ASX RELEASE

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Infigen Energy Trust ARSN 116 244 118
Infigen Energy (Bermuda) Limited ARBN 116 360 715
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21 February 2013

APPENDIX 4D AND INTERIM FINANCIAL REPORTS

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

- Appendix 4D – Half Year Report
- Infigen Energy Group – Interim Financial Report to 31 December 2012
- Management Discussion and Analysis of Financial and Operational Performance
- Infigen Energy Trust – Interim Financial Report to 31 December 2012

ENDS

For further information please contact:
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About Infigen Energy

Infigen Energy is a specialist renewable energy business. We have interests in 24 wind farms across Australia and the United States. With a total installed capacity in excess of 1,600MW (on an equity interest basis), we currently generate enough renewable energy per year to power over half a million households.

As a fully integrated renewable energy business in Australia, we develop, build, own and operate energy generation assets and directly manage the sale of the electricity that we produce to a range of customers in the wholesale market.

Infigen Energy trades on the Australian Securities Exchange under the code IFN.

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

INFIGEN ENERGY GROUP

Appendix 4D – Half Year Report 31 December 2012

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

Reporting period

Current Period:	1 July 2012 - 31 December 2012
Previous Corresponding Period:	1 July 2011 - 31 December 2011

Results for announcement to the market

	% Movement	31 December 2012 $'000	31 December 2011 $'000
Revenues from ordinary activities	6%	140,892	133,531
Loss from ordinary activities after tax attributable to members	21%	(27,802)	(35,246)
Loss for the period attributable to members	21%	(27,802)	(35,246)

Distributions

	Record date	Payment date	Amount per security	Franked amount per security
Interim distribution declared subsequent to 31 December 2012	n/a	n/a	nil	nil
Interim distribution declared subsequent to 31 December 2011	n/a	n/a	nil	nil

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

Refer to the attached Management Discussion and Analysis of Financial and Operational Performance for the half year ended 31 December 2012.

Net tangible asset backing per security

	31 December 2012	30 June 2012
Net tangible assets backing per stapled security ($)	0.25	0.27

Control gained or lost over entities during the period

Capital Solar Farm Holdings Pty Ltd, Capital Solar Farm Pty Ltd and Renewable Energy Constructions Pty Ltd were incorporated on 26 October 2012. Infigen Energy Nor Holdings Sarl and Infigen Energy Gesa Holdings Sarl were voluntarily liquidated in September 2012.

Associates and joint venture entities

Infigen did not gain or dispose of any interests in associates and joint ventures during the period.

Accounting standards used by foreign entities

Refer to the attached financial statements Note 1, Statement of Significant Accounting Policies and to the equivalent note in the 2012 Annual Report.

Audit / review of accounts upon which this report is based

This report is based on accounts which have been reviewed. The independent auditor's review report is unqualified. Refer to the attached financial statements.

Outlook

Refer to the attached Management Discussion and Analysis of Financial and Operational Performance for the half year ended 31 December 2012.

Infigen Energy Limited

ABN 39 105 051 616

Interim Financial Report

for the Half-Year Ended

31 December 2012

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Corporate Structure

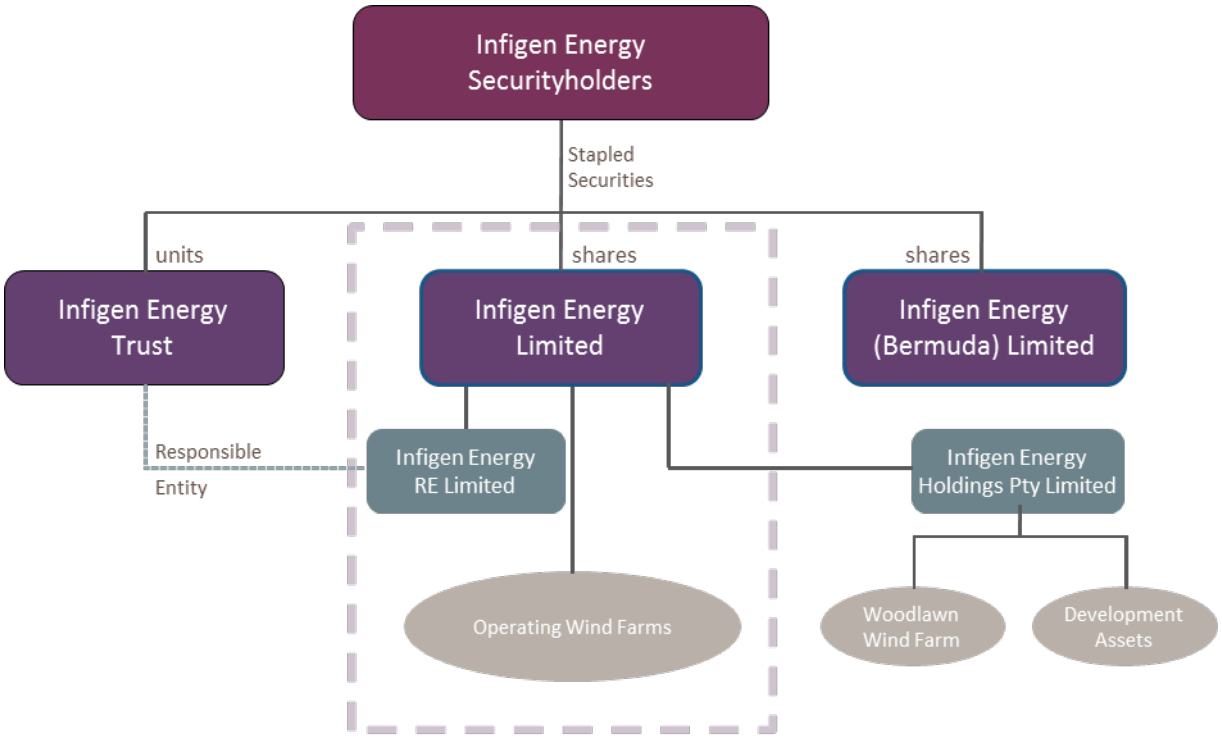
The Infigen Energy Group (Infigen or the Group) consists of the following entities:

- Infigen Energy Limited (IEL), ACN 105 051 616, a public company incorporated in Australia;
- Infigen Energy Trust (IET), ARSN, 116 244 118, a managed investment scheme registered in Australia, of which Infigen Energy RE Limited (IERL), ACN 113 813 997, AFSL 290710, is the responsible entity;
- Infigen Energy (Bermuda) Limited (IEBL), ARBN 116 360 715, a company incorporated in Bermuda; and
- subsidiary entities of each of IEL and IET.

Shares issued by IEL and IEBL, as well as units of IET, are stapled together to form IFN stapled securities (IFN securities). These IFN securities are quoted on the Australian Securities Exchange under the market code 'IFN'.

The current stapled structure of the Group was established immediately prior to listing on the Australian Securities Exchange in 2005 and is currently unable to be materially simplified due to the Group's global debt facility. IEBL was established and included in the Group's stapled structure in 2005 to provide flexibility regarding potential investment ownership structures. IEBL has not been utilised for that purpose since it was established and 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 identifying the entities and assets within the Global debt facility.



Entities and assets within the Global Facility borrower group.

The wholly-owned subsidiaries of Infigen that are entitled to returns, including cash distributions, from the US institutional equity partnerships (IEPs) are included within the Global Facility borrower group, but the IEPs, which are not wholly owned, are not members of that group.

Directors' Report

In respect of the half year ended 31 December 2012, the Directors of Infigen Energy Limited (IEL) submit the following report on the consolidated interim financial report of the Group.

Directors

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

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

Review of Operations

Revenue was $140.9 million, up 6% or $7.4 million reflecting higher production and merchant electricity prices in Australia and higher compensated revenue following the resolution of an Australian Electricity Market Operator (AEMO) scheduling error, partially offset by lower production in the US, lower merchant electricity prices in the US, lower LGC prices in Australia and adverse FX movement.

Statutory Operating Earnings before Interest, Tax, Depreciation and Amortisation (Operating EBITDA) was $83.6 million, up 10% or $7.9 million. This was primarily due to:

- Australia: higher revenue described above and marginally higher operating costs primarily related to Woodlawn wind farm compared to the prior comparative period and production and revenue linked land lease costs; and
- US: marginally lower revenues described above partially offset by lower turbine operating and maintenance (O&M) costs.

Development costs expensed were $1.8 million, down $0.1 million primarily reflecting a reduction in costs in the Australian business (-$0.5 million) offset by new costs associated with US development activity (+$0.4 million).

Corporate costs were $7.7 million, up 35% or $2.0 million. This was primarily due to the write back of non-cash incentive provisions in the prior comparative period.

Depreciation and Amortisation expense was $68.8 million, down $1.0 million due to the appreciation of the AUD against the USD. The expense for the period in the US and Australia was US$45.5 million and $24.9 million respectively.

Net Borrowing Costs were $41.3 million, up 11% or $4.2 million reflecting higher amortisation of loan fees and decommissioning provision related costs partially offset by a lower interest expense due to lower outstanding debt.

