INFIGEN ENERGY FULL YEAR RESULTS

12 MONTHS ENDED 30 JUNE 2015

31 August 2015

- **Performance Overview**
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- **Outlook**
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Presenters:

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PERFORMANCE OVERVIEW

Key Outcomes

- **Signed agreement to sell US solar development pipeline:** Infigen will receive net cash proceeds of US$29.5 million during FY16 from the sale.
- **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.
- **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 50% equity interests in the Bodangora and Forsayth wind farm developments.
- **Innovative production hedging:** Infigen co-developed and implemented a new wind risk production hedge with Swiss Re to manage cash flow and earnings volatility associated with its Australian 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.

Sale of US Wind Business Improves Outlook for Infigen

Renewable Energy Target will provide value creating opportunities

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- **Historical excess borrowings will reduce, though we remain highly geared:**
  - Uncouples Australian assets from US assets
  - Eliminates exposure to US cash flow “dip”
  - Improves outlook for maintaining Global Facility covenant compliance
- **Increases resilience:**
  - Proceeds from US solar development and US Class A interests will increase Excluded Company (non-Global Facility borrower group) cash by ~$95 million
- **Reduces complexity:**
  - Removes US tax equity structures and complex accounting, cash management and associated reporting (Class A and Class B interests)
- **Reduced borrowings and liabilities:**
  - Union Bank debt and Class A liabilities will come off the balance sheet
  - ~25% Global Facility debt and interest rate swaps will be repaid at closing
- **Improves Australian options:**
  - Infigen’s development pipeline well placed to contribute to the legislated renewable energy targets in Australia

Performance Overview

Poor wind conditions offset cost improvements

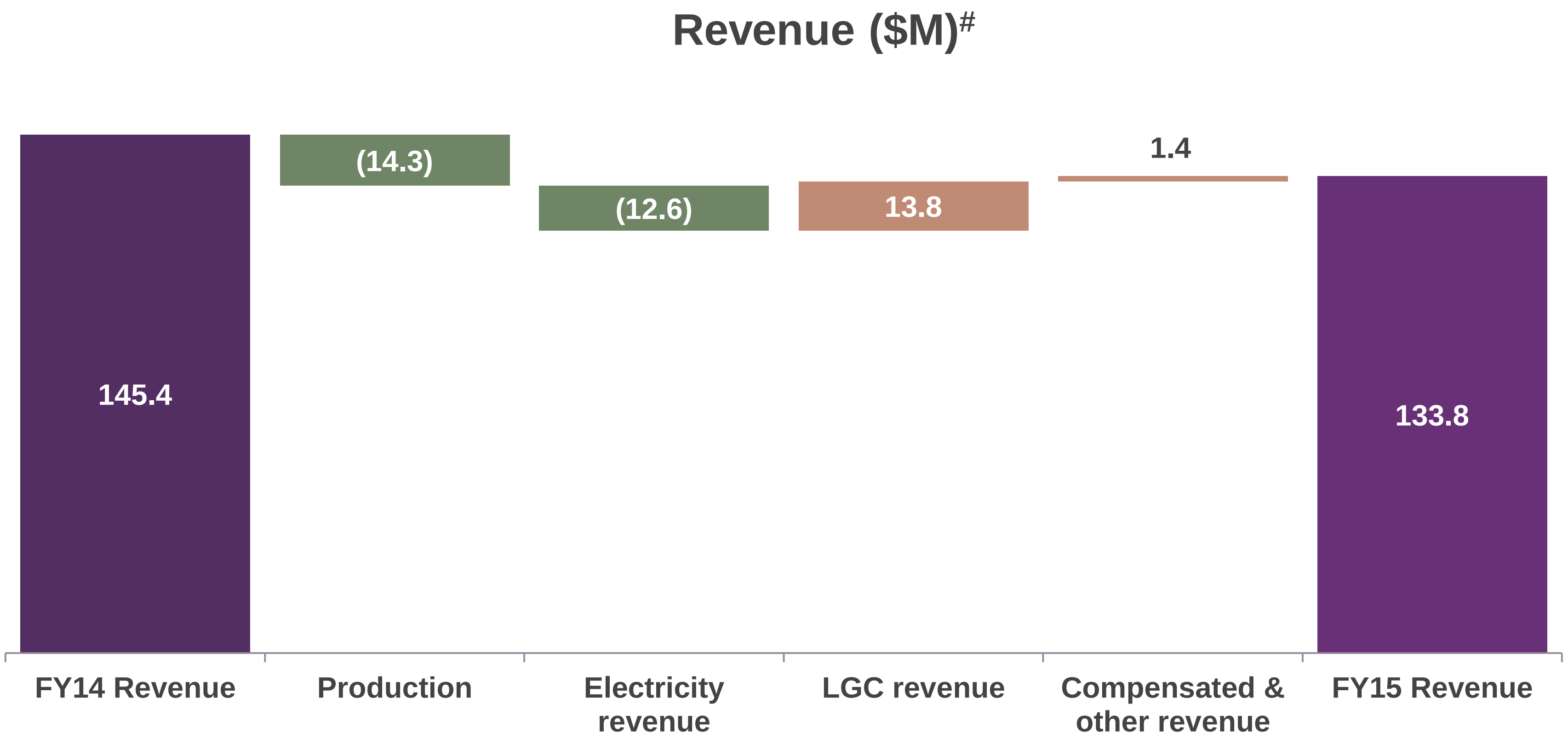
Year ended 30 June	2015	2014	Change % F/(A)	Comments
Safety (LTIFR)	-	4.8	n.m.	• Achieved our goal of zero harm: zero lost time incidents and injuries
Capacity (MW)	557	557	-	• Australian operating capacity unchanged
Production (GWh)	1,459	1,572	(7)	• 113 GWh decrease due to poor wind conditions at all sites except Alinta
Revenue ($M)	133.8	145.4	(8)	• Lower production • Lower electricity prices • Higher LGC revenue
Operating costs ($M)	(34.7)	(36.1)	4	• Reduction in costs at wind farms with Vestas turbines
Corporate & development costs, & other income ($M)	(15.6)	(16.7)	7	• Market testing activities in the pcp • Steady costs from development activity
EBITDA ($M)	83.5	92.6	(10)	• Lower revenue partially offset by lower costs
Loss from continuing operations ($M)	(18.4)	(32.4)	43	• Lower borrowing costs. Interest rate swap termination costs in the pcp
Net loss ($M)	(303.6)	(8.9)	(3,310)	• $284.5 million impairment of US assets
Net operating cash flow from continuing operations ($M)	33.2	19.6	69	• Working capital improvement • Lower financing costs from continuing operations

