has an integrated HSE Management System that is aligned to international standards. During the 2015 financial year Infigen introduced a Group HSE Risk Register that is fully embedded within the business and forms part of regular risk management reporting and governance reviews.

Contractor Safety and Consultation

The Inaugural Contractor Leadership Safety Forum was held in Sydney in February 2015, with discussions focussed on sharing safety knowledge and experiences across our operating sites. Monthly site HSE meetings bring together representatives from our major contracting companies to discuss HSE performance and improvement strategies.

Leadership

Safety Observations and Conversations, and Critical Control Assessment programs were implemented to encourage more executives and general managers to attend operational sites and engage with the workforce through one-on-one safety discussions and assessments of risk controls.



Emergency Response

DISASTER / EMERGENCY PLANNING AND RESPONSE (DMA)

The threat of bushfire is a common risk in Australia. Infigen operates high voltage equipment within areas with a potential for bushfire, and therefore has stringent management strategies in place that control and mitigate this risk including:

- Familiarisation visits by emergency response personnel
- Maintenance of fire breaks and fire extinguishers for spot grass fires
- Training and awareness raising programs

Infigen's policy is that no hot work is conducted on fire ban days and that work is scheduled in accordance with the rural fire service's daily fire warnings.

SAFETY AND SUSTAINABILITY

ENVIRONMENT

Environmental Studies

Infigen dedicates resources to ensuring our operations do not negatively affect the environment through intensive environmental studies, offset programs, fauna monitoring, a compliance management system, and fire management strategies. The progress is monitored and audited by the compliance and environment teams.

In accordance with State planning requirements and Infigen's policies, detailed environmental assessments are carried out by external specialist consultants in order to determine the management strategies required to ensure environmental sustainability. Implementation of the relevant environmental management plans and site specific inductions on the operational sites continued throughout the 2015 financial year. Environmental assessments were undertaken for the proposed Capital 2 wind farm project as part of the successful development application.

GRI INDICATOR	DISCLOSURE	2015 FINANCIAL YEAR	
G4-EN14	Number of IUCN Red List Species Habitats in the areas of Infigen's operations	Critically endangered Endangered Vulnerable Near threatened	– – – –
G4-EN24	Total number and volume of significant spills		–
G4-EN31	Total environmental protection expenditures and investments by type		$356,177
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		15

Visual mitigation

COMPLIANCE (DMA)

During February 2015 the NSW Department of Planning and Environment (DPE) undertook an audit to confirm the adequate progression of landscaping requirements for the Capital and Woodlawn wind farms. The DPE found Infigen was compliant with its approval requirements.

Fauna monitoring

BIODIVERSITY (DMA, EN13)

Infigen continues to monitor and implement protection strategies of bird and bat species on its sites and has in place adaptive management plans that meet the standards of Clean Energy Council's Best Practice Guidelines.

According to external specialists, the Glossy Black Cockatoos continue to forage undeterred at the Capital wind farm.

SAFETY AND SUSTAINABILITY

CLIMATE CHANGE

Infigen is a developer, owner and operator of renewable energy assets. Infigen's core product – renewable energy – positively affects adaptation to climate change. Having a 100% renewable energy development project portfolio of large-scale onshore wind and solar photovoltaic projects is a strategic advantage over competitors who have generation assets that are exposed to the expected future cost of carbon emissions.

Reducing our carbon emissions

Infigen reports its energy consumption and scope 1 and scope 2 emissions under the National Greenhouse and Energy Reporting (NGER) framework in accordance with Australian legislation. Infigen also reports under the Carbon Disclosure Project framework, which identifies risks and opportunities from climate change and risk management procedures with regard to reducing the potential exposure. The 2015 report was published on Infigen's website at www.infigenenergy.com/CDP.html.

Scope 1 emissions are defined as the release of greenhouse gases into the atmosphere as a direct result of an activity from a facility such as a wind farm (for example, from diesel fuel use in vehicles on site). Scope 1 emissions of Infigen's wind and solar farms increased 27% to 274 tCO_2e.

Scope 2 emissions are those greenhouse gases released into the atmosphere as a result of activities at Infigen's wind and solar farms and our offices. Examples are the emissions from the electricity used in site offices during periods when the wind farms are not generating. Scope 2 emissions increased by 6% to 2,664 tCO_2e due to higher fuel consumption on site. Both scope 1 and scope 2 include the emission of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).

Total energy consumption of Infigen's operations increased 8% to 17,450 gigajoules in the 2015 financial year compared to previous year due to higher Scope 2 emissions.

In May 2015 Infigen joined the City Switch Green Office program, through which Infigen committed to reduce its energy consumption and greenhouse gas emissions. As a City Switch Green Office Program signatory, Infigen has volunteered to achieve a NABERS Energy tenancy rating of five stars before May 2016, and committed to procuring 100% of its office electricity consumption from renewable sources.

GRI INDICATOR	DISCLOSURE	UNIT	2015 FINANCIAL YEAR	2014 FINANCIAL YEAR	CHANGE %
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	tCO_2e	274	216	(27)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	tCO_2e	2,664	2,502	(6)
G4-EN18	Greenhouse gas (GHG) emissions intensity	tCO_2e/MWh	0.002	0.002	–
G4-EN3	Energy consumption within the organisation	GJ	17,450	16,200	(8)
G4-EN5	Energy intensity*	GJ/GWh	12.0	10.3	(17)

* 1 gigajoule (GJ) = 277 kilowatt hours (kWh)

ROAD TO PARIS COMMITMENTS

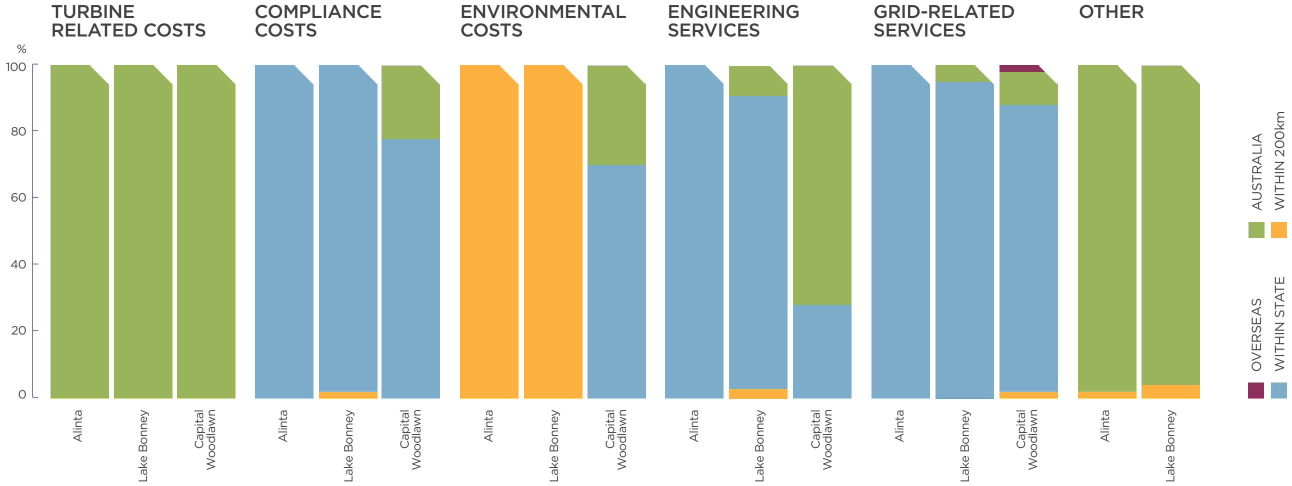
G4 ASPECT: EMISSIONS (DMA)

In June 2015 Infigen became a signatory to the Carbon Disclosure Project's Road to Paris commitments:

1. Set greenhouse gas emissions reduction targets that limit global warming to below 2°C
2. Put in place a strategy to procure 100% of electricity from renewable sources
3. Commit to responsible corporate engagement in climate policy
4. Provide climate change information in corporate reports
5. Put a price on carbon

PROCUREMENT PRACTICES (DMA, EC9)

Infigen is committed to sourcing materials and services from locally based suppliers to support the local economy, enhance community engagement, and to reduce its impact on the environment from transportation.



Engagement in climate policy

PUBLIC POLICY (DMA)

Raising awareness about renewable energy is one of Infigen's commitments in the Community Engagement Policy. In June 2015 Infigen became a signatory to CDP's Road to Paris commitment of responsible corporate engagement in climate policy. The commitment involves setting up processes to internally audit all activities that a company takes part in that influence climate policy, working to ensure that all of this activity is consistent, and communicating on movement.

The Clean Energy Council (CEC) reported that the uncertainty from the review of the renewable energy target legislation resulted in an 88% drop in investment in large-scale renewable energy in 2014[1]. In the 2015 financial year Infigen donated $160,000 to industry associations and support groups to lobby for a favourable regulatory outcome.

GRI INDICATOR	DISCLOSURE	2015 FINANCIAL YEAR	
G4-SO6	Total monetary value of political contributions made directly and indirectly		$32,210
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes		–
G4-SO8	Monetary value of fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Significant fines	–
		Non-monetary	–
		Cases brought through dispute resolution mechanisms	–

Rally for renewables, September 2015

1 Clean Energy Australia Report 2014

HOW CARBON PRICING WORKS

Carbon pricing systems encourage innovation and help ensure sustained economic competitiveness. By setting appropriate internal carbon prices and publicly disclosing the details of them, companies help provide confidence to investors that risks posed by climate change over the long term are recognised and addressed. Infigen committed to the UN Global Compact's Business Leadership Criteria on Carbon Pricing which entails:

- Setting an internal price on carbon that is sufficiently high to have a material effect on investment and procurement decision-making
- Publicly advocating for policies that account for the cost of GHG pollution
- Reporting on progress

SAFETY AND SUSTAINABILITY

PEOPLE AND DIVERSITY

People and Diversity

Infigen is committed to responsible corporate governance and has implemented a Diversity Policy in accordance with the ASX Corporate Governance Principles and Recommendations.

The Nomination and Remuneration Committee of Infigen's Board is responsible for monitoring Infigen's Diversity Policy and achievement of the Diversity Targets.

We want to ensure a workplace culture that encourages and promotes diversity, where our employees benefit from exchanging ideas and learning from each other in order to capture the diverse backgrounds, experiences and perspectives that each of our employees brings to the workplace.

DIVERSITY TARGETS

DIVERSITY TARGET BY 30 JUNE 2015	PROGRESS IN FY15	DIVERSITY TARGET BY 30 JUNE 2017
Increase the workforce participation of females and persons from minority backgrounds by 10% compared to 1 July 2013.	Female participation has increased by 4% since 1 July 2013 when this target was established.	Increase workforce participation of females and persons from minority backgrounds by 20% compared to 1 July 2015.
Increase the participation of females and persons from minority backgrounds within the professional, middle and senior management positions by 10% on a merit basis.	An increase of 9% has been achieved since 1 July 2013 as a result of external recruitment and internal promotion to Middle Management and the Professional positions.	Increase participation of females and persons from minority backgrounds within the middle, senior, executive and non-executive director occupational categories by 25% on a merit basis.
		Achieve pay equality within each occupational group.

Diversity Targets

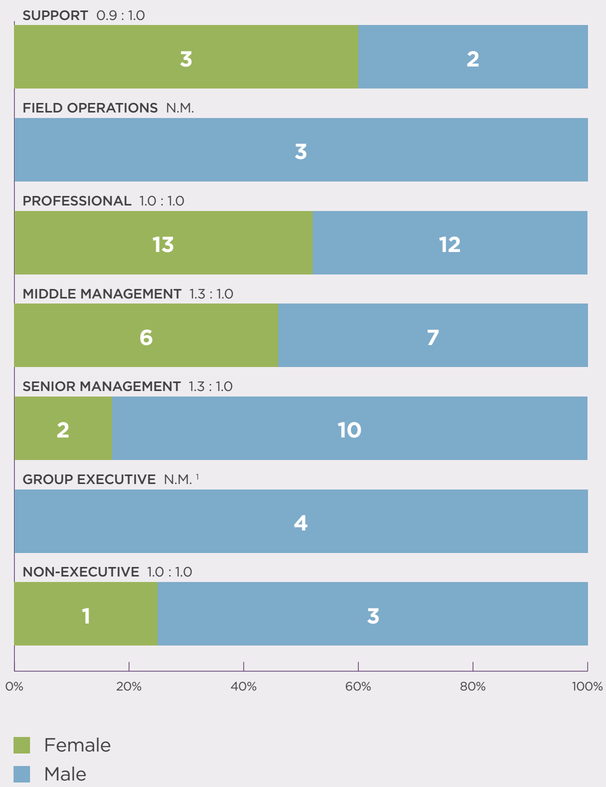
EMPLOYMENT (DMA, LA1)

At the end of the 2015 financial year Infigen's Australian workforce comprised 66 employees. Whilst no senior level employment opportunities emerged throughout the year, the gender balance within the Middle Management and Professional categories demonstrates Infigen's effort to achieve its Diversity Targets. Gender and remuneration parity was achieved within the Professional employment category, which represents 38% of the workforce.

The gender pay ratio in the Middle and Senior management categories is distorted by the absence of homogeneity within the comparator groups. Infigen will continue to monitor gender and remuneration ratios to ensure pay equality.

As Infigen moves into the 2016 financial year, we will continue to pursue our Diversity Targets in our employment practices including recruitment, indigenous scholarship and promoting career opportunities for female and minority groups.

OCCUPATIONAL GROUPS OF FULL TIME EMPLOYEES RATIO OF REMUNERATION (MEN : WOMEN) G4-10/G4-LA13



Infigen's ability to maintain a capable, agile and motivated team in FY15 was challenged by the regulatory uncertainty, which seriously limited employment and career opportunities that would have otherwise existed within a thriving renewable energy sector.

1 Excludes US CEO David Smith

National Youth Science Forum site visit to the Woodlawn wind farm

Why diversity matters

An international study by McKinsey found that companies in the top quartile for gender diversity are 15%, and companies with racial and ethnic diversity 35%, more likely to have financial returns above their respective national industry medians[2]. The Sustainability Committee's role from an economic and social sustainability perspective is to implement bottom-up activities to achieve the Diversity Targets. During the 2015 financial year these activities included:

- participation in the Women in Leadership forums
- interaction with Women in Engineering at the UNSW to support the network and sponsorship of the university's Women In Renewable Energy (WIRE) group
- partnership with CareerTrackers, a national non-profit organisation that creates private sector internship opportunities for Indigenous university students, by providing two Indigenous Scholarships in Accounting and Finance
- requiring all external recruitment processes to present persons from diverse backgrounds within the short listed candidates

G4-LA12

GOVERNANCE COMMITTEE	AGE UNDER 30	30-50	OVER 50
Male employees:			
Audit, Risk & Compliance	–	–	2
Remuneration	–	–	2
Female employees:			
Audit, Risk & Compliance	–	–	1
Remuneration	–	–	1

GRI INDICATOR	DISCLOSURE	2015 FINANCIAL YEAR
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	100%[3]
G4-HR3	Total number of incidents of discrimination and corrective actions taken	–
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Infigen has in place a Personal Development program as part of the Annual Performance Review. The equivalent of 2.25% of employees' annual wages is budgeted for training purposes
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100%

2 Why diversity matters, McKinsey & Company, February 2015

3 All contractors and subcontractors are required to undergo relevant health and safety training to ensure they carry out work safely. Training records and relevant licences are maintained by each OEM contractor as part of their health and safety management system which is reviewed by Infigen on a regular basis

SAFETY AND SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

ASX Corporate Governance

Australian Securities Exchange (ASX) Listing Rules require listed entities to disclose in a Corporate Governance Statement the extent to which they have followed the ASX Corporate Governance Council's Principles and Recommendations, including continuous disclosure policy, code of conduct and communications with shareholders.

G4-24: STAKEHOLDER GROUPS INFIGEN ENGAGES WITH

OPERATIONAL	COMMUNITY	CORPORATE
• original equipment manufacturers and maintenance service providers • customers • market operators • transmission network service providers • municipal, State, Territory and Federal government departments, authorities, agencies and other regulators in areas of planning, energy and environment • local and regional emergency services • surveyors and contractors	• employees • landowners • neighbours • traditional owners • local businesses and chambers of commerce • local, regional, state or national social and environmental interest groups • local schools and clubs • local, regional, state and national media • social media followers	• investors and securityholders • financial services industry regulators (Australian Securities and Investments Commission etc) • Australian Securities Exchange • financiers • analysts and brokers • governance and proxy advisors • registry providers • insurance providers • industry associations • corporate service providers • Australasian Investor Relations Association • national and finance media

STAKEHOLDER ENGAGEMENT (G4-26)

The principle of continuous disclosure means that Infigen is obliged to ensure that all investors have equal and timely access to material information concerning Infigen. The objective of Infigen's Code of Conduct is to ensure that all stakeholders dealing with Infigen can be assured that Infigen will conduct its affairs in accordance with ethical values and practices.

Stakeholder identification and mapping

LOCAL COMMUNITIES (DMA)

Infigen has developed a community engagement strategy that has adopted engagement tools from the CEC's Community Engagement Guidelines:

1. Stakeholder alignment of interests matrix
2. Community engagement spectrum
3. Consultation register
4. Engagement activities: forming partnerships and community committees, holding workshops, and open days

Consultation committees

LOCAL COMMUNITIES (SO1)

Community committees discuss community concerns and provide Infigen with feedback. Establishing community committees may not be appropriate for all projects or operating assets and is considered on a community and site basis. Bodangora and Flyers Creek consultative community committees continued to meet throughout the 2015 financial year. The Capital community committee continued to meet to provide recommendations as to how Infigen can further contribute to the local economy, community and environment.

LOCAL COMMUNITIES (SO2)

Infigen continues to monitor scientific research on acoustic emissions of wind farm projects around the world, along with media coverage and proposed scientific investigations. The most recent study was released by Health Canada in November 2014. The study involved 1,238 homes and 4,000 hours of indoor and outdoor wind turbine noise measurements, as well as a large number of medical, neurological, acoustic, academic and industry experts. This study found no linkage between wind turbine noise exposure and health impacts, but reiterated the need for strong community engagement.

Complaints management

ENVIRONMENTAL GRIEVANCE MECHANISMS (DMA, EN34)

Infigen places a high priority on addressing complaints received from stakeholders about its operations. Infigen follows a formal process to channel and resolve legitimate issues, concerns or problems that community stakeholders have in relation to an operating wind or solar farm. It provides an alternative to legal procedures through collaboration between parties to resolve issues in a more efficient and collaborative way that builds community ownership of solutions.

During the 2015 financial year 15 complaints were made compared to 28 in the previous year. Complaints related to noise, mobile reception and farm gates being left open. Infigen's complaint management process involves acknowledgement of receiving the complaint with the stakeholder as soon as practicable, and resolving the concern within 30 days where possible. At the end of the 2015 financial year one complaint remained open but is being actively addressed with the complainant. All complaints made in the pcp were resolved.

SAFETY AND SUSTAINABILITY

ECONOMIC SUSTAINABILITY

Direct economic value generated and distributed

ECONOMIC PERFORMANCE (EC1)

Economic value distributed was $105.9 million in the 2015 financial year, and economic value retained was $27.3 million.

YEAR ENDED ($M)	30 JUNE 2015	30 JUNE 2014	CHANGE %
Direct economic value generated			
Revenue	**133.2**	**145.4**	**(8)**
Economic value distributed			
Operating costs*	37.9	39.0	3
Employee wages and benefit	12.4	13.8	(10)
Payments to providers of capital	55.3	58.1	5
Payments to government	0.1	0.1	–
Community investments	0.2	0.2	–
Economic value retained	**27.3**	**34.2**	**(20)**

* Includes Infigen's operating and development costs

Infigen supports various community groups that play an important role in making life better, healthier and safer for individuals and their communities through direct contributions to community funds. In the 2015 financial year $189,000 was donated to local community groups.

COMMUNITY SUPPORT IN 2015 FINANCIAL YEAR

$189,000

Infigen has continued to grow the Run with the Wind fun run at the Woodlawn wind farm. The fun run raises money for local communities and is an opportunity for people to experience the wind farm.

INFIGEN BOARD

MICHAEL HUTCHINSON NON-EXECUTIVE CHAIRMAN

Mike was appointed an independent non-executive director of Infigen Energy in June 2009 and subsequently elected Chairman on 11 November 2010. He is Chairman of the Nomination & Remuneration Committee and also the interim acting Chairman of the Audit, Risk & Compliance Committee during the leave of absence granted by the board to Fiona Harris.

Mike was formerly an international transport engineering consultant, a senior Federal Government official and a corporate advisory consultant; and has extensive experience in the transport and communications sectors.

Mike has previously been a non-executive director of the Australian Infrastructure Fund Ltd, Leighton Holdings Ltd, Epic Energy Holdings Ltd, Hastings Funds Management Ltd, Westpac Funds Management Ltd, Pacific Hydro Ltd, OTC Ltd, HiTech Group Australia Ltd, the Australian Postal Corporation and the Australian Graduate School of Management Ltd.

Mike holds a first class honours degree in Civil Engineering from the University of Newcastle upon Tyne, United Kingdom, and graduated from the Harvard Business School Advanced Management Program (AMP110). He is a member of the Institutions of Civil Engineers, Highways and Transportation, and Engineers Australia, and the Australian Institute of Company Directors.

MILES GEORGE MANAGING DIRECTOR

Miles is the Managing Director of Infigen Energy and has over 20 years' experience in business development, investment, financing and management roles in the infrastructure and energy sectors in Australia, the US and Europe.

Over the past 15 years Miles has been focused on development, investment, financing and management in the renewable energy industry.

Miles undertook a leading role in the development of Infigen's first wind farm project at Lake Bonney in South Australia, commencing in 2000. In 2003 Miles jointly led the team which established the renewable energy business now known as Infigen Energy. In 2005 Miles jointly led the Initial Public Offer and listing of Infigen's business on the ASX.

Following listing, Miles continued to work on the development, financing and management of Infigen's wind farm investments in Australia, the US and Europe. He was appointed as Managing Director of Infigen Energy in 2009.

Miles was elected Chairman of the Board of the Clean Energy Council in December 2013.

Miles holds degrees of Bachelor of Engineering and Master of Business Administration (Distinction) from the University of Melbourne.

PHILLIP GREEN NON-EXECUTIVE DIRECTOR

Philip was appointed a non-executive Director of Infigen Energy in November 2010 and is a member of the Audit, Risk & Compliance Committee.

Philip is a Partner of TCI Advisor Services LLP ("TCI"), an advisor to a substantial securityholder of Infigen Energy. Philip joined TCI in 2007 and his responsibilities include TCI's global utility, renewable energy and infrastructure investments.

Prior to joining TCI, Philip led European Utilities equity research at Goldman Sachs, Merrill Lynch and Lehman Brothers over a 12 year period. Philip is a UK Chartered Accountant (ACA) and has a Bachelor of Science (Hons) in Geotechnical Engineering.

FIONA HARRIS NON-EXECUTIVE DIRECTOR

Fiona was appointed as an independent non-executive director of Infigen Energy in June 2011 and until being granted a leave of absence by the Board from 1 July 2015 – 30 September 2015, was Chairman of the Audit, Risk & Compliance Committee. Fiona was also a member of the Nomination & Remuneration Committee.

Fiona has been a professional non-executive director for the past 20 years, during which time she has been a director of organisations across a variety of industry sectors, including utilities, financial services, resources and property, and been involved in a range of corporate transactions.

Fiona spent 14 years with KPMG, working in Perth, San Francisco and Sydney, and specialising in financial services and superannuation. She was also involved in capital raisings, due diligence, IPOs, capital structuring of transactions and litigation support.

Fiona is currently Chairman of Barrington Consulting Group and a director of Sundance Resources Limited, BWP Trust and Oil Search Limited. Directorships of listed companies in the past four years are Aurora Oil & Gas Limited, Altona Mining Limited and Territory Resources Limited.

Fiona holds a Bachelor of Commerce degree and is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

ROSS ROLFE AO NON-EXECUTIVE DIRECTOR

Ross was appointed an independent non-executive director of Infigen Energy in September 2011. Ross is a member of the Audit, Risk & Compliance Committee and the Nomination & Remuneration Committee.

Ross has broad experience in the Australian energy and infrastructure sectors in senior management, government and strategic roles.

In August 2008 Ross was appointed to the position of Chief Executive Officer of Alinta Energy. Ross completed a capital restructuring of the business and stepped down from the CEO and MD role in April 2011. Prior to that appointment, Ross held the position of Director General of a range of Queensland Government Departments, including Premier and Cabinet, State Development, and Environment & Heritage, as well as the position of Co-ordinator General. Ross was also the Chief Executive Officer of Stanwell Corporation, one of Queensland's largest energy generation companies from 2001 until 2005. Ross was previously a non-executive director of CMI Limited.

Ross is currently a Chairman of WDS Limited and North Queensland Airports group, as well as Chairman of CS Energy, a government owned generation company based in Queensland. Ross also holds a part-time senior executive role at Lend Lease.

INFIGEN MANAGEMENT

MILES GEORGE MANAGING DIRECTOR

Miles is the Managing Director of Infigen Energy and has over 20 years' experience in business development, investment, financing and management roles in the infrastructure and energy sectors in Australia, the US and Europe.

Over the past 15 years Miles has been focused on development, investment, financing and management in the renewable energy industry.

Miles undertook a leading role in the development of Infigen's first wind farm project at Lake Bonney in South Australia, commencing in 2000. In 2003 Miles jointly led the team which established the renewable energy business now known as Infigen Energy. In 2005 Miles jointly led the Initial Public Offer and listing of Infigen's business on the ASX.

Following listing, Miles continued to work on the development, financing and management of Infigen's wind farm investments in Australia, the US and Europe. He was appointed as Managing Director of Infigen Energy in 2009.

Miles was elected Chairman of the Board of the Clean Energy Council in December 2013.

Miles holds degrees of Bachelor of Engineering and Master of Business Administration (Distinction) from the University of Melbourne.

CHRIS BAVEYSTOCK CHIEF FINANCIAL OFFICER

Chris was appointed Chief Financial Officer of Infigen Energy in March 2011, with responsibility for managing the financial risks of the business while being responsible for financial control and reporting. Additionally, he is also responsible for the investor relations, information technology and facilities functions in Australia.

Chris has over 20 years' experience as a finance executive in mergers and acquisitions, acquisition integration, financing, project evaluation and review, bids and tenders, and all facets of financial reporting. His most recent roles were as Chief Financial Officer of the Tenix Group, and subsequently a number of senior finance roles at Transfield Services, including Group Financial Controller.

Chris holds a Bachelor of Arts in History from the University of Cambridge and is a Chartered Accountant qualifying with the Institute of Chartered Accountants England & Wales (ICAEW).