Net foreign exchange loss of $5.4 million primarily arose on the close out of foreign exchange contracts taken out to hedge Euro denominated debt repayments and where the offsetting benefit was realised through higher Euro cross rates being maintained over the repayment period. This compares with a $5.3 million gain in the prior comparative period following a further appreciation of the AUD against the USD. The $0.8 million costs associated with the interest rate derivative revaluation reflects further decreases in benchmark interest rates.

Net income from US IEPs was $11.2 million (income of $33.2 million and expenses of $22.0 million), up $12.6 million compared with a net expense of $1.4 million in the prior comparative period. An explanation of the structure of IEPs (including the accounting treatment) is provided in Appendix B of the Management Discussion and Analysis for the year ended 30 June 2012.

Income Tax benefit of $2.5 million was $1.7 million lower than the prior comparative period. The tax benefit this year was primarily attributable to the lower accounting loss of the Australian business compared to the prior comparative period.

Statutory Loss for the six months was $27.8 million, a favourable movement of $7.4 million compared with a statutory loss of $35.2 million in the prior comparative period.

Directors' report (continued)

Outlook

Consistent with long-term seasonal variation, second half production is expected to increase in the US and to decrease in Australia. In the US, weak wind conditions in the first half continued into January 2013 with full year outcome unlikely to reach the prior comparative period. In Australia, the higher production achieved over the prior comparative period in the first half is for the most part expected to be carried through to the full year outcome.

In the US, continued depressed merchant electricity prices in the PJM and ERCOT markets are expected for the remainder of FY13. In Australia, SA and NSW electricity cap prices for the second half of FY13 indicate low pool price volatility expectations, notwithstanding more extreme weather conditions and higher demand experienced in early 2013. Large-scale generation certificate prices are expected to remain steady for the remainder of the financial year.

We expect that full year wind farm costs in the US and Australia will be at the lower end of the US$74-79 million and A$34-37 million guidance ranges respectively.

Subject to these operating conditions, Infigen remains on track to repay around $55 million of Global Facility borrowings in FY13 and expects to continue to meet the Global Facility leverage ratio covenant test for the 2013 financial year.

Infigen has implemented a cost review and organisational restructure to improve efficiency and reduce our operating costs in Australia and the US. Our target is to reduce costs by $7 million per annum from FY14. This represents approximately 15% of the addressable cost base noting that a significant part of our operational costs are now largely fixed due to warranty or extended post warranty service and maintenance agreements. The impact on the FY13 result is anticipated to be neutral with savings offset by associated restructure costs.

Rounding

IEL is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration

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

Signed in accordance with a resolution of Directors.

On behalf of the Directors of IEL:

Miles George

Director

Sydney, 21 February 2013

Auditor's Independence Declaration

As lead auditor for the review of Infigen Energy Limited for the half ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

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

Darren Ross
Partner
PricewaterhouseCoopers

21 February 2013

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Infigen Energy Limited, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Infigen Energy Group (the consolidated entity). The consolidated entity comprises both Infigen Energy Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Infigen Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Darren Ross
Partner

21 February 2013

Directors' Declaration

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 10 to 25 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 the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that IEL will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors of IEL:

Miles George

Director

Sydney, 21 February 2013

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Revenue from continuing operations	3	140,892	133,531
Income from institutional equity partnerships	4	33,182	26,700
Other income	4	2,143	6,841
Operating expenses		(57,371)	(58,081)
Corporate costs		(7,664)	(5,698)
Other expenses	5	(1,745)	(1,506)
Depreciation and amortisation expense	5	(68,820)	(69,769)
Interest expense		(36,842)	(37,516)
Finance costs relating to institutional equity partnerships	5	(22,024)	(28,053)
Other finance costs	5	(12,025)	(5,529)
Share of net (losses) / profits of associates accounted for using the equity method		(36)	(391)
Net loss before income tax benefit		**(30,310)**	**(39,471)**
Income tax benefit		2,508	4,225
Net loss for the half-year		**(27,802)**	**(35,246)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges, net of tax		(3,000)	(58,455)
Exchange differences on translation of foreign operations		3,124	10,394
Other comprehensive income for the half year, net of tax		**124**	**(48,061)**
Total comprehensive loss for the half-year		**(27,678)**	**(83,307)**
Net loss for the half-year is attributable to stapled security holders as:			
Equity holders of the parent		(27,480)	(34,877)
Equity holders of the other stapled entities (minority interests)		(322)	(369)
		(27,802)	**(35,246)**
Total comprehensive loss is attributable to stapled security holders as:			
Equity holders of the parent		(27,356)	(82,938)
Equity holders of the other stapled entities (minority interests)		(322)	(369)
		(27,678)	**(83,307)**
Earnings per share of the parent based on earnings attributable to the equity holders of the parent:			
Basic (cents per security)	9	(3.6)	(4.6)
Diluted (cents per security)	9	(3.6)	(4.6)

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	As at 31 Dec 2012 $'000	As at 30 Jun 2012 $'000
Current assets			
Cash and cash equivalents		110,428	126,703
Trade and other receivables		54,906	39,944
Inventory		17,048	15,736
Derivative financial instruments		752	3,242
Total current assets		**183,134**	**185,625**
Non-current assets			
Receivables		7,433	8,590
Derivative financial instruments		377	579
Investment in associates		732	728
Property, plant and equipment		2,354,250	2,434,643
Deferred tax assets		50,462	48,359
Intangible assets		312,572	318,044
Total non-current assets		**2,725,826**	**2,810,943**
Total assets		**2,908,960**	**2,996,568**
Current liabilities			
Trade and other payables		43,898	40,005
Borrowings	6	35,929	56,000
Derivative financial instruments		40,774	42,578
Current tax liabilities		3,613	3,660
Provisions		1,780	3,449
Total current liabilities		**125,994**	**145,692**
Non-current liabilities			
Borrowings	6	1,002,972	1,013,214
Derivative financial instruments		148,239	148,575
Provisions		9,233	6,121
Total non-current liabilities		**1,160,444**	**1,167,910**
Institutional equity partnerships classified as liabilities	7	1,123,179	1,157,133
Total liabilities		**2,409,617**	**2,470,735**
Net assets		**499,343**	**525,833**
Equity holders of the parent			
Contributed equity	11	2,305	2,305
Reserves		(245,194)	(246,506)
Retained earnings		4,345	31,825
		(238,544)	**(212,376)**
Equity holders of the other stapled entities (non-controlling interests)			
Contributed equity	11	759,337	759,337
Retained earnings		(21,450)	(21,128)
		737,887	**738,209**
Total equity		**499,343**	**525,833**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2012

		Attributable to equity holders of the parent					
	Note	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests	Total equity
Total equity at 1 July 2011		**2,305**	**(187,440)**	**87,020**	**(98,115)**	**738,891**	**640,776**
Net loss for the half-year		-	-	(34,877)	(34,877)	(369)	(35,246)
Changes in the fair value of cash flow hedges, net of tax		-	(58,455)	-	(58,455)	-	(58,455)
Exchange differences on translation of foreign operations and movement in fair value		-	10,394	-	10,394	-	10,394
Total comprehensive income for the half-year		**-**	**(48,061)**	**(34,877)**	**(82,938)**	**(369)**	**(83,307)**
Transactions with equity holders in their capacity as equity holders:							
De-recognition of share-based payments		-	(1,505)	-	(1,505)	-	(1,505)
Total equity at 31 December 2011		**2,305**	**(237,006)**	**52,143**	**(182,558)**	**738,522**	**555,964**
Total equity at 1 July 2012		**2,305**	**(246,506)**	**31,825**	**(212,376)**	**738,209**	**525,833**
Net loss for the half-year		-	-	(27,480)	(27,480)	(322)	(27,802)
Changes in the fair value of cash flow hedges, net of tax		-	(3,000)	-	(3,000)	-	(3,000)
Exchange differences on translation of foreign operations and movement in fair value		-	3,124	-	3,124	-	3,124
Total comprehensive income for the half-year		**-**	**124**	**(27,480)**	**(27,356)**	**(322)**	**(27,678)**
Transactions with equity holders in their capacity as equity holders:							
Recognition of share-based payments		-	1,188	-	1,188	-	1,188
Total equity at 31 December 2012		**2,305**	**(245,194)**	**4,345**	**(238,544)**	**737,887**	**499,343**

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

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Cash flows from operating activities			
Loss for the half-year		(27,802)	(35,246)
Adjustments for:			
Interests in institutional equity partnerships		(11,158)	1,353
Loss on revaluation for fair value through profit or loss financial assets – financial instruments		764	4,323
Depreciation and amortisation of non-current assets	5	68,820	69,769
Unrealised foreign exchange (gains) / losses		1,375	(9,385)
Amortisation /(de-recognition) of share based payments expense		399	(1,505)
Amortisation of borrowing costs capitalised		767	324
Share of associates losses / (profits)		36	391
Decrease in current tax liability		(47)	(1,059)
(Increase) in deferred tax balances		(2,789)	(3,373)
Changes in operating assets and liabilities, net of			
(Increase)/decrease in assets:			
Current receivables and other current assets		(11,940)	(636)
Increase/(decrease) in liabilities:			
Current payables		4,277	1,138
Non-current payables		2,761	(214)
Net cash from operating activities		**25,463**	**25,880**
Cash flows from investing activities			
Payment for property, plant and equipment and intangible assets		(7,639)	(23,877)
Proceeds from sale of property, plant and equipment		-	667
Payment for investment in associates		(40)	-
Net cash used in investing activities		**(7,679)**	**(23,210)**
Cash flows from financing activities			
Proceeds from borrowings		-	22,258
Repayment of borrowings		(27,191)	(181,462)
Distributions paid to institutional equity partnerships		(7,226)	(7,571)
Net cash used in financing activities		**(34,417)**	**(166,775)**
Net decrease in cash and cash equivalents		**(16,633)**	**(164,105)**
Cash and cash equivalents at the beginning of the half year		126,703	304,875
Effects of exchange rate on the balance of cash held in foreign currencies		358	3,861
Cash and cash equivalents at the end of the half year		**110,428**	**144,631**

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

1. Summary of accounting policies

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

Stapled security

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

This interim financial report consists of the consolidated interim financial statements of IEL, which comprises IEL and its controlled entities, IET and its controlled entities and IEBL, together acting as Infigen.