F = favourable; A = adverse; pcp = prior corresponding period; n.m. = non-metric

OPERATIONAL REVIEW

Operational Review: Revenue

Lower production & lower electricity prices offset by higher LGC revenue



Revenue from continuing operations (Australian business)

Operating Costs

Australian Operating costs were below guidance of $36 million to $38 million

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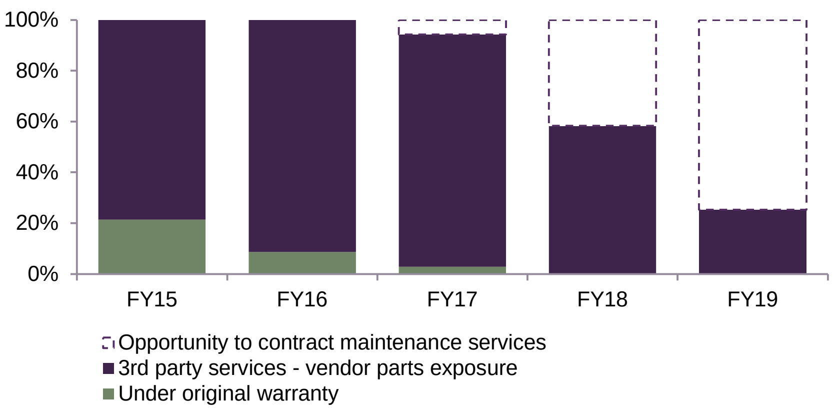
Year ended 30 June ($ million)	2015	2014	F/(A) %
Asset management	6.5	6.0	*(8)*
Turbine O&M	18.4	18.3	*(1)*
Balance of plant	0.4	1.6	*75*
Other direct costs	7.4	7.3	*(1)*
Wind / Solar farm costs	**32.7**	**33.1**	***1***
Energy Markets	2.0	3.0	*33*
Total operating costs	**34.7**	**36.1**	***4***
Operating costs ($/MWh)	**23.8**	**23.0**	***(3)***