BRAD HOPWOOD EXECUTIVE GENERAL MANAGER – CORPORATE FINANCE

Brad is the Executive General Manager – Corporate Finance for Infigen Energy, with responsibility for managing the sources and uses of capital for the business, corporate activity and projects, and the group's tax function.

Brad has worked with Infigen Energy since 2006 and been responsible for tax, structure and corporate finance matters, as well as acquisition and divestment activities.

Brad has over 20 years' experience in advising on, managing and leading local and international structuring, acquisitions, divestments and financing transactions in a range of sectors including renewable energy, conventional electricity generation, infrastructure, telecoms, property and structured finance.

Brad holds Bachelor degrees in Economics and Law and a Graduate Diploma of Legal Practice. Brad is also admitted in New South Wales as a (non-practising) Solicitor.

STEFAN WRIGHT GENERAL COUNSEL

Stefan joined Infigen Energy in October 2009 and is Infigen Energy's General Counsel.

Stefan advises the Infigen Energy Board and senior management team on legal matters and is responsible for the group's legal function.

Stefan's previous experience includes working in Australia and the United States as both corporate and external counsel. He has advised on a wide variety of acquisitions, divestments, mergers, joint ventures, financings, debt restructurings and capital markets transactions and has been involved in the renewable energy industry since 2007.

Stefan holds Bachelor degrees in Commerce and Law from the University of Adelaide and a Graduate Diploma of Legal Practice.

DAVID SMITH CHIEF EXECUTIVE OFFICER

David joined Infigen in 2009 and has responsibility for all of Infigen's activities in the United States.

He brings 20 years' experience in the power industry and has served in a number of executive roles during his Infigen tenure including asset management, operations and commercial functions.

David's experience with Infigen's assets began during 2006 when he joined Infigen to provide origination and market operations support for its North American business unit.

Prior to joining Infigen, David held origination and consulting positions with PPL Corporation, C.C. Pace Resources and the Washington International Energy Group.

David's experience spans both renewable and conventional power from a business and regulatory perspective.

David has a BA in Public Administration from James Madison University and a MA in Public Administration from George Mason University.

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 Financial Report of the Group and the Trust (refer below) for the year ended 30 June 2015.

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

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

Directors

The following people were Directors of IEL, IEBL and IERL in its capacity as Responsible Entity of IET, during the whole of the financial year and up to the date of this report:

- Michael Hutchinson
- Philip Green
- Fiona Harris (granted leave of absence by the Board from 1 July 2015 – 30 September 2015)
- Ross Rolfe AO
- Miles George

Further Information on Directors

The particulars of the Directors of IEL, IERL and IEBL at or since the end of the financial year and up to the date of the Directors' Report are set out below.

Name	Particulars
Michael Hutchinson Non-Executive Chairman of IEL, IEBL and IERL *Appointed to IEL, IEBL and IERL on 18 June 2009* *Chairman of the Nomination & Remuneration Committee*	Mike was appointed an independent non-executive director of Infigen Energy in June 2009 and subsequently elected Chairman on 11 November 2010. He is Chairman of the Nomination & Remuneration Committee and also the interim acting Chairman of the Audit, Risk & Compliance Committee during the leave of absence granted by the Board to Fiona Harris. Mike was formerly an international transport engineering consultant, a senior Federal Government official and a corporate advisory consultant; and has extensive experience in the transport and communications sectors. Mike has previously been a non-executive director of the Australian Infrastructure Fund Ltd, Leighton Holdings Ltd, Epic Energy Holdings Ltd, Hastings Funds Management Ltd, Westpac Funds Management Ltd, Pacific Hydro Ltd, OTC Ltd, HiTech Group Australia Ltd, the Australian Postal Corporation and the Australian Graduate School of Management Ltd. Mike holds a first class honours degree in Civil Engineering from the University of Newcastle upon Tyne, United Kingdom, and graduated from the Harvard Business School Advanced Management Program (AMP110). He is a member of the Institutions of Civil Engineers, Highways and Transportation, and Engineers Australia, and the Australian Institute of Company Directors.
Philip Green Non-Executive Director of IEL, IEBL and IERL *Appointed to IEL, IEBL and IERL on 18 November 2010* *Member of the Audit, Risk & Compliance Committee*	Philip was appointed a non-executive director of Infigen Energy in November 2010 and is a member of the Audit, Risk & Compliance Committee. Philip is a Partner of TCI Advisor Services LLP ("TCI"), an advisor to a substantial securityholder of Infigen Energy. Philip joined TCI in 2007 and his responsibilities include TCI's global utility, renewable energy and infrastructure investments. Prior to joining TCI, Philip led European Utilities equity research at Goldman Sachs, Merrill Lynch and Lehman Brothers over a 12 year period. Philip is a UK Chartered Accountant (ACA) and has a Bachelor of Science (Hons) in Geotechnical Engineering.

Name	Particulars
Fiona Harris Non-Executive Director of IEL, IEBL and IERL *Appointed to IEL, IEBL and IERL on 21 June 2011* *Chairman of the Audit, Risk & Compliance Committee* *Member of the Nomination & Remuneration Committee*	Fiona was appointed as an independent non-executive director of Infigen Energy in June 2011 and until being granted a leave of absence by the Board from 1 July 2015 – 30 September 2015, was Chairman of the Audit, Risk & Compliance Committee. Fiona was also a member of the Nomination & Remuneration Committee. Fiona has been a professional non-executive director for the past 20 years, during which time she has been a director of organisations across a variety of industry sectors, including utilities, financial services, resources and property, and been involved in a range of corporate transactions. Fiona spent fourteen years with KPMG, working in Perth, San Francisco and Sydney, and specialising in financial services and superannuation. She was also involved in capital raisings, due diligence, IPOs, capital structuring of transactions and litigation support. Fiona is currently Chairman of Barrington Consulting Group and a director of Sundance Resources Limited, BWP Trust and Oil Search Limited. Directorships of listed companies in recent years are Aurora Oil & Gas Limited, Altona Mining Limited and Territory Resources Limited. Fiona holds a Bachelor of Commerce degree and is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.
Ross Rolfe AO Non-Executive Director of IEL, IEBL and IERL *Appointed to IEL, IEBL and IERL on 9 September 2011* *Member of the Audit, Risk & Compliance Committee* *Member of the Nomination & Remuneration Committee*	Ross was appointed an independent non-executive director of Infigen Energy in September 2011. Ross is a member of the Audit, Risk & Compliance Committee and the Nomination & Remuneration Committee. Ross has broad experience in the Australian energy and infrastructure sectors in senior management, government and strategic roles. In August 2008 Ross was appointed to the position of Chief Executive Officer of Alinta Energy. Ross completed a capital restructuring of the business and stepped down from the CEO and MD role in April 2011. Prior to that appointment, Ross held the position of Director General of a range of Queensland Government Departments, including Premier and Cabinet, State Development, and Environment & Heritage, as well as the position of Co-ordinator General. Ross was also the Chief Executive Officer of Stanwell Corporation, one of Queensland's largest energy generation companies from 2001 until 2005. Ross was previously a non-executive director of CMI Limited. Ross is currently Chairman of WDS Limited and North Queensland Airports group, as well as Chairman of CS Energy, a government owned generation company based in Queensland. Ross also holds a part-time advisory role at Lend Lease.
Miles George Executive Director of IEL, IEBL and IERL *Appointed to IEL, IEBL and IERL on 1 January 2009*	Miles is the Managing Director of Infigen Energy and has over 20 years' experience in business development, investment, financing and management roles in the infrastructure and energy sectors in Australia, the US and Europe. Over the past 15 years Miles has been focused on development, investment, financing and management in the renewable energy industry. Miles undertook a leading role in the development of Infigen's first wind farm project at Lake Bonney in South Australia, commencing in 2000. In 2003 Miles jointly led the team which established the renewable energy business now known as Infigen Energy. In 2005 Miles jointly led the Initial Public Offer and listing of Infigen's business on the ASX. Following listing, Miles continued to work on the development, financing and management of Infigen's wind farm investments in Australia, the US and Europe. He was appointed as Managing Director of Infigen Energy in 2009. Miles was elected Chairman of the Board of the Clean Energy Council in December 2013. Miles holds degrees of Bachelor of Engineering and Master of Business Administration (Distinction) from the University of Melbourne.

DIRECTORS' REPORT
CONTINUED

Directors' Interests in IFN Stapled Securities

One share in each of IEL and IEBL and one unit in IET have been stapled together to form a single stapled security, tradable on the Australian Securities Exchange under the 'IFN' code. IERL is the Responsible Entity of IET. The table below lists the Directors of IEL, IEBL and IERL during the financial year as well as showing the relevant interests of those Directors in IFN stapled securities during the financial year.

		IFN Stapled Securities Held			
Directors	**Role**	**Balance 1 July 2014**	**Acquired during the year**	**Sold during the year**	**Balance 30 June 2015**
M Hutchinson	Independent Chairman	192,500	0	0	192,500
F Harris	Independent Non-Executive Director	100,000	0	0	100,000
P Green[1]	Non-Executive Director	0	0	0	0
R Rolfe AO	Independent Non-Executive Director	0	0	0	0
M George	Executive Director	1,726,995	902,832[2]	0	2,629,827

1 P Green is a Partner of TCI Advisory Services LLP which is an advisor to a substantial securityholder of IFN. Mr Green has advised Infigen that he does not have a relevant interest in those IFN securities.

2 The IFN securities acquired by M George during the year resulted from the vesting of Performance Rights relating to FY12 Long-Term Incentives as well as Deferred Short-Term Incentives earned in FY13.

Directors' Meetings

The number of Board meetings and meetings of standing Committees established by the respective Boards held during the year ended 30 June 2015, and the number of meetings attended by each Director, are set out below.

	Board Meetings						Committee Meetings			
	IEL		IERL		IEBL		Audit, Risk & Compliance		IEL Nomination & Remuneration	
Directors	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
M Hutchinson	22	22	18	18	18	18	n/a	n/a	7	7
F Harris	21	22	17	18	17	18	4	4	7	7
P Green	21	22	18	18	18	18	4	4	n/a	n/a
R Rolfe AO	22	22	18	18	18	18	4	4	7	7
M George	22	22	18	18	18	18	n/a	n/a	n/a	n/a

A = Number of meetings attended.

B = Number of meetings held during the year.

Additional meetings of committees of Directors were held during the year, but these are not included in the above table (for example, where the Boards delegated authority to a committee of Directors to oversight or approve specific matters or otherwise approve documentation on behalf of the Boards).

Company Secretary

The name and particulars of the Company Secretary of IEL, IERL and IEBL at or since the end of the financial year are set out below.

Name	Particulars
David Richardson Company Secretary of IEL, IEBL and IERL *Appointed 26 October 2005*	David is the General Manager Corporate Governance & Company Secretary of Infigen Energy and is responsible for the company secretarial, risk management, insurances, corporate compliance and internal audit functions. David joined Infigen Energy as Company Secretary in 2005. David was previously a Company Secretary within the AMP Group, including AMP Capital Investors, Financial Services and Insurance divisions, as well as prior financial services sector and regulatory positions. David holds a Diploma of Law, Bachelor of Economics and a Graduate Diploma in Company Secretarial Practice. David is a Member of the Governance Institute of Australia and the Australian Institute of Company Directors.

Principal Activities

(i) Infigen Energy Group

The Infigen Energy Group is a specialist renewable energy business that develops, constructs, owns and operates energy generation assets.

Infigen currently has interests in 24 operating wind farms in Australia and the United States, as well as a pipeline of wind and solar renewable energy development projects in Australia. With a total installed capacity in excess of 1,600 MW (on an equity interest basis), the business currently generates over 4,500 GWh of renewable energy per year.

On 15 July 2015, Infigen announced that it had agreed to sell its US wind business and the sale transaction is expected to close in October 2015. Following completion of that sale, Infigen will own and operate six wind farms in Australia (with a total installed capacity of 557 MW) and a pipeline of wind and solar energy development projects.

(ii) Infigen Energy Trust Group

During the reporting period, IET held interests in financial investments.

In 2005, the units issued in IET were stapled to the shares issued by IEL and IEBL to form 'stapled securities'. Since 2005, IET has raised the majority of the equity capital for the Group as part of the issue and listing of stapled securities on the Australian Securities Exchange. IET has also been the stapled entity that has enabled distributions to be paid to securityholders since that time.

Review of Operations

(i) Infigen Energy Group

During the year ended 30 June 2015, the Group recorded revenues from continuing operations of $133.8 million compared with $145.4 million in FY14, representing a decrease of approximately 7.9%.

The Group recorded a statutory net loss for FY15 of $303.6 million compared to a net loss for FY14 of $8.9 million. The FY15 net loss included a loss from discontinued operations of $285.2 million due to a US$221.2 million impairment of the US wind business following its accounting reclassification changing to being held for sale.

Following completion of the sale of the US business, Infigen will have an operating capacity of 557 MW in Australia, comprising six wind farms:

- Alinta wind farm in WA (89.1 MW)
- Lake Bonney 1 wind farm in SA (80.5 MW)
- Lake Bonney 2 wind farm in SA (159 MW)
- Lake Bonney 3 wind farm in SA (39 MW)
- Capital wind farm in NSW (140.7 MW)
- Woodlawn wind farm in NSW (48.3 MW)

Infigen holds a 100% equity interest in each of the Australian wind farms. There was no change to Infigen's operating capacity in Australia during FY15.

Of Infigen's six operational wind farms in Australia, 40% of annual P50 production is currently contracted under medium and long term agreements.

Key highlights for the Group during the year included:

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

(ii) Infigen Energy Trust Group

The loss attributable to unitholders of IET for the year ended 30 June 2015 was $206.0 million compared to a loss of $646,000 for the prior year, following the impairment of a number of loans.

Further commentary regarding the Group and Trust's operating and financial performance for the year is included in the Management Discussion and Analysis of Financial and Operational Performance Report.

DIRECTORS' REPORT CONTINUED

Distributions

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

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

Notwithstanding the sales of the US wind and solar development businesses increasing Infigen's cash reserves, Infigen remains relatively highly geared and will continue to use the majority of its future net operating cash flow to repay borrowings.

Further details regarding distributions are set out in Note 22 to the Financial Statements.

Infigen Energy Trust

As at 30 June 2015, IET had 767,887,581 units on issue. During FY15 an additional 2,894,147 units were issued by IET. These units were issued on 27 August 2014 in accordance with the Infigen Energy Equity Plan relating to vesting of FY12 LTI and FY13 Deferred STI obligations.

During FY15 the responsible entity of IET, Infigen Energy RE Limited, did not hold any units in IET.

As at 30 June 2015, IET held assets of $538.4 million (30 June 2014: $743.0 million). An impairment charge was recognised by IET relating to the loan receivable due from related parties. The agreement to sell the US wind business had the effect of lengthening the time taken to repay the relevant loans. While IET is expected to receive full repayment of the $743 million loan receivable, the increase in the term of the loans has reduced the net present value resulting in the impairment.

Further details regarding the assets held by IET during the financial year are set out in the Consolidated Statements of Financial Position and relevant Notes to the Financial Statements, including the basis for valuation of the assets as disclosed in Note 7.

Changes in State of Affairs

During the year management focused on efficiency improvements for the operating wind farms as well as continuing to advance the wind and solar PV projects in the development pipelines.

Following a competitive sale process, agreement was reached on 26 June 2015 for a subsidiary of SunPower Corporation to acquire Infigen's US solar development pipeline. That sale subsequently completed after the end of the financial year, effective 27 July 2015.

A competitive sale process was also commenced during the year in relation to the US wind business, comprising interests in 18 operating wind farms and the US-based asset management business. On 15 July 2015 Infigen announced that an agreement had been reached with Primary Wind Power LLC, an affiliate of ArcLight Capital Partners LLC, to acquire Infigen's US wind business. Completion of the sale of the US wind business remains subject to various closing conditions, including US regulatory approvals and other consents, however is expected to close in October 2015.

Other changes in the state of affairs for the year are included in the Management Discussion and Analysis of Financial and Operational Performance Report.

Subsequent Events

On 27 July 2015, the sale of Infigen Energy US Development LLC (the holding company for the Group's US solar development assets) to a wholly owned subsidiary of SunPower Corporation was completed.

On 15 July 2015, the Group announced that it had entered into an agreement to sell its US wind business to Primary Wind Power LLC subject to various closing conditions being satisfied, including obtaining consent to the disposal from its Global Facility lenders. This has subsequently been received. Completion of the transaction remains subject to various other closing conditions being satisfied including receipt of relevant US regulatory approvals and certain other consents and approvals being obtained. Subject to the remaining closing conditions being satisfied, the sale is expected to close in October 2015 with the net sale proceeds of the transaction being applied to the repayment of Global Facility borrowings and to pay associated interest rate swap close out costs.

Future Developments

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

The cash balance in the Excluded Companies will increase by approximately $95 million to approximately $125 million in FY16 following receipt of proceeds from the sales of the US solar development pipeline and Class A cash flow interests. This increases our financial resilience and provides some funds to pursue profitable growth in Australia.

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

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

In relation to costs and debt repayment in FY16:

- operating costs are expected to be in the range of $37.5–$39.5 million in FY16; and
- in addition to the debt repayment with sale proceeds from the US wind business, Infigen expects to repay approximately $35 million of Global Facility borrowings in FY16.

Environmental Regulations

To the best of the Directors' knowledge, Infigen has complied with all significant environmental regulations applicable to its operations.

Indemnification and Insurance of Officers

Infigen has agreed to indemnify all Directors and Officers against losses incurred in their role as Director, Alternate Director, Secretary, Executive or other employee of Infigen or its subsidiaries, subject to certain exclusions, including to the extent that such indemnity is prohibited by the *Corporations Act 2001* or any other applicable law. Infigen will meet the full amount of any such liabilities, costs and expenses (including legal fees). Infigen has not been advised of any claims under any of the above indemnities.

During the financial year Infigen paid insurance premiums for a Directors' and Officers' liability insurance contract which provides cover for the current and former Directors, Alternate Directors, Secretaries and Executive Officers of Infigen and its subsidiaries. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

Proceedings on Behalf of Infigen

No person has applied for leave of the Court to bring proceedings on behalf of Infigen, or to intervene in any proceedings to which Infigen is a party, for the purpose of taking responsibility on behalf of Infigen for all or part of those proceedings. Infigen was not a party to any such proceedings during the year.

Former Partners of the Audit Firm

No current Directors or Officers of Infigen have been Partners of PricewaterhouseCoopers at a time when that firm has been the auditor of Infigen.

Non-Audit Services

Based on written advice of the Audit, Risk & Compliance Committee, the Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 34 to the Financial Statements.

Auditor's Independence Declaration

Infigen's auditor has provided a written declaration under section 307C of the *Corporations Act 2001* that to the best of its knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- the applicable Australian code of professional conduct in relation to the audit.

The auditor's independence declaration is attached to this Directors' Report.

Rounding

Pursuant to ASIC Class Order 98/0100, dated 10 July 1998, amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.

DIRECTORS' REPORT
CONTINUED

Remuneration Report

Dear Securityholder,

We are pleased to present the 2015 Remuneration Report.

Infigen's ability to maintain a capable, agile and motivated team in both regions has been challenged throughout the past year. The regulatory uncertainty in Australia caused by the RET review has seriously limited employment and career opportunities that would have otherwise existed within a thriving renewable energy sector. Fortunately for Infigen, the actions that were taken in 2013 to restructure the organisation and to control costs have enabled Infigen to withstand this sustained period of uncertainty.

Our core objective throughout this period has been the retention of skills, knowledge and experience within the business to maintain capability for sustained operational performance whilst delivering the strategic initiatives to improve the capital structure.

KMP remuneration was unchanged in FY15 with the components of Fixed Pay, Short Term Incentive (STI) and Long Term Incentive (LTI) frozen to the amounts in place since 1 July 2013. The Board has decided that KMP will receive a 2.5% increase in FY16. Director fees remain unchanged.

The Deferred STI payments in respect of FY13 vested in September 2014. In addition 51.2% of Tranche 2 of the FY12 LTI grant vested as a result of achievement of the EBITDA performance condition. In accordance with the Infigen Energy Equity Plan, Infigen issued 2,894,147 securities to meet the Deferred STI and FY12 LTI obligation once the trading window was opened following release of the FY14 annual results.

The Deferred STI payments in respect of FY14 will qualify to vest in September 2015. In addition 70.3% of Tranche 2 of the FY13 LTI grant will also qualify to vest in September 2015 as a result of the achievement of the EBITDA performance condition. In accordance with the Infigen Energy Equity Plan, Infigen will issue 4,581,565 securities to meet the Deferred STI and FY13 LTI obligation, following release of the FY15 annual results.

There was no requirement to apply the Clawback mechanism that is now embedded within both the LTI and Deferred STI plans for any vested Deferred STI or LTI payments made to employees in the past financial year.

Yours faithfully

Mike Hutchinson
Chairman
Nomination & Remuneration Committee

1. Remuneration Report – Executive Summary

The Nomination & Remuneration Committee has:

- reviewed executive and senior management salaries;
- monitored performance and the alignment of Key Performance Indicators (KPIs) to short term business objectives and priorities;
- supported the succession of the US CEO;
- monitored employee morale and retention throughout both regions; and
- reviewed the leadership structure and succession plans.

Significant matters to note for director, executive and senior management FY15 remuneration are:

- Key Management Personnel (KMP) remuneration was not increased;
- Tranche 1 of the FY12 LTI grant has not met the relative shareholder return performance condition following re-test and will lapse;
- Tranche 2 of the FY12 LTI grant met the EBITDA performance condition such that 51.2% vested. 667,673 securities were issued in August 2014 to satisfy this vesting. The remaining 48.8% of Tranche 2 has lapsed;
- Tranche 1 of the FY13 LTI grant did not meet the relative shareholder return performance condition on the first test, it will be re-tested following FY16;
- Tranche 2 of the FY13 LTI grant met the EBITDA performance condition such that 70.3% will vest. 1,972,102 securities will be issued following the release of the FY15 results to meet this obligation. The remaining 29.7% of Tranche 2 will lapse;
- Deferred STI payments from FY13 became payable in August 2014. 2,226,474 securities were issued to meet this obligation;
- Deferred STI payments from FY14 become payable when the first trading window opens following the release of the FY15 results. 2,609,463 securities will be issued to meet this obligation; and
- STI payment deferral continues to apply to 50% of STI amounts that are over $100,000 and to all STI amounts over $50,000 where the payment is less than $100,000. Deferred payments are settled in IFN securities.

2. Remuneration Framework

Infigen's remuneration framework aims to ensure remuneration:

- is commensurate with contributions, positions and responsibilities;
- is fair and reasonable relative to market benchmarks;
- is linked with Infigen's strategic goals and business performance;
- rewards the delivery of consistently high performance;
- aligns performance with the organisational values and leadership behavior;
- attracts and retains high performing individuals; and
- is aligned with the long term interests of securityholders.

3. Remuneration of Senior Management

The remuneration framework for KMP comprises three components:

- fixed pay;
- a short term incentive (STI), which is a variable payment linked to achieving specified performance measured over a 12 month period; and
- a long term incentive (LTI), which is a payment linked to meeting specified performance hurdles over a 3 or 4 year period.

Remuneration is benchmarked on the advice of external advisers, Guerdon Associates, against industry peers within utilities, electricity generation and infrastructure.

3.1 Fixed Pay

Fixed pay is cash salary and superannuation. Infigen does not presently offer remuneration packaging other than superannuation salary sacrifice.

Due to a salary freeze and an increase in statutory superannuation contributions in FY15, the base salaries of the Australian based KMP decreased to offset the increased statutory superannuation contribution.

3.2 Short Term Incentives

STI is an at-risk performance-related component of remuneration. STIs are subject to the achievement of key performance indicators (KPIs). KPIs are set annually and reviewed during the year. KPIs are aligned with overall strategy, budget, and individual objectives and accountabilities.

Consistent with prior years the Board has determined that it is appropriate and desirable to motivate and reward the KMP to focus on delivering stable and predictable results by delivering annual improvements in operating efficiency (maximising production at lowest cost) to deliver cash flow outcomes.

The Board determines the aggregate amount of STI payments, the KPIs for the CEO, the amount of the CEO's STI payment, and reviews KPI achievement and STI payments for KMP.

In setting the aggregate amount of the FY15 STI pool, the Board maintained the 'gateway hurdles' within the FY15 STI scheme to establish the benchmark for determining what events will automatically trigger Board consideration to re-rate the STI pool. The gateway hurdles are:

1) Non achievement of the Budgeted Debt Amortisation/Cash target; or
2) A material non-compliance (breach) of a major debt facility; or
3) A "Catastrophic", "Major" or multiple "Moderate" incidents occurred as defined in the Risk Management Policy.

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Consideration of the STI pool also has regard to the opportunities for management to influence a business outcome, and those matters (such as wind speeds and energy market pricing) that are not subject to short term management influence but which are nonetheless required to be forecast as accurately as possible and variations managed professionally.

Reflecting the commitment of the Board and Senior Management to maintain a disciplined approach to managing operating costs and generating cash flows to meet the mandatory debt repayments and to pay down debt, the KMP financial goal outcomes determined 80% of the FY15 STI opportunity. Strategic and operational goal outcomes determined 20%.

We have set out in Table 1 a description of the FY15 KPIs used to determine the STI payments for KMP. Each KPI is weighted as a percentage of the total STI opportunity and includes an assessment criterion or hurdle. Each KPI contains quantitative measures including budget achievement and are scaled progressively around stretch targets. The hurdles are weighted so that better than budget performance results in self-funded STI payments. The FY15 personal business goals support the alignment of strategic objectives and short term metrics. The Board retains discretion to vary the formulaic assessment of STI payments to allow for any "out of plan" developments, exceptional effort, or other relevant considerations. Such variation can be positive or negative.

TABLE 1: FY15 KPIs for STI

Financial Business Goals (Target Weighting of 80% of STI Target)		
Measure	**Goals**	**Hurdle**
Stable, predictable and profitable performance – **Safety**	Achievement against a TRIR benchmark	Sliding scale of budget achievement where: ▪ Maximum 50% of the KPI weighting is paid for delivering on target; ▪ 100% of the KPI weighting is paid for delivering better than target for safety performance. In addition to completing site based critical control audits.
Stable, predictable and profitable performance – **Total Costs**	Achieve Budget Total Costs	Sliding scale of budget achievement where: ▪ Maximum 50% of the KPI weighting is paid for delivering on budget; ▪ 100% of the KPI weighting is paid for delivering a stretch target for better than budget performance.
Stable, predictable and profitable performance – **Debt Amortisation Guidance**	Achieve Budget Debt Amortisation Guidance	Sliding scale of budget achievement where: ▪ Maximum 50% of the KPI weighting is paid for delivering on budget; ▪ 100% of the KPI weighting is paid for delivering a stretch target of budget over performance.