(a) **Basis of Preparation**

These consolidated interim financial statements for the half year reporting period ended 31 December 2012 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Infigen during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Except as described below, the accounting policies applied by the Group in these consolidated interim financial statements are the same as those of the previous financial year and corresponding interim reporting period.

(b) **New accounting standards and UIG interpretations**

Certain new accounting standards have been published that are not mandatory for the 31 December 2012 half-year reporting period. The Group's assessment of the effect of these new standards is set out below.

(i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective for years beginning on or after 1 January 2015)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Group has not yet decided when to adopt AASB 9 and has not assessed the effect.

(ii) AASB 10, AASB 11 and AASB 12 and revised AASB 127 and AASB 128 – Consolidations, joint arrangements and associated disclosures (effective for years beginning on or after 1 January 2013)

AASB 10 replaces all guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purposes Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principle relationships.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the

Summary of accounting policies (continued)

joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of the ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

The group will be required to change its accounting method for jointly controlled entities that are considered to be joint ventures under AASB 11, from the proportional consolidation method of accounting to the equity method. Infigen does not expect the adoption of this standard to have a material impact on net profit, retained earnings or net assets, however some balances will require reclassification within the consolidated statement of comprehensive income and the statement of financial position.

The group does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective for years beginning on or after 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective for years beginning on or after 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

2. Segment information

(a) Segment information provided to the Board of Directors

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

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

Segment information (continued)

The segment information provided to the Board of Directors for the operating segments for the half year ended 31 December 2012 is as follows:

	Australia	US	Total
	$'000	$'000	$'000
Half year ended 31 December 2012			
Statutory revenue			140,892
Revenue - non-controlling interests			(6,709)
Segment revenue (economic interest basis)	76,397	57,786	**134,183**
Segment EBITDA from Operations (economic interest)	57,775	21,821	79,596
Corporate costs			(7,664)
Development costs[1]			(1,781)
LGC revaluation and other			778
EBITDA (economic interest basis)			**70,929**
Half year ended 31 December 2011			
Statutory revenue			**133,531**
Revenue - non-controlling interests			(7,852)
Segment revenue (economic interest basis)	63,927	61,752	**125,679**
Segment EBITDA from Operations (economic interest)	46,233	23,829	**70,062**
Corporate costs			(5,698)
Development costs[1]			(1,897)
LGC revaluation and other			(295)
EBITDA (economic interest basis)			**62,172**

[1] Includes share of net losses of associates accounted for using the equity method

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

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

Segment EBITDA is calculated on an economic interest basis. The entity has a controlling interest in two US LLCs in which it owns more than 50% but less than 100% of the Class B interests. Under IFRS, the Group fully consolidates the financial performance of these companies within its statutory results and recognises a non-controlling interest. Under economic interest basis, the non-controlling interest portion is not included in the results.

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

The Board of Directors reviews segment revenues on a proportional basis, reflective of the economic ownership held by the Group.

Segment information (continued)

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

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Segment EBITDA	70,929	62,172
Non-controlling interests proportionally consolidated for segment reporting	3,962	5,683
Income from institutional equity partnerships	33,182	26,700
Other income	1,328	6,841
Depreciation and amortisation expense	(68,820)	(69,769)
Interest expense	(36,842)	(37,516)
Finance costs relating to institutional equity partnerships	(22,024)	(28,053)
Other finance costs	(12,025)	(5,529)
Net loss before income tax	**(30,310)**	**(39,471)**

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

	Australia $'000	US $'000	Total $'000
As at 31 December 2012			
Current assets	143,846	39,288	183,134
Non-current assets	1,137,484	1,588,342	2,725,826
Total	**1,281,330**	**1,627,630**	**2,908,960**
As at 30 June 2012			
Current assets	144,534	41,091	185,625
Non-current assets	1,158,585	1,652,358	2,810,943
Total	**1,303,119**	**1,693,449**	**2,996,568**

3. Revenue

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
From continuing operations		
Revenue from the sale of environmental products[1]	46,627	25,217
Revenue from lease of plant and equipment[2]	90,923	105,154
Compensation for revenues lost as a result of O&M providers not meeting contracted turbine availability targets	1,481	1,440
Revenue from asset management services	1,766	1,632
Grant revenue	95	88
	140,892	**133,531**

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

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

4. Other income

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Income from institutional equity partnerships		
Value of production tax credits offset against Class A liability	34,894	38,617
Value of tax losses offset against Class A liability	456	1,998
Benefits deferred during the half-year	(2,168)	(13,915)
	33,182	**26,700**
Other income		
Interest income	1,328	1,489
Fair value gains on financial instruments	-	85
Foreign exchange gains	-	5,267
Other	815	-
	2,143	**6,841**

5. Expenses

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Net loss before income tax has been arrived at after charging the following expenses:		
Other expenses:		
Development costs	1,745	1,506
	1,745	**1,506**
Depreciation and amortisation expense:		
Depreciation of property, plant & equipment	61,699	62,284
Amortisation of intangible assets	7,121	7,485
	68,820	**69,769**
Finance costs relating to institutional equity partnerships		
Allocation of return on outstanding Class A liability	19,867	21,884
Movement in residual interest (Class A)	2,133	2,598
Non-controlling interest (Class B)	24	3,571
	22,024	**28,053**
Other finance costs:		
Fair value losses on financial instruments	764	4,408
Bank fees and loan amortisation costs	3,215	1,121
Foreign exchange losses	5,429	-
Recognition of decommissioning provisions	2,341	-
Unwinding of discount on decommissioning provisions	276	-
	12,025	**5,529**

6. Borrowings

	As at 31 Dec 2012 $'000	As at 30 June 2012 $'000
Current		
Secured		
At amortised cost:		
Global facility	35,000	54,466
Project finance debt – Woodlawn	929	1,534
	35,929	**56,000**
Non-current		
Secured		
At amortised cost:		
Global facility	962,442	971,083
Project finance debt - Woodlawn	50,398	50,985
Capitalised loan costs	(9,868)	(8,854)
	1,002,972	**1,013,214**
(a) Reconciliation of borrowings		
Opening balance	1,069,214	1,252,417
Debt repayments – German Sale	-	(154,264)
Debt repayments – Global Facility	(26,051)	(57,300)
Debt repayments - Woodlawn	(1,140)	(1,600)
Other financing repayments	-	(1,766)
Draw down from project financing	-	22,258
Net loan costs (capitalised) / expensed	(1,081)	2,393
Net foreign currency exchange differences	(2,041)	7,076
	1,038,901	**1,069,214**

7. Institutional equity partnerships classified as liabilities

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

	Class A members		Class B members		Total	
	Half year ended 31 Dec 2012 $'000	Year ended 30 June 2012 $'000	Half year ended 31 Dec 2012 $'000	Year ended 30 June 2012 $'000	Half year ended 31 Dec 2012 $'000	Year ended 30 June 2012 $'000
Components of institutional equity partnerships:						
At period beginning	632,309	645,965	52,057	54,451	684,366	700,416
Distributions	(5,055)	(15,228)	(2,171)	(12,392)	(7,226)	(27,620)
Value of production tax credits offset against Class A liability	(34,894)	(78,519)	-	-	(34,894)	(78,519)
Value of tax losses offset against Class A liability[1]	(456)	(1,279)	-	-	(456)	(1,279)
Allocation of return on outstanding Class A liability	19,867	42,830	-	-	19,867	42,830
Movement in residual interest (Class A)	2,133	8,924	-	-	2,133	8,924
Non-controlling interest (Class B)	-	-	24	7,426	24	7,426
Foreign exchange loss / (gain)	(8,484)	29,616	(705)	2,572	(9,189)	32,188
At period end	**605,420**	**632,309**	**49,205**	**52,057**	**654,625**	**684,366**
Deferred revenue:						
At period beginning					472,768	436,560
Benefits deferred during the period					2,168	16,244
Foreign exchange loss / (gain)					(6,382)	19,963
At period end					**468,554**	**472,767**
					1,123,179	**1,157,133**

[1] This comprises the following tax-effected components:

Total taxable income before accelerated tax depreciation	14,847	41,407
Accelerated tax depreciation	(15,303)	(42,686)
Value of tax losses offset against Class A liability	**(456)**	**(1,279)**

8. Distributions paid

Distributions in respect of the half year ended 31 December 2012 were nil (half year ended 31 December 2011: nil).