Turbine warranty and maintenance profile

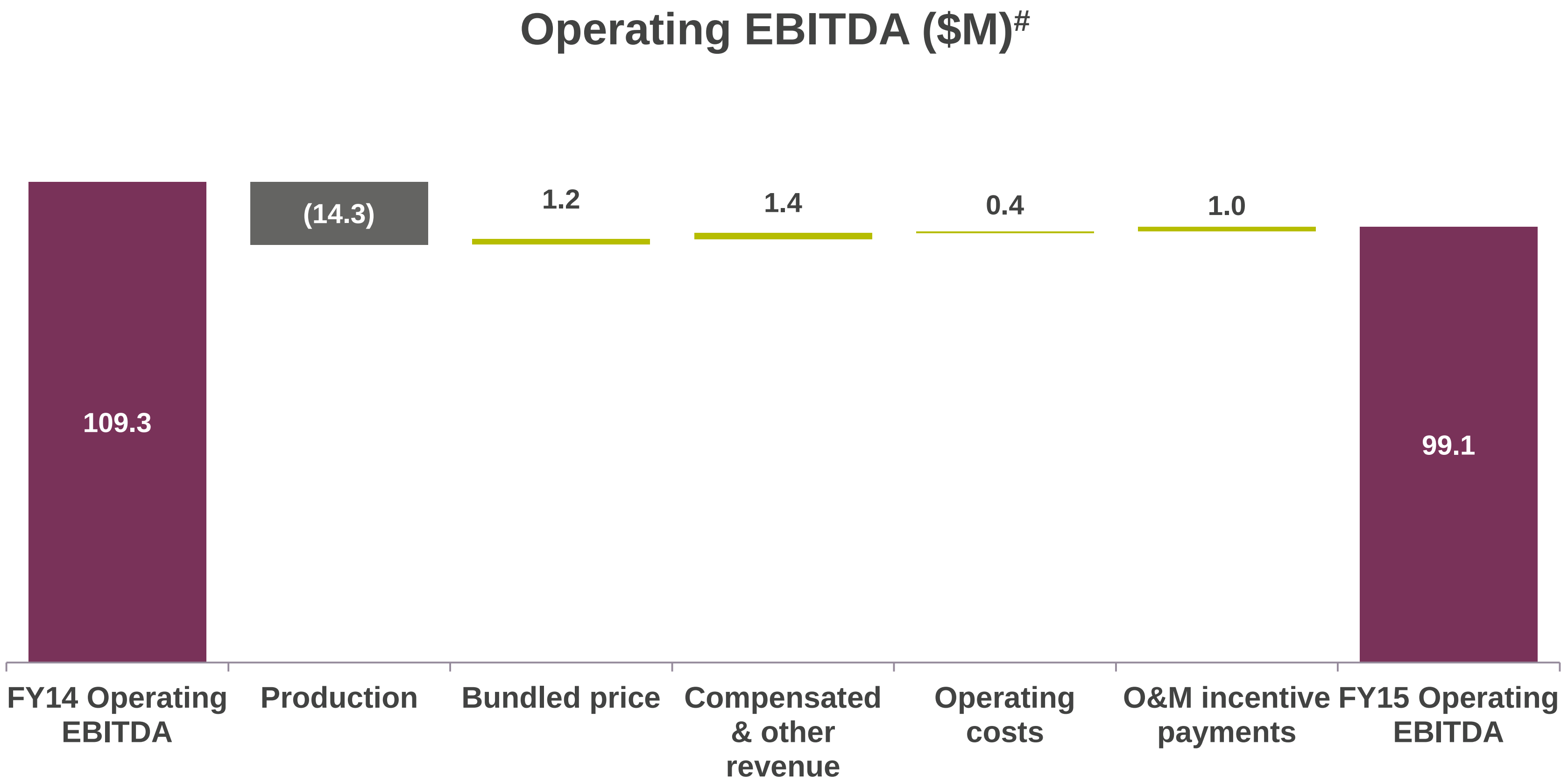


Comments

- Higher asset management costs due to direct costing to Asset Management of Energy Markets costs
- Higher turbine O&M costs due to a post-warranty step up in costs at Capital, offset by lower production related payments at wind farms with Vestas turbines and lower unscheduled turbine maintenance costs
- Lower balance of plant costs due to lower scheduled and unscheduled maintenance works
- We continue to assess opportunities to reduce cost exposure through third party post-warranty maintenance agreements

Operating EBITDA

Poor wind conditions led to lower operating EBITDA



Operating EBITDA from continuing operations (Australian business)

FINANCIAL REVIEW

Summary Profit & Loss and Financial Metrics

Loss on discontinued operations largely attributable to impairment

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Year ended 30 June ($ million)	2015	2014	Change % F/(A)
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)***
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 before tax	(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)***

As at 30 June	2015	2014	Change % F/(A)
Net operating cash flow per security (cps)	**4.3**	**2.6**	***68***
EBITDA margin	**62.4%**	**63.7%**	***(1.3) ppts***
Net assets per security (cps)	**34**	**64**	***(47)***
Book gearing	**74.0%**	**66.9%**	***(7.1) ppts***
Book gearing including IEPs	**74.0%**	**78.2%**	***4.2 ppts***

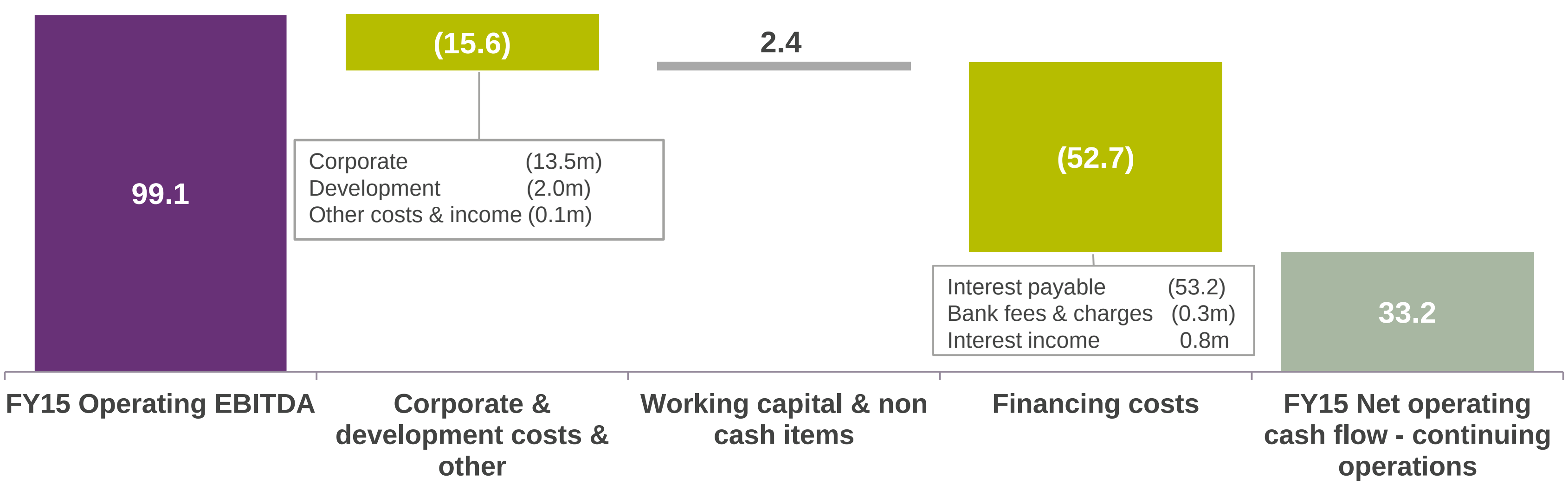
cps = cents per security; ppts = percentage point changes