Personal Business Goals (Target Weighting of 20% of STI Target)	
Measure	**Goals**
Stable, predictable and profitable performance – Excluded Company Cash	Preserve and/or improve the scale and liquidity of Excluded Company assets.
Sustainable Capital Structure	Develop and implement pro-active Board-approved measures that within FY15, demonstrate substantial and sustainable progress towards freeing Infigen's commercial options.
Achieve Profitable Growth	Develop and implement Board-approved measures that within FY15, demonstrate progress towards business objectives that sustain or enhance Infigen's operational and financial performance.

3.3 FY15 Short Term Incentive Performance

To illustrate how individual STI payments are determined we have included in Table 2 the range of KMPs FY15 KPI assessments as a percentage of total opportunity. The resulting STI payments awarded to the KMP are illustrated in Table 3 *Cash based remuneration received by executive KMP*.

TABLE 2: FY15 STI KPI opportunity and achievement

Measure	Weighting as a % of Total Opportunity	KMP Achievement as a % of Total Opportunity
Safety	5%	5%
Total Costs	25%	25%
Debt Amortisation Guidance	50%	3%
Personal Business Goals	20%	19-20%
Total	**100%**	**52-53%**

Weak wind resource in the US had a significant effect on production and the Debt Amortisation KPI achievement where the STI opportunity declines steeply for under budget performance.

In respect of FY15, the Board exercised its discretion to award an additional STI payment to two KMP for exceptional efforts in managing the process of the sale of the US businesses (see ASX announcement 26 June 2015 – Infigen Announces Sale of it US Solar Development Pipeline and 15 July 2015 Infigen Announces Sale of US Wind Business). The amounts were equivalent to an additional 100% of the STI associated with the personal business goals of the relevant KMP. The Board applauds the commitment of all staff involved in these sale processes.

3.4 Short Term Incentive Deferral

STI payments include a 12 month partial deferral condition. STI payment deferral continues to apply to 50% of STI amounts that are over $100,000 and to all STI amounts over $50,000 where the payment is less than $100,000. Deferred payments are settled in IFN securities. Payment of the deferred STI is subject to continued employment. The deferred payment may be forfeited if the STI payment was associated with a materially adverse financial misstatement.

The deferral condition for the FY14 Deferred STI includes a clawback mechanism that complements the LTI clawback provision. This provision enables forfeiture of some or all unvested STI and/or LTI Performance Rights if a previously vested LTI Grant was associated with a materially adverse financial misstatement.

In Australia a total of $714,252 was deferred from the FY14 STI entitlements in the form of 2,953,896 Performance Rights at a security value of $0.2418. A total of 2,609,463 securities are expected to be issued by the company following the release of the FY15 financial results with the balance being forfeited in accordance with the terms and conditions of the grant. It is not intended to clawback any of these securities. Since recipients of these securities will incur an associated taxation liability, there will be some sales of securities to fund the tax liability. Any such sales are subject to the company's Securities Trading Policy and insider trading laws.

In the US a total of US$342,668 (A$363,766) was deferred from the FY14 STI entitlement in the form of 1,504,408 Performance Units at a value of $0.2418. The US employees participate in a shadow equity plan where each Performance Unit is equivalent to one Performance Right under the Infigen Energy Equity Plan. As US residents these employees cannot receive equity under the existing Infigen Energy Equity Plan rules, therefore holders of vested Performance Units will receive the cash equivalent of the market price as at the vesting date of one IFN security for each vested Performance Unit. The Foreign Exchange conversion rate is set at 30 June 2014 when the original security price was determined.

3.5 Long Term Incentives

KMP and senior managers in positions that directly affect the long term value of IFN securities may be eligible for LTIs. LTIs are awarded as future rights to acquire IFN securities. The rights may vest after 3 or 4 years, subject to performance hurdles.

The Managing Director's grant is subject to securityholder approval.

The number of rights granted is based on the LTI value, divided by the reference price for IFN securities. This is the volume weighted average ASX market closing price in the last five trading days of the prior financial year.

LTI grants comprise two equal tranches, each subject to a different performance test. Vesting of each tranche is contingent on achieving the relevant performance hurdle.

The two performance hurdles are (1) Relative Total Shareholder Return (TSR) and (2) a financial performance test. The financial performance test is a test of the cumulative growth in the ratio of earnings before interest, taxes, depreciation and amortisation (EBITDA) to capital base.

	Performance Test
Tranche 1	Relative TSR
Tranche 2	EBITDA

Both hurdles are measured over a 3 year period. The three year performance period of the FY15 Grant is 1 July 2014 to 30 June 2017. In the event that no Performance Rights vest after the initial 3 year performance period then the LTI grant will be subject to a single re-test on 30 June 2018, after which all unvested rights will lapse. The Board considers that retention of the re-test provision remains appropriate given the nature of the assets and the lead times involved in improving performance.

The FY12 LTI Grant completed the initial three year performance period on 30 June 2014. The Tranche 1 TSR performance condition entered a final re-test period and has failed to meet the performance condition as at 30 June 2015. The Tranche 1 performance rights attached to this grant will now expire on the second day of the first employee trading window to open after 1 July 2015.

As reported in the 2014 Remuneration Report, the Tranche 2 financial performance condition of the FY12 LTI Grant passed the performance test on 30 June 2014 resulting in 51.2% of Tranche 2 Performance Rights vesting on 29 August 2014.

The FY13 LTI Grant completed the initial three year performance period on 30 June 2015. The Tranche 1 TSR performance condition was not achieved at 30 June 2015 and has now entered a final twelve month re-test period for the Tranche 1 Performance Rights attached to this grant.

The Tranche 2 financial performance condition of the FY13 LTI Grant passed the performance test on 30 June 2015 resulting in 70.3% of Tranche 2 Performance Rights vesting when the first employee trading window opens after 1 July 2015. A total of 1,972,102 IFN securities are expected to be issued by the company prior to the trading window opening.

TSR performance condition: TSR measures the growth in the price of securities plus cash distributions notionally reinvested in securities. In order for any portion of the Tranche 1 Performance Rights to vest, the TSR of IFN securities must outperform that of the median company in the S&P/ASX 200 (excluding financial services and the materials/resources sector).

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Tranche 1 Performance Rights will vest progressively as set out in the table below.

Infigen Energy's TSR performance compared to the relevant peer group	FY12, FY13 & FY14 Grants Percentage of Tranche 1 Performance Rights that vest
0 to 49th percentile	Nil
50th percentile	25% of the Tranche 1 Performance Rights will vest
51st to 75th percentile	27%–75% (i.e. for every percentile increase between 51% and 75% an additional 2% of the Tranche 1 Performance Rights will vest)
76th to 95th percentile	76.25%–100% (i.e. for every percentile increase between 76% and 95% an additional 1.25% of the Tranche 1 Performance Rights will vest)

EBITDA performance condition: The annual target is a specified percentage increase in the ratio of EBITDA to capital base over the year. The capital base will be measured as equity (net assets) plus net debt. Both the EBITDA and capital base are measured on a proportionately consolidated basis to reflect Infigen's economic interest in all investments.

The annual target for FY15 was set to reflect the performance expectations of Infigen's business and prevailing market conditions. The annual target for each subsequent financial year will be established by the Board based on stretch budgets no later than the time of the release of Infigen's annual financial results for the preceding financial year.

The prospective targets are set with reference to Infigen's annual budgets. They remain confidential to Infigen. However each year's target and the performance against that target are disclosed retrospectively.

The EBITDA performance condition rewards management for sustaining and delivering capital efficiency performance over an extended period.

Relevant metrics for the last three financial year periods are provided in the table below.

		30 June 2013	30 June 2014	30 June 2015
Closing security price	(cents)	0.251	0.242	0.320
EBITDA	(AUD'000)	160,445	176,682	186,583
Capital Base	(AUD'000)	1,591,793	1,733,099	1,639,635
EBITDA to capital base	(%)	10.08	10.19	11.38
Target	(%)	9.40	10.03	10.83

Tranche 2 Performance Rights will vest progressively as set out in the table below.

Infigen Energy's EBITDA performance	FY13, FY14 & FY15 Grants Percentage of Tranche 2 Performance Rights that vest
0% < 90%	Nil
90% ≤ 110% of the cumulative target	5% to 100% (i.e. for every 1% increase between 90 and 110% of target an additional 5% of the Tranche 2 Performance Rights will vest).

Infigen Energy Equity Plan rules: Performance rights and options are governed by the rules of the Infigen Energy Equity Plan that were approved by securityholders in 2011 and 2014. They provide that the Board may exercise discretion to accelerate the vesting of any performance rights or options awarded in the FY15 Grant in the event of a change in control of Infigen. In exercising its discretion the Board will have regard to the performance, duration of the performance period and the nature of the relevant transaction.

Plan participants are prohibited from hedging their exposure to Infigen's security price associated with the plan.

The issue of IFN securities under the Infigen Energy Equity Plan was first approved by securityholders in 2011 and again at the Annual General Meeting held on 20 November 2014. ASX Listing Rule 7.2 exemption 9 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if securityholders approved the issue of securities under an employee incentive scheme no more than three years prior to the date of issue. Thus the IFN securities issued under the Equity Plan will not be taken into account when undertaking a calculation of the 15% limit pursuant to ASX Listing Rule 7.1.

3.6 Separation Benefits

The Board will continue to limit any future separation benefits to a maximum of 12 months fixed remuneration in all foreseeable circumstances.

4. Infigen Energy – KMP remuneration details

In addition to the non-executive directors, the following persons were the Key Management Personnel (KMP) of the Infigen Energy group during the financial year:

M George	Chief Executive Officer
C Baveystock	Chief Financial Officer
B Hopwood	Executive General Manager Corporate Finance
S Wright	General Counsel
D Smith	CEO US
C Carson	Executive General Manager Operations and CEO US (No longer KMP from 5/9/14)

4.1 Cash Based Remuneration Received by Executive KMP

The following table summarises the cash based and at-risk remuneration KMP received in FY15. The only cash remuneration received in FY15 was in the form of salary, superannuation, and non-deferred STI.

TABLE 3: Cash based remuneration received by executive KMP

		Cash Based Remuneration							At-Risk Remuneration	
Executive	Year	Salary	Maximum STI opportunity[1]	STI Awarded for the period	Other Payments	Superannuation	Equity vested during the year	Total Actual Remuneration received	LTI Granted in the Year[2,4]	Equity Deferred STI[3,4]
		($)		($)	($)	($)	($)	($)		
M George	FY15	601,217	510,000	135,405	–	18,783	215,476	970,882	404,127	135,405
	FY14	602,226	510,000	236,385	–	17,774	323,996	1,180,381	386,236	236,385
C Baveystock	FY15	334,217	155,000	50,000	–	18,783	74,651	477,651	119,541	48,766
	FY14	335,226	155,000	73,780	–	17,774	86,630	513,410	114,249	73,780
B Hopwood	FY15	334,217	155,000	56,653	–	18,783	80,732	490,385	119,541	56,653
	FY14	335,226	155,000	69,905	–	17,774	79,335	502,240	114,249	69,905
S Wright	FY15	334,217	150,000	54,825	–	18,783	49,267	457,092	74,038	54,825
	FY14	335,226	150,000	67,650	–	17,774	73,774	494,424	70,761	67,650
D Smith[5,6,7]	FY15	344,118	278,794	72,626	120,170	9,599	–	546,513	–	72,626
	FY14	–	–	–	–	–	–	–	–	–
C Carson[8,9]	FY15	67,036	–	–	151,522	1,783	122,250	342,591	–	–
	FY14	338,024	283,504	124,317	–	7,322	127,638	597,300	80,715	124,317
	FY15	**2,015,022**	**1,248,794**	**369,509**	**271,692**	**86,515**	**542,375**	**3,285,114**	**717,248**	**368,275**
	FY14	**1,945,928**	**1,253,504**	**572,037**	**–**	**78,418**	**691,373**	**3,287,755**	**766,210**	**572,037**

1 The maximum STI Opportunity represents the total opportunity available to the KMP should they achieve 100% of the KPI objectives. The minimum STI opportunity is zero.

2 This represents the market value at the time of granting the LTI award in the form of a grant of performance rights under the Infigen Energy Equity Plan.

3 The deferred STI Payment is awarded in the form of a grant of performance rights under the Infigen Energy Equity Plan. The number of performance rights granted is determined by dividing the deferred amount by the value of a performance right using the volume weighted average price (VWAP) of IFN securities in the five trading days up to the previous 30 June.

4 The VWAP per security of the FY14 grant was $0.253 and for the FY15 grant was $0.2418.

5 The remuneration amounts reflect a conversion of USD into AUD using an average exchange rate of A$0.91704 for FY14 and A$0.8368 for FY15.

6 D Smith became a KMP from 1 September 2014.

7 D Smith was not offered an LTI in FY15 instead he will receive a Capital Structure Improvement Bonus as shown in "Other Payments".

8 C Carson resigned effective 4 September 2014.

9 C Carson received a termination payment in lieu of notice as shown in "Other Payments".

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4.2 Statutory Remuneration Data for the Year Ended 30 June 2015

The Statutory Remuneration Data table below shows the accounting expensed amounts that reflect a portion of possible future remuneration arising from prior and current year LTI grants.

TABLE 4: Statutory remuneration data for executive KMP

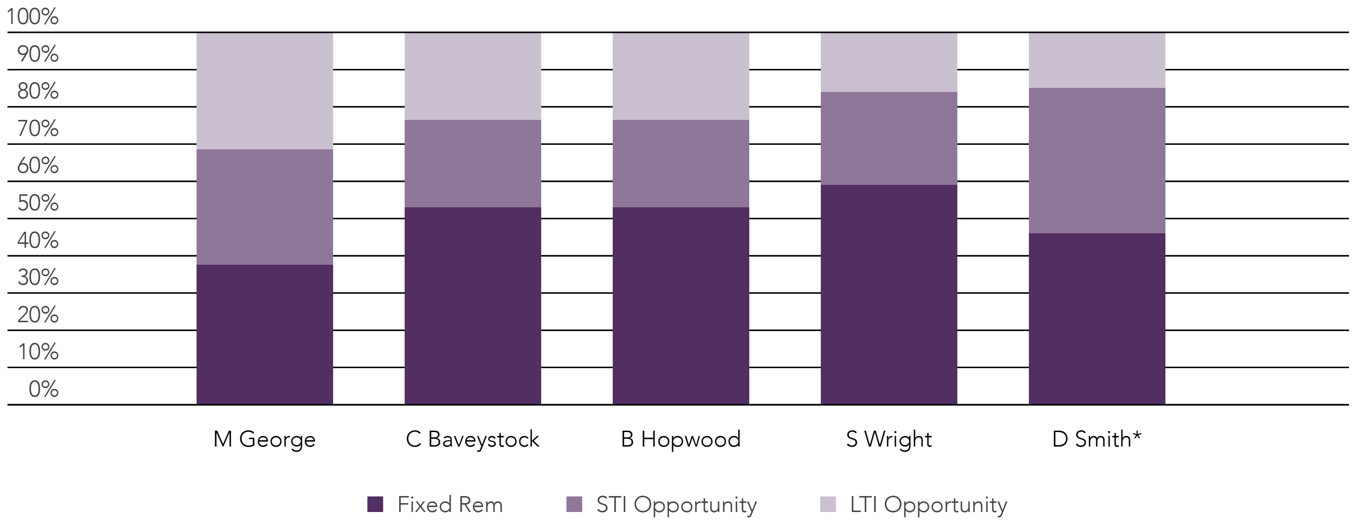
		Short-term employee benefits						Post employment benefits	Other long-term employee benefits	Share-based payments		
Executive	**Year**	**Salary**	**STI paid in current period**	**Retention Payment**	**Termination Payments**	**Non-monetary benefits[1]**	**Total of short-term employee benefits**	**Superannuation**	**LSL accrual**	**Equity settled[2]**	**Cash Settled[2]**	**Total**
		($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
M George	FY15	601,217	135,405	–	–	–	736,622	18,783	11,302	616,523	–	1,383,231
	FY14	602,226	236,385	–	–	–	838,611	17,774	16,807	502,639	–	1,375,831
C Baveystock	FY15	334,217	50,000	–	–	–	384,217	18,783	5,796	187,153	–	595,949
	FY14	335,226	73,780	–	–	–	409,006	17,774	2,905	156,160	–	585,845
B Hopwood	FY15	334,217	56,653	–	–	–	390,870	18,783	12,119	177,334	–	599,107
	FY14	335,226	69,905	–	–	–	405,131	17,774	10,333	153,464	–	586,702
S Wright	FY15	334,217	54,825	–	–	–	389,042	18,783	8,621	132,602	–	549,049
	FY14	335,226	67,650	–	–	–	402,876	17,774	6,040	101,471	–	528,161
D Smith[3,4]	FY15	344,118	72,626	120,170	–	23,223	560,137	9,599	–	–	63,741	633,476
	FY14	–	–	–	–	–	–	–	–	–	–	–
Total Remuneration	FY15	**1,947,986**	**369,509**	**120,170**	**–**	**23,223**	**2,460,888**	**84,731**	**37,839**	**1,113,614**	**63,741**	**3,760,811**
	FY14	**1,607,904**	**447,720**	**–**	**–**	**–**	**2,055,624**	**71,096**	**36,085**	**913,734**	**–**	**3,076,539**
C Carson[4]	FY15	67,036	–	–	151,522	5,690	224,248	1,783	–	–	–	226,032
	FY14	338,024	124,317	–	–	16,012	478,352	7,322	–	–	149,286	634,961
Total Remuneration	FY15	**2,015,022**	**369,509**	**120,170**	**151,522**	**28,913**	**2,685,136**	**86,514**	**37,839**	**1,113,614**	**63,741**	**3,986,843**
	FY14	**1,945,928**	**572,037**	**–**	**–**	**16,012**	**2,533,976**	**78,418**	**36,085**	**913,734**	**149,286**	**3,711,500**

1 US Health Benefits (Medical, Dental, Vision) are offered to all Infigen US employees.
2 Includes the Deferred STI granted in the period.
3 D Smith was promoted to the position of CEO US on 1 September 2015. This is his first year as a KMP.
4 The remuneration amounts reflect a conversion of USD into AUD using an average exchange rate of A$0.91704 for FY14 and A$0.8368 for FY15.

4.3 KMP Total Remuneration: Components of Fixed and Variable "at risk" remuneration as a Proportion of Total Remuneration

The proportions of fixed remuneration to at-risk performance-based remuneration are determined by the Board on a case-by-case basis for each executive. The proportions for FY15 fixed remuneration and the at-risk opportunity are set out below.

TABLE 5: Remuneration components for executive KMP



* D Smith received a Capital Structure Improvement Bonus instead of an LTI.

4.4 Value of Remuneration That May Vest in Future Years

Remuneration amounts provided in the table below refer to the maximum value of performance rights relating to IFN securities. These amounts have been determined at grant date by using a pricing model and amortised in accordance with AASB 2 'Share Based Payments'. The minimum value of remuneration that may vest is nil.

TABLE 6: Remuneration that may vest in future years

		Maximum value of remuneration which is subject to vesting in accordance with AASB2 'Share Based Payments'				
Executive	**Grant**	**FY13 ($)**	**FY14 ($)**	**FY15 ($)**	**FY16 ($)**	**FY17 ($)**
M George	FY13	84,171	135,341	135,341		
	FY14		86,195	149,815	150,226	
	FY15			93,815	155,368	154,943
	FY15[1]			199,376	69,466	
	Total	**84,171**	**221,536**	**578,347**	**375,060**	**154,943**
C Baveystock	FY13	24,577	39,518	39,518		
	FY14		25,497	44,316	44,437	
	FY15			27,751	45,958	45,833
	FY15[1]			62,229	21,681	
	Total	**24,577**	**65,015**	**173,814**	**112,076**	**45,833**
B Hopwood	FY13	19,597	31,511	31,511		
	FY14		25,497	44,316	44,437	
	FY15			27,751	45,958	45,833
	FY15[1]			58,961	20,543	
	Total	**19,597**	**57,008**	**162,539**	**110,938**	**45,833**
S Wright	FY13	11,405	18,338	18,338		
	FY14		15,791	27,447	27,522	
	FY15			17,187	28,464	28,387
	FY15[1]			57,059	19,880	
	Total	**11,405**	**34,129**	**120,031**	**75,866**	**28,387**

1 Relates to the STI Deferred from FY14.

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4.5 Unvested Performance Rights

The table below provides details of outstanding performance rights relating to IFN securities that have been granted to KMP (FY13, FY14 and FY15 Grants). The performance rights are valued as at the grant date even though the grant was based on the VWAP of the five trading days up to 30 June in the year prior to the grant.

TABLE 7: Unvested performance rights

Executive	Grant	Granted number	Grant date	Value per performance right at grant date	Value of performance rights granted at grant date	Potential Vesting Dates		
				($)	($)	LTI Tranche 1	LTI Tranche 2	Deferred STI
M George	FY13	2,378,575	26-Oct-12	0.1492	354,854	30-Jun-15	30-Jun-15	
	FY14	2,071,146	02-Dec-13	0.1865	386,236	30-Jun-16	30-Jun-16	
	FY15	2,167,080	21-Nov-14	0.1865	404,127	30-Jun-17	30-Jun-17	
	FY15[1]	977,605	21-Nov-14	0.2750	268,841			15-Sep-15
C Baveystock	FY13	694,508	26-Oct-12	0.1492	103,612	30-Jun-14	30-Jun-14	
	FY14	612,648	02-Dec-13	0.1865	114,249	30-Jun-16	30-Jun-16	
	FY15	641,026	21-Nov-14	0.1865	119,541	30-Jun-17	30-Jun-17	
	FY15[1]	305,128	21-Nov-14	0.2750	83,910			15-Sep-15
B Hopwood	FY13	553,790	26-Oct-12	0.1492	82,619	30-Jun-15	30-Jun-15	
	FY14	612,648	02-Dec-13	0.1865	114,249	30-Jun-16	30-Jun-16	
	FY15	641,026	21-Nov-14	0.1865	119,541	30-Jun-17	30-Jun-17	
	FY15[1]	289,103	21-Nov-14	0.2750	79,503			15-Sep-15
S Wright	FY13	322,288	26-Oct-12	0.1429	48,081	30-Jun-15	30-Jun-15	
	FY14	379,447	02-Dec-13	0.1865	70,761	30-Jun-16	30-Jun-16	
	FY15	397,022	21-Nov-14	0.1865	74,038	30-Jun-17	30-Jun-17	
	FY15[1]	279,777	21-Nov-14	0.2750	76,939			15-Sep-15

1 Relates to the STI Deferred from FY14.

TABLE 8: Change in number of performance rights held by KMP

Set out below is the change in the number of performance rights held by KMP over the period 1 July 2014 to 30 June 2015.

KMP	Balance at 1 July 2014	Granted during FY15	Vested during FY15	Other changes[1]	Balance at 30 June 2015
M George	6,035,079	3,144,685	902,832	(682,526)	7,594,406
C Baveystock	1,850,553	946,154	312,782	(230,615)	2,253,310
B Hopwood	1,735,313	930,129	338,260	(230,615)	2,096,567
S Wright	921,695	676,799	219,960	–	1,378,534
C Carson[2]	919,933	–	487,107	(432,826)	–
D Smith	–	312,543	–	–	312,543

1 Represents forfeitures due to vesting conditions not met.

2 Employment ended 4 September 2014.

5. KMP Employment Contracts

The base salaries for KMP as at 30 June 2015 are as follows:

M George	$601,217
B Hopwood	$334,217
C Baveystock	$334,217
S Wright	$334,217
D Smith	$290,000 USD

Employment contracts relating to the KMP contain the following conditions:

Duration of contract	Open-ended
Notice period to terminate the contract	The employment of M George is able to be terminated by either party on 6 months' written notice. For B Hopwood, C Baveystock, D Smith and S Wright their employment is able to be terminated by either party on 3 months' written notice. Infigen may elect to pay an amount in lieu of completing the notice period, calculated on the base salary as at the termination date.
Termination payments provided under the contract	Upon termination, any accrued but untaken annual and long-service (but not sickness or personal) leave entitlements, in accordance with applicable legislation, are payable. Upon the event of redundancy a severance payment is made equivalent to 4 weeks base salary for each year of service (or part thereof), up to a maximum of 36 weeks.

6. Remuneration of Non-Executive Directors

Non-Executive Director fees are determined by the Infigen Boards within the aggregate amount approved by securityholders. The approved aggregate fee pool for IEL and IEBL is $1,000,000.

The fee paid to Directors varies with individual board and committee responsibilities. Director fees were not adjusted during the year and no change is proposed for FY16. Non-Executive Directors receive a cash fee for service inclusive of statutory superannuation. Non-Executive Directors do not receive any performance-based remuneration or retirement benefits other than statutory superannuation contributions.

6.1 Board/Committee Fees

Aggregate annual fees payable to Non-Executive Directors during the year ended 30 June 2014 are set out below.

Board/Committee	Role	Fee (pa)
Infigen Boards	Chairman	$250,000
	Non-Executive Director	$125,000
Infigen Audit, Risk & Compliance Committees	Chairman	$21,000
	Member	$10,500
IEL Nomination & Remuneration Committee	Chairman[1]	$12,000
	Member	$7,500

1 The present Committee Chairman is also the Chairman of the Board and does not receive this fee.

DIRECTORS' REPORT
CONTINUED

6.2 Remuneration of Non-Executive Directors for the Year Ended 30 June 2015

The nature and amount of each element of fee payments to each Non-Executive Director of Infigen for the years ended 30 June 2014 and 30 June 2015 are set out in the table below.

Non-Executive Directors	Year	Fees IERL ($)	Fees IEL & IEBL ($)	Superannuation ($)	Total ($)
M Hutchinson	FY15	101,735	129,482	18,783	250,000
	FY14	102,179	130,046	17,775	250,000
P Green[1]	FY15	–	–	–	–
	FY14	–	–	–	–
F Harris[2]	FY15	57,319	82,864	13,317	153,500
	FY14	57,048	81,396	12,806	151,250
R Rolfe AO	FY15	53,177	77,417	12,406	143,000
	FY14	53,036	76,483	11,981	141,500
Total Remuneration	**FY15**	**212,231**	**289,763**	**44,506**	**546,500**
	FY14	**212,263**	**287,925**	**42,562**	**542,750**

1 P Green was appointed as a Non-Executive Director of Infigen Energy Limited (IEL), Infigen Energy (Bermuda) Limited (IEBL) and Infigen Energy RE Limited (IERL) on 18 November 2010. Mr Green is a partner of TCI Advisor Services LLP, an advisor to a substantial shareholder of the Infigen group. Since being appointed, Mr Green has elected to receive no Director fees.

2 Effective 30 June 2015, Infigen granted Ms Fiona Harris an unpaid leave of absence as a Non-Executive Director for a period of 3 months (see ASX announcement 30 June 2015 – Infigen Announces Leave of Absence for Non-Executive Director).