9. Earnings per security / share

	Half year ended 31 Dec 2012 cents per security	Half year ended 31 Dec 2011 cents per security
(a) **Basic and diluted earnings per stapled security / parent entity share:**		
Parent entity share		
From continuing operations attributable to the parent entity shareholders	(3.6)	(4.6)
Total basic and diluted earnings per share attributable to the parent entity shareholders	**(3.6)**	**(4.6)**
Stapled security		
From continuing operations attributable to the stapled security holders	(3.6)	(4.6)
Total basic and diluted earnings per security attributable to the stapled security holders	**(3.6)**	**(4.6)**

(b) **Reconciliation of earnings used in calculating earnings per security / share**

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

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Earnings attributable to the parent entity shareholders		
From continuing operations	(27,480)	(34,877)
Total earnings attributable to the parent entity shareholders	**(27,480)**	**(34,877)**
Earnings attributable to the stapled security holders		
From continuing operations	(27,802)	(35,246)
Total earnings attributable to the stapled security holders	**(27,802)**	**(35,246)**

(c) **Weighted average number of shares used as the denominator**

	Half year ended 31 Dec 2012 No.'000	Half year ended 31 Dec 2011 No.'000
Weighted average number of securities / shares for the purposes of basic and diluted earnings per security / share	762,266	762,266

10. Contingent liabilities

	As at 31 Dec 2012 $'000	As at 30 June 2012 $'000
Letters of credit	43,770	43,991

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.

Kumeyaay dispute

Kumeyaay Wind LLC ("Kumeyaay") has a long running dispute with Gamesa Wind U.S., LLC ("Gamesa") regarding liability to pay for site repairs and the replacement of all 75 turbine blades at the Kumeyaay wind farm in California following a storm event and utility power outage in December 2009. The Group owns 100% of the Class B interests in Kumeyaay.

Since December 2009, Kumeyaay has maintained a firm position that these repair costs and the associated production losses are matters covered by Gamesa's turbine manufacturer's warranty or, if not, then by Kumeyaay's property damage and business interruption insurance.

Gamesa and Kumeyaay are currently engaged in legal proceedings against each other to determine liability to pay for the repair work and the associated production losses.

Gamesa's claim against Kumeyaay totals approximately US$34.5 million in respect of that repair work. Kumeyaay is contesting Gamesa's claim vigorously and denies that it has any liability to pay for the repair work. If it is ultimately determined that the repairs undertaken by Gamesa at the Kumeyaay wind farm are not covered by Gamesa's warranties, then Kumeyaay will pursue its insurer for the costs of any such non-warranty repairs and the lost production. No recognition has been made in the financial statements in respect of the claim by Gamesa as the Directors consider the likelihood of loss arising from the claim to be remote.

Kumeyaay is also pursuing other warranty related claims against Gamesa totalling approximately US$10.3 million in the same proceedings. The Directors are of the opinion that it is premature to recognise any amounts in relation to these claims in the financial statements.

The disputes are being adjudicated in Pennsylvania state court under the case name: Gamesa Wind U.S., LLC vs. Kumeyaay Wind LLC, et al., Court of Common Pleas of Bucks County, Pennsylvania (Case No. 2011-09405).

Allegheny, GSG, Bear Creek and Mendota Hills disputes

The Group has Class B interests in the following companies ("US Project Companies"):

Name of entity	Class B Ownership
Allegheny Ridge Wind Farm LLC	100%
Wind Park Bear Creek LLC	59.3%
GSG LLC	100%
Mendota Hills LLC	100%

The US Project Companies and Gamesa are currently engaged in legal proceedings against each other in relation to various disputes. Further details of these disputes are set out below. These disputes are being adjudicated in the same court proceedings as the Kumeyaay dispute, namely, *Gamesa Wind U.S., LLC vs. Kumeyaay Wind LLC, et al.,* Court of Common Pleas of Bucks County, Pennsylvania (Case No. 2011-09405).

Contingent liabilities (continued)

In these proceedings, the US Project Companies utilising Gamesa turbines at the Allegheny, GSG, Bear Creek and Mendota Hills wind farms have filed claims against Gamesa over, amongst other things, Gamesa's failure to (i) complete certain end of warranty work, (ii) pay certain liquidated damages associated with turbine availability warranties, and (iii) pay for certain production losses associated with the end of warranty work. These claims total approximately US$17.6 million. Allegheny Ridge Wind Farm LLC has also filed claims against Gamesa and certain of its related entities totaling approximately US$1.0 million in relation to certain matters associated with the development and construction of the Allegheny wind farm. Gamesa has filed its own claims against those four US Project Companies totaling approximately US$1.9 million.

In addition, the US Project Companies that own the Allegheny, GSG and Bear Creek wind farms consider that the blades on Gamesa's G87 turbines at these wind farms suffer from design and manufacturing defects which render those blades susceptible to failure potentially well in advance of their specified design life. These US Project Companies are seeking compensation of approximately US$119 million from Gamesa for the cost of replacing those turbine blades.

If these blade defect claims are successful then the Allegheny, GSG and Bear Creek wind farms will not be faced with the probable costs of premature blade replacement from this cause. The future cost of blade failures at Allegheny, GSG and Bear Creek will otherwise depend on future failure rates and timing, blade and rotor replacement costs, and the cost of lost production.

Disposal of businesses

Under the sale agreements relating to the disposal of the Group's previously owned Spanish, Portuguese, French and German assets, the Group has provided certain warranties and indemnities in favour of the buyers of those assets. No claims that would have a material impact on the Group's financial statements have been made by the relevant buyers under these warranties and indemnities. Under the sale agreements relating to the disposal of the Group's interests in certain development projects and entities to National Power Partners ("NPP") in March 2011, the Group has provided certain warranties and indemnities in favour of the buyers of those assets. No claims have been made under these warranties and indemnities.

Deed of Cross Guarantee

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

11. Issuances, repurchases and repayments of securities

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Fully paid stapled securities/shares		
Balance as at 1 July	761,642	761,642
Balance as at 31 December	**761,642**	**761,642**
Attributable to:		
Equity holders of the parent	2,305	2,305
Equity holders of the other stapled securities (minority interests)	759,337	759,337
	761,642	**761,642**

	Half year ended 31 Dec 2012 No.'000	Half year ended 31 Dec 2011 No.'000
Number of fully paid stapled securities/shares		
Balance as at 1 July	762,266	762,266
Balance as at 31 December	**762,266**	**762,266**

12. Subsequent events

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

Management Discussion and Analysis of Financial and Operational Performance for the six months ended 31 December 2012

21 February 2013

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 six months ended 31 December 2012 compared with the six months ended 31 December 2011 ("prior corresponding period") except where otherwise stated.

As required by the International Financial Reporting Standards' (IFRS) accounting standards, Infigen consolidates 100% of all controlled entities within its result. The results discussed in this document refer to Infigen's economic interest unless specifically marked otherwise and therefore minority interests within individual components have been eliminated consistently. All reference to $ is 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 page 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 Energy that any projection, forecast, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

1 Statutory Result

1.1 Statutory Loss

Infigen Energy reported a Statutory Loss for the six months to 31 December 2012 of $27.8 million, a favourable movement of $7.4 million compared with a Statutory Loss of $35.2 million in the prior corresponding period (pcp).

Further details are provided in Section 2.

1.2 Dividends

Following consideration by the Board in late 2012 and as advised by the Chairman of the Board at the 2012 Annual General Meeting, the sweeping of surplus cash flow from operating assets held within the Global Facility Borrower Group effectively serves to continue to preclude the payment of distributions to securityholders.

1.3 Safety

Infigen's first priority is the safety of our people and the communities in which we operate. Our goal is zero lost time incidents and injuries. Infigen's safety performance as measured on a rolling 12 month lost time injury frequency rate (LTIFR) improved from 1.1 at 31 December 2011 to zero at 31 December 2012. Achieving this important milestone is pleasing and we will continue to strive to maintain this safety record.

Regrettably in early 2013 we had two lost time incidents. They served as an immediate reminder that we must remain ever vigilant when it comes to safety.

2 Review of Financial Performance

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

Six months ended 31 Dec ($m unless otherwise indicated)	2012	2011	Change % F/(A)
Revenue	140.9	133.5	6
EBITDA	74.9	67.9	10
Depreciation and amortisation	(68.8)	(69.8)	1
EBIT	6.1	(1.9)	421
Net borrowing costs	(41.3)	(37.1)	(11)
FX and interest rate derivative revaluation	(6.2)	0.9	(789)
Net Income from IEPs	11.2	(1.4)	900
Loss before significant item & tax	(30.3)	(39.5)	23
Income tax benefit	2.5	4.2	(40)
Net loss after tax	(27.8)	(35.2)	21
Operating cash flow	25.5	25.9	(1)
Capital expenditure[1]	7.6	23.2	(67)
Operating cash flow per security[2] (cps)	3.3	3.4	(3)
Earnings per security (cps) [3]	(3.6)	(4.6)	21

Further segmentation of the profit and loss line items in the table above is available in the financial statements and throughout this document.