Operating Cash Flow

Lower financing costs improved net operating cash flow from continuing operations

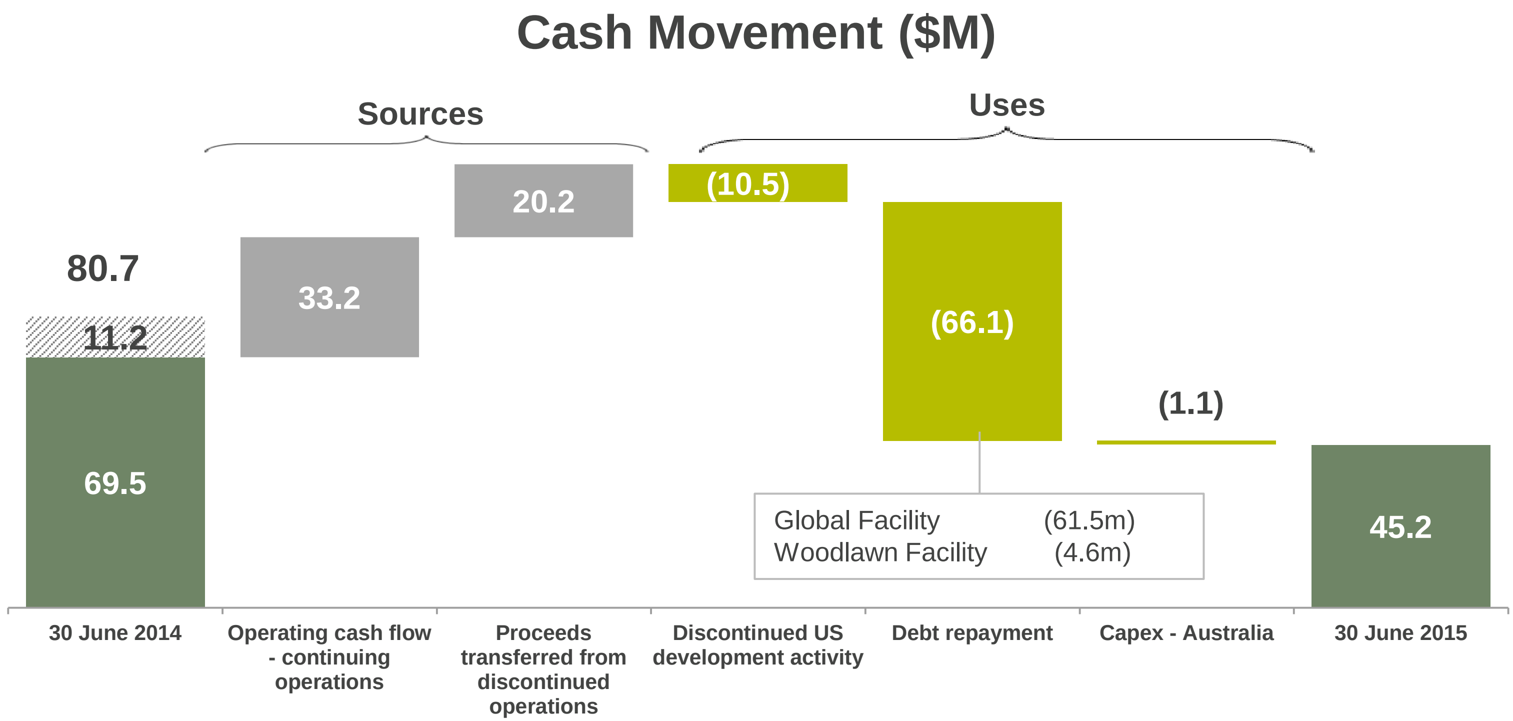
Year ended 30 June ($ million)	2015	2014	F/(A)%
Operating EBITDA	99.1	109.3	*(9)*
Corporate and development costs and other income	(15.6)	(16.7)	*7*
Movement in working capital and non-cash items	2.4	(2.9)	*183*
Financing costs and taxes paid	(52.7)	(70.1)	*25*
Net operating cash flow from continuing 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)***

Operating cash flow (A$M)



Cash Movement

Lower cash balance after investment in US solar development and covenant compliance management