7. Guideline for minimum securityholdings for non-executive directors

In February 2014 the Board established a guideline where Non-Executive Directors who receive payment of Director fees from Infigen are encouraged to acquire IFN securities equivalent to the after tax value of one year's Director base fee. The acquisition of the relevant amount of IFN securities shall be completed within 3 years from the adoption of the guideline for existing Non-Executive Directors, or 3 years following appointment for subsequently elected Non-Executive Directors. The acquisition of IFN securities under this guideline is subject to Infigen's Securities Trading Policy and sufficient trading windows being open during the relevant period.

There were no trading windows open to Non-Executive Directors throughout FY15 that would have enabled them to acquire IFN securities in accordance with this guideline.

TABLE 9: IFN Security Holdings of KMPs

IFN security holdings of KMPs, including held by their personally related parties, over the period 1 July 2014 to 30 June 2015 are set out below.

KMP	Balance at 30 June 2014	Acquired during FY15	Sold during FY15	Balance at 30 June 2015
M Hutchinson	192,500	–	–	192,500
P Green[1]	–	–	–	–
F Harris	100,000	–	–	100,000
R Rolfe AO	–	–	–	–
M George	1,726,995	902,832	–	2,629,827
C Baveystock	100,000	312,782	–	412,782
B Hopwood	26,071	338,260	–	364,331
S Wright	–	219,960	(219,960)	–

1 Mr Green is a partner of TCI Advisor Services LLP, an advisor to a substantial shareholder of the Infigen group. Mr Green has advised Infigen that he does not have a relevant interest in the IFN securities held by that substantial shareholder.

8. Remuneration Adviser

The Nomination & Remuneration Committee engaged the services of Guerdon Associates throughout FY15 to advise on minor miscellaneous matters.

The consultant provided no other services to the group during this period.

No advice was provided that falls within the definition of a remuneration recommendation of the Corporations Act 2001, Chapter 1, Part 1.2, Division 1, section 9B(1)(a) and (b).

To ensure the Nomination & Remuneration Committee is provided with advice and, as required, remuneration recommendations, free from undue influence by members of the Executive KMP to whom the recommendations may relate, the engagement of Guerdon Associates is based on an agreed set of protocols to be followed by Guerdon Associates, members of the Committee and members of the Executive KMP.

The Board was satisfied that the advice received was free from any undue influence of the Executive KMP to whom the advice related due to the following:

- Guerdon Associates was appointed by independent directors;
- Guerdon Associates did not provide services to management;
- Reports with recommendations were only received by Non-Executive Directors; and
- The agreed protocols were followed.

Pursuant to section 298(2) of the *Corporations Act 2001*, this report is made in accordance with resolutions of the Directors of Infigen Energy Limited and the Directors of Infigen Energy RE Limited, the responsible entity of the Infigen Energy Trust.

On behalf of the Directors of Infigen Energy Limited and Infigen Energy RE Limited:

M Hutchinson	**M George**
Chairman	Managing Director and Chief Executive Officer

Sydney, 31 August 2015

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Infigen Energy Group and Infigen Energy Trust Group for the year ended 30 June 2015, 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 audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
31 August 2015

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

		Infigen Energy Group		Infigen Energy Trust Group	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue from continuing operations	2	133,807	145,438	–	–
Other income	3	9,181	3,403	7	9
Operating expenses		(34,743)	(36,120)	–	–
Corporate costs		(13,541)	(13,811)	(21)	(19)
Development costs		(1,976)	(2,808)	–	–
Responsible entity expenses		–	–	(675)	(636)
Depreciation and amortisation expense	4	(54,497)	(52,619)	–	–
Impairment of financial assets	4	–	–	(205,300)	–
Interest expense	4	(53,163)	(54,900)	–	–
Other finance costs	4	(3,251)	(24,426)	–	–
Share of net profit/(loss) of associates		(66)	(85)	–	–
Net loss before income tax benefit		**(18,249)**	**(35,928)**	**(205,989)**	**(646)**
Income tax benefit/(expense)	5	(183)	3,504	–	–
Loss from continuing operations		**(18,432)**	**(32,424)**	**(205,989)**	**(646)**
Profit/(loss) from discontinued operations	24	(285,171)	23,521	–	–
Net loss for the year		**(303,603)**	**(8,903)**	**(205,989)**	**(646)**
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	20(a)	39,093	(6,257)	–	–
Changes in the fair value of cash flow hedges, net of tax	20(b)	32,062	22,355	–	–
Other comprehensive income/(loss) for the year, net of tax		**71,155**	**16,098**	**–**	**–**
Total comprehensive income/(loss) for the year, net of tax		**(232,448)**	**7,195**	**(205,989)**	**(646)**
Net profit/(loss) for the year is attributable to stapled securityholders as:					
Equity holders of the parent		(303,018)	(8,177)	–	–
Equity holders of the other stapled entities (non-controlling interests)		(585)	(726)	(205,989)	(646)
		(303,603)	**(8,903)**	**(205,989)**	**(646)**
Total comprehensive income/(loss) for the year is attributable to stapled securityholders as:					
Equity holders of the parent		(231,863)	7,921	–	–
Equity holders of the other stapled entities (non-controlling interests)		(585)	(726)	(205,989)	(646)
		(232,448)	**7,195**	**(205,989)**	**(646)**
Earnings per security of the parent based income/(loss) from continuing operations attributable to the equity holders of the parent					
Basic (cents per security/unit)	6	(2.3)	(4.2)	(26.8)	(0.1)
Diluted (cents per security/unit)	6	(2.3)	(4.2)	(26.8)	(0.1)
Earnings per security of the parent based income/(loss) from discontinued operations attributable to the equity holders of the parent					
Basic (cents per security/unit)	6	(37.2)	3.1	–	–
Diluted (cents per security/unit)	6	(37.2)	3.1	–	–

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Infigen Energy Group		Infigen Energy Trust Group	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current assets					
Cash and cash equivalents	14	45,182	80,699	399	392
Trade and other receivables	7	72,556	37,689	–	–
Inventory	8	12,695	16,164	–	–
Derivative financial instruments	16	566	994	–	–
Assets of disposal group classified as held for sale	24	1,286,840	–	–	–
Total current assets		**1,417,839**	**135,546**	**399**	**392**
Non-current assets					
Receivables	7	4,163	4,925	538,000	742,619
Investment in financial assets	16	–	86,384	–	–
Derivative financial instruments	16	53	303	–	–
Investment in associates	23	452	96,292	–	–
Property, plant and equipment	9	830,167	1,895,409	–	–
Deferred tax assets	5	49,301	50,453	–	–
Intangible assets	10	126,823	257,124	–	–
Total non-current assets		**1,010,959**	**2,390,890**	**538,000**	**742,619**
Total assets		**2,428,798**	**2,526,436**	**538,399**	**743,011**
Current liabilities					
Trade and other payables	12	28,981	32,419	4,179	3,511
Borrowings	15	46,259	63,984	–	–
Derivative financial instruments	16	30,698	33,964	–	–
Provisions	13	1,588	2,900	–	–
Liabilities of disposal group classified as held for sale	24	965,279	–	–	–
Borrowings and swaps associated with sale of disposal group	15,16	277,588	–	–	–
Total current liabilities		**1,350,393**	**133,267**	**4,179**	**3,511**
Non-current liabilities					
Borrowings	15	740,624	1,011,061	–	–
Derivative financial instruments	16	68,648	98,343	–	–
Provisions	13	8,229	19,082	–	–
Total non-current liabilities		**817,501**	**1,128,486**	**–**	**–**
Institutional equity partnerships classified as liabilities		–	772,625	–	–
Total liabilities		**2,167,894**	**2,034,378**	**4,179**	**3,511**
Net assets		**260,904**	**492,058**	**534,220**	**739,500**
Equity holders of the parent					
Contributed equity	19	2,305	2,305	754,603	753,894
Reserves	20	(120,481)	(192,221)	–	–
Retained earnings	21	(358,690)	(55,672)	(220,383)	(14,394)
		(476,866)	**(245,588)**	**534,220**	**739,500**
Equity holders of the other stapled entities (non-controlling interests)					
Contributed equity	19	760,864	760,155	–	–
Retained earnings	21	(23,094)	(22,509)	–	–
		737,770	**737,646**	**–**	**–**
Total equity		**260,904**	**492,058**	**534,220**	**739,500**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

		Infigen Energy Group					
	Note	**Contributed equity** $'000	**Reserves** $'000	**Retained earnings** $'000	**Total equity of the parent** $'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 year		–	–	(8,177)	(8,177)	(726)	(8,903)
Changes in the fair value of cash flow hedges, net of tax	20(b)	–	22,355	–	22,355	–	22,355
Exchange differences on translation of foreign operations and movement in fair value	20(a)	–	(6,257)	–	(6,257)	–	(6,257)
Total comprehensive income/(loss) for the year		**–**	**16,098**	**(8,177)**	**7,921**	**(726)**	**7,195**
Transactions with owners in their capacity as owners:							
Recognition of share-based payments	20(d)	–	30	–	30	818	848
Total equity at 30 June 2014		**2,305**	**(192,221)**	**(55,672)**	**(245,588)**	**737,646**	**492,058**
Total equity at 1 July 2014		**2,305**	**(192,221)**	**(55,672)**	**(245,588)**	**737,646**	**492,058**
Net loss for the year		–	–	(303,018)	(303,018)	(585)	(303,603)
Changes in the fair value of cash flow hedges, net of tax	20(b)	–	32,062	–	32,062	–	32,062
Exchange differences on translation of foreign operations and movement in fair value	20(a)	–	39,093	–	39,093	–	39,093
Total comprehensive income/(loss) for the year		**–**	**71,155**	**(303,018)**	**(231,863)**	**(585)**	**(232,448)**
Transactions with owners in their capacity as owners:							
Recognition of share-based payments	20(d)	–	585	–	585	709	1,294
Total equity at 30 June 2015		**2,305**	**(120,481)**	**(358,690)**	**(476,866)**	**737,770**	**260,904**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

		Infigen Energy Trust Group		
	Note	**Con-tributed equity** $'000	**Retained earnings** $'000	**Total equity** $'000
Total equity at 1 July 2013		**753,076**	**(13,748)**	**739,328**
Net loss for the year		–	(646)	(646)
Changes in the fair value of cash flow hedges, net of tax		–	–	–
Exchange differences on translation of foreign operations and movement in fair value		–	–	–
Total comprehensive income/(loss) for the year		**–**	**(646)**	**(646)**
Transactions with owners in their capacity as owners:				
Recognition of share-based payments	20(d)	818	–	818
Total equity at 30 June 2014		**753,894**	**(14,394)**	**739,500**
Total equity at 1 July 2014		**753,894**	**(14,394)**	**739,500**
Net loss for the year		–	(205,989)	(205,989)
Changes in the fair value of cash flow hedges, net of tax		–	–	–
Exchange differences on translation of foreign operations and movement in fair value		–	–	–
Total comprehensive income/(loss) for the year		**–**	**(205,989)**	**(205,989)**
Transactions with owners in their capacity as owners:				
Recognition of share-based payments	20(d)	709	–	709
Total equity at 30 June 2015		**754,603**	**(220,383)**	**534,220**

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

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

		Infigen Energy Group		Infigen Energy Trust Group	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash flows from operating activities					
Loss for the year		(303,603)	(8,903)	(205,989)	(646)
Adjustments for:					
Loss/(profit) for the year from discontinued operations		285,171	(23,521)		
(Gain)/loss on revaluation for fair value through profit or loss financial assets – financial instruments		(2,642)	(2,451)	–	–
Depreciation and amortisation of non-current assets		54,497	52,619	–	–
Impairment of financial assets		–	–	205,300	–
Unrealised foreign exchange loss/(gain)		(4,382)	(3,215)	–	–
Amortisation of share based payments expense	32	720	242	–	–
Amortisation of borrowing costs capitalised		1,807	2,901	–	–
Share of losses/(profits) from associates		64	85	–	–
Accretion of decommissioning & restoration provisions		117	110	–	–
(Increase)/decrease in deferred tax assets		1,619	(3,551)	–	–
Changes in operating assets and liabilities, net of effects on disposal of controlled entities:					
(Increase)/decrease in assets:					
Current receivables and other current assets		1,575	(3,450)	–	–
Increase/(decrease) in liabilities:					
Current payables		(1,967)	8,609	668	636
Non-current payables		217	155	–	–
Net cash flow from operating activities (continuing operations)		**33,193**	**19,630**	**(21)**	**(10)**
Net cash flow from operating activities (discontinued operations)		**46,318**	**75,850**	**–**	**–**
Cash flows from investing activities					
Payments for property, plant and equipment		(1,048)	(3,814)	–	–
Payments for intangible assets		(52)	(1,394)	–	–
Contribution for US Development		(10,481)	(25,805)	–	–
Net cash flow from investing activities (continuing operations)		**(11,581)**	**(31,013)**	**–**	**–**
Net cash flow from investing activities (discontinued operations)		**(4,688)**	**(74,550)**	**–**	**–**
Cash flows from financing activities					
Proceeds transferred from discontinued operations used to repay borrowings and interest		20,218	10,258	–	–
Proceeds from issue of equity securities		–	–	709	818
Proceeds from borrowings	15	–	51,709	–	–
Proceeds from borrowings – capitalised cost		–	(3,195)	–	–
Repayment of borrowings	15	(66,049)	(88,917)	–	–
Repayment from/(loans to) related parties		–	–	(681)	(799)
Net cash flow from financing activities (continuing operations)		**(45,831)**	**(30,145)**	**28**	**19**
Net cash flow from financing activities (discontinued operations)		**(46,149)**	**1,407**	**–**	**–**
Net increase/(decrease) in cash and cash equivalents		(28,738)	(38,821)	7	9
Cash and cash equivalents at the beginning of the financial year		80,699	121,213	392	383
Effects of exchange rate changes on the balance of cash held in foreign currencies		2,458	(1,693)	–	–
Cash and cash equivalents at the end of the financial year		**54,419**	**80,699**	**399**	**392**
Cash and cash equivalents at the end of the financial year (continuing operations)	**14**	**45,182**	**80,699**	**399**	**392**
Cash and cash equivalents at the end of the financial year (discontinued operations)		**9,237**	**–**	**–**	**–**

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

NOTES TO THE FINANCIAL STATEMENTS
ABOUT THIS REPORT

As permitted by ASIC Class Order 05/642, this consolidated general purpose financial report for the year ended 30 June 2015 consists of consolidated financial statements and accompanying notes of both:

- 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.

The Group and the Trust are for-profit entities for the purpose of preparing the financial statements.

This financial report is a general purpose financial report that:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss, and as modified by reductions in carrying value of assets from impairment expenses;
- has been prepared on the basis of the legislative and regulatory regime that exists as at 30 June 2015 and at the date of this report. Changes to the regulatory regime, would be likely to impact the carrying values of assets, and future renewable energy project development;
- is presented in Australian dollars with all values rounded off to the nearest thousand dollars, unless otherwise stated, in accordance with the Australian Securities and Investments Commission (ASIC) Class Order 98/0100;
- adopts all new and amended Accounting Standards and Interpretations issued by AASB that are relevant to operations of the Group and/or the Trust and effective for the reporting periods beginning on or after 1 July 2014;
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 35 for further details; and
- treats the US segment as discontinued operations. This comprises the US solar development business which has been disposed of and the US wind farm business which is classified as disposal group held for sale. Discontinued operations:
  - are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of comprehensive income. Comparatives in the consolidated statements of comprehensive income and accompanying notes are re-presented;
  - are presented in the consolidated statements of financial position as assets of disposal group classified as held for sale and liabilities of disposal group classified as held for sale. Comparatives in the consolidated statements of financial position and accompanying notes are not re-presented; and
  - are excluded from the cash flows of continuing operations and are presented separately as net cash flows attributable to each of the operating, investing and financing activities of discontinued operations in the consolidated cash flow statements. Comparatives in the consolidated cash flow statements are re-presented.

The carrying value of the disposal group classified as held for sale is stated at fair value with impairment loss recognised on the re-measurement to fair value less costs to sell the disposal group. Additional disclosures are provided in Note 24. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

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.

Trust information

IET was established in Australia on 16 June 2003. On 26 September 2005, IET became a Registered Scheme and Infigen Energy RE Limited (IERL) became the Responsible Entity of IET. The relationship of the Responsible Entity with the Scheme is governed by the terms and conditions specified in the Constitution of IET.

Critical accounting estimates and judgments

The Group or the Trust makes estimates and assumptions concerning the future that are regularly evaluated based on historical experience and other factors. This includes expectations of future events that may have a financial effect on the Group and the Trust and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments that are material to the financial report are found in the following notes:

Note 5	Income taxes and deferred taxes
Note 7	Trade and other receivables – IET loan
Note 9	Property, plant and equipment
Note 10	Intangible assets
Note 11	Valuation of non-financial assets
Note 13	Provisions
Note 17	Fair value hierarchy
Note 24	Discontinued operations
Note 29	Contingent liabilities

Basis of consolidation

For the purpose of UIG 1013 *Pre-date of Transition Stapling Arrangements* and AASB Interpretation 1002 *Post-date of Transition Stapling Arrangements*, IEL was identified as the parent entity of the Group in relation to the pre-date of transition stapling with IET and the post-date of transition stapling with IEBL. In accordance with UIG 1013, the results and equity of IEL and of IET have been combined in the financial statements of the Group. However, since IEL had entered into both pre and post-date of transition stapling arrangements, the results and equity of IET and IEBL are both treated and disclosed as non-controlling interests in the financial statements of the Group under the principles established in AASB Interpretation 1002.

The consolidated financial statements comprise the financial statements of all controlled entities (subsidiaries) of the Group and the Trust at year ended 30 June 2015. A list of the subsidiaries at year end is contained in Note 25.

The financial statements of all subsidiaries are prepared for the same reporting period as the parent company and apply consistent accounting policies to all the years presented, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
ABOUT THIS REPORT

In preparing the consolidated financial statements, all intercompany transactions, balances, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Unrealised gains and/or losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Subsidiaries are fully consolidated from the date on which control is transferred to the Group or the Trust. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group or the Trust.

The Group applies a policy of treating transactions with non-controlling interests as transactions with a shareholder external to the Group. Purchases from non-controlling interests result in an acquisition reserve being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheets respectively.

Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's or the Trust's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's and the Trust's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

The results and financial position of all Group or Trust entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities including balances of cash held in foreign currency, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is recognised in the income statement, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

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. Details of new standards and amended accounting standards are outlined in Note 35.

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

1. Segment information

Segment information provided to the Board of Directors

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. 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 one reportable segment. The reporting segment consists of the renewable energy businesses held in Australia.

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.

Interest income and expenditure are allocated to Australia and the US discontinued operations, as this type of activity is driven by the corporate treasury function of the continuing operations, 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 segment information provided to the Board of Directors for the operating segments together with a reconciliation of segment EBITDA to operating profit/(loss) before income tax for the year ended 30 June 2015 is below. Segment EBITDA excludes discontinued operations.

INFIGEN ENERGY GROUP	Statutory basis $'000	Australia $'000	US $'000	Unallocated $'000
Year ended 30 June 2015				
Segment revenue	133,807	133,807	–	–
Operating costs	(34,743)	(34,743)		–
Segment EBITDA from continuing operations	**99,064**	**99,064**	**–**	**–**
Corporate costs	(13,541)	–	–	(13,541)
Development costs	(1,976)	(1,976)	–	–
Share of losses of associates	(66)	(66)	–	–
Other income and costs	12	12	–	–
EBITDA	**83,493**	**97,034**	**–**	**(13,541)**
Depreciation & amortisation	(54,497)	(54,497)	–	–
EBIT	**28,996**	**42,537**	**–**	**(13,541)**
Net finance costs	(47,245)	(47,245)	–	–
Loss before income tax	**(18,249)**	**(4,708)**	**–**	**(13,541)**
Tax benefit/(expense)	(183)	(183)	–	–
Loss from discontinued operations	(285,171)	–	(285,171)	–
Net profit/(loss) after tax	**(303,603)**	**(4,891)**	**(285,171)**	**(13,541)**
Year ended 30 June 2014				
Segment revenue	145,438	145,438	–	–
Operating costs	(36,120)	(36,120)	–	–
Segment EBITDA from continuing operations	**109,318**	**109,318**	**–**	**–**
Corporate costs	(13,811)	–	–	(13,811)
Development costs	(2,808)	(2,808)	–	–
Share of losses of associates	(85)	(85)	–	–
Other income and costs	13	13	–	–
EBITDA	**92,627**	**106,438**	**–**	**(13,811)**
Depreciation & amortisation	(52,619)	(52,619)	–	–
EBIT	**40,008**	**53,819**	**–**	**(13,811)**
Net finance costs	(59,136)	(57,220)	–	(1,916)
Significant item – interest rate swap termination costs	(16,800)	–	–	(16,800)
Loss before income tax	**(35,928)**	**(3,401)**	**–**	**(32,527)**
Tax benefit/(expense)	3,504	2,721	–	783
Profit from discontinued operations	23,521	–	23,521	–
Net profit/(loss) after tax	**(8,903)**	**(680)**	**23,521**	**(31,744)**

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

1. Segment information (continued)

Segment information provided to the Board of Directors (continued)

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

INFIGEN ENERGY GROUP	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 30 June 2015						
Assets of continuing operations	1,141,958	–	–	1,141,958	1,141,958	–
Assets of disposal group classified as held for sale	1,286,840	–	–	1,286,840	–	1,286,840
Total segment assets	**2,428,798**	**–**	**–**	**2,428,798**	**1,141,958**	**1,286,840**
Total assets of continuing operation includes:						
Investment in associates & joint ventures	452	(452)	–	–	–	–
Additions to non-current assets (other than financial assets and deferred tax)	1,100	–	–	1,100	1,100	–
Liabilities of continuing operations	925,027	–	–	925,027	925,027	–
Liabilities of disposal group classified as held for sale	965,279	–	–	965,279	–	965,279
Borrowings and swaps associated with sale of disposal group	277,588	–	–	277,588	–	277,588
Total segment liabilities	**2,167,894**	**–**	**–**	**2,167,894**	**925,027**	**1,242,867**
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**

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

2. Revenue

	Infigen Energy Group	
	2015 $'000	**2014** $'000
From continuing operations		
Sale of energy and environmental products	69,443	66,111
Lease of plant and equipment	63,014	79,254
Compensated revenue	1,350	73
	133,807	**145,438**

Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised if it meets the criteria outlined below.

Sale of energy and environmental products

Sale of energy and environmental products are revenues from the:

- sale of electricity generated from the Group's wind farms; and
- generation of Large-scale Generation Certificates (LGCs). These are recognised at fair value when they are generated and in the same period as the costs incurred.

The Group or the Trust recognises revenue when the amount of revenue can be reliably measured, when the significant risks and rewards of ownership of the products have passed to the buyer and the Group attains the right to be compensated.

The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group or the Trust bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues are recognised on an accruals basis net of the amount of associated GST unless the GST incurred is not recoverable from the taxation authority.

Lease of plant and equipment (contracted revenue)

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 to one customer, is classified as lease income.

3. Other income

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
From continuing operations:				
Other income				
Interest income	827	1,132	7	9
Net foreign exchange gains	5,369	706	–	–
Fair value gains on financial instruments	2,974	1,552	–	–
Other income	11	13	–	–
	9,181	**3,403**	**7**	**9**

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

4. Expenses

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
From continuing operations:				
Depreciation and amortisation expense				
Depreciation of property, plant and equipment	46,535	46,515	–	–
Amortisation of intangible assets	7,962	6,104	–	–
	54,497	**52,619**	**–**	**–**
Interest expense				
Interest expense on borrowings	27,490	28,367	–	–
Interest expense on derivative financial instruments	25,673	26,533	–	–
	53,163	**54,900**	**–**	**–**
Other finance costs				
Significant item – interest rate swap termination costs	–	16,773	–	–
Other fair value losses on financial instruments	332	3,320	–	–
Bank fees and loan amortisation costs	2,802	4,223	–	–
Recognition and unwinding of discount on decommissioning provisions	117	110	–	–
	3,251	**24,426**	**–**	**–**
Impairment expense				
Impairment of financial assets[1]	–	–	205,300	–
	–	**–**	**205,300**	**–**

Recognition and measurement

Interest expense

Interest expense is recognised in the period it occurs in connection with the borrowing of funds or derivative financial instruments.

5. Income taxes and deferred taxes

Income tax benefit

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Current tax	(1,840)	(1,257)
Deferred tax	2,023	(2,247)
Income tax (benefit)/expense from continuing operations	**183**	**(3,504)**
Aggregate income tax benefit is attributable to:		
(Benefit)/expense from continuing operations	183	(3,504)
(Benefit)/expense from discontinued operations	9,893	784
Aggregate income tax (benefit)/expense	**10,076**	**(2,720)**
Deferred income tax (benefit)/expense included in income tax benefit comprises:		
Decrease in deferred tax assets	2,242	908
Increase/(decrease) in deferred tax liabilities	(219)	(3,155)
	2,023	**(2,247)**

1 Relates to the loan receivable due from members of the Group. Refer to Note 7 for further information.

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

5. Income taxes and deferred taxes (continued)

Income tax benefit (continued)

a) Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Loss from continuing operations before income tax	(18,249)	(35,928)
Total loss before income tax	**(18,249)**	**(35,928)**
Income tax benefit calculated at 30% (2014: 30%)	**(5,475)**	**(10,778)**
Increase/(decrease) in tax benefit due to:		
Tax losses not recognised as an asset	6,728	8,046
Unrealised foreign exchange movement	(300)	1,150
Sundry items	(770)	(1,922)
Income tax (benefit)/expense	**183**	**(3,504)**

b) Amounts recognised directly in equity
The following deferred amounts were not recognised in net profit or loss but charged directly to equity during the period:

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Deferred tax asset	467	1,142
Deferred tax liabilities	–	–
Net deferred tax	**467**	**1,142**

c) Tax losses

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Unused tax losses for which no deferred tax asset has been recognised	259,268	236,169
Potential tax benefit at 30%	**77,780**	**70,851**

d) Current tax liabilities

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Income tax payable attributable to:		
Discontinued operations	9,893	–
	9,893	**–**

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

5. Income taxes and deferred taxes (continued)

Income tax benefit (continued)

e) Deferred tax

	Infigen Energy Group				
	Opening balance $'000	**Charged to Income** $'000	**Charged to Equity** $'000	**Acquisitions/ disposals** $'000	**Closing balance** $'000
Year ended 30 June 2015					
Gross deferred tax assets					
Unused revenue tax losses	87,773	(459)	–	–	87,314
Effect of hedge movements	24,892	(354)	467	–	25,005
Unrealised foreign exchange loss	5,012	(1,025)	–	–	3,987
	117,677	**(1,838)**	**467**	**–**	**116,306**
Gross deferred tax liabilities					
Depreciation	(57,781)	(1,350)	–	–	(59,131)
Unrealised foreign exchange gains	(4,086)	20	–	–	(4,066)
Other	(5,357)	1,549	–	–	(3,808)
	(67,224)	**219**	**–**	**–**	**(67,005)**
Total deferred tax assets	**50,453**	**(1,619)**	**467**	**–**	**49,301**
Year ended 30 June 2014					
Gross deferred tax assets					
Unused revenue tax losses	84,834	2,939	–	–	87,773
Effect of hedge movements	25,259	(1,509)	1,142	–	24,892
Unrealised foreign exchange loss	6,789	(1,777)	–	–	5,012
	116,882	**(347)**	**1,142**	**–**	**117,677**
Gross deferred tax liabilities					
Depreciation	(58,984)	1,203	–	–	(57,781)
Unrealised foreign exchange gains	(7,582)	3,496	–	–	(4,086)
Other	(3,813)	(1,544)	–	–	(5,357)
	(70,379)	**3,155**	**–**	**–**	**(67,224)**
Total deferred tax assets	**46,503**	**2,808**	**1,142**	**–**	**50,453**

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Deferred tax assets to be recovered within 12 months	–	–
Deferred tax assets to be recovered after more than 12 months	49,301	50,543
Total deferred tax assets	**49,301**	**50,543**

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

5. Income taxes and deferred taxes (continued)

Recognition and measurement

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations.