Position at ($m unless otherwise indicated)	31 Dec 2012	30 June 2012	Change % F/(A)
Debt	1,039	1,069	3
Cash	110	127	(13)
Net debt	929	943	1
Class A liability	605	632	4
Securityholders' equity	499	526	(5)
Book Gearing	65.0%	64.2%	(0.8) ppts[4]
EBITDA/(Net debt + Equity)	11.2%	10.4%	0.8 ppts
Net assets per security ($)	0.66	0.69	(4)
Net tangible assets per security ($)	0.25	0.27	(7)

n.m. = not meaningful

[1] Represents the cash outflow in relation to capital expenditure

[2] Calculated using securities issued at end of year

[3] Calculated using weighted average issued securities

[4] ppts = percentage points

2.1 Reconciliation of Statutory Accounts to Economic Interest

Infigen has a controlling interest in two wind farm entities in the US in which it owns more than 50% but less than 100% of Class B interests[5]. Under IFRS Infigen fully consolidates the financial performance of these wind farm entities within its statutory results and eliminates the non-controlling interest, which is recorded through "Net Income of IEPs".

Infigen believes it is more useful to review the performance of the business from an economic interest perspective and has therefore provided reconciliation between the economic and statutory presentation for the key Profit and Loss line items below.

Following this section all figures will reference "Economic Interest" unless specifically stated otherwise.

Six months ended 31 Dec 2012 ($ million)	Statutory	Non-controlling Interest	Economic Interest
Revenue	140.9	(6.7)	134.2
Operating EBITDA	83.6	(4.0)	79.6
Other costs and income	(8.7)	-	(8.7)
EBITDA	74.9	(4.0)	70.9
Depreciation and amortisation	(68.8)	3.8	(65.0)
EBIT	6.1	(0.1)	6.0
Net borrowing costs	(41.3)	0.2	(41.1)
FX and interest rate derivative revaluation	(6.2)	-	(6.2)
Net income from IEPs	11.2	(0.1)	11.1
Loss before tax	(30.3)	-	(30.3)
Income tax benefit	2.5	-	2.5
Net loss	(27.8)	-	(27.8)

Six months ended 31 Dec 2011 ($ million)	Statutory	Non-controlling Interest	Economic Interest
Revenue	133.5	(7.8)	125.7
Operating EBITDA	75.8	(5.7)	70.1
Other costs and income	(7.9)	-	(7.9)
EBITDA	67.9	(5.7)	62.2
Depreciation and Amortisation	(69.8)	3.8	(66.0)
EBIT	(1.9)	(1.9)	(3.8)
Net Borrowing Costs	(37.1)	-	(37.1)
FX and interest rate derivative revaluation	0.9	-	0.9
Net income from IEPs	(1.4)	1.9	0.5
Loss before tax	(39.5)	-	(39.5)
Income tax	4.2	-	4.2
Net loss	(35.2)	-	(35.2)

[5] Infigen also has a number of joint ventures where its Class B membership interests range from 53% to 59% (joint control). These membership interests are included in both statutory and economic presentations using the same proportional ownership method of consolidation.

2.2 Management discussion of income statement

Six months ended 31 Dec ($m unless otherwise indicated)	2012	2011	Change % F/(A)
Revenue	134.2	125.7	7
Operating EBITDA	79.6	70.1	14
Other costs and income	(8.7)	(7.9)	(10)
EBITDA	70.9	62.2	14
Depreciation and amortisation	(65.0)	(66.0)	1
EBIT	6.0	(3.8)	258
Net borrowing costs	(41.1)	(37.1)	(11)
FX and interest rate derivative revaluation	(6.2)	0.9	(789)
Net Income from IEPs	11.1	0.5	2,120
Loss before significant item & tax	(30.3)	(39.5)	23
Income tax	2.5	4.2	(40)
Net loss after tax	(27.8)	(35.2)	21
Operating cash flow	23.0	21.1	9
Capital expenditure[6]	7.6	23.2	(67)
Operating cash flow per security[7] (cps)	3.0	2.8	9
Earnings per security (cps) [8]	(3.6)	(4.6)	21

Foreign exchange rates Average rate for the six months ended	31 Dec 2012	31 Dec 2011	Change %
AUD:USD	1.0355	1.0112	2
AUD:EUR	0.8113	0.7421	9

Revenue was $134.2 million, up 7% or $8.5 million reflecting higher production and merchant electricity prices in Australia and higher compensated revenue following the resolution of an Australian Electricity Market Operator (AEMO) scheduling error, partially offset by lower production in the US, lower merchant electricity prices in the US, lower LGC prices in Australia and adverse FX movement.

Operating Earnings before Interest, Tax, Depreciation and Amortisation (**Operating EBITDA**) was $79.6 million, up 14% or $9.5 million. This was primarily due to:

- Australia: higher revenue described above and marginally higher operating costs primarily related to a full period of costs for Woodlawn wind farm compared to pcp and production and revenue linked land lease costs; and
- US: marginally lower revenues described above partially offset by lower turbine operating and maintenance (O&M) costs.

Development costs expensed were $1.8 million, down $0.1 million primarily reflecting a reduction in costs in the Australian business (-$0.5 million) offset by new costs associated with US development activity (+$0.4 million).

Corporate costs were $7.6 million, up 33% or $1.9 million. This was primarily due to the write back of non-cash incentive provisions in the pcp.

[6] Represents the cash outflow in relation to capital expenditure
[7] Calculated using securities issued at end of year
[8] Calculated using weighted average issued securities

Other income contributed $0.8 million and relates to an insurance recovery in relation to the replacement of a wind turbine generator in the US during the period.

Depreciation and Amortisation expense was $65.0 million, down $1.0 million due to the appreciation of the AUD against the USD. The expense for the period in the US and Australia was US$41.5 million and $24.9 million respectively.

Net Borrowing Costs were $41.1 million, up 10% or $4.0 million reflecting higher amortisation of loan fees and decommissioning provision related costs partially offset by a lower interest expense due to lower outstanding debt.

Six months ended 31 Dec	2012 ($m)	2011 ($m)	Change % F/(A)
Interest Expense	(36.8)	(37.5)	2
Loan and Bank Fees	(3.1)	(1.0)	(210)
Amortisation of Decommissioning Cost	(2.5)	-	n.m.
Total Borrowing costs	**(42.4)**	**(38.6)**	**(10)**
Interest Income	1.3	1.5	(13)
Net Borrowing Costs	**(41.1)**	**(37.1)**	**(10)**
FX (Loss) / Gain	(5.4)	5.3	(202)
Interest rate derivative revaluation	(0.8)	(4.3)	81

Net foreign exchange loss of $5.4 million primarily arose on the close out of foreign exchange contracts taken out to hedge Euro denominated debt repayments and where the offsetting benefit was realised through higher Euro cross rates being maintained over the repayment period. This compares with a $5.3 million gain in the pcp following a further appreciation of the AUD against the USD. The $0.8 million costs associated with the **interest rate derivative revaluation** reflects further decreases in benchmark interest rates.

Net income from US IEPs was $11.1 million, up $10.6 million compared with an expense of $0.5 million in the pcp. An explanation of the structure of IEPs (including the accounting treatment) is provided in Appendix B of the Management Discussion and Analysis for the year ended 30 June 2012.

Income Tax benefit of $2.5 million was $1.7 million lower than the pcp. The tax benefit this year was primarily attributable to the lower accounting loss of the Australian business compared to the pcp.

Statutory Loss for the six months was $27.8 million, a favourable movement of $7.4 million compared with a Statutory Loss of $35.2 million in the pcp.

3 Cash Flow

3.1 Cash movement

Cash balance at 31 December 2012 was $110 million, 13% or $16 million lower than the $126 million cash balance at 30 June 2012. The cash balance at 31 December 2012 comprises $18 million held by entities within the Global Facility Borrower Group (Infigen's borrowings comprise a multi-currency Global Facility secured by Infigen's interests in all of the operational wind farms except for Woodlawn - 'the Borrower Group') with $92 million held by entities outside of that group ('Excluded Companies').

Cash outflows comprised $27.2 million for debt repayment ($26.1 million towards the Global Facility and $1.1 million towards the Woodlawn project finance facility), $4.7 million in distributions to Class A tax equity holders and $7.6 million in capital expenditure primarily related to the turbine replacement at Allegheny Ridge and other US expenditure ($4.8 million), development activities in the US ($1.1 million) and Australia ($1.1 million) and IT projects ($0.6 million).

Cash inflow for the period comprised $23 million of net operating cash flow and $0.3 million due to FX movements.