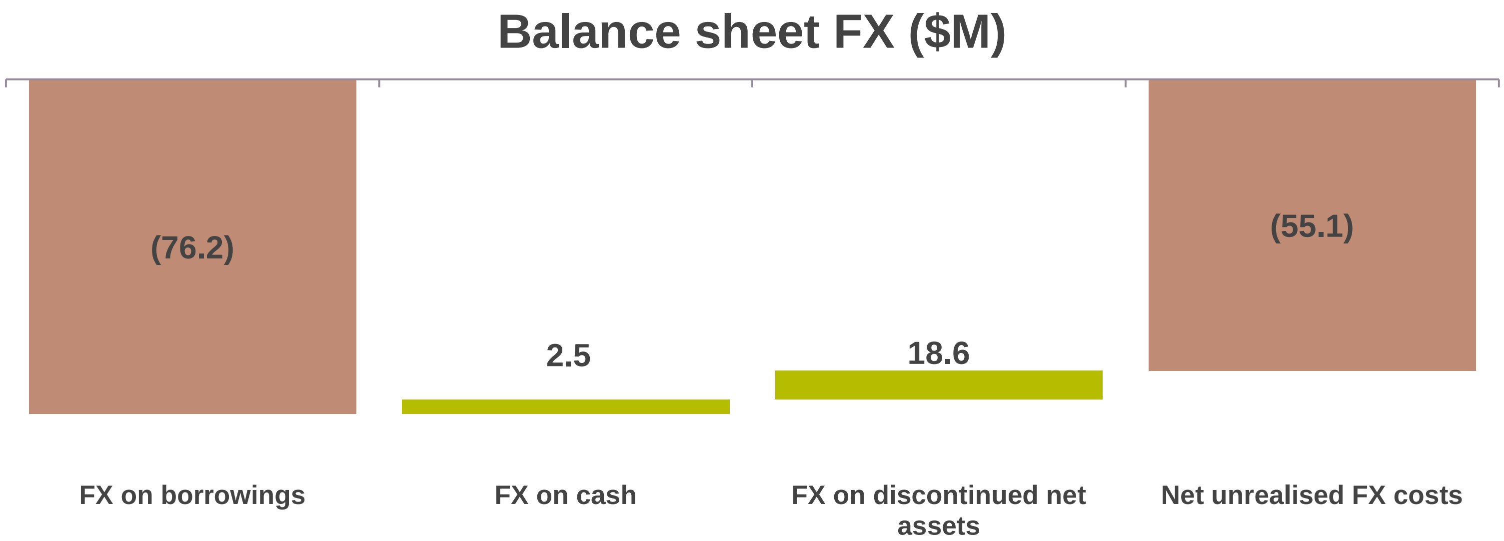


Comments

- $10.5 million cash outflow related to US solar development activity to be recouped through sales proceeds to be received in FY16
- $11.2 million of the $80.7 million cash balance held at 30 June 2014 related to discontinued operations
- $14.5 million of the $66.1 million in debt repayment came from distributions from Excluded Companies to the Global Facility Borrower Group to manage Global Facility leverage ratio covenant compliance

Impact of FX on Balance Sheet

Depreciation of the AUD increased USD and EUR borrowings in AUD terms



Average rate:

AUD:USD 30 June 2015 = 0.8319, 30 June 2014 = 0.9179
AUD:EUR 30 June 2015 = 0.6942, 30 June 2014 = 0.6764

Closing rate:

AUD:USD 30 June 2015 = 0.7680, 30 Jun 2014 = 0.9420
AUD:EUR 30 June 2015 = 0.6866, 30 Jun 2014 = 0.6906

Comments

- Lower AUD:USD at 30 June 2015 compared to 30 June 2014 adversely affected borrowings, partially offset by favourable effect from discontinued assets

Balance Sheet

Lower net assets due to US wind business classified as held for sale

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As at 30 June ($ million)	2015	2014
Cash	45.2	80.7
Receivables, inventory and prepayments	89.4	58.8
PPE, goodwill and intangible assets	957.0	2,152.5
Investments in financial assets and associates	0.5	182.7
Deferred tax and other assets	49.9	51.8
Assets of disposal group classified as held for sale	1,286.6	-
Total assets	**2,428.8**	**2,526.4**
Payables and provisions	38.8	54.4
Borrowings	786.9	1,075.0
Derivative liabilities	99.3	132.3
Liabilities of disposal group classified as held for sale	965.3	772.6
Borrowings and swaps associated with sale of disposal group	277.6	-
Total liabilities	**2,167.9**	**2,034.4**
Net assets	**260.9**	**492.1**

Debt ratios	30 June 2015	30 June 2014
Net debt / EBITDA	8.9x	10.7x
EBITDA / Interest	1.6x	1.7x
Net debt / (Net debt + Net assets)	74.0%	66.9%

Comments

- Reduction in PPE, goodwill and intangible assets attributable to US wind business
- Assets of disposal group classified as held for sale
- Lower borrowings due to reclassification of Global Facility and Union Bank debt related to sale of US wind business

OUTLOOK

FY16 Guidance

GUIDANCE

- **Production and revenue:**
  - Largely hedged for the first three quarters through an innovative production hedging arrangement with Swiss Re Corporate Solutions
  - Delivers more certainty to cash flows
- **Operating costs:**
  - 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.
  - Corporate costs expected to be approximately the same as FY15
- **Debt repayments:**
  - Expect to repay $35 million of Global Facility debt in addition to the debt repayment associated with the sale of the US wind business
  - Interest expense related to the US wind business incurred until the transaction closes

FY16 Outlook

OUTLOOK

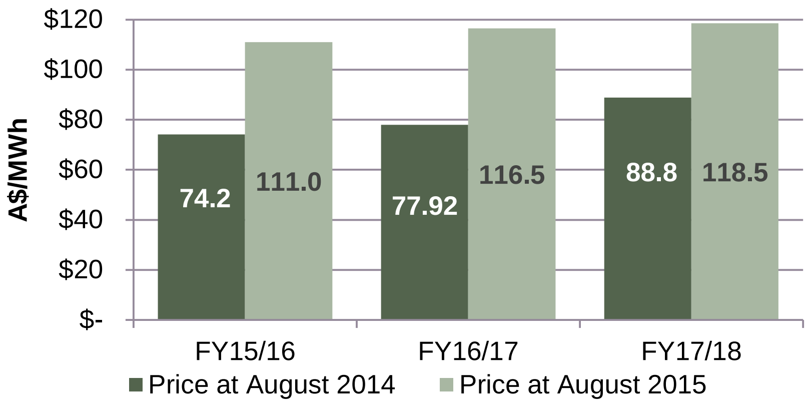
- **Earnings growth:**
  - Spot and forward LGC prices have risen by >50% since December 2014. Current merchant exposure can increase EBITDA by ~$1 million for every $1 increase in bundled prices
- **Deleveraging:**
  - Stronger earnings will increase Global Facility debt repayments
- **Business development:**
  - Infigen's development pipeline of wind and solar projects is well positioned to proceed to construction as opportunities emerge through the LRET and State run tenders
- **Generating securityholder value:**
  - Following the expected receipt of proceeds for Class A cash flow interests and receipt of proceeds from the sale of the US solar development pipeline, Infigen will have approximately $125 million of cash in Excluded Companies
  - 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
  - Infigen will assess its best opportunities to deploy its cash resources to achieve profitable growth and improve total securityholder returns