Under current legislation, IET is not subject to income tax as unitholders are presently entitled to the income of IET.

Tax consolidation

IEL and its wholly-owned Australian resident entities have formed an Australian tax consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is IEL. Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with IEL. The members of the tax consolidated group are identified in Note 25. IEL and its controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

Current tax

Current tax expense is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax expense is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that future taxable amounts will be available to utilise them.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for taxable temporary differences at reporting date between accounting carrying amounts and tax bases of assets and liabilities except for the following:

- Where they arise from the initial recognition of assets and liabilities (other than as a result of a business combination) and at the time of the transaction, affects neither taxable profit or loss nor accounting profit;
- Where they relate to investments in subsidiaries, associates and joint ventures:
  - Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
  - Deferred tax assets are not recognised if it is not probable that the temporary differences will not reverse in the foreseeable future and there will be insufficient taxable profits against which to realise the benefit.

A deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group or the individual entity intends to settle its current tax assets and liabilities on a net basis.

Key estimate: deferred tax assets

The Group currently has significant tax losses in Australia and its foreign operations. Tax losses in the Australian business have been recognised as a deferred tax asset on the basis that it is expected the business will generate sufficient taxable earnings to fully utilise those losses.

The Group is required to make significant judgements and assessments in relation to the recoverability of future tax losses which have been recognised as deferred tax assets. The assessment of future taxable income to support utilisation of tax losses in the Australian business is based on the long-term forecasts used for assessing asset impairment (refer to Note 11 for key assumptions) and consideration of many future events and outcomes that are uncertain.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them. Currently, only Australian tax losses have been brought to account as deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS
PERFORMANCE FOR THE YEAR

6. Earnings per share/unit

a) Basic and diluted earnings per stapled security/parent entity share

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 Cents per security	2014 Cents per security	2015 Cents per unit	2014 Cents per unit
Parent entity share				
From continuing operations	(2.3)	(4.2)	–	–
From discontinued operations	(37.2)	3.1	–	–
Total basic and diluted earnings per share attributable to the parent entity shareholders[1]	**(39.5)**	**(1.1)**	**–**	**–**
Stapled security				
From continuing operations	(2.4)	(4.3)	(26.8)	(0.1)
From discontinued operations	(37.2)	3.1	–	–
Total basic and diluted earnings per security attributable to the stapled securityholders	**(39.6)**	**(1.2)**	**(26.8)**	**(0.1)**

b) 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	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Earnings attributable to the parent entity shareholders				
From continuing operations	(17,847)	(31,698)	–	–
From discontinued operations	(285,171)	23,521	–	–
Total earnings attributable to the parent entity shareholders	**(303,018)**	**(8,177)**	**–**	**–**
Earnings attributable to the stapled securityholders				
From continuing operations	(18,432)	(32,424)	(205,989)	(646)
From discontinued operations	(285,171)	23,521	–	–
Total earnings attributable to the stapled securityholders	**(303,603)**	**(8,903)**	**(205,989)**	**(646)**

c) Weighted average number of securities used as the denominator

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 No.'000	2014 No.'000	2015 No.'000	2014 No.'000
Weighted average number of shares/units for the purposes of basic earnings per share/unit	767,428	764,560	767,428	764,560
Weighted average number of shares/units for the purposes of diluted earnings per share/unit	767,428	764,560	767,428	764,560

Calculation of earnings per share

Basic earnings per share/units is calculated by dividing the profit attributable to equity holders of the Group or the Trust, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares/units outstanding during the financial year, adjusted for bonus elements in ordinary shares/units issued during the year.

Diluted earnings per share/unit adjusts the figures used in the determination of basic earnings per share/unit to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares/units and the weighted average number of shares/units that would have been outstanding assuming the conversion of all dilutive potential ordinary shares/units.

The number of performance rights/units outstanding has not been included in the calculation of diluted EPS as they are anti-dilutive. Refer to Note 32 for the number of performance rights/units outstanding.

1 The number of performance rights/units outstanding have not been included in the calculation of diluted EPS as they are anti-dilutive. Refer to Note 32 for the number of performance rights/units outstanding.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

7. Trade and other receivables

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
Current				
Trade receivables	15,483	25,426	–	–
Prepayments	1,313	8,073	–	–
Other receivables	55,760	4,190	–	–
	72,556	**37,689**	**–**	**–**
Non-current				
Amounts due from related parties (Note 31)	842	804	538,000	742,619
Prepayments	3,321	4,121	–	–
	4,163	**4,925**	**538,000**	**742,619**

a) Past due but not impaired
There were no trade receivables in the Group that were past due but not impaired as at 30 June 2015 and 30 June 2014.

There were no other classes within trade and other receivables of the Group that contained impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group or the Trust does not hold any collateral in relation to these receivables.

b) Impairment of trade and other receivables
There were no impaired trade receivables for the Group as at 30 June 2015 or 30 June 2014.

An impairment charge of $205.3 million was recognised in the Trust relating to the loan receivable due from related parties. As part of the long-term funding arrangements within the stapled structure, IET has loans due from other Group entities totaling $743 million, which at present, are non-interest bearing. The sale of the US wind business has the effect of extending the expected time to full repayment of these loans. The forecast undiscounted cash flows of the assets of the continuing operations still supports the carrying value of these loans as they exceed $743 million. While IET is expected to receive the full $743 million face value of the loans, the term of the loan has increased and this has reduced the net present value.

c) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Group or the Trust. As at 30 June 2015, $55.4 million (USD42.6 million) receivable was recognised from the sale of the US solar development business.

d) Foreign exchange and interest rate risk
Information about the Group's and the Trust's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 18.

e) Fair value and credit risk
Due to the nature of the receivables, it is assessed that their carrying amount approximates their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 18 for more information on the risk management policy of the Group or the Trust and the credit quality of the Group's or the Trust's trade receivables.

f) Prepayments
Included within current and non-current prepayments is $1,313,000 (2014: $8,073,000) and $3,321,000 (2014: $4,121,000) of prepaid operational expenses.

Recognition and measurement
Loans and trade receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment. Trade receivables are generally due for settlement within 30 days.

Receivables are stated exclusive of the amount of GST receivable unless the GST incurred is not recoverable from the taxation authority. The net amount of GST recoverable from the taxation authority is included with other receivables.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

8. Inventory

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Environmental certificates	12,695	12,914
Spare parts[1]	–	3,250
	12,695	**16,164**

Recognition and measurement

Environmental certificates or Large-scale Generation Certificates (LGCs)

LGCs held in inventory are valued at the lower of cost and net realisable value. Upon sale, the difference between the sale price and the book value of inventory is recorded as a component of revenue.

9. Property, plant and equipment

	Infigen Energy Group	
	Plant & equipment $'000	**Total** $'000
At 30 June 2013		
Cost	2,569,257	2,569,257
Accumulated depreciation	(558,154)	(558,154)
Net book value	**2,011,103**	**2,011,103**
Year ended 30 June 2014		
Opening net book value	2,011,103	2,011,103
Additions	10,980	10,980
Transfers to intangible assets	(2,619)	(2,619)
Disposals	(3,581)	(3,581)
Depreciation expense	(110,749)	(110,749)
Net foreign currency exchange differences	(9,725)	(9,725)
Closing net book value	**1,895,409**	**1,895,409**
At 30 June 2014		
Cost	2,564,312	2,564,312
Accumulated depreciation	(668,903)	(668,903)
Net book value	**1,895,409**	**1,895,409**
Year ended 30 June 2015		
Opening net book value	1,895,409	1,895,409
Additions	5,736	5,736
Depreciation expense	(113,364)	(113,364)
Assets of disposal group classified as held for sale	(1,188,668)	(1,188,668)
Net foreign currency exchange differences	231,054	231,054
Closing net book value	**830,167**	**830,167**
At 30 June 2015		
Cost	1,159,258	1,159,258
Accumulated depreciation	(329,091)	(329,091)
Net book value	**830,167**	**830,167**

1 Spare parts as at 30 June 2014 related to inventory of the disposal group held for sale. Spare parts of the Australian wind farms are held by the contractors that manage the operation and maintenance contracts.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

Recognition and measurement

Property, plant and equipment

The value of property, plant and equipment such as wind turbines and associated plant are measured as the cost of the asset less accumulated depreciation and impairment. The cost of the asset includes expenditure that is directly attributable to the acquisition of the item and may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Subsequent costs, including replacement parts are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is recognised as a separate asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Decommissioning

The Group's policy is to provide for the future costs relating to the decommissioning of wind turbines and associated plant if the amounts are expected to result in an outflow of economic benefits. The cost of decommissioning wind turbines and associated plant is reviewed at the end of each annual reporting period.

Derecognition

An item of property, plant and equipment is derecognised when it is replaced, sold or otherwise disposed of. Gains and losses on disposal of an item of property, plant and equipment which are determined by comparing the proceeds from the disposal with the carrying amount of property, plant and equipment are included in the income statement. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight line basis over their estimated useful lives outlined below to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Key estimate: useful lives of assets

Wind turbines and associated plant	25 years[1]
Solar panels and associated plant	30 years
Fixtures and fittings	10-20 years
Computer equipment	3-5 years

1 May exceed 25 years.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

10. Intangible assets

	Infigen Energy Group			
	Goodwill $'000	Development assets $'000	Project-related agreements and licences $'000	Total $'000
At 30 June 2013				
Cost	15,136	32,408	342,187	389,731
Accumulated amortisation and impairment	–	–	(114,113)	(114,113)
Net book value	**15,136**	**32,408**	**228,074**	**275,618**
Year ended 30 June 2014				
Opening net book value	15,136	32,408	228,074	275,618
Additions	–	2,335	517	2,852
Transfers	–	(1,673)	1,673	–
Transfers from plant & equipment	–	–	2,619	2,619
Amortisation expense	–	–	(13,137)	(13,137)
Impairment expense	–	–	–	–
Net foreign currency exchange differences	–	–	(10,828)	(10,828)
Closing net book value	**15,136**	**33,070**	**208,918**	**257,124**
At 30 June 2014				
Cost	15,136	33,070	336,168	384,374
Accumulated amortisation and impairment	–	–	(127,250)	(127,250)
Net book value	**15,136**	**33,070**	**208,918**	**257,124**
Year ended 30 June 2015				
Opening net book value	15,136	33,070	208,918	257,124
Additions	–	2,589	52	2,641
Transfers	–	–	–	–
Amortisation expense	–	–	(13,824)	(13,824)
Impairment expense	–	(1,898)	–	(1,898)
Assets of disposal group classified as held for sale	–	(3,509)	(141,281)	(144,790)
Net foreign currency exchange differences	–	–	27,570	27,570
Closing net book value	**15,136**	**30,252**	**81,435**	**126,823**
At 30 June 2015				
Cost	15,136	32,150	112,500	159,786
Accumulated amortisation and impairment	–	(1,898)	(31,065)	(32,963)
Net book value	**15,136**	**30,252**	**81,435**	**126,823**

Recognition and measurement

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill on acquisition is separately disclosed in the balance sheet. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The cash-generating units represent the Group's investment in the Australian segment.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate a wind farm, including governmental authorisations, land rights and environmental consents;
- interconnection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which are based on the lease term of the related wind farm.

Development assets

Development assets represent development costs incurred prior to commencement of construction for wind and solar farms. Development assets are not amortised, but are transferred to plant and equipment and depreciated from the time the asset is held ready for use on a commercial basis.

Key estimate: useful economic lives of intangible assets

The Group amortises project-related agreements and licences over 25 years which is the estimated minimum useful economic life of these assets, based on current evaluations. It is possible that some of these assets will have total useful economic lives in excess of 25 years in which case additional revenues will be received without a matching depreciation charge.

11. Valuation of non-financial assets

Testing for impairment of intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the carrying values are impaired.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group has estimated the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. Such impairment loss is recognised in the income statement immediately.

Key estimate: recoverable amounts of the development assets

The Group holds renewable energy development assets in Australia. The recoverable amount of the development assets is dependent upon internal valuations, which consider how advanced the development projects are, and the current, or expected future, market demand for these assets.

Impairment tests for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the Australian segment which represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Australia	15,136	15,136
Total goodwill	**15,136**	**15,136**

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

11. Valuation of non-financial assets (continued)

Key assumptions for value-in-use calculations

The recoverable amount of the CGU is determined based on value-in-use calculations. The calculations use cash flow projections based on financial projections covering the total life of the wind farms, which is greater than or equal to 25 years.

The Group makes assumptions around expected wind resource, availability, prices, operating expenses and discount rates in calculating the value-in-use of its CGUs. Some of the estimates and assumptions may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

The Group uses production estimates to reflect the expected performance of the assets throughout the forecast period. The forecast period reflects the useful life of the assets held by each CGU. Production is estimated by independent technical consultants on behalf of the Group for each wind farm.

Pricing assumptions are based on the contractual terms of power purchase agreements where applicable, and third party assessments of merchant electricity and environmental certificate prices over the forecast period. The Australian CGU has utilised a third party assessment of merchant electricity and LGC forward pricing that excludes any component for carbon pricing or an equivalent scheme but is founded on the Renewable Energy Target (RET) as currently legislated.

In performing value-in-use calculations for Australia, the Group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax discount rates are disclosed below.

	Pre-tax discount rates	
	2015	**2014**
Australia	11.7%	12.1%

The discount rates used reflect specific risks in which the Group has operations. For some wind farms with power purchase agreements, future revenue growth forecasts are based on the contractual escalation provisions in the relevant jurisdiction. For wind farms subject to market prices, future revenue growth forecasts are based on long term third party industry price expectations.

Sensitivity to changes in assumptions

The carrying value is assessed as recoverable as at 30 June 2015. Variations to the key assumptions used to determine the recoverable amount would result in a change in the assessed recoverable amount. If the variation in assumptions had a negative impact on recoverable amount it could indicate a requirement for an additional impairment expense.

The estimation of the recoverable amount of the Australian CGU was tested for sensitivity using reasonably possible changes in key assumptions. These changes include increases and decreases in the discount rates of up to 1% with all other assumptions remaining constant.

Separate sensitivity tests are also conducted to measure the impact of varying future cash flows for increases and decreases of up to 10% in market prices, 5% in production, and 10% in operating costs respectively.

None of these tests resulted in the carrying amount of the Australian CGU exceeding its recoverable amount.

12. Trade and other payables

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
Current				
Trade payables and accruals	8,225	15,196	–	–
Goods and services and other taxes payable	7,652	4,641	–	–
Deferred income	–	5,908	–	–
Amount due to related parties[1]	–	–	4,179	3,511
Other	13,104	6,674	–	–
	28,981	**32,419**	**4,179**	**3,511**

Recognition and measurement

Trade payables are recognised when the Group or the Trust becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade payables are stated exclusive of the amount of goods and services tax payable unless the GST incurred is not recoverable from the taxation authority which in this case would be recognised as part of the cost of acquisition of the asset. The net amount of GST payable to the taxation authority is included in goods and services and other taxes payable.

Other payables include accruals for wages and salaries (including non-monetary benefit), annual leave and sick leave expected to be settled within 12 months of the reporting date in which employees render the related service. They are measured at the amounts expected to be paid when the liabilities are settled. The entire obligation for annual leave is presented as current because the Group does not have an unconditional right to defer payment.

1 Refer to Note 31 for further information relating to loans to related parties.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

13. Provisions

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Current		
Employee benefits	1,588	2,900
	1,588	**2,900**
Non-current		
Employee benefits	592	491
Decommission and restoration	7,637	18,591
	8,229	**19,082**
	9,817	**21,982**

A reconciliation of the carrying amounts of provisions is set out below:

	Infigen Energy Group		
	Decom-missioning and restoration $'000	**Employee benefits** $'000	**Total** $'000
Year ended 30 June 2014			
Carrying amount at start of the year	18,518	3,246	21,764
Additional provision during the year	–	145	145
Recognition and unwinding of discount	242	–	242
Effect of movements in foreign exchange rates	(169)	–	(169)
Carrying amount at the end of the year	**18,591**	**3,391**	**21,982**
Year ended 30 June 2015			
Carrying amount at start of the year	18,591	3,391	21,982
Provision reversed during the year	–	(1,211)	(1,211)
Recognition and unwinding of discount	264	–	264
Effect of movements in foreign exchange rates	2,519	–	2,519
Provision of disposal group classified as held for sale	(13,737)	–	(13,737)
Carrying amount at the end of the year	**7,637**	**2,180**	**9,817**

Recognition and measurement

Provisions are recognised when:

- the Group or the Trust has a present legal or constructive obligation as a result of past events;
- it is probable an outflow of resources will be required to settle the obligation;
- and the amount of the provision can be measured reliably.

Provisions are not recognised for future operating losses.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

Key estimate: discounting

Provisions are measured at the present value of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS
OPERATING ASSETS AND LIABILITIES

13. Provisions (continued)

Decommissioning and restoration

The decommission and restoration provision represents estimates of future expenditure relating to dismantling and removing of wind turbines and associated plant, and restoration of wind farm sites.

Employee benefits

Provision for employee benefits represent provision for short term incentives, long service leave and termination benefits. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the balance date, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Short term incentive plans

The Group recognises a liability and an expense for short term incentives and takes into consideration the performance of the Group for the corresponding period. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

14. Cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
Cash and cash equivalents	45,182	80,699	399	392

Recognition and measurement

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Restricted cash balances

As at 30 June 2015, $10.2 million[1] (2014: $12.7 million) of cash was held by the Group in accordance with the minimum cash requirements for Australian Financial Services License (AFSL) compliance, the Woodlawn project finance facility debt service reserve account and restricted cash held in escrow relating to the German wind asset sale.

15. Borrowings

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Current		
Secured		
Global Facility	35,452	49,779
Project Finance Debt – Woodlawn	10,807	5,018
Bank Facility – Union Bank	–	9,187
	46,259	**63,984**
Non-current		
Secured		
Global Facility	712,529	929,768
Project Finance Debt – Woodlawn	34,595	44,974
Bank Facility – Union Bank	–	48,387
Capitalised loan costs	(6,500)	(12,068)
	740,624	**1,011,061**
Total borrowings	**786,883**	**1,075,045**

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Current		
Borrowings associated with sale of disposal group[2]		
Global Facility	245,278	–
	245,278	**–**
Total group borrowings	**1,032,161**	**1,075,045**

1 Does not include restricted cash held in disposal group classified as held for sale.

2 Relates to amounts that are expected to be repaid upon the sale of disposal group. Refer to Note 24 for details of discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

15. Borrowings (continued)

a) Reconciliation of borrowings

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Opening balance	1,075,045	1,058,579
Debt repayments – Global Facility	(61,459)	(35,339)
Debt repayments – Woodlawn	(4,590)	(53,578)
Debt repayments – Union Bank	–	(4,046)
Draw down Project finance debt – Woodlawn	–	51,709
Draw down Bank facility – Union Bank	–	62,199
Net Loan costs expensed/(capitalised)	4,213	(2,352)
Borrowings of disposal group classified as held for sale	(57,274)	–
Net foreign currency exchange differences	76,226	(2,127)
Total group borrowings	**1,032,161**	**1,075,045**
Borrowings associated with sale of disposal group	(245,278)	–
Total borrowings	**786,883**	**1,075,045**

b) Borrowings by currency

The total value of funds that have been drawn down by currency, converted to Australian dollars (AUD) at the year-end exchange rate, is presented in the following table:

	Infigen Energy Group	
	Total Borrowings (Local Curr) $'000	**Total Borrowings** (AUD) $'000
As at 30 June 2015		
Australian dollars (AUD) – Global Facility	531,027	531,027
Australian dollars (AUD) – Woodlawn	45,402	45,402
Euro (EUR) – Global Facility	21,171	30,834
US dollars (USD) – Global Facility	142,940	186,120
Gross borrowings		**793,383**
Less capitalised loan costs		(6,500)
Total borrowings		**786,883**

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

15. Borrowings (continued)

b) Borrowings by currency (continued)

	Infigen Energy Group	
	Total Borrowings (Local Curr) '000	Total Borrowings (AUD) '000
As at 30 June 2015		
Borrowings associated with sale of disposal group		
Euro (EUR) – Global Facility	43,127	62,812
US dollars (USD) – Global Facility	140,133	182,466
Total borrowings associated with sale of disposal group		**245,278**
As at 30 June 2014		
Australian dollars (AUD) – Global Facility	532,423	532,423
Australian dollars (AUD) – Woodlawn	49,993	49,993
Euro (EUR) – Global Facility	76,486	110,752
US dollars (USD) – Global Facility	316,861	336,370
US dollars (USD) – Union Bank	54,235	57,575
Gross borrowings		**1,087,113**
Less capitalised loan costs		(12,068)
Total borrowings		**1,075,045**

Recognition and measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities held, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group or the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Global Facility

The Group's corporate debt facility (the Global Facility) is a multi-currency facility that matures in 2022. The Global Facility is a syndicated facility among a group of Australian and international lenders.

The Global Facility delineates between those Infigen group entities that comprise the Global Facility borrower group (Borrower Group) and those Infigen group entities that are not within the Borrower Group. The latter are generally referred to as "Excluded Companies".

In broad terms, following completion of the sale of the disposal group, the Borrower Group will comprise IEL and substantially all of its subsidiaries, with the exception that none of the following will fall within the Borrower Group:

- IET or IEBL; and
- Infigen Energy Holdings Pty Limited and its subsidiaries, which primarily include Woodlawn Wind Pty Limited (which owns Woodlawn wind farm) and the Group's Australian development pipeline project entities.

Excluded Companies

Excluded Companies:

- are not entitled to borrow under the Global Facility;
- must deal with companies within the Global Facility Borrower Group on arm's length terms; and
- are not subject to, or the subject of, the representations, covenants or events of default applicable to the Borrower Group.

Amounts outstanding under the Global Facility

Amounts outstanding under the Global Facility are in Euro, United States dollars and Australian dollars. The base currency of the Global Facility is the Euro.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

15. Borrowings (continued)

Principal repayments under the Global Facility

Subsequent to 30 June 2010 and for the remaining term of the Global Facility (expiring December 2022), all surplus cash flows of the Borrower Group, after taking account of working capital requirements are required to be used to make repayments under the Global Facility on a semi-annual basis (Cash Sweep). The net disposal proceeds of any disposals by Borrower Group entities must also be applied to make repayments under the Global Facility.

During the year ended 30 June 2015 repayments of $61,459,126 (2014: $35,339,000) were made.

The Group expects to repay $280.7 million within 12 months. This includes $245.3 million as a result of the sale of the disposal group.

Interest payments

The Group pays interest each six months based on the EURIBOR (Euro drawings), BBSY (Australian dollar) or LIBOR (United States dollar) rate, plus a margin. It is the Group's policy and a requirement of the Global Facility to use financial instruments to fix the interest rate for a portion of the borrowings (refer Note 18).

Financial covenant

During the period of the Cash Sweep, the only financial covenant that applies under the Global Facility is a leverage ratio covenant. This covenant is based on the results of each twelve month period ending 30 June and 31 December and is as follows:

- Through to June 2016: not more than 8.5 times;
- July 2016 to June 2019: not more than 6.0 times;
- July 2019 to expiry of facility (December 2022): not more than 3.0 times.

The leverage ratio is determined by taking the quotient of Net Debt and EBITDA of entities that are within the Borrower Group. EBITDA represents the consolidated earnings of the Borrower Group entities before finance charges, unrealised gains or losses on financial instruments and material items of an unusual or non-recurring nature.

Review events

A review event would occur if the shares of IEL were removed from the official list of the Australian Securities Exchange or were unstapled from units of IET and shares of IEBL. Such an event would require assessment of the effect on the Global Facility and, if necessary, agreement of an action plan.

Security

The Global Facility has no asset level security, however, each borrower under the Global Facility is a guarantor of the facilities. In addition, lenders have first ranking security over the issued share capital of, or other ownership interest in:

- the borrowers (other than Infigen Energy Limited); and
- the direct subsidiaries of the borrowers, which are holding entities of each operating wind farm in Infigen's portfolio (other than Woodlawn wind farm).

Global Facility lenders have no security over Excluded Companies.

Project Finance Facility – WWCS Finance Pty Ltd (Woodlawn Wind Farm)

WWCS Finance Pty Ltd, the immediate parent company of Woodlawn Wind Pty Ltd (which in turn owns Woodlawn Wind Farm), is the borrower under an AUD $51.7 million syndicated term facility. The syndicate lenders are Westpac Banking Corporation (Tranche A) and Clean Energy Finance Corporation (Tranche B). The Tranche A and Tranche B loans are of equal amounts, with maturity in September 2018 and September 2023 respectively.

Principal repayments

The borrower is required to make debt repayments on a quarterly basis following a set repayment schedule for both Tranche A and Tranche B loans. During the year ended 30 June 2015 net repayments of $4,590,333 (2014: $1,869,049 under the previous Woodlawn Wind Pty Limited facility) were made.

Interest payments

Interest is payable on a quarterly basis. Tranche A interest is calculated on the BBSY (Australian dollar) rate plus a margin and the Tranche B interest is fixed for 10 years at 3.7575% plus a margin. Interest obligations for the Tranche A loan have been hedged with interest rate caps of 3.9790% (September 2014 to September 2018) and 5.7850% (September 2018 to March 2023).

Security

The lenders under the Project Finance facility hold security over the shares in, and assets and undertaking of, WWCS Finance Pty Ltd and Woodlawn Wind Pty Ltd.