3.2 Operating Cash Flow

Net operating cash flow after tax and financing costs

Six months ended 31 Dec	2012 ($m)	2011 ($m)	Change % F/(A)
Operating EBITDA	79.6	70.1	14
Corporate & development costs & other	(8.7)	(7.6)	(14)
Working capital & non-cash items	(10.0)	(0.7)	(1,329)
Net financing costs and taxes paid	(37.9)	(40.7)	7
Net Operating Cash Flow	***23.0***	***21.1***	***9***
Distributions[9] paid (Class A)	*(4.7)*	*(2.0)*	*135*
Non-controlling interests			
Distributions paid (Class A and Class B)	*7.2*	*7.6*	*(5)*
Movement in working capital	-	*(0.8)*	*n.m.*
Operating Cash Flow (Statutory)	***25.5***	***25.9***	***(2)***

Net operating cash flow after tax and financing costs was $23.0 million for the six months, up 9% or $1.9 million. Higher operating EBITDA (refer Section 2) and lower net financing costs and taxes paid was partially offset by higher working capital and non-cash items. The working capital outflow ($10.6 million) is largely attributable to timing differences with a quarterly prepayment under the Mitsubishi extended warranty agreement (not on hand in the pcp) and an increase in receivables accumulated under a take-or-pay contract (for which the cash was received subsequent to balance date).

[9] Distributions paid to institutional equity partners are classified as financing cash flows reflecting their treatment as debt-like instruments

4 Capital Management

4.1 Debt

Infigen's borrowings comprise a multi-currency Global Facility secured by Infigen's interests in all of the operational wind farms except for Woodlawn ('the Borrower Group') and a project finance facility for which recourse is limited to Woodlawn.

Total debt at 31 December 2012 was $1,038.9 million (including capitalised loan costs) comprising $987.6 million of Global Facility debt and $51.3 million of Woodlawn project finance debt. This was a reduction of $30.3 million compared with $1,069.2 million at 30 June 2012. During the six months to 31 December 2012 the Borrower Group applied $26.1 million to repayment of the Global Facility. A further $1.1 million was applied to repayment of the Woodlawn project finance facility and the appreciation of the AUD against the USD resulted in $3.1 million in favourable FX movements.

The Global Facility leverage ratio covenant was met at 31 December 2012.

4.2 Net Debt

The Net debt for the consolidated entity (economic interest) decreased from $943 million at 30 June 2012 to $929 million at 31 December 2012. The factors contributing to the net $14 million movement are as follows:

- net operating cash flow (+$23.0 million),
- unrealised FX benefit (+$3.3 million),
- capital expenditure (-$7.6 million), and
- distributions to Class A tax equity members (-$4.7 million).

4.3 Equity

Total equity decreased 5% from $526 million at 30 June 2012 to $499 million at 31 December 2012. The decrease of $27 million is primarily attributable to the net loss for the period (-$28 million) and to a lesser extent the changes in fair value of cash flow hedges (-$3 million) partially offset by exchange differences on translation of foreign operations and movement in fair value (+$3 million) and recognition of share-based payments (+$1 million).

5 Operational Performance Review

5.1 US

Financial performance

Six months ended 31 Dec	2012	2011	Change F/(A)	Change % F/(A)
Total Revenue (US$M)	59.9	62.5	(2.6)	(4)
Operating EBITDA (US$M)	22.7	24.1	(1.5)	(6)
Production Tax Credits (US$M)	32.9	35.3	(2.4)	(7)
US Wind Farms				
Wind Farm Revenue (US$M)	58.1	60.8	(2.7)	(4)
Wind Farm EBITDA (US$M)	22.1	24.0	(1.9)	(8)
EBITDA Margin	38.0%	39.5%		(1.5) ppt
Average Price ($/MWh)	42.97	44.44	(1.47)	(3)
Wind Farm cost ($/MWh)	26.55	26.90	0.35	1
EBITDA margin inc PTCs	*60.4%*	*63.2%*		*(2.8) ppt*
Management Services				
Revenue (US$M)	1.8	1.6	0.2	13
EBITDA (US$M)	0.5	0.1	0.4	400
Translation to AUD				
Revenue (A$M)	57.8	61.8	(4.0)	(6)
Operating EBITDA (A$M)	21.8	23.8	(2.0)	(8)

Operational performance

Six months ended 31 Dec	2012	2011	Change F/(A)
Operating Capacity (MW)	1,089	1,089	-
Capacity Factor	28.1%	28.3%	(0.2) ppt
Turbine Availability	96.0%	95.9%	0.1 ppt
Site Availability	94.6%	94.9%	(0.3) ppt
Production (GWh)	1,352	1,368	(1)

5.1.1 Production

Production decreased 1% or 16 GWh to 1,352 GWh with mixed wind conditions across the wind farms. The variance primarily reflects a planned gearbox change out program at Cedar Creek covered under the MHI extended warranty agreements (-17 GWh), large-scale substation maintenance at the Allegheny Ridge and Kumeyaay wind farms (-9 GWh), economic curtailments at the Mendota and Crescent Ridge wind farms (-9 GWh), a nacelle fire and blade related issues at Allegheny Ridge wind farm (-4 GWh) and proactive avian-related environmental curtailments (-3 GWh). These decreases were partially offset by improved production at Aragonne Mesa (+18 GWh), which was offline for a time during the pcp due to an electrical equipment upgrade project, and improved wind conditions at Caprock (+6 GWh).

Turbine availability improved 0.2% to 96.1%, however site availability decreased 0.3% to 94.6% due to scheduled substation maintenance.

5.1.2 Price

The average portfolio price realised decreased 3% to US$42.97MWh compared to US$44.44/MWh. This was due to lower realised electricity prices from merchant wind farms in the Texas (ERCOT) market.

The time weighted average PJM and ERCOT prices for the six months are outlined below. Lower ERCOT electricity prices resulted from lower price volatility during the period compared to the pcp.

Period (US$/MWh)	H1 FY13	H1 FY12	Change % F/(A)
PJM	29.96	28.51	5
ERCOT	23.60	43.34	(46)

5.1.3 Wind Farm Revenue

Revenue decreased 4% or US$2.7 million to US$58.1 million. This primarily reflected a net decrease in production due to the factors described earlier (-US$0.9 million), lower merchant electricity prices (-US$1.4 million), lower compensated revenue (-US$1.0 million) and higher average prices at the contracted wind farms (US$0.6 million).

5.1.4 Wind Farm Costs

Wind farm costs decreased 2% or US$0.9 million to US$35.9 million reflecting improved operating and maintenance practices.

- Asset Management costs increased US$0.4 million to US$5.8 million primarily reflecting higher professional fees.
- Turbine O&M costs decreased $2.0 million primarily due to lower service and maintenance costs at the GSG wind farm (-US$0.7 million) following contractors being transitioned in-house and lower component failures and unscheduled maintenance costs partially offset by higher fixed costs associated with the Mitsubishi extended warranty agreements entered into in 2012 (-US$1.3 million).
- Balance of plant costs increased US$0.4 million due to equipment repairs (+US$0.2 million), substation maintenance and testing (+US$0.1 million) and a contractual step up in balance of plant service and maintenance (+US$0.1 million).
- Other direct costs increased US$0.3 million reflecting increased insurance and property tax expenses.

Six months ended 31 Dec (US$M)	2012	2011	Change F/(A)	Change % F/(A)
Asset Management	5.8	5.4	(0.4)	(7)
Turbine O&M	17.0	19.0	2.0	10
Balance of Plant	3.6	3.2	(0.4)	(12)
Other Direct Costs	9.5	9.2	(0.3)	(3)
Wind Farm Costs	**35.9**	**36.8**	**0.9**	**2**
Wind farm costs US$/MWh	*26.55*	*26.90*	*0.35*	*1*

Wind farm costs on an actual per megawatt-hour production basis decreased 1% or US$0.35/MWh to US$26.55/MWh reflecting lower wind farm costs described above.

5.1.5 Infigen Asset Management Revenue and Costs

Six months ended 31 Dec (US$M)	2012	2011	Change F/(A)	Change % F/(A)
Revenue	1.8	1.6	0.2	13
Operating Costs	1.3	1.5	0.2	13
EBITDA	**0.5**	**0.1**	**0.4**	**400**

Revenue from Infigen Asset Management operations was US$1.8 million compared to US$1.6 million in the pcp. The US$0.2 million increase reflects higher asset management fees.

Operating costs associated with the Infigen Asset Management business decreased US$0.2 million to US$1.3 million. The pcp contained one off costs for some sites transitioning off warranty.

5.1.6 Operating EBITDA

Operating EBITDA for the entire US business decreased 6% or US$1.5 million to US$22.7 million primarily reflecting lower wind farm revenue partially offset by marginally higher IAM revenue and lower operating costs across the business.

Operating EBITDA from the US wind farms of US$22.1 million was 8% or US$1.9 million lower than the pcp reflecting lower revenue and partially offset by lower wind farm costs.

EBITDA Margins Six months ended 31 Dec	2012	2011	Change ppts F/(A)
Wind Farm	38.0%	39.5%	(1.5)
Wind Farm & PTC	60.4%	63.2%	(2.8)

EBITDA margin from the wind farms was 38.0% compared with 39.5% in the pcp. This primarily reflected lower revenue offset to some extent by lower unit turbine O&M costs.

EBITDA margins including PTCs also reduced to 60.4% for the reasons described above.

5.1.7 Development

Work continued on the solar development pipeline and during the period Infigen expanded its solar development portfolio through the development of greenfield sites in California, New Mexico, New York and Georgia.