Stronger Outlook for Bundled Energy Prices

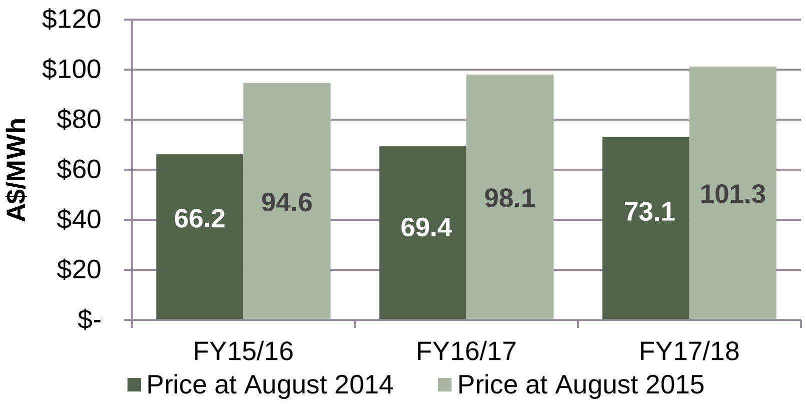
Each $1 increase in bundled prices increases annual EBITDA by ~ $1 million

- The amended RET requires ~5,000-6,000 MW of new large-scale renewable energy capacity
- Bundled prices are significantly higher than last year – LGC prices have increased by $25 since December 2014
- Infigen currently generates approximately 1 million merchant LGCs per annum
- LGC traded market prices have already risen to levels that should support new offtake contracts becoming available
- Announcements of ageing thermal power plants withdrawing from the NEM have become more frequent
- Bloomberg New Energy Finance estimates low to mid levelised cost of wind energy (LCOE) range of $80-95/MWh (2015$)

SA bundled price movement



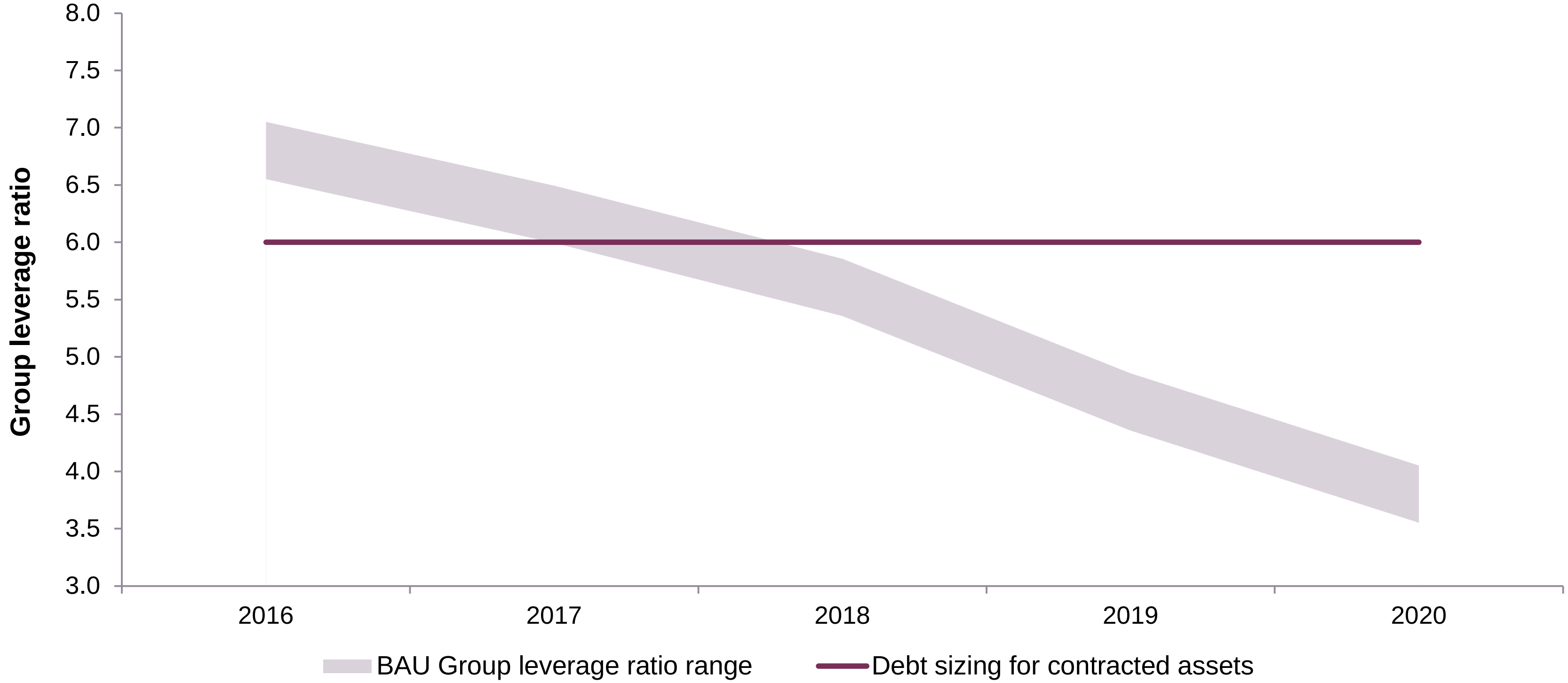
NSW bundled price movement



Source: ASX closing prices, Bloomberg New Energy Finance 2015 Australia LCOE update (18/06/2015)
BNEF assumptions for lower range LCOE: $2.13m/MW, 45% capacity factor, 7.1% WACC