Debt resizing – FY16

In June 2015, the Australian Parliament passed legislation to reduce the Large-scale Renewable Energy Target (LRET) from 41,000 GWh to 33,000 GWh by 2020. This triggered a debt resizing event within the Project Finance Facility.

As a result of the LRET reduction, WWCS Finance Pty Ltd is required to procure an independent consultant to provide revised electricity and LGC price forecasts in a form satisfactory to the Facility Agent. A revised financial model that incorporates these revised price forecasts will be provided to the Agent which will in turn be used to calculate the debt resizing amount for the facility. It is expected that this debt resizing process will result in a debt repayment of between $5 million and $10 million that will be payable in or about October 2015.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

16. Other financial assets and liabilities

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Current assets		
At fair value: Foreign exchange forward option	–	994
At fair value: Production hedge	566	–
	566	**994**
Non-current assets		
At fair value: Interest rate swaps	–	164
At fair value: Interest rate caps	53	139
	53	**303**
At fair value: Investment in financial asset	–	86,384
	–	**86,384**
Current liabilities		
At fair value: Interest rate swaps	30,698	33,964
	30,698	**33,964**
Non-current liabilities		
At fair value: Interest rate swaps	68,648	98,343
	68,648	**98,343**

Financial liabilities associated with sale of disposal group[1]

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Current liabilities		
At fair value: Interest rate swaps	32,310	–
	32,310	–

Recognition and measurement

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts, interest rate caps, interest rate swaps, and production hedges.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument; in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

1 Relates to amounts that will be repaid upon the sale of disposal group. Refer to Note 24 for details of discontinued operations.

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17. Fair value hierarchy

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

- Derivative financial instruments
- Investment in financial assets

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels prescribed under the accounting standards:

Level 1: the fair value of financial instruments traded in active markets is based on quoted market prices (unadjusted) at end of the reporting period. The Group does not hold level 1 financial instruments.

Level 2: the fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs required to fair value an instrument are observable. This is the case for the Group's derivative financial instruments.

Level 3: one or more of the significant inputs to determine the fair value of financial instruments are not based on observable market data (unobservable inputs).

The following tables present the Group's financial assets and financial liabilities measured and recognised at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 30 June 2015				
Recurring fair value measurements				
Assets				
Derivative financial instruments				
Interest rate caps – Woodlawn	–	53	–	53
Production hedge	–	–	566	566
Total assets	**–**	**53**	**566**	**619**
Liabilities				
Derivative financial instruments				
Interest rate swaps – Global Facility	–	99,346	–	99,346
Total liabilities	**–**	**99,346**	**–**	**99,346**
As at 30 June 2014				
Recurring fair value measurements				
Assets				
Derivative financial instruments				
Foreign exchange 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**

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

17. Fair value hierarchy (continued)

There were no transfers between levels 1 and 2, and between levels 2 and 3 financial instruments for recurring fair value measurements during the year. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2015.

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

a) Valuation techniques used to determine Level 2 fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps calculated as the present value of the estimated future cash flows based on observable yield curves; and
- The fair value of foreign exchange options determined using forward exchange rates at the balance sheet date.

Where such information is not available, the Group considers 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

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

The following table presents the changes in level 3 items. It is not possible to determine the fair value of these financial instruments using quoted prices or observable market data.

Financial assets	2015 $'000	2014 $'000
Opening balance at 1 July	86,384	–
Acquisitions	–	100,001
Interest income on financial asset	7,728	4,234
Distributions received as return of investment	(17,387)	(16,442)
Net foreign currency exchange differences	18,753	(1,409)
Financial assets of disposal group held for sale	(95,478)	–
Closing balance at 30 June	**–**	**86,384**

Production hedge	2015 $'000	2014 $'000
Opening balance at 1 July	–	–
Acquisitions	755	–
Amortisation	(189)	–
Closing balance at 30 June	**566**	**–**

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

Description	Fair value at 30 June 2015 $'000	Valuation techniques	Range of inputs	Relationship to unobservable inputs to fair value
Production hedge	566	Production forecast	Minimum and maximum production	As at 30 June 2015, the carrying amount of the production hedge is assessed to approximate fair value

Key estimate: fair value

The fair value of the financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group or the Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. These instruments are classified in the level 2 fair value hierarchy (refer to Note 17 (a)).

The carrying amounts of trade receivables and payables are assessed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group or the Trust for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management

The Group and the Trust are exposed to the following key financial risks.

Risk	Exposure arising from	Risk monitoring	Management
1) Market risk – interest rate risk	Long-term non-hedged borrowings at floating interest rates	Cash flow forecasting Sensitivity analysis	Interest rate derivatives
2) Market risk – electricity and environmental certificate price risk	Trading of electricity and environmental certificates	Sensitivity analysis	Power purchase agreements and contracted environmental certificate agreements Electricity derivatives (Futures, collars, production hedge)
3) Foreign exchange risk	Investments and borrowings denominated in USD and EUR	Sensitivity analysis	Foreign exchange derivatives Foreign currency prepayments of foreign denominated debts USD and EUR denominated cash holdings
4) Credit risk and counterparty risk	Cash and cash equivalents; deposits with banks; derivative financial instruments; trade receivables; forward contracts	Credit ratings Ageing analysis	Letters of credit; diversification of the customer portfolio which comprise contracted and non-contracted electricity; liquid funds held with large financial institutions with high credit ratings, credit monitoring
5) Liquidity risk	Long-term borrowings and other liabilities	Monitoring actual and forecast cash flows Matching maturity profiles of financial assets and liabilities	Maintaining adequate reserves, banking and borrowing facilities
6) Capital risk	Invested capital	Debt covenant ratio forecasting and sensitivity analysis	Dividend and distribution policy

The Group's and the Trust's risk management is carried out by a central treasury function (corporate treasury); the Group's or the Trust's corporate treasury:

- operates under the treasury policies approved by the Board which provide a framework for managing and mitigating the overall financial risks of the Group or the Trust;
- identifies, evaluates and hedges certain financial risks in close co-operation with the Group's or the Trust's operating units; and
- focuses on the unpredictability of financial markets and seeks to manage potential adverse effects on the financial performance of the Group or the Trust.

The Group's or the Trust's treasury policy specifically does not authorise any form of speculative trading. The derivatives are exclusively used for risk management or hedging purposes, not as trading or other speculative instruments.

There have been no changes to the type or class of financial risks the Group is exposed to since the prior year.

1) Market risk – interest rate risk

Nature of interest rate risk

The Group's income and operating cash flows are exposed to the risk of changes in the market interest rates primarily relating to the Group's unhedged debt obligations that have floating interest rates.

Interest rate risk management

To manage interest rate exposure, the Group fixes a portion of the floating rate borrowings by entering into interest rate swaps in which the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts, and interest rate caps in which the Group protects itself from rates increasing above a cap whilst still benefitting from lower interest rates under a cap. In undertaking this strategy the Group is willing to forgo a percentage of the potential economic benefit that would arise in a falling interest rate environment, in order to partially protect against downside risks of increasing interest rates and to secure a greater level of predictability for cash flows.

The effect on the Group's net result is largely due to the Group's exposure to interest rates on its non-hedged variable rate borrowings. The effect on hedge reserve is due to the effective portion of the change in fair value of derivatives that are designated as cash flow hedges.

A high percentage of the face value of debt in each of the relevant currencies is hedged using interest rate derivatives. The table below shows a breakdown of the Group's notional principal amounts.

The Trust has a small amount of cash balances. Interest earnings on these cash balances are affected when interest rates move.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

1) Market risk – interest rate risk (continued)

Exposure

As at reporting date, the Group had the following financial assets and liabilities, with exposure to interest rate risk.

Outstanding pay fixed / receive floating interest rate hedging

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2015 %	2014 %	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Fixed swap – AUD – Global Facility	6.82	6.74	411,886	456,328	(83,733)	(69,773)
Fixed Swap / Cap – AUD – Woodlawn	3.98	4.48	16,496	21,954	53	(100)
Fixed swap – Euro – Global Facility	–	4.93	–	72,401	–	(21,393)
Fixed swap – US dollar – Global Facility	5.33	5.30	173,846	237,275	(15,613)	(40,132)
Fixed swap – US dollar – Union Bank	–	1.99	–	53,544	–	(745)
			602,228	**841,502**	**(99,293)**	**(132,143)**

Bank debt

The Global Facility debt is denominated in AUD, USD and EUR and the debt is re-priced every 6 months.

- AUD debt is priced using the 6 month BBSY rate plus the defined facility margin.
- EUR debt is priced using the 6 month EURIBOR rate plus the defined facility margin.
- USD debt is priced using the 6 month LIBOR rate plus the defined facility margin.

50% of the Woodlawn Project Finance debt is re-priced quarterly using the 3 month BBSY (AUD) rate plus the defined facility margin, and 50% is fixed for ten years at 3.7575% plus the defined facility margin.

The current debt rates detailed in the tables below are not inclusive of the facility margins.

Floating rate debt

	Floating debt		Debt principal amount	
	2015 %	2014 %	2015 $'000	2014 $'000
AUD debt – Global Facility	2.31	2.72	119,141	76,095
AUD debt – Woodlawn	2.20	2.73	6,205	3,042
EUR debt – Global Facility	0.05	0.31	30,834	38,352
USD debt – Global Facility	0.45	0.33	12,274	99,095
USD debt – Union Bank Facility	–	0.23	–	4,030
			168,454	**220,614**

Fixed rate debt

	Fixed debt		Debt principal amount		% of debt hedged	
	2015 %	2014 %	2015 $'000	2014 $'000	2015 %	2014 %
AUD debt – Global Facility	6.82	6.74	411,886	456,328	78	86
AUD debt – Woodlawn	3.10	4.09	39,197	46,951	86	94
EUR debt – Global Facility	–	4.93	–	72,401	–	65
USD debt – Global Facility	5.33	5.30	173,846	237,275	93	71
USD debt – Union Bank Facility	–	1.99	–	53,544	–	93
			624,929	**866,499**		
Total debt	**6.17**	**5.87**	**793,383**	**1,087,113**	**79**	**80**

The current average interest rate (floating rate debt and fixed rate debt), pre-margin across all facilities is 6.17% (2014: 5.87%). The current average margin across all facilities is 127 basis points (2014: 134 basis points).

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

1) Market risk – interest rate risk (continued)

Sensitivity

The Group's sensitivity to interest rate movement of net result before tax and equity has been determined based on the exposure to interest rates at the reporting date. A sensitivity of 100 basis points has been selected across the 3 currencies to which the Group is exposed to floating rate debt: AUD, EUR, and USD. The 100 basis points sensitivity is determined to be reasonable as it is assessed to be flat across the yield curve.

The Trust's sensitivity to interest rate movement of net loss before tax and equity has been determined based on the exposure to interest rates at the reporting date. A sensitivity of 100 basis points has been selected. The 100 basis points sensitivity is determined to be reasonable as it is assessed to be flat across the yield curve.

Infigen Energy Group

2015 AUD $'000			**AUD** +100 bps	**AUD** -100 bps	**EUR** +100 bps	**EUR** -100 bps	**USD** +100 bps	**USD** -100 bps
Effect on income statement								
Cash	AUD	16,648	166	(166)	–	–	–	–
	EUR	19,619	–	–	196	(10)	–	–
	USD	8,915	–	–	–	–	89	(40)
		45,812	**–**	**–**	**–**	**–**	**–**	**–**
Borrowings	AUD	531,027	(1,191)	1,191	–	–	–	–
	EUR	30,834	–	–	(308)	15	–	–
	USD	186,120	–	–	–	–	(123)	55
Woodlawn	AUD	45,402	(62)	62	–	–	–	–
Capitalised loan cost	AUD	4,036	–	–	–	–	–	–
	USD	2,464	–	–	–	–	–	–
		799,883	**–**	**–**	**–**	**–**	**–**	**–**
Derivatives – interest rate swaps	AUD	83,733	1,491	(1,491)	–	–	–	–
	USD	15,613	–	–	–	–	–	–
Derivatives – interest rate cap	AUD	53	111	(46)	–	–	–	–
Total income statement			**515**	**(450)**	**(112)**	**5**	**(34)**	**15**
Effect on hedge reserve								
Derivatives – interest rate swaps	AUD	411,886	15,168	(16,137)	–	–	–	–
	USD	173,846	–	–	–	–	9,006	(9,656)
Total hedge reserve			**15,168**	**(16,137)**	**–**	**–**	**9,006**	**(9,656)**
Total effect on equity			**15,683**	**(16,587)**	**(112)**	**5**	**8,972**	**(9,641)**

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

1) Market risk – interest rate risk (continued)

Infigen Energy Group

2014 AUD $'000			AUD +100 bps	AUD -100 bps	EUR +100 bps	EUR -100 bps	USD +100 bps	USD -100 bps
Effect on income statement								
Cash	AUD	11,901	119	(119)	–	–	–	–
	EUR	19,467	–	–	195	(6)	–	–
	USD	49,331	–	–	–	–	493	(16)
		80,699	**–**	**–**	**–**	**–**	**–**	**–**
Borrowings	AUD	532,423	(761)	761	–	–	–	–
	EUR	110,752	–	–	(384)	117		
	USD	336,370	–	–	–	–	(991)	323
Woodlawn	AUD	49,993	(30)	30	–	–	–	–
Union Bank Facility	USD	57,575	–	–	–	–	(1)	9
Capitalised loan cost	AUD	(5,064)	–	–	–	–	–	–
	USD	(7,004)	–	–	–	–	–	–
		1,075,045	**–**	**–**	**–**	**–**	**–**	**–**
Derivatives interest rate swaps	AUD	456,328	2,117	(2,117)	–	–	–	–
	EUR	72,401	–	–	–	–	–	–
	USD	237,275	–	–	–	–	–	–
Woodlawn	AUD	21,954	–	–	–	–	–	–
Union Bank Facility	USD	53,544	–	–	–	–	–	–
Derivatives interest rate cap	AUD	28,193	263	(111)	–	–	–	–
Total income statement			**1,708**	**(1,556)**	**(189)**	**111**	**(499)**	**316**
Effect on hedge reserve								
Derivatives interest rate swaps	AUD	456,328	18,522	(18,522)	–	–	–	–
	EUR	72,401	–	–	5,614	(5,614)	–	–
	USD	237,275	–	–	–	–	11,804	(11,804)
Woodlawn	AUD	21,954	56	(56)	–	–	–	–
Union Bank Facility	USD	53,544	–	–	–	–	2,057	(2,057)
Total hedge reserve			**18,578**	**(18,578)**	**5,614**	**(5,614)**	**13,861**	**(13,861)**
Total effect on equity			**20,286**	**(20,134)**	**5,425**	**(5,503)**	**13,362**	**(13,545)**

Infigen Energy Trust Group

	AUD $'000	AUD +100 bps	AUD -100 bps
2015			
Impact on income statement			
Cash	399	4	(4)
2014			
Impact on income statement			
Cash	392	4	(4)

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

2) Market risk – electricity and environmental certificates price risk

Nature of price risk

The Group's electricity and environmental certificates are exposed to the risk of changes in the market prices arising from the sale of electricity and environmental certificates to utility companies, an industrial customer and to wholesale markets in the regions it operates and sells in Australia. A decrease in the electricity or environmental certificate price reduces revenue earned.

Price risk management

To mitigate the financial risks of electricity and environmental certificate prices falling, the Group has entered into power purchase agreements and green product purchase agreements to partially contract the sale price of the electricity and environmental certificates it produces.

In undertaking this strategy of contracting a percentage of its electricity and environmental certificate sales, the Group is willing to forgo a percentage of the potential economic benefit that would arise in an increasing electricity and environmental certificate price environment, to protect against downside risks of decreasing electricity and environmental certificate prices; thereby securing a greater level of predictability of cash flows.

Sensitivity

The following table details the Group's pre-tax sensitivity to a 10% change in the electricity and environmental certificate price, with all other variables held constant as at the reporting date, for its exposure to the electricity and environmental certificates markets.

A sensitivity of 10% has been selected given the current level of electricity and environmental certificate prices and the volatility observed on an historic basis and market expectations for future movement.

Consolidated AUD $'000	**Electricity/ LGC Price** +10%	**Electricity/ LGC Price** -10%
2015		
Income statement	4,799	(4,799)
2014		
Income statement	5,326	(5,326)

3) Foreign exchange risk

Nature of foreign exchange risk

The Group is exposed to the following foreign exchange risk.

USD debt foreign exchange risk

Following the sale of the US wind business, the Group will have residual USD denominated debt of USD142.9 million. In FY16, the Group will receive cash proceeds from the US solar development sale and the Class A US investment sale that will partially hedge this exposure.

EUR debt foreign exchange risk

A decline in value of the AUD versus the EUR would increase the AUD equivalent value of the Group's EUR debt. The Group has continuing operation's residual Euro debt of EUR21 million (FY14: EUR77 million). This legacy EUR debt from its previous disposed investments in Spain, France and Germany is not offset with any operational EUR assets.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

3) Foreign exchange risk (continued)

Foreign exchange risk management and exposure

The Group has partially hedged the EUR21 million debt exposure with EUR13 million cash holdings.

The table below splits out the P&L and equity movements of the EUR exposure:

	EUR exposure EUR€'000	Market value – foreign exchange derivatives AUD$'000	Foreign exchange gain/loss movement AUD$'000	Gain taken to P&L AUD$'000	Gain equity – hedge accounted AUD$'000
2015					
EUR Global Facility Debt	(64,298)	–	(542)	(542)	–
EUR from disposal group classified as held for sale	43,127	–	–	–	–
Cash	13,471	–	114	114	–
	(7,700)	**–**	**(428)**	**(428)**	**–**
2014					
EUR Global Facility Debt	(76,486)	–	(3,054)	(3,054)	–
Cash	13,444	–	519	519	–
	(63,042)	**–**	**(2,535)**	**(2,535)**	**–**

The Group has a multi-currency corporate debt facility and where practicable aims to ensure the majority of its debt and expenses are denominated in the same currency as the associated revenue and investments. The Group's balance sheet exposure to foreign currency risk at the reporting date is shown below. This represents the EUR and USD assets and liabilities the Group holds in AUD functional currency.

	2015		2014	
Foreign currency (AUD'000)	EUR	USD	EUR	USD
Cash	19,491	8,829	19,298	38,134
Short term intercompany loans	46,011	62,270	33,414	21,698
Foreign exchange call option	–	–	–	26,539
Net investment in foreign operations	9,860	403,344	9,803	318,946
Trade payables	–	(443)	(64)	(178)
Borrowings	(30,835)	–	(98,339)	(5,519)
Total exposure (foreign currency AUD'000)	**44,527**	**474,000**	**(35,888)**	**399,620**

Sensitivity

The following table details the Group's pre-tax sensitivity to a 10 percent change in the AUD against the USD and the EUR, with all other variables held constant, as at the reporting date, for its unhedged foreign exchange exposure.

A sensitivity of 10 percent has been selected as this is determined to be a reasonable measure for assessing the effect of exchange rate movements.

Consolidated (AUD'000)	AUD/EUR +10 %	AUD/EUR –10%	AUD/USD +10%	AUD/USD –10%
2015				
Income statement	(3,467)	3,467	(7,065)	7,065
Foreign currency translation reserve	(986)	986	(40,334)	40,334
2014				
Income statement	4,569	(4,569)	(8,067)	8,067
Foreign currency translation reserve	(980)	980	(31,895)	31,895

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

4) Credit risk and counterparty risk

Nature of credit risk

The Group's risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Trust arises from cash and cash equivalents, derivative financial instruments and deposits with banks, as well as credit exposures to customers.

Credit risk management

The Group's exposure is continuously monitored and the aggregate value of transactions is spread among creditworthy counterparties. The Group's credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies at above investment grade.

Exposure

The Trust has credit risk exposure to a group of counterparties having similar characteristics, being other members of the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Infigen as a generator generally sells electricity to large utility companies that operate in the regions that Infigen has operations. No one utility company or other offtake counterparty represents a significant portion of the total accounts receivable balance.

The carrying amount of financial assets, recorded in the financial statements, represents the Group's maximum exposure to credit risk.

The Trust's carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents its maximum exposure to credit risk.

Infigen Energy Group

Consolidated	**Within credit terms** $'000	**Past due but not impaired** $'000	**Impaired** $'000	**Description**
2015				
Bank deposits	43,710	1,472[1]	–	Credit rating investment grade
Trade receivables	15,484	–	–	Spread geographically with large utility companies
Other current receivables	55,760	–	–	Sale settlement period
Amounts due from related parties (associates)	842	–	–	Loan to associated entities
2014				
Bank deposits	79,235	1,464[1]	–	Credit rating investment grade
Trade receivables	25,419	–	–	Spread geographically with large utility companies
Other current receivables	3,733	–	–	Sale settlement period
Amounts due from related parties (associates)	804	–	–	Loan to associated entities

Infigen Energy Trust Group

Consolidated	**Within credit terms** $'000	**Past due but not impaired** $'000	**Impaired** $'000	**Description**
2015				
Bank deposits	399	–	–	Credit rating investment grade
Loans to related parties	–	–	743,300	Contractual amount due from members of Infigen Group
Impairment	–	–	(205,300)	Impairment arising from disposal group held for sale
	399	**–**	**538,000**	Amount receivable at the discount rate
2014				
Bank deposits	392	–	–	Credit rating investment grade
Loans to related parties	742,619	–	–	Due from members of Infigen Group
	743,011	**–**	**–**	

1 Cash held in escrow in relation to German wind asset sale.

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)

5) Liquidity risk

Nature of liquidity risk

The Group's risk that its assets cannot be traded quickly enough in the market to prevent a loss or make the required profit stems primarily from long-term borrowings and derivative contracts.

Liquidity risk management

The Group and the Trust manages liquidity risks by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Exposure

The tables below set out the Group's and the Trust's financial assets and financial liabilities at balance sheet date and places them into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The tables include the Group's forecast contractual repayments under the Global Facility and the Woodlawn project finance facility. From 1 July 2010 the Global Facility terms provide that net cash flows from the companies included in the Global Facility borrower group be applied to repay amounts outstanding under the Global Facility. WWCS Finance Pty Ltd, an Excluded Company for the purposes of the Global Facility, is the holder of the Woodlawn project finance facility.

For interest rate swaps and interest rate caps, the cash flows have been estimated using forward interest rates applicable at the reporting date.

Infigen Energy Group

	Up to 12 months $'000	1 to 5 years $'000	After 5 years $'000	Total contractual cash flows $'000
2015				
Global Facility debt and interest	53,093	288,106	528,317	**869,516**
Woodlawn debt and interest	13,317	31,664	9,407	**54,388**
Interest rate swap payable – Global Facility	31,160	61,875	11,997	**105,032**
Interest rate cap receivable	–	(31)	(28)	**(59)**
Current payables	28,981	–	–	**28,981**

Liabilities associated with sale of disposal group

	Up to 12 months $'000	1 to 5 years $'000	After 5 years $'000	Total contractual cash flows $'000
2015				
Global Facility debt and interest	246,199	–	–	**246,199**
Interest rate swap payable – Global Facility	32,310	–	–	**32,310**
2014				
Global Facility debt and interest	79,386	287,928	763,373	**1,130,687**
Woodlawn debt and interest	8,045	41,247	12,714	**62,006**
Union Bank Facility Loan debt and interest	11,231	40,377	15,571	**67,179**
Interest rate swap payable – Global Facility	33,326	84,583	21,625	**139,534**
Interest rate swap payable – Woodlawn	101	–	–	**101**
Interest rate swap – Union Bank Facility loan	911	308	(569)	**650**
Interest rate cap receivable	–	(91)	(70)	**(161)**
Foreign exchange and other options	994	–	–	**994**
Current payables	32,419	–	–	**32,419**

NOTES TO THE FINANCIAL STATEMENTS
CAPITAL MANAGEMENT

18. Financial risk management (continued)
5) Liquidity risk (continued)
Infigen Energy Trust Group

Consolidated	Up to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000
2015				
Amounts due to related parties	4,179	–	–	4,179
2014				
Amounts due to related parties	3,511	–	–	3,511

6) Capital risk
Nature of capital risk

The Group's and the Trust's risk that it may lose all or part of capital invested stems from the Group's ability to meet debt repayments and other financial obligations. The capital structure of the Group consists of debt finance facilities as listed in Note 15, and equity, comprising issued capital, reserves and retained earnings as listed in Notes 19, 20 and 21 respectively.

Capital risk management

The Group's and Trust's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can generate value for securityholders and unitholders and benefits for other stakeholders and to maintain an appropriate capital structure to minimize the cost of capital respectively.

In order to maintain or adjust the capital structure, the Group and the Trust may adjust the amount of distributions or dividends paid to securityholders/unitholders, return capital to securityholders, buy back existing securities or issue new securities or sell assets to reduce debt.

Through the year to 30 June 2015, the Group has had to maintain the following ratios in regards to compliance with its various facilities:

Global Facility – Leverage ratio, Net Debt/EBITDA[1]; WWCS Finance Pty Ltd, Woodlawn project finance facility – Debt service coverage ratio (DSCR); Bank Facility Union Bank – DSCR ratio

The Group has maintained its various banking ratios during FY14 and FY15.

1 Refer to Note 15(i) – Borrowings

NOTES TO THE FINANCIAL STATEMENTS
EQUITY

19. Contributed equity

	Infigen Energy Group				Infigen Energy Trust Group			
	2015 No. '000	2015 $'000	2014 No. '000	2014 $'000	2015 No. '000	2015 $'000	2014 No. '000	2014 $'000
Fully paid stapled securities/units								
Opening balance	764,993	762,460	762,266	761,642	764,993	753,894	762,266	753,076
Issue of securities (2,894,147 units at 24.5 cents each)	2,895	709	2,727	818	2,895	709	2,727	818
Closing balance	**767,888**	**763,169**	**764,993**	**762,460**	**767,888**	**754,603**	**764,993**	**753,894**

	2015 $'000	2014 $'000
Attributable to:		
Equity holders of the parent	2,305	2,305
Equity holders of the other stapled securities (non-controlling interests)	760,864	760,155
	763,169	**762,460**

Stapled securities are classified as equity. Holders of stapled securities are entitled to receive dividends from IEL and IEBL, distributions from IET and are entitled to one vote per stapled security at securityholder meetings. The holder is also 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.