5.2 Australia

Financial performance

Six months ended 31 Dec ($M) unless stated otherwise	2012	2011	Change F/(A)	Change % F/(A)
Revenue	76.4	63.9	12.5	20
Operating EBITDA	57.8	46.2	11.6	25
Operating EBITDA margin (%)	75.6	72.3		3.3 ppts
Average Price (A$/MWh)	94.36	89.25	5.1	6
Operating Cost (A$/MWh)	22.96	24.72	1.7	7

Operational performance

Six months ended 31 Dec	2012	2011	Change F/(A)
Operating Capacity (MW)	557	557	-
Capacity Factor	32.9%	29.5%	3.4 ppt
Turbine Availability	97.5%	96.8%	0.7 ppt
Site Availability	96.6%	95.9%	0.7 ppt
Production (GWh)	810	716	13

5.2.1 Production

Production increased 13% or 94 GWh to 810 GWh reflecting better wind conditions (+48 GWh), higher compensated production following the resolution of an AEMO scheduling error (+27 GWh) and a full six months contribution from the Woodlawn wind farm (+22 GWh) offset by higher balance of plant and economic curtailment related losses (-2 GWh).

Turbine and site availability both improved by 0.7%.

Network constraints are limitations of the transmission network which can reduce Infigen's production for which Infigen receives no compensation. Network constraints were similar to the pcp with an improvement in the network availability affecting Lake Bonney wind farm (+12 GWh) offsetting higher losses at Alinta wind farm (-12 GWh).

The region around Capital wind farm has experienced historical low wind speeds since the wind farm's completion. Infigen's recent outlook has been based on an expectation of the annual energy output from Capital being below its original long-term forecast. Preliminary results of an updated wind and energy assessment currently being undertaken for Capital indicate that it would be prudent to adopt a reduced capacity factor of approximately 30% for the foreseeable future.

While Woodlawn wind farm is located adjacent to Capital wind farm it has outperformed Capital in terms of capacity factor and its performance to date, allowing for below average wind speed, is in line with long term expectations.

5.2.2 Prices

In SA and NSW time weighted average electricity prices were 83% and 88% higher than the pcp respectively. This reflected the introduction of the carbon price from 1 July 2012 and some coal supply issues in Victoria. Excluding the estimated carbon price effect, electricity prices during the period were around the ten year average prices (to 31 December 2012) in SA and NSW.

The average monthly LGC price for the six months was down 9% to $36.66 compared with $40.40 in the pcp. This appears to be primarily due to increased regulatory uncertainty during the RET review undertaken by the Climate Change Authority. The LGC price at 31 December 2012 was also down 9% to $37.20 compared with $41.05 at 31 December 2011.

As a result of improved electricity prices, Infigen's weighted average portfolio bundled (electricity and LGCs) price was 6% higher at $94.36/MWh compared to $89.25/MWh in the pcp. Infigen's Australian assets are currently 55% contracted on a P50 basis.

Time weighted average price ($/MWh)	H1 FY13	H1 FY12	10 Year Average
SA - Electricity	61.1	33.4	39.6
NSW – Electricity	56.7	30.1	40.2

5.2.3 Revenue

Revenue increased 20% or $12.5 million to $76.4 million. This reflected an uplift in electricity prices following the introduction of the carbon price (+$8.1 million), improved production due to better wind conditions, including a full six months contribution from Woodlawn (+$4.7 million), and compensated revenue from AEMO following the resolution of a scheduling error (+$1.2 million). This was partially offset by lower revenue from the sale of LGCs at prices lower than the pcp (-$1.5 million).

At 31 December 2012 Infigen held approximately 312,000 LGCs with a book value of $11.4 million. The average book value was $36.60 per LGC compared with a closing market price of $37.20 per LGC at 31 December 2012. Reported revenue included $1.3 million related to LGCs that were created but not sold during the period.

5.2.4 Operating Costs

Total operating costs increased 5% or $0.9 million primarily reflecting full period costs associated with the Woodlawn wind farm, which commenced commercial operation in the middle of the pcp, higher balance of plant maintenance costs and higher costs associated with production and revenue linked land lease payments.

Wind farm costs increased 7% or $1.1 million to $16.3 million reflecting:

- full period asset management costs for the Woodlawn wind farm and professional fees related to the AEMO compensation claim (+$0.4 million);
- full period turbine O&M costs at Woodlawn wind farm (+$0.3 million) and higher turbine O&M costs associated with the Vestas post-warranty service and maintenance agreements offset by lower component replacement costs associated with turbines covered by the Vestas agreements (-$0.4 million);
- balance of plant equipment repairs and maintenance costs (+$0.3 million); and
- an increase in production and revenue linked land leases payments (+$0.4 million) and inflation escalated connection costs (+$0.1 million).

Six months ended 31 Dec ($M)	2012	2011	Change F/(A)	Change % F/(A)
Asset Management	3.5	3.1	(0.4)	(13)
Turbine O&M	8.7	8.8	0.1	1
Balance of Plant	0.4	0.1	(0.3)	(300)
Other Direct Costs	3.7	3.2	(0.5)	(16)
Wind Farm Costs	**16.3**	**15.2**	**(1.1)**	**(7)**
Wind farm costs $/MWh	*20.13*	*21.20*	*1.07*	*5*
Energy Markets	2.3	2.5	0.2	8
Operating Costs	**18.6**	**17.7**	**(0.9)**	**(5)**
Total operating costs $/MWh	*22.96*	*24.72*	*1.76*	*7*

Wind farm costs on an actual per megawatt-hour production basis decreased 5% or $1.07/MWh to $20.13/MWh. This primarily reflects higher production during the period as a result of improved wind conditions, compensated production and improved availability.

Energy Markets costs decreased $0.2 million reflecting lower hedging costs compared to the pcp.

5.2.5 Operating EBITDA

Operating EBITDA increased 25% or $11.6 million to $57.8 million reflecting higher revenue from higher production and higher merchant electricity prices partially offset by lower LGC prices and slightly higher operating costs.

Operating EBITDA margin for the period was 75.6% compared with 72.3%. The higher margin primarily reflects higher revenue due to factors described above.

5.2.6 Development

During the period Infigen committed to construction of the 120 kW (stage 1) Capital East Solar Demonstration Plant, a solar photovoltaic and energy storage facility. It is expected to be commissioned in 2013.

The Forsayth wind farm development in Queensland secured development consent during the period and the Flyers Creek, Bodangora and Cherry Tree wind farms completed their public exhibitions.

Discussions with the Australian Renewable Energy Agency (ARENA) regarding potential funding for the Capital solar farm continue.

6 Outlook

Consistent with long-term seasonal variation, second half production is expected to increase in the US and to decrease in Australia. In the US, weak wind conditions in the first half continued into January 2013 with the full year outcome unlikely to reach the outcome in the pcp. In Australia, the higher production achieved over the pcp in the first half is for the most part expected to be carried through to the full year outcome.

In the US, continued depressed merchant electricity prices in the PJM and ERCOT markets are expected for the remainder of FY13. In Australia, SA and NSW electricity cap prices for the second half of FY13 indicate low pool price volatility expectations, notwithstanding more extreme weather conditions and higher demand experienced in early 2013. LGC prices are expected to remain relatively steady for the remainder of the financial year.

We expect that full year wind farm costs in the US and Australia will be at the lower end of the US$74-79 million and A$34-37 million guidance ranges respectively.

Subject to these operating conditions, Infigen remains on track to repay around $55 million of Global Facility borrowings in FY13 and expects to continue to meet the Global Facility leverage ratio covenant test for the 2013 financial year.

Infigen has implemented a cost review and organisational restructure to improve efficiency and reduce our operating costs in Australia and the US. Our target is to reduce costs by $7 million per annum from FY14. This represents approximately 15% of the addressable cost base noting that a significant part of our operational costs are now largely fixed due to warranty or extended post warranty service and maintenance agreements. The impact on the FY13 result is anticipated to be neutral with savings offset by associated restructure costs.

7 Appendix A – Balance Sheet by Country

A$ million	31 Dec 12 IFN Statutory Interest	Less US Minority Interest	31 Dec 12 IFN Economic Interest	Australia	United States
Cash	110.4	(0.4)	110.0	101.0	9.0
Receivables	42.3	(1.7)	40.6	26.7	13.9
Inventory & LGCs	17.0	(0.2)	16.9	13.0	3.8
Prepayments	20.1	(0.7)	19.4	10.5	8.8
PPE	2,354.2	(145.8)	2,208.4	936.9	1,271.5
Goodwill & intangibles	312.6	(15.8)	296.7	137.5	159.3
Deferred tax & other assets	52.3	(0.0)	52.3	52.3	0.0
Total assets	**2,909.0**	**(164.7)**	**2,744.3**	**1,278.0**	**1,466.3**
Payables	47.6	(3.3)	44.3	15.6	28.7
Provisions	11.0	(0.5)	10.4	5.5	4.9
Borrowings	1,038.9	(0.0)	1,038.9	716.0	322.9
Tax Equity (US)	654.6	(113.3)	541.3	0.0	541.3
Deferred revenue (US)	468.6	(47.5)	421.0	(0.0)	421.0
Interest rate derivative	189.0	(0.0)	189.0	129.8	59.3
Total Liabilities	**2,409.6**	**(164.7)**	**2,244.9**	**866.9**	**1,378.1**
Net assets	**499.3**	**(0.0)**	**499.3**	**411.1**	**88.2**