Sale of US Wind Business Accelerates Deleveraging

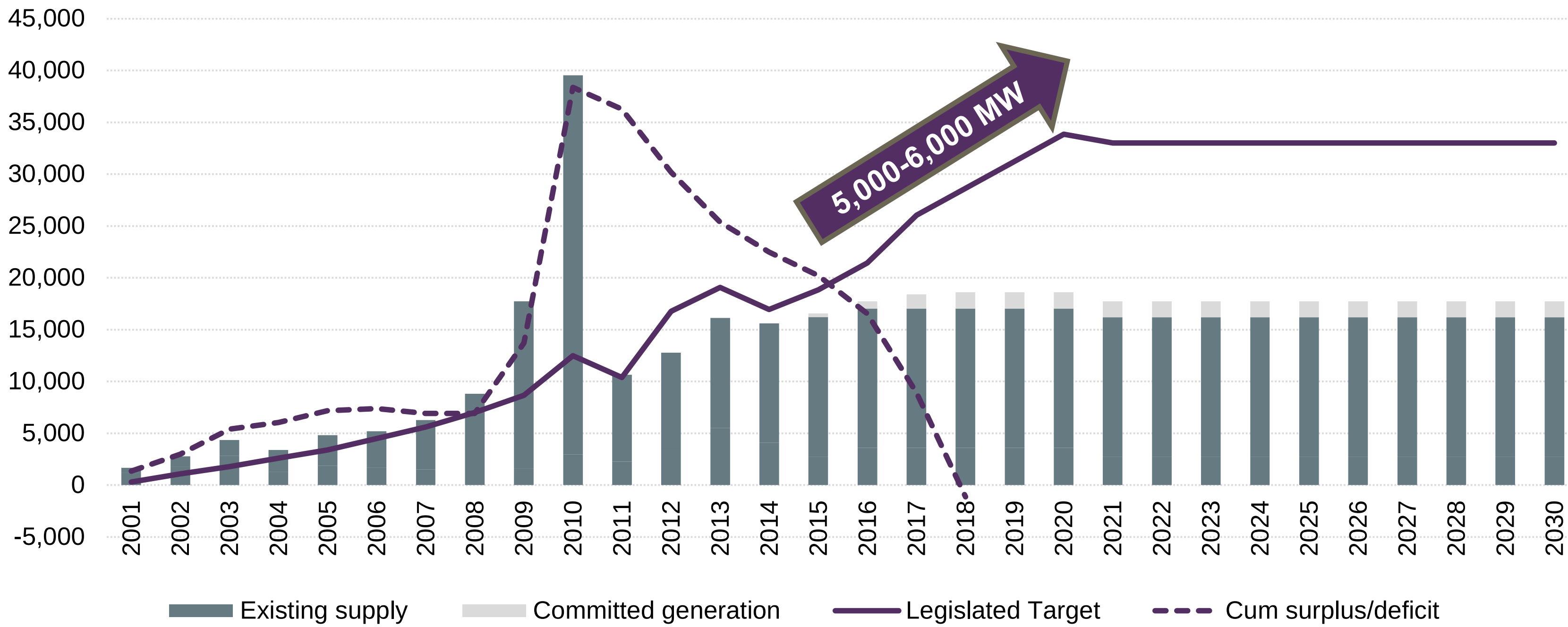
Australian earnings no longer required to support US cash "dip"



- Group leverage ratio will decrease rapidly over time
- Actual outcomes subject to prevailing operating conditions
- It is not currently desirable to raise equity to accelerate refinancing
- Refinancing the Global Facility becomes more achievable as the portfolio becomes more contracted

Large-scale Renewable Energy Target

Demand for new projects will keep upward pressure on LGC prices



Source: Green Energy Markets, July 2015 and Clean Energy Regulator, 2015

- The surplus of large-scale generation certificates created in 2010 will be largely eliminated by 2017 – deficit forecast in 2018
- Annual RET targets rise substantially from 2016 creating a legislated demand for new investment
- This is expected to require ~5,000-6,000MW of new large-scale renewable energy capacity
- It takes around two years for a large wind farm to be built and ramp up to full operation from the point of commitment
- Shortfall charge should incentivise liable parties to underwrite new contracts or pay an appropriate risk premium for merchant producers