20. Reserves

	Infigen Energy Group	
	2015 $'000	2014 $'000
Foreign currency translation	(6,774)	(45,867)
Hedging	(70,239)	(102,301)
Acquisition	(47,675)	(47,675)
Share-based payment	4,207	3,622
	(120,481)	**(192,221)**
Attributable to:		
Equity holders of the parent	(120,481)	(192,221)
Equity holders of the other stapled securities (non-controlling interests)	–	–
	(120,481)	**(192,221)**

a) Foreign currency translation reserve

	Infigen Energy Group	
	2015 $'000	2014 $'000
Balance at beginning of financial year	(45,867)	(39,610)
Movements increasing/(decreasing) recognised:		
Translation of foreign operations	39,093	(6,257)
Balance at end of financial year	**(6,774)**	**(45,867)**

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

NOTES TO THE FINANCIAL STATEMENTS
EQUITY

20. Reserves (continued)

b) Hedging reserve

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Balance at beginning of financial year	(102,301)	(124,656)
Movement increasing/(decreasing) recognised:		
Interest rate swaps	31,593	21,213
Deferred tax arising on hedges	469	1,142
	32,062	22,355
Balance at end of financial year	**(70,239)**	**(102,301)**

The hedging reserve is used to record movements on a hedging instrument in a cash flow hedge that are recognised directly in equity. The gain or loss from re-measuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit and loss when the hedged interest expense is recognised. The ineffective portion is recognised in the income statement immediately.

c) Acquisition reserve

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Balance at the beginning and end of the financial year	(47,675)	(47,675)

The acquisition reserve relates to the acquisition of non-controlling interests in entities over which the Group already exerted control. Therefore, the acquisition of these non-controlling interests did not result in a change of control but was an acquisition of the minority shareholders.

These transactions are treated as transactions between owners of the Group. The difference between the purchase consideration and the amount, by which the non-controlling interest is adjusted, has been recognised in the acquisition reserve.

d) Share-based payment reserve

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Balance at beginning of financial year	3,622	3,592
Share-based payments expense	585	30
Balance at end of financial year	**4,207**	**3,622**

The share-based payments reserve is used to recognise the fair value of performance rights/units issued to employees but not exercised. Refer Note 32 for further detail.

NOTES TO THE FINANCIAL STATEMENTS
EQUITY

21. Retained earnings

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
Balance at beginning of financial year	(78,181)	(69,278)	(14,394)	(13,748)
Net loss attributable to stapled securityholders	(303,603)	(8,903)	(205,989)	(646)
Balance at end of financial year	**(381,784)**	**(78,181)**	**(220,383)**	**(14,394)**
Attributable to:				
Equity holders of the parent	(358,690)	(55,672)	(220,383)	(14,394)
Equity holders of the other stapled securities (non-controlling interests)	(23,094)	(22,509)	–	–
	(381,784)	**(78,181)**	**(220,383)**	**(14,394)**

22. Distributions

Infigen Energy Group

Ordinary shares

Final and interim distributions in respect of the years ended 30 June 2014 and 30 June 2015 were nil cents per stapled security.

Franking credits

The parent entity has franking credits of $6,228,093 for the year ended 30 June 2015 (2014: $6,228,093).

Infigen Energy Trust Group

Distributions in respect of the years ended 30 June 2014 and 30 June 2015 were nil.

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

23. Investment in associates

a) Movements in carrying amounts

	Infigen Energy Group	
	2015 $'000	2014 $'000
Carrying amount at the beginning of the year	96,292	97,968
Share of profits/(losses) after income tax	12,726	13,705
Distributions received	(9,129)	(13,649)
Effects of exchange rate changes	20,794	(1,732)
Investment in associates and joint ventures of disposal group classified as held for sale	(120,231)	–
Carrying amount at the end of the year	**452**	**96,292**

		Ownership interest[1] %			
	Place of business/ country of incorporation	30 June 2015	30 June 2014	Nature of relationship	Measurement method
30 June 2015					
Australian associate entities	Australia	32%-50%	32%-50%	Associate	Equity method

The Australian associate entities hold interests in renewable energy developments. All associates are private entities and therefore no quoted securities prices are available.

b) Contingent liabilities in respect of associates

	2015 $'000	2014 $'000
Letters of credit	–	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.

Recognition and measurement

The Group's investment in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the investment in associates are carried in the consolidated balance sheet at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

c) Summarised financial information of associates

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

	Group's share of:			
	Assets $'000	Liabilities $'000	Revenues $'000	Share of profit $'000
Year ended 30 June 2015				
Australian associate entities	1,114	453	–	(66)
	1,114	**453**	**–**	**(66)**
Year ended 30 June 2014				
Australian associate entities	1,252	246	–	(85)
	1,252	**246**	**–**	**(85)**

1 Share capital consists solely of ordinary shares, which are held directly by the Group.

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

24. Discontinued operations

On 26 June 2015, the Group announced that it had agreed to sell Infigen Energy US Development LLC (the holding company for the Group's US solar development assets) to a third party. Completion of that sale transaction to a wholly owned subsidiary of SunPower Corporation occurred on 27 July 2015.

On 15 July 2015, the Group announced that it has agreed to sell Infigen Energy US LLC and Infigen Energy US JE LLC (the holding companies for the Group's US wind business) to a third party, Primary Wind Power LLC. Under the terms of the Group's Global Facility, the sale of Infigen Energy US LLC required the consent of the Global Facility lenders. This has now been received. Completion of the transaction remains subject to other closing conditions being satisfied including receipt of relevant US regulatory approvals and certain other consents and approvals being obtained. This transaction is expected to close in October 2015.

At 30 June 2015, the US solar development assets are reported as discontinued operations (disposal) and the US wind business is reported as discontinued operations (disposal group classified as held for sale). Accordingly, the comparative consolidated statements of comprehensive income have been re-presented to present the discontinued operations separately from continuing operations, allowing on-going 'like with like' comparison of continuing operations.

a) Financial performance and cash flow information

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Revenue	132,504	127,844
Income from institutional equity partnerships	61,804	60,144
Other gains	48,539	24,539
Finance costs	(54,591)	(18,613)
Other expenses	(154,381)	(140,670)
Impairment loss recognised on the re-measurement to fair value less cost to sell	(284,456)	–
Finance costs relating to institutional equity partnerships	(24,697)	(28,939)
Profit/(loss) before income tax from discontinued operations	**(275,278)**	**24,305**
Income tax (expense)/benefit	(9,893)	(784)
Profit/(loss) from discontinued operations	**(285,171)**	**23,521**
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	39,093	(6,257)
Changes in fair value of cash flow hedges, net of tax	33,046	35,176
Other comprehensive income/(loss) for the year net of tax arising from discontinued operations	**72,139**	**28,919**
Total comprehensive income/(loss) for the year net of tax arising from discontinued operations	**(213,032)**	**52,440**

b) Assets and liabilities of disposal group held for sale:

	2015 $'000
Assets	
Cash and cash equivalents	9,237
Investment in financial assets	95,478
Property, plant and equipment & Investment in associates and joint ventures	1,158,856
Other assets	23,269
Total assets of disposal group classified as held for sale	**1,286,840**
Liabilities	
Borrowings	57,274
Institutional equity partnerships classified as liabilities	870,354
Other liabilities	37,651
Total liabilities of disposal group classified held for sale	**965,279**

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

24. Discontinued operations (continued)

Recognition and measurement

Institutional equity partnerships classified as liabilities

Initial contributions by Class A members into US partnerships are recognised at cost using the effective interest rate method. Class A carrying amounts are adjusted when actual cash flow differs from estimated cash flow. The adjustment is calculated by computing the present value of the actual difference using the original effective interest rate. The adjustment is recognised through income or expense in profit or loss. The difference represents the change in residual interest due to the Class A institutional investors.

On consolidation of the US partnerships, the Group's Class B membership interest and associated finance charge for the year is eliminated and any external Class B member balances remaining represent net assets of US partnerships attributable to non-controlling interests.

Investment in financial assets

Investment in financial assets represents the investment by Infigen Energy US JD LLC, an unlisted entity that holds investments in Class A interests of Group related US wind farm project entities. The financial asset entitles the Group to specified cash flows and returns in accordance with the contractual arrangements. Investment in financial assets was recognised initially at fair value, based on the consideration paid for the interests. Transaction costs that are directly attributable to the acquisition are added to the initial fair value of the instruments.

Subsequently, all gains and losses arising from changes in fair value are recognised directly in other comprehensive income except as follows:

- interest calculated using the effective interest method is recognised in profit or loss;
- foreign exchange gains and losses on monetary financial assets are recognised in profit or loss; and
- impairment losses are recognised in profit or loss.

Key estimate: institutional equity partnerships classified as liabilities

The Group has made estimates and assumptions in relation to future revenues and expenses to determine the quantum of institutional equity partnerships classified as liabilities. These estimates are long term in nature and where applicable, are sourced from third party information. Where these estimates and assumptions are unable to be sourced from third parties, the Group has used its own estimates based on the information available at reporting date.

Key estimate: impairment loss recognised on the re-measurement to fair value less cost to sell

The Group has recognised an impairment loss to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell based on the value of the sale transaction announced on 15 July 2015.

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

25. Subsidiaries

Subsidiaries are all those entities over which the Group or the Trust has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group or the Trust controls another entity.

		Ownership interest	
Name of entity	**Country of incorporation**	**2015**	**2014**
Parent entity			
* Infigen Energy Limited	Australia		
Other stapled entities			
Infigen Energy (Bermuda) Limited	Bermuda		
Infigen Energy Trust	Australia		
Subsidiaries of the parent and other stapled entities			
BBWP Holdings (Bermuda) Limited	Bermuda	**100%**	100%
* Bodangora Wind Farm Pty Ltd	Australia	**100%**	100%
* Capital East Solar Pty Limited	Australia	**100%**	100%
* Capital Solar Farm Pty Limited	Australia	**100%**	100%
* Capital Wind Farm (BB) Trust	Australia	**100%**	100%
* Capital Wind Farm 2 Pty Limited	Australia	**100%**	100%
*# Capital Wind Farm Holdings Pty Limited	Australia	**100%**	100%
* Cherry Tree Wind Farm Pty Ltd	Australia	**100%**	100%
* CREP Land Holdings Pty Limited	Australia	**100%**	100%
* CS CWF Trust	Australia	**100%**	100%
* Flyers Creek Wind Farm Pty Ltd	Australia	**100%**	100%
* Forsayth Wind Farm Pty Limited	Australia	**100%**	100%
Infigen Energy (Malta) Limited	Malta	**100%**	100%
* Infigen Energy (US) Pty Limited	Australia	**100%**	100%
* Infigen Energy (US) 2 Pty Limited	Australia	**100%**	100%
* Infigen Energy Custodian Services Pty Limited	Australia	**100%**	100%
* Infigen Energy Development Holdings Pty Limited	Australia	**100%**	100%
* Infigen Energy Development Pty Ltd	Australia	**100%**	100%
* Infigen Energy Europe Pty Limited	Australia	**100%**	100%
* Infigen Energy Europe 2 Pty Limited	Australia	**100%**	100%
* Infigen Energy Europe 3 Pty Limited	Australia	**100%**	100%
* Infigen Energy Europe 4 Pty Limited	Australia	**100%**	100%
* Infigen Energy Europe 5 Pty Limited	Australia	**100%**	100%
* Infigen Energy Finance (Australia) Pty Limited	Australia	**100%**	100%
* Infigen Energy Finance (Germany) Pty Limited	Australia	**100%**	100%
Infigen Energy Finance (Lux) SARL	Luxembourg	**100%**	100%
* Infigen Energy Germany Holdings Pty Limited	Australia	**100%**	100%
* Infigen Energy Germany Holdings 2 Pty Limited	Australia	**100%**	100%
* Infigen Energy Germany Holdings 3 Pty Limited	Australia	**100%**	100%
* Infigen Energy Holdings Pty Limited	Australia	**100%**	100%
Infigen Energy Holdings SARL	Luxembourg	**100%**	100%
* Infigen Energy Investments Pty Limited	Australia	**100%**	100%
* Infigen Energy Markets Pty Limited	Australia	**100%**	100%
* Infigen Energy Niederrhein Pty Limited	Australia	**100%**	100%
* Infigen Energy RE Limited	Australia	**100%**	100%
* Infigen Energy Services Holdings Pty Limited	Australia	**100%**	100%
* Infigen Energy Services Pty Limited	Australia	**100%**	100%
* Infigen Energy T Services Pty Limited	Australia	**100%**	100%
Infigen Energy US Corporation	USA	**100%**	100%

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

25. Subsidiaries (continued)

		Ownership interest	
Name of entity	**Country of incorporation**	**2015**	**2014**
Infigen Energy US Holdings LLC	USA	**100%**	100%
Infigen Energy US Development Corporation	USA	**100%**	-
[*] Infigen Energy US Holdings Pty Limited	Australia	**100%**	100%
Infigen Energy US Partnership	USA	**100%**	100%
Infigen Suntech Australia Pty Limited	Australia	**50%**	50%
[*#] Lake Bonney Holdings Pty Limited	Australia	**100%**	100%
[*] Lake Bonney 2 Holdings Pty Limited	Australia	**100%**	100%
[*] Lake Bonney Wind Power Pty Limited	Australia	**100%**	100%
[*] Lake Bonney Wind Power 2 Pty Limited	Australia	**100%**	100%
[*] Lake Bonney Wind Power 3 Pty Limited	Australia	**100%**	100%
[*] Manildra Solar Farm Pty Limited	Australia	**100%**	100%
[*] NPP LB2 LLC	USA	**100%**	100%
[*] NPP Projects I LLC	USA	**100%**	100%
[*] NPP Projects V LLC	USA	**100%**	100%
[*] NPP Walkaway Pty Limited	Australia	**100%**	100%
[*] NPP Walkaway Trust	Australia	**100%**	100%
[*] Renewable Energy Constructions Pty Limited	Australia	**100%**	100%
[*#] Renewable Power Ventures Pty Ltd	Australia	**100%**	100%
[*] RPV Investment Trust	Australia	**100%**	100%
[*] Walkaway (BB) Pty Limited	Australia	**100%**	100%
[*] Walkaway (CS) Pty Limited	Australia	**100%**	100%
[*#] Walkaway Wind Power Pty Limited	Australia	**100%**	100%
[*] Woakwine Wind Farm Pty Ltd	Australia	**100%**	100%
[*] Woodlawn Wind Pty Ltd	Australia	**100%**	100%
[*] WWCS Finance Pty Limited	Australia	**100%**	100%
[*] WWCS Holdings Pty Limited	Australia	**100%**	100%
[*#] WWP Holdings Pty Limited	Australia	**100%**	100%
Subsidiaries of the Trust			
CS Walkaway Trust	Australia	**100%**	100%
Walkaway (BB) Trust	Australia	**100%**	100%

		Ownership interest	
Discontinued Operations	**Country of incorporation**	**2015**	**2014**
[3] Allegheny Ridge Wind Farm LLC	USA	**100%**	100%
[4] Aragonne Solar LLC	USA	**100%**	100%
[3] Aragonne Wind Investments LLC	USA	**100%**	100%
[3] Aragonne Wind LLC	USA	**100%**	100%
[3] Blue Canyon 1 Member LLC	USA	**100%**	100%
[3] Buena Vista Energy LLC	USA	**100%**	100%
[3] Caprock Solar 1 LLC	USA	**100%**	-
[3] Caprock Solar 2 LLC	USA	**100%**	-
[3] Caprock Wind Investments LLC	USA	**100%**	100%
[3] Caprock Wind LLC	USA	**100%[1]**	100%[1]
[3] Caprock Wind Member LLC	USA	**100%**	100%
[3] CCWE Holdings LLC	USA	**67%[1]**	67%[1]
[3] Cedar Creek Wind 1 Member LLC	USA	**100%**	100%

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

25. Subsidiaries (continued)

		Ownership interest	
Discontinued Operations	**Country of incorporation**	**2015**	**2014**
[3] Cedar Creek Wind Energy LLC	USA	**67%**	67%
[3] Combine Hills 1 Member LLC	USA	**100%**	100%
[3] Crescent Ridge Holdings LLC	USA	**75%[1]**	75%[1]
[3] Crescent Ridge LLC	USA	**75%**	75%
[4] Georgia Sun 1 LLC	USA	**100%**	100%
[3] GSG LLC	USA	**100%**	100%
[3] IFN Crescent Ridge LLC	USA	**100%**	100%
[3] Infigen Asset Management LLC	USA	**100%**	100%
[3] Infigen Energy Management Holdings LLC	USA	**100%**	100%
[4] Infigen Energy US Development Holdings LLC	USA	**100%**	100%
[4] Infigen Energy US Development LLC	USA	**100%**	100%
[3] Infigen Energy US JD LLC	USA	**100%**	100%
[3] Infigen Energy US JE LLC	USA	**100%**	100%
[3] Infigen Energy US LLC	USA	**100%**	100%
[4] Infigen Energy US Solar One LLC	USA	**100%**	100%[2]
[3] Infigen Management Services LLC	USA	**100%**	100%
[3] Kumeyaay Holdings LLC	USA	**100%[1]**	100%[1]
[3] Kumeyaay Wind LLC	USA	**100%**	100%
[3] Kumeyaay Wind Member LLC	USA	**100%**	100%
[5] Limestone Solar I LLC	USA	**100%[2]**	100%[2]
[3] Mendota Hills LLC	USA	**100%**	100%
[4] Mesquite Solar I LLC	USA	**100%[2]**	100%[2]
[5] Mexia Solar I LLC	USA	**100%[2]**	100%[2]
[5] Mustang Solar I LLC	USA	**100%[2]**	100%[2]
[4] Rio Bravo Solar I LLC	USA	**100%[2]**	100%[2]
[4] Rio Bravo Solar II LLC	USA	**100%[2]**	100%[2]
[4] Sandy Hills Solar I LLC	USA	**100%[2]**	100%[2]
[3] Sweetwater 1 Member LLC	USA	**100%**	100%
[3] Sweetwater 2 Member LLC	USA	**100%**	100%
[3] Sweetwater 3 Member LLC	USA	**100%**	100%
[3] Sweetwater 4-5 Member LLC	USA	**100%**	100%
[5] Tortolita Solar I LLC	USA	**100%[2]**	100%[2]
[4] Wildwood Solar II LLC	USA	**100%[2]**	100%[2]
[3] Wind Park Jersey Member LLC	USA	**100%**	100%
[3] Wind Portfolio Holdings 1 LLC	USA	**100%[1]**	100%[1]
[3] Wind Portfolio 1 Member LLC	USA	**100%**	100%

* Denotes a member of the IEL tax consolidated group.

Entered into a class order 98/1418 and related deed of cross guarantee with Infigen Energy Limited removing the requirement for the preparation of separate financial statements where preparation of a separate financial statement is required (refer Note 26).

^ Placed into voluntary liquidation during 2013.

~ Incorporated on 8 June 2015.

1 Class B Member interest.

2 Equity member interest.

3 Discontinued operations – disposal group classified as held for sale.

4 Discontinued operations, sale settled on 27 July 2015.

5 For project entities voluntarily cancelled their registration: Mexia Solar I LLC (effective 30 September 2014), Limestone Solar I LLC (effective 1 October 2014), Tortolita Solar I LLC (Effective 10 October 2014) and Mustang Solar I LLC (Effective 19 January 2015).

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

26. Deed of cross guarantee

Set out below is a consolidated statement of comprehensive income statement and balance sheet, comprising Infigen Energy Limited and its controlled entities which are parties to the Deed of Cross Guarantee (refer Note 25), after eliminating all transactions between parties to the Deed.

The Deed of Cross Guarantee was executed on 18 June 2012.

Consolidated statement of comprehensive income

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Revenue from continuing operations	75,888	80,760
Other income	–	6,095
Operating expenses	(13,659)	(12,781)
Depreciation and amortisation expense	(21,320)	(21,214)
Impairment expense	(254,300)	–
Interest expense	(21,932)	(22,052)
Other finance costs	(17,801)	–
Net profit/(loss) before income tax	**(253,124)**	**30,808**
Income tax expense	(5,804)	(3,438)
Net profit/(loss) after income tax	**(258,928)**	**27,370**
Loss from discontinued operations	–	(5,030)
Net profit/(loss) for the year	**(258,928)**	**22,340**
Other comprehensive income – movements through equity		
Changes in the fair value of cash flow hedges, net of tax	–	–
Total comprehensive income/(loss) for the year, net of tax	**(258,928)**	**22,340**

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE

26. Deed of cross guarantee (continued)
a) Consolidated balance sheet

	Infigen Energy Group	
	2015 $'000	2014 $'000
Current assets		
Cash and cash equivalents	9	–
Trade and other receivables	15,900	16,860
Derivative financial asset	–	–
Inventory	1,703	2,838
Total current assets	**17,612**	**19,698**
Non-current assets		
Receivables	648,232	835,874
Shares in controlled entities	28,559	28,559
Property, plant and equipment	374,274	395,098
Deferred tax assets	53,746	51,486
Intangible assets	59,614	63,876
Total non-current assets	**1,164,425**	**1,374,893**
Total assets	**1,182,037**	**1,394,591**
Current liabilities		
Trade and other payables	7,866	8,115
Derivative financial instruments	–	–
Total current liabilities	**7,866**	**8,115**
Non-current liabilities		
Payables	1,402,960	1,352,349
Provisions	3,878	3,819
Total non-current liabilities	**1,406,838**	**1,356,168**
Total liabilities	**1,414,704**	**1,364,283**
Net assets	**(232,667)**	**30,308**
Equity		
Contributed equity	2,305	2,305
Reserves	(23,005)	(23,005)
Retained earnings	(211,967)	51,008
Total equity	**(232,667)**	**30,308**

NOTES TO THE FINANCIAL STATEMENTS
GROUP STRUCTURE CONTINUED

27. Parent disclosures

a) Summary financial information

	Infigen Energy Limited	
	2015 $'000	**2014** $'000
Assets and liabilities		
Current assets	675	675
Non-current assets	610,410	831,817
Total assets	**611,085**	**832,492**
Current liabilities	395	393
Non-current liabilities	880,239	833,131
Total liabilities	**880,634**	**833,524**
Shareholders' equity		
Issued capital	2,305	2,305
Retained earnings	(271,854)	(3,336)
	(269,549)	**(1,031)**
Profit/(loss) for the year	**(268,518)**	**7,439**
Total comprehensive income	**(268,518)**	**7,439**

Due to the stapled structure of IEL, IET and IEBL, the summary financial information of the parent entity shows a net current liability as at 30 June 2015. When combined with the other stapled entities, the parent has positive net current assets and net total assets.

b) Deed of Cross Guarantee

IEL has entered into a Deed of Cross Guarantee with the effect that the company guarantees debts in respect of certain of its subsidiaries. Further details of the subsidiaries and Deed of Cross Guarantee subject to the deed, are disclosed in Notes 25 and 26.

Parent entity financial information

The financial information for the parent entities, IEL has been prepared on the same basis as the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
UNRECOGNISED ITEMS

28. Commitments

a) Capital expenditure commitments

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Capital expenditure commitments[1]	1,324	1,048

Capital expenditure commitments include commitment arrangements relating to spare parts, IT projects and solar energy projects.

b) Other expenditure commitments

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Repairs and maintenance[1]	40,422	287,560

Other expenditure commitments relate to contractual obligations for future repairs and maintenance of the wind plant and equipment which have not been recognised as a liability.

c) Operating lease commitments

The Group leases land for its wind farms under non-cancellable operating leases expiring between 20 to 55 years. The leases have varying terms, escalation clauses and renewal rights.

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows[1]:		
Not later than 1 year	5,821	7,418
Later than 1 year and not later than 5 years	21,064	28,634
Later than 5 years	51,855	96,762
	78,740	**132,814**

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight line basis.

1 2014 comparatives include commitments of disposal group classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS
UNRECOGNISED ITEMS

29. Contingent liabilities

	Infigen Energy Group	
	2015 $'000	**2014** $'000
Letters of credit	1,964	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 are 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 listed in Note 25.

Infigen Energy Trust Group

There are no contingent liabilities for the Trust as at 30 June 2015 (2014: nil).

Key estimate

The Group or the Trust has made estimates and assumptions in relation to its contingent liabilities. By their nature, the exact value of these contingent liabilities is uncertain and the Group has made estimates of their value based on the facts and circumstances known at the reporting date.

30. Subsequent events

On 27 July 2015, the sale of Infigen Energy US Development LLC (the holding company for the Group's US solar development assets) to a wholly owned subsidiary of SunPower Corporation was completed.

On 15 July 2015, the Group announced that it had entered into an agreement to sell its US wind business to Primary Wind Power LLC subject to various closing conditions being satisfied, including obtaining consent to the disposal from its Global Facility lenders. This has subsequently been received. Completion of the transaction remains subject to various other closing conditions being satisfied including receipt of relevant US regulatory approvals and certain other consents and approvals being obtained. Subject to the remaining closing conditions being satisfied, the sale is expected to close in October 2015 with the net sale proceeds of the transaction being applied to the repayment of Global Facility borrowings and to pay associated interest rate swap close out costs.

NOTES TO THE FINANCIAL STATEMENTS
OTHERS

31. Related party transactions

Infigen Energy Group

At the year end the Group was owed an amount of $842,452 (2014: $804,000) from an associate, RPV Developments Pty Ltd.

Infigen Energy Trust Group

During the year ended 30 June 2015, the Trust charged no interest (2014: nil) on certain loans receivable from the Parent. Under the Trust's constitution, the Responsible Entity ("RE") is entitled to a management fee of 2% per annum of the value of the gross assets of the Trust. The RE, Infigen Energy RE Limited, is a wholly owned subsidiary of IEL. The RE had previously exercised its right under the constitution to waive the fee referred to above such that it is paid a fixed fee that is increased by CPI annually. During the year ended 30 June 2015, the Trust incurred fees of $668,301 (2014: $636,099) from the RE.

The Trust owed the following amounts to other members of the Infigen Energy Group:

	2015 $'000	2014 $'000
Infigen Energy RE Limited	4,179	3,511

The Infigen Energy Trust Group was owed the following amounts by other members of the Infigen Energy Group:

	2015 $'000	2014 $'000
Infigen Energy Limited	593,850	593,169
Infigen Energy (Bermuda) Limited	691	691
Capital Wind Farm Holdings Pty Limited	12,960	12,960
Infigen Energy Holdings Pty Limited	105,790	105,790
Infigen Energy (US) 2 Pty Limited	30,009	30,009
Total receivables from related parties	**743,300**	**742,619**

Receivables from related parties are disclosed in Note 7. Payables to related parties are disclosed in Note 12.

Substantial shareholders

Mr P Green, a non-executive director of the Group, is a partner of TCI Advisor Services LLP ("TCI"), an advisor which has a substantial shareholding of Infigen securities. Mr P Green has advised the Group that he does not have a relevant interest in those Infigen securities.

32. Share-based payments

The Group provides sharebased compensation benefits to certain executives of the Group via the Infigen Energy Equity Plan ("Equity Plan").

Recognition and measurement

The fair value of performance rights/units granted under the Equity Plan is measured at grant date and is recognised as an employee benefit expense over the period during which the executives become unconditionally entitled to the performance rights/units, with a corresponding increase in equity.