Infigen Has a Significant Share of Pipeline Opportunities

Development pipeline value realisation will be pursued through multiple channels

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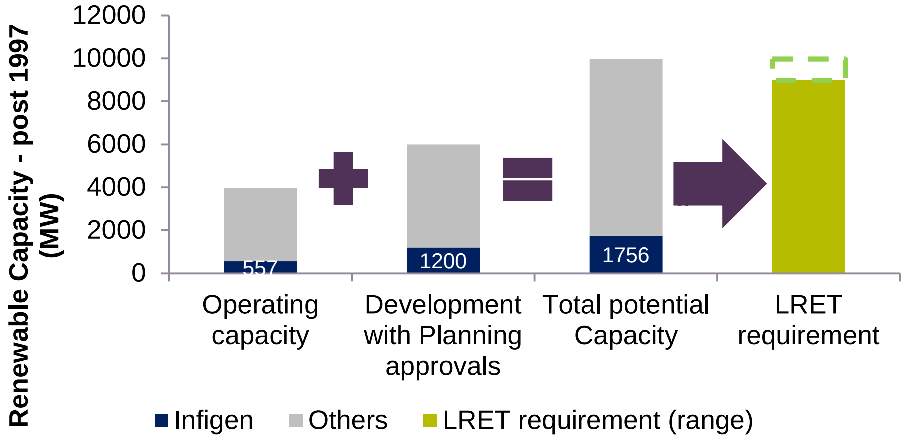
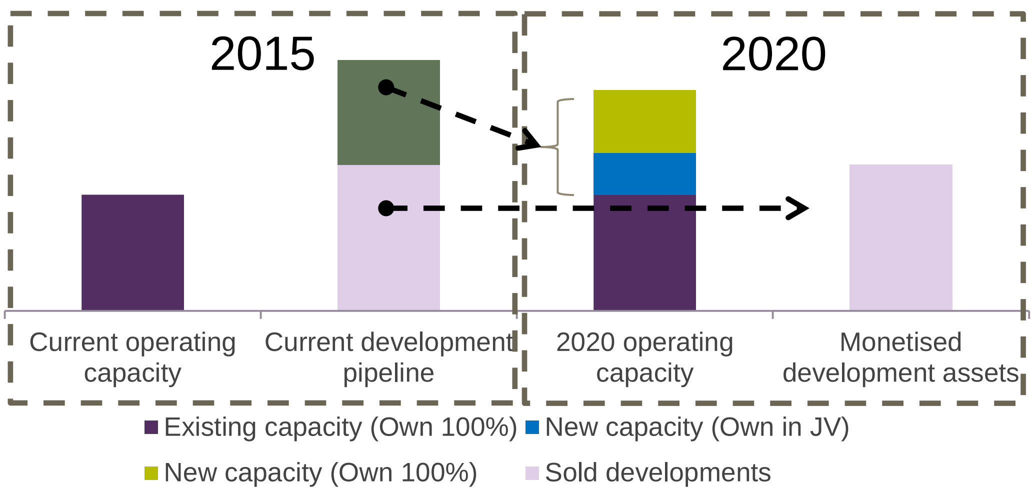
LRET total market opportunity



Aspirational Growth Targets



- 5,000 - 6,000MW of new renewable energy capacity required to meet LRET
- Infigen has an equity interest in ~1,200MW of wind and solar sites with development approval
- Most sites with development approval will be required to satisfy LRET demand
- Infigen’s current capital constraints may limit its ability to fully participate in the growth window
- Growth and value creation opportunities will be sought through
  - sales of permitted and construction ready developments with potential to undertake operator role for new owner upon completion
  - equity interest and operator role through joint ventures
  - 100% ownership of new capacity

Relative Attractiveness of Development Opportunities

A balanced and diverse pipeline will maximise potential to exploit regional opportunities

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Wind Farm	Location	Capacity (MW)	Planning status	Connection status
Bodangora#	New South Wales	90-100	Approved	Advanced
Capital 2	New South Wales	90-100	Approved	Offer received
Flyers Creek	New South Wales	100-115	Approved	Intermediate
Cherry Tree	Victoria	45-50	Approved	Advanced
Forsayth#	Queensland	80-90	Approved	Advanced
Walkaway 2&3*	Western Australia	~400	Approved	Intermediate
Woakwine	South Australia	~450	Approved	Intermediate
Total		~1,100		

Solar Farm	Location	Capacity (MW)	Planning status	Connection status
Capital	New South Wales	50	Approved	Offer received
Manildra	New South Wales	50	Approved	Advanced
Bogan River	New South Wales	12	Approved	Intermediate
Cloncurry	Queensland	30	Early	Early
Total		~100		

State	Demand growth	System capacity for new wind	Wind resource	Electricity prices	Planning conditions
New South Wales	Fair	Good	Good	Fair	Improving
Victoria	Fair	Good	Very Good	Poor	Good
Queensland	Good	Excellent	Fair/Poor	Good	Good
South Australia	Poor	Poor	Excellent	Good	Good
Western Australia	Fair	Fair	Excellent	Good	Good
Tasmania	Poor	Poor	Excellent	Fair	Good

Infigen has a 50% equity interest; A leading turbine supplier has an option to acquire 50%
* Infigen has a 32% equity interest

QUESTIONS

APPENDIX

Balance Sheet

As at 30 June 2015 ($ million)	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**

Assets and Liabilities of Excluded Companies

As at 30 June 2015	($ million)
Assets	
Cash and LGC inventory	41.1
Expected net cash proceeds from sale of US solar development pipeline	38.4
Expected net cash proceeds from sale of US Class A cash flow interests	52.7
Sub-total cash and LGC inventory	*132.2*
Book value of Australian development pipeline	32.3
Book value of Woodlawn wind farm	98.8
Total assets	**263.3**
Liabilities	
Loan from Infigen Energy Trust	105.8
Woodlawn project finance facility	45.4
Other and tax	11.4
Total liabilities	**162.6**
Net assets	**100.7**

AUD:USD 30 June 2015 = 0.7680

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