Expenses arising from sharebased payment transactions

Total expenses arising from sharebased payment transactions recognised during the period as part of employee benefit expense were as follows:

	Infigen Energy Group	
	2015 $'000	2014 $'000
LTI Performance rights expense in the current year	657	596
Deferred STI expense in the current year (deferred in performance rights)	350	117
Write-back prior years long-term share-based incentive expense allocation	(287)	(471)
	720	**242**

NOTES TO THE FINANCIAL STATEMENTS
OTHERS

32. Share-based payments (continued)

Additional information on award schemes

Long Term Incentive (LTI) – Employee equity plan

LTI Equity Plan arrangements

Senior Managers have received long-term incentive grants under the Infigen Energy Equity Plan ("Equity plan") for FY13, FY14 and FY15.

Performance conditions of awards granted under the LTI Equity Plan

- In FY13 plan participants received 100% performance rights or units in two tranches of equal value (Tranche 1 and Tranche 2).
- In FY14 plan participants received 100% performance rights or units in two tranches of equal value (Tranche 1 and Tranche 2).
- In FY15 plan participants received 100% performance rights or units in two tranches of equal value (Tranche 1 and Tranche 2).

The measures used to determine performance and the subsequent vesting of performance rights/units are, Total Shareholder Return (TSR) and a operational performance (EBITDA) test. The vesting of Tranche 1 of the performance rights/units is subject to the TSR condition, while the vesting of Tranche 2 of the performance rights/units is subject to the Operational Performance condition. The Operational Performance condition is determined by an earnings before interest, taxes, depreciation and amortisation (EBITDA) test.

		Performance rights	Performance units	Period
2013	Tranche 1	TSR condition	TSR condition	1 July 2012 – 30 June 2015
	Tranche 2	Operational Performance condition	Operational Performance condition	1 July 2012 – 30 June 2015
2014	Tranche 1	TSR condition	TSR condition	1 July 2013 – 30 June 2016
	Tranche 2	Operational Performance condition	Operational Performance condition	1 July 2013 – 30 June 2016
2015	Tranche 1	TSR condition	TSR condition	1 July 2014 – 30 June 2017
	Tranche 2	Operational Performance condition	Operational Performance condition	1 July 2014 – 30 June 2017

TSR condition (applicable to Tranche 1 performance rights or units): TSR measures the growth in the price of securities plus cash distributions notionally reinvested in securities. In order for the Tranche 1 performance rights to vest, the TSR of Infigen will be compared to companies in the S&P/ASX 200 (excluding financial services and the materials/resources sectors). For the purpose of calculating the TSR measurement, the security prices of each company in the S&P/ASX 200 (as modified above) and of Infigen will be averaged over the 30 trading days preceding the start and end date of the performance period.

The percentage of the Tranche 1 performance rights that vest under the LTI plans are as follows:

Infigen Energy's TSR performance compared to the relevant peer group	FY13, 14 & 15 Grant Percentage of Tranche 1 Performance Rights that vest
0 to 49th percentile	Nil
50th percentile	25% of the Tranche 1 Performance Rights will vest
51st to 75th percentile	27% – 75% (i.e. for every percentile increase between 51% and 75% an additional 2% of the Tranche 1 Performance Rights will vest)
76th to 95th percentile	76.25% – 100% (i.e. for every percentile increase between 76% and 95% an additional 1.25% of the Tranche 1 Performance Rights will vest)
96th to 100th percentile	100%

Operational Performance condition (applicable to Tranche 2 performance rights/units): the vesting of the Tranche 2 performance rights or units is subject to an Operational Performance condition.

The Operational Performance condition will test the multiple of EBITDA to Capital Base, with the annual target being a specified percentage increase in the multiple over the year. The Capital Base will be measured as equity (net assets) plus net debt. Both the EBITDA and Capital Base will be measured on a proportionately consolidated basis to reflect Infigen's economic interest in all investments.

The percentage of the Tranche 2 performance rights that vest under the LTI plans are as follows:

Infigen Energy's EBITDA performance	FY13, 14 & 15 Grant Percentage of Tranche 2 Performance Rights that vest
0% < 90%	Nil
90% ≤ 110% of the cumulative target	5% to 100% (i.e. for every 1% increase between 90 and 110% of target an additional 5% of the Tranche 2 Performance Rights will vest).

NOTES TO THE FINANCIAL STATEMENTS
OTHERS

32. Share-based payments (continued)

Set out below are summaries of performance rights that have been granted under the LTI plan:

Deemed grant date	Balance at start of the year Number	Granted during the year Number	Vested during the year Number	Cash Settled during the year Number	Lapsed during the year Number	Balance at end of the year Number
15 Nov 2012 (FY13 LTI Grant)	5,610,531	–	–	–	–	5,610,531
2 Dec 2013 (FY13 Deferred STI Grant)	2,713,582	–	(2,226,475)	–	(487,107)	–
2 Dec 2013 (FY14 LTI Grant)	3,675,889	–	–	–	–	3,675,889
21 Nov 2014 (FY14 Deferred STI Grant)	–	4,458,304	–	–	–	4,458,304
21 Nov 2014 (FY15 LTI Grant)	–	3,846,154	–	–	–	3,846,154
Total	**12,000,002**	**8,304,458**	**(2,226,475)**	**–**	**(487,107)**	**17,590,878**

Fair value of performance rights granted under the LTI plan

		Grant date	Fair value of performance rights per share ($)
2013	Tranche 1	15-Nov-12	0.078
	Tranche 2	15-Nov-12	0.220
2014	Tranche 1	2-Dec-13	0.098
	Tranche 2	2-Dec-13	0.275
2015	Tranche 1	21-Nov-14	0.098
	Tranche 2	21-Nov-14	0.275

The fair values of performance rights/units at grant date are determined using market prices and a model that takes into account the exercise price, the term of the performance right/unit and the security price at grant date.

The model inputs for performance rights/units granted include:

- Performance rights/units are granted for no consideration and vest in accordance with the TSR condition and the Operational Performance condition outlined above for Tranche 1 and Tranche 2, respectively. Performance rights/units have a nil exercise price and vest automatically as stapled securities for rights and as cash for units.
- Grant dates: 15 November 2012 (FY13 plan); 2 December 2013 (FY14 plan); 21 November 2014 (FY15 plan).
- Security price at grant date: $0.22 (FY13 plan), $0.275 (FY14 plan), $0.275 (FY15 plan).

Where performance units are issued to employees of subsidiaries within the Group, the expense in relation to these performance units is recognised by the relevant entity with the corresponding increase in stapled securities.

Deferred short term incentive granted as performance rights (Deferred STI)

- In FY13 & FY14 Senior Management received at least 50% of their short term incentive allocation as performance rights, deferred for twelve months.
- The Deferred STI has a forfeiture condition relating to continued employment.
- The Deferred STI is recognised as a Share Based Payment expense over the two financial periods.
- 2,226,475 securities were issued to satisfy the FY13 deferred STI obligation that vested on 15 September 2014.
- The grant date for the FY14 Deferred STI was 21 November 2014.
- The number of units issued under the FY14 Deferred STI was 4,458,304.
- The security price at grant date for the Deferred STI was $0.275.
- The expense recognised in FY15 relating to the FY13 and FY14 Deferred STI was $350,072.

NOTES TO THE FINANCIAL STATEMENTS
OTHERS

33. Key management personnel disclosures

Key management personnel remuneration

Detailed remuneration disclosures are provided in the Remuneration Report of this annual report designated as audited and forming part of the Directors' Report.

Key Management Personnel (KMP) are not remunerated by the Trust. Payments made by the Trust to the responsible entity do not include any amounts attributable to the remuneration of KMPs. Non-Executive directors of IERL are remunerated by IERL. Other KMP of the Group are remunerated by the Group.

The aggregate remuneration of KMP of the Group and the Trust is set out below:

	2015 $	2014 $
Short-term employee benefits[1]	2,965,255	2,556,272
Post-employment benefits (superannuation)	129,237	115,177
Other long-term benefits and equity-based incentive expense allocation[2]	1,215,193	949,819
Write-back prior year's long-term share-based incentive expense allocation	(287,000)	(471,000)
Total	**4,022,684**	**3,150,268**

a) Loans from Infigen to key personnel and their personally related entities

No loans have been made by the Group or the Trust to KMP or their personally related parties during the years ended 30 June 2015 and 30 June 2014. There are no other transactions with KMP.

34. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and the Trust for their related practices and non-related audit firms:

	Infigen Energy Group		Infigen Energy Trust Group	
	2015 $	2014 $	2015 $	2014 $
Audit services by:				
Auditors of the Company (PricewaterhouseCoopers)				
Australia				
Audit and review of the financial statements	617,000	635,000	20,500	20,000
Audit and review of subsidiaries' financial statements	73,000	80,000	–	–
United States – discontinued operations				
Audit and review of the financial statements	146,500	110,000	–	–
Audit and review of subsidiaries' financial statements	488,000	489,830	–	–
	1,324,500	**1,314,830**	**20,500**	**20,000**
Other services by:				
Auditors of the Company (PricewaterhouseCoopers)				
Australia				
Taxation compliance and advisory services	143,950	81,000	–	–
Accounting advisory services	189,000	50,000	–	–
United States – discontinued operations				
Accounting advisory services	68,000	–	–	–
Liquidation services	–	25,844	–	–
	400,950	**156,844**	**–**	**–**
Total remuneration of auditors	**1,725,450**	**1,471,674**	**20,500**	**20,000**

1 Includes short-term incentives accrued in respect of the current period.

2 Share-based incentive expense allocations are subject to performance rights and units vesting in the future. FY15 equity settled incentive expense is adjusted for FY14 deferred STI granted in the period.

NOTES TO THE FINANCIAL STATEMENTS
OTHERS

35. New and amended accounting standards

a) New and amended standards adopted by the Group or the Trust

The Group or the Trust has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

(i) AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*. This amendment is effective for annual reporting periods beginning on or after 1 January 2016 with early application permitted. The amendments allow elimination of immaterial information from the financial statements and reordering of notes to the financial statements to draw focus on the most important and relevant information.

b) New standards and interpretations not yet adopted by the Group or the Trust

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group or the Trust. The Group's or the Trust's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities and applies an expected loss model. The standard is mandatory for financial years commencing on or after 1 January 2018 and is available for early adoption. When adopted, it is likely to affect the Group's or the Trust'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 debt investments, for example, will therefore have to be recognised directly in profit or loss. The new hedging rules align hedge accounting more closely with the Group's or the Trust's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation. In order to apply the hedging rules, the Group or the Trust would have to adopt AASB 9 and the consequential amendments to AASB 7 and AASB139 in their entirety. The Group is considering to early adopt this standard commencing 1 July 2015.

(ii) AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Contracts for Goods and Services* and AASB 111 *Construction Contracts*. The standard is mandatory for financial years commencing on or after 1 January 2017. Under this new standard, the principle that revenue is recognised when control of a good or service transfers to a customer replaces the notion of risks and rewards. The standard permits a modified retrospective approach which allows entities to recognise transitional adjustments in retained earnings on the date of initial application without restating the comparative period. The impact of the new rules is likely to affect the Group's or the Trust's revenue as a result of changes to measurement and timing of revenue recognition. The Group will make more detailed assessments of the impact over the next twelve months. The expected date of adoption by the Group is 1 July 2017.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 62 to 119 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 30 June 2015 and of their performance for the financial 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; and

c) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors of IEL and IERL:

M Hutchinson
Chairman

M George
Managing Director and
Chief Executive Officer

Sydney, 31 August 2015

INDEPENDENT AUDIT REPORT

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

Report on the financial report

We have audited the accompanying financial report which comprises:

- the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Infigen Energy Group, being the consolidated stapled entity ("Infigen Energy Group"). . The Infigen Energy Group, comprises Infigen Energy Limited and the entities it controlled at year's end or from time to time during the financial year.

- the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Infigen Energy Trust Group. The Infigen Energy Trust Group, comprises Infigen Energy Trust and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Infigen Energy Limited and the directors of Infigen Energy RE Limited, the responsible entity of Infigen Energy Trust (collectively referred to as "the directors") are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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INDEPENDENT AUDIT REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Infigen Energy Limited and Infigen Energy Trust Group is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of Infigen Energy Group and Infigen Energy Trust Group'sfinancial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the remuneration report included in pages 48 to 59 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Infigen Energy Group for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
31 August 2015

ADDITIONAL INVESTOR INFORMATION

Important Aspects of the US Assets

LLC Project Agreements – Change of Control Provisions

The limited liability company agreements (each a Project LLC Agreement) of the various Project LLCs for the US Assets provide for two levels of membership interests: Class A and Class B. The Class B Members serve as the managing members of the company.

The managing members have control over and manage the affairs of the Project LLC, but the consent of the Class A Members is required for certain material actions to be taken by the Project LLC (such as the incurrence of debt, sale of material assets, mergers, acquisitions, sale of the Project LLC or other similar actions). Transfers of membership interests are permitted subject to (a) a right of first bid procedure for the benefit of non-transferring members, (b) a prohibition against transfers to certain disqualified transferees (such as competitors of the Project LLC), (c) prior to the Reallocation Date, transfers of Class B interests require consent of a designated super-majority of the Class A interests, and (d) Class A interests may be transferred after ten years if the Reallocation Date has not been reached and distributions have failed to exceed the sum of the Class B Members' capital contributions.

A change of control in a member of a Project LLC must comply with the foregoing transfer restrictions, except that an event causing a change of control of a member's ultimate parent company does not constitute a change of control. The relevant Project LLC Agreements provide that a change purported to be made in breach of these provisions is void and that specific performance in respect of those clauses can be sought. In addition, breach of these provisions may give rise to a claim of damages.

Bermuda Law Issues

Incorporation: Infigen Energy (Bermuda) Limited (IEBL) is incorporated in Bermuda.

Takeovers: Unlike IEL and IET, IEBL is not subject to the sections in Chapter 6 of the Corporations Act dealing with the acquisition of shares (including substantial holdings and takeovers).

Bermuda company law does not have a takeover code which effectively means that a takeover of IEBL will be regulated under Australian takeover law. However, Section 103 of the Bermuda Companies Act provides that where an offer is made for shares of a company and, within four months of the offer the holders of not less than 90% of the shares which are the subject of such offer accept, the offer or may by notice require the non-tendering shareholders to transfer their shares on the terms of the offer.

Dissenting shareholders may apply to the court within one month of the notice, objecting to the transfer. The test is one of fairness to the body of the shareholders and not to individuals, and the burden is on the dissentient shareholder to prove unfairness, not merely that the scheme is open to criticism.

Stapled Securities

Each Stapled Security is made up of one IEL share, one IET unit and one IEBL share which, under each of the Constitutions and Bye-Laws respectively, are stapled together and cannot be traded or dealt with separately. In accordance with its requirements in respect of listed stapled securities, ASX reserves the right to remove any or all of IEL, IEBL and IET from the Official List if, while the stapling arrangements apply, the securities in one of these entities ceases to be stapled to the securities in the other entities or one of these entities issues securities which are not then stapled to the relevant securities in the other entities.

Further Investor Information

Further information required by the Australian Securities Exchange and not shown elsewhere in this Report is as detailed below. The information is current as at 4 September 2015.

Number of Stapled Securities and Holders

One share in each of IEL and IEBL, and one unit in IET, have been stapled together to form a single IFN stapled security. The total number of IFN stapled securities on issue as at 4 September 2015 is 772,469,146 and the number of holders of these stapled securities is 18,962.

Substantial Securityholders

The names of substantial IFN securityholders who have notified IFN in accordance with section 671B of the *Corporations Act 2001* are set out below.

	IFN Stapled Securities		
Substantial IFN Securityholder	Date of Notice	Number	%
TCI Fund Management Limited	1 July 2015	250,453,481	32.62
Mitsubishi UFJ Financial Group Inc	27 April 2015	54,907,387	7.15
VV & SS Sethu	22 August 2014	47,000,000	6.13

Voting Rights

It is generally expected that General Meetings of shareholders of IEL, shareholders of IEBL, and unitholders of IET will be held concurrently where proposed resolutions relate to all three Infigen entities. At these General Meetings of IEL, IEBL and IET the voting rights outlined below will apply.

Voting rights in relation to General Meetings of IEL and IEBL:

- on a show of hands, each shareholder of IEL and IEBL who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a shareholder has one vote; and
- on a poll, each shareholder of IEL and IEBL who is present in person has one vote for each share they hold. Also each person present as a proxy, attorney or duly appointed corporate representative of a shareholder, has one vote for each share held by the shareholder that the person represents.

Voting rights in relation to General Meetings of IET:

- on a show of hands, each unitholder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a unitholder has one vote; and
- on a poll, each unitholder who is present in person has one vote for each one dollar of the value of the units in IET held by the unitholder. Also, each person present as proxy, attorney or duly appointed corporate representative of a unitholder has one vote for each one dollar of the value of the units in IET held by the unitholder that the person represents.

ADDITIONAL INVESTOR INFORMATION

Stapled Securities that are Restricted or Subject to Voluntary Escrow

There are 4,581,565 IFN stapled securities currently held in the Infigen Energy Employee Incentive Trust that are restricted from trading. These securities will vest to relevant employees when all vesting conditions have been satisfied.

On-market Security Buy-Back

There is no current on-market buy-back of IFN stapled securities.

Distribution to IFN Stapled Securities

The distribution of IFN stapled securities amongst IFN securityholders as at 4 September 2015 is set out below.

Category	Securityholders	Securities
1 – 1,000	8,514	3,843,198
1,001 – 5,000	7,513	18,844,171
5,001 – 10,000	1,299	9,757,976
10,001 – 100,000	1,438	40,899,167
100,001 – and over	198	699,124,634
Total	**18,962**	**772,469,146**

As at 4 September 2015, the number of securityholders holding less than a marketable parcel of IFN stapled securities was 11,705.

Twenty Largest IFN Securityholders

The 20 largest IFN securityholders as at 4 September 2015 are set out below.

		IFN Stapled Securities Held	
Rank	IFN Securityholder	Number	Percentage
1	HSBC Custody Nominees (Australia) Limited	306,532,693	39.68%
2	Citicorp Nominees Pty Limited	150,956,441	19.54%
3	J P Morgan Nominees Australia Limited	77,370,948	10.02%
4	National Nominees Limited	20,668,248	2.81%
5	HSBC Custody Nominees (Australia) Limited - A/C 2	13,667,975	1.77%
6	Kolley Pty Ltd	6,280,470	0.81%
7	UOB Kay Hian (Hong Kong) Limited	6,041,983	0.78%
8	HSBC Custody Nominees (Australia) Limited - A/C 3	5,260,894	0.68%
9	Valamoon Pty Ltd	5,155,155	0.67%
10	Mr Trevor Yuen	4,896,596	0.63%
11	Pacific Custodians Pty Limited	4,581,565	0.59%
12	Tappet Holdings Pty Ltd	4,000,000	0.52%
13	Easytonecommunications Pty Ltd	3,570,913	0.46%
14	BNP Paribas Noms Pty Ltd	3,256,762	0.42%
15	Shomron Pty Ltd	3,173,101	0.41%
16	Mr Paul Frederick Bennett	3,139,532	0.41%
17	ABN Amro Clearing Sydney Nominees Pty Ltd	2,994,808	0.39%
18	HSBC Custody Nominees (Australia) Limited-GSCO ECA	2,967,952	0.38%
19	Walsal Nominees Pty Ltd No2	2,895,000	0.37%
20	Pacific Custodians Pty Limited	2,839,097	0.37%
Total Top 20		**630,250,133**	81.59%
Total of Other Securityholders		142,219,013	18.41%
Grand Total of IFN Stapled Securities		**772,469,146**	**100.00%**

ADDITIONAL INVESTOR INFORMATION

Key ASX Releases

The key releases lodged with the Australian Securities Exchange and released to the market throughout FY15 are listed below. Dates shown are when releases were made to the ASX.

2014	
31 July	Fourth quarter FY14 production and revenue
22 August	Change of substantial holding
25 August	FY14 full year results
2 September	Change of Director's interest notice
12 September	Infigen Annual General Meeting
29 September	FY14 Annual Financial Report
16 October	Change of substantial holding
17 October	2014 AGM Notice of Meeting
21 October	Presentation to the ASX Spotlight Conference
31 October	First quarter FY15 production and revenue
20 November	Annual General Meeting 2014, presentation and results
26 November	Change of Director's interest notice
2015	
30 January	Second quarter FY15 production and revenue
25 February	FY15 interim financial results
27 March	Change of substantial holding
24 April	Change of substantial holding
30 April	Third quarter FY15 production and revenue
26 June	Sale of US solar development pipeline
30 June	Leave of absence for non-executive Director

The above list does not include all releases made to the ASX. A comprehensive list and full details of all publications can be found on the Infigen website: www.infigenenergy.com, and the ASX website: www.asx.com.au.

GLOSSARY

ASX	Australian Securities Exchange Limited (ABN 98 008 624 691) or Australian Securities Exchange as the context requires
BOP	Balance of plant
CAPACITY	The maximum power that a wind turbine was designed to produce
CAPACITY FACTOR	A measure of the productivity of a wind turbine, calculated by the amount of power that a wind turbine produces over a set time period, divided by the amount of power that would have been produced if the turbine had been running at full capacity during that same time period
CEC	Clean Energy Council, the peak body representing Australia's clean energy sector. It is an industry association made up of member companies in the fields of renewable energy and energy efficiency. Infigen is a member. www.cleanenergycouncil.org.au
CLIMATE CHANGE	According to the United Nations Framework Convention on Climate Change (UNFCCC) definition, a change of climate attributed directly or indirectly to human activity that alters the composition of the global atmosphere, and which is in addition to natural climate variability observed over comparable time periods
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent. The universal unit of measurement used to indicate the global warming potential of the different greenhouse gases
DEVELOPMENT PIPELINE	Infigen's prospective renewable energy projects that are in various stages of development prior to commencing construction. Stages of development include: landowner negotiations; wind monitoring, project feasibility and investment evaluation; community consultation, cultural heritage, environmental assessment; design, supplier negotiations and connection
DISTRIBUTIONS	Distributions of cash or stapled securities under the DRP made by Infigen to securityholders
DRP	Distribution Reinvestment Plan
DWA	Dispatch weighted average (electricity prices)
EBITDA	Earnings before interest, taxes, depreciation and amortisation
FINANCIAL YEAR	A period of 12 months starting on 1 July and ending on 30 June in the next calendar year
GHG	Greenhouse gases. Those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation, including carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4), ozone (O_3), sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF_3)
GRID	The network of power lines and associated equipment required to deliver electricity from generators to consumers
GW	Gigawatt. One billion Watts of electricity
GWh	Gigawatt hour
IEBL	Infigen Energy (Bermuda) Limited (ARBN 116 360 715)
IEL	Infigen Energy Limited (ABN 39 105 051 616)
IERL	Infigen Energy RE Limited (ACN 113 813 997) (AFSL 290 710), the responsible entity of IET
IET	Infigen Energy Trust (ARSN 116 244 118)
IFN	The code for the trading of listed IFN stapled securities on the ASX
INFIGEN	Infigen Energy, comprising IEL, IEBL, IET and their respective subsidiary entities from time to time
LGC	Large-scale Generation Certificates. The certificates are created by large-scale renewable energy generators and represent 1 MWh of renewable generation
LLC	Limited liability companies formed under US law
LRET	Large-scale Renewable Energy Target – Legislated Australian target effective 1 January 2011. The rate of liability for LRET is established by the Renewable Power Percentage (RPP), which is used to determine how many LGCs need to be surrendered each year. The RPP for the 2015 calendar year is 11.11%. It is equivalent to 18.85 million LGCs and represents a proportion of total estimated Australian electricity consumption for the 2015 year
MW	Megawatt. One million Watts of electricity
MWh	Megawatt hour
OCC	Operations Control Centre, a centrally located business function within Infigen that monitors and directs the operations of Infigen's wind and solar farms
OPERATING EBITDA	Operating earnings before interest, tax, depreciation and amortisation. Excludes corporate costs, non-operating costs and non-operating income

GLOSSARY

P50	The best estimate of electricity production in a year where there is a 50% probability that the given level of electricity production will be exceeded in any year. This may also be referred to as long term mean electricity production
PPA	Power Purchase Agreement. A contract between a generator of electricity (the seller) and a purchaser of electricity (buyer), typically an electricity retailer
PRACTICAL COMPLETION	The date on which construction has been completed in accordance with the respective delivery contract(s), typically including all regulatory requirements
PRE-COMMISSIONING	Operation of the wind farm prior to practical completion, during which all aspects are tested for performance against specified criteria
PV	Photovoltaic
RET	Renewable Energy Target, consists of Large-scale Renewable Energy Target and Small-scale Renewable Energy Scheme, to create a financial incentive for investment in renewable energy sources through the creation and sale of certificates in Australia
RPP	Renewable Power Percentage, being an annual target set by the Clean Energy Regulator designed to achieve the target of generation of 33,000 GWh of electricity from renewable sources in Australia by 2020. www.cleanenergyregulator.gov.au/ret
SECURITYHOLDER	The registered holder of an IFN stapled security
SITE AVAILABILITY	A percentage to indicate the duration of time a wind turbine has been available to generate electricity. A number lower than 100% indicates a wind turbine has not been able to generate because of a reason attributed to a balance of plant or wind turbine problem
SOLAR PV	Solar photovoltaic
STAPLED SECURITY	One unit in IET, one ordinary share in IEL and one ordinary share in IEBL, stapled together to form an IFN stapled security such that the unit and those shares cannot be traded or dealt with separately
TURBINE AVAILABILITY	A percentage to indicate the duration of time a wind turbine has been available to generate electricity. A number lower than 100% indicates a wind turbine has not been able to generate because of a reason attributed to a wind turbine problem
TW	Terawatt. One trillion Watts of electricity
TWA	Time weighted average electricity prices (merchant)
TWh	Terawatt hour
UNIT	An ordinary unit in IET
UNITHOLDER	The registered holder of a Unit
WTG	Wind turbine generator

CORPORATE DIRECTORY

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Michael Hutchinson (Non-Executive Chairman)
Miles George (Managing Director)
Philip Green (Non-Executive Director)
Fiona Harris (Non-Executive Director)
Ross Rolfe AO (Non-Executive Director)

COMPANY SECRETARY

David Richardson

ANNUAL GENERAL MEETING

Infigen Energy's 2015 Annual General Meeting will be held at The Mint, 10 Macquarie Street, Sydney, Australia on 13 November 2015.

IFN STAPLED SECURITIES

Each stapled security in Infigen Energy, tradable on the Australian Securities Exchange under the 'IFN' code, comprises:

- one share of Infigen Energy Limited, an Australian public company;
- one share of Infigen Energy (Bermuda) Limited, a company incorporated in Bermuda; and
- one unit of Infigen Energy Trust, an Australian registered managed investment scheme.

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