Foreign exchange rates As at	31 Dec 2012	31 Dec 2011	Change %
USD	1.0378	1.0233	1
EUR	0.7868	0.7895	(-)

8 Appendix B – Institutional Equity Partnerships

8.1 Six months ended 31 December 2012

Production (GWh) by Asset Vintage

Six months ended 31 Dec	2012	2011	Change F/(A)	Change % F/(A)
2003/2004	340	329	11	3
2005	209	219	(10)	(5)
2006	342	342	-	-
2007	461	478	(17)	(4)
Total	**1,352**	**1,368**	**(16)**	**(1)**

Revenue (US$ million) by Asset Vintage

Six months ended 31 Dec	2012	2011	Change F/(A)	Change % F/(A)
2003/2004	9.9	9.4	(0.5)	(5)
2005	9.6	10.4	(0.8)	(8)
2006	17.3	18.1	(0.8)	(4)
2007	21.3	23.0	(1.7)	(7)
Total	**58.1**	**60.8**	**(0.4)**	**(4)**

Profit and Loss (US$ million) by Asset Vintage

Six months ended 31 Dec 2012	2003/04	2005	2006	2007	Total
Revenue	9.9	9.6	17.3	21.3	58.1
Costs	(5.7)	(6.0)	(13.5)	(10.7)	(35.9)
EBITDA	4.2	3.5	3.8	10.6	22.1
D&A	(6.3)	(6.6)	(12.7)	(15.7)	(41.3)
EBIT	**(2.2)**	**(3.0)**	**(8.9)**	**(5.0)**	**(19.1)**

Class A Capital Balance Amortisation (US$ million) by Asset Vintage

Six months ended 31 Dec 2012	2003/04	2005	2006	2007	Total
Closing Balance (30 Jun 12)	65.8	95.1	162.0	238.6	561.5
Tax true-up	(0.1)	0.3	(0.1)	(0.7)	(0.6)
Opening Balance (1 Jul 12)	**65.7**	**95.4**	**161.9**	**237.9**	**560.9**
Production Tax Credits	(7.9)	(5.4)	(9.1)	(10.5)	(32.9)
Tax (losses)/ gains	2.3	1.2	0.3	(3.0)	0.8
Cash distributions	(3.1)	(1.9)	-	-	(5.0)
Allocation of return (interest)	2.7	3.6	4.8	7.4	18.5
Closing Balance	**59.7**	**92.9**	**157.8**	**231.8**	**542.2**

8.2 Year ended 30 June 2012

Production (GWh) by Asset Vintage

Year ended 30 June	2012	2011	Change F/(A)	Change % F/(A)
2003/2004	716	760	(44)	(6)
2005	519	574	(55)	(10)
2006	820	859	(39)	(4)
2007	1,081	1,139	(58)	(5)
Total	**3,136**	**3,332**	**(197)**	**(6)**

Revenue (US$ million) by Asset Vintage

Year ended 30 June	2012	2011	Change F/(A)	Change % F/(A)
2003/2004	21.6	21.1	0.5	2
2005	24.9	27.1	(2.3)	(8)
2006	43.7	45.9	(2.2)	(5)
2007	50.3	51.2	(0.9)	(2)
Total	**140.5**	**145.3**	**(0.4)**	**(3)**

Profit and Loss (US$ million) by Asset Vintage

Year ended 30 June 2012	2003/04	2005	2006	2007	Total
Revenue	21.6	24.9	43.7	50.3	140.5
Costs	(12.3)	(13.3)	(30.0)	(17.7)	(73.3)
EBITDA	9.3	11.6	13.7	32.6	67.2
D&A	(11.8)	(12.5)	(25.9)	(30.1)	(80.3)
EBIT	**(2.5)**	***(0.9)***	***(12.2)***	***2.5***	***(13.1)***

Class A Capital Balance Amortisation (US$ million) by Asset Vintage

Year ended 30 June 2012	2003/04	2005	2006	2007	Total
Closing Balance (30 Jun 11)	83.0	103.3	170.8	253.3	610.4
Tax true-up	(0.1)	(0.2)	-	-	(0.3)
Opening Balance (1 Jul 11)	**82.9**	**103.1**	**170.8**	**253.3**	**610.1**
Production Tax Credits	(16.4)	(12.2)	(18.6)	(25.4)	(72.6)
Tax (losses)/ gains	2.7	1.4	0.0	(4.0)	0.1
Cash distributions	(9.5)	(4.6)	0.0	0.0	(14.1)
Allocation of return (interest)	6.1	7.4	9.8	14.7	38.0
Closing Balance	**65.8**	**95.1**	**162.0**	**238.6**	**561.5**

8.3 US Cash Distributions

Cash flows from the US business are split between the Class A and Class B members in accordance with their entitlements during the various stages of the wind farms' lives (refer Appendix B of the Management Discussion and Analysis for the year ended 30 June 2012 for more detail).

Cash flow allocated to Class A members during the period was US$5.0 million compared with US$1.9 million in the pcp. This relates to the Blue Canyon, Combine Hills, Caprock, Crescent Ridge, Jersey Atlantic, Bear Creek and Sweetwater 1-3 wind farms, where from the second half of FY13 the Class A members will receive all net operating cash flow from those wind farms until their capital balances including agreed return, are fully amortised (refer below for Class A capital balances).

The following table provides a summary of Class A capital balance movements.

Economic Interest Class A Capital Balance by vintage (US$ million)				
Six months ended 31 Dec	**2012**	**2011**	**Change F/(A)**	**Change % F/(A)**
2003/2004	59.7	75.4	15.7	21
2005	92.9	102.0	9.1	9
2006	157.8	166.9	9.1	5
2007	231.8	245.7	13.9	6
Total	**542.2**	**589.9**	**47.7**	**8**

The following table provides a summary of Class B capital balance movements.

Economic Interest Class B Capital Balance by vintage (US$ million)				
Six months ended 31 Dec	**2012**	**2011**	**Change F/(A)**	**Change % F/(A)**
2003/2004	0.5	1.8	1.3	72
2005	6.2	12.3	6.1	50
2006	111.0	129.4	18.4	14
2007	64.0	97.1	33.1	34
Total	**181.7**	**240.6**	**58.9**	**24**

Class B capital balances are held at the limited liability company (LLC) level (refer Appendix B of the Management Discussion and Analysis for the year ended 30 June 2012 for the relationship between wind farms, LLCs and asset vintage). Once Class B capital balances are fully repaid (cash flip point) or a fixed (cash cut-off) date is reached (whichever occurs earlier), all operating cash flow from the related wind farm assets is allocated to Class A members until their capital balances are fully amortised and agreed return achieved. Jersey Atlantic, Bear Creek and Sweetwater 1-3 wind farms reached their cash flip point during the current six month period.

All of the wind farms in the 2005 vintage portfolio except Kumeyaay are distributing cash to the Class A members. Kumeyaay will begin to distribute cash to the Class A members before the end of FY13.

The 2006 vintage portfolio will begin to distribute cash to the Class A members no later than the end of November 2015.

In the 2007 vintage portfolio Cedar Creek is expected to reach its cash flip point in approximately August 2013 after having its Class B capital balance repaid ahead of investment case expectations. The other wind farms in the 2007 portfolio are Sweetwater 4&5, which will begin to distribute cash to the Class A members no later than the end of November 2014. Cedar Creek accounted for 60% of the distributions from the 2007 vintage portfolio in FY12.

Once the Class A members achieve their agreed target return, the cash flows are reallocated between the Class A and Class B members. The Blue Canyon and Combine Hills wind farms are currently expected to return to distributing cash to Infigen no later than December 2016 with the Crescent Ridge and Caprock wind farms expected to follow in June 2017 and December 2017 respectively.

The combined effect of the factors described above on Infigen's portfolio of 18 US wind farms is that the aggregate distributions to Infigen diminish as more projects reach the cash flip point or cash cut-off date (whichever occurs earlier) and more operating cash flow is directed to reducing Class A capital balances. Infigen's aggregate distributions will therefore 'dip' for a period until projects in the portfolio begin to reach their reallocation dates. For Infigen's portfolio, the cash flow dip is currently expected to be most pronounced from the second half of FY16 through to the first half of FY18. The timing and duration of the cash flow dip will be influenced by the performance of the US wind farms during the intervening period.

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

Six months ended 31 Dec	2012 (US$m)	2011 (US$m)	Change % F/(A)
Value of production tax credits (Class A)	36.1	39.0	(7)
Value of tax losses (Class A)	0.5	2.0	(75)
Benefits deferred during the period	(2.3)	(14.1)	84
Income from IEPs	**34.3**	**26.9**	**28**
Allocation of return (Class A)	(20.6)	(22.1)	7
Movement in residual interest (Class A)	(2.2)	(2.6)	15
Non-controlling interest (Class B)	-	(3.6)	(100)
Financing costs related to IEPs	**(22.8)**	**(28.3)**	**(19)**
Net income from IEPs (Statutory)	**11.5**	**(1.4)**	**n.m.**
Non-controlling interests (Class B & Class A)	(0.1)	1.9	(105)
Net income from IEPs (Economic Interest)	**11.4**	**0.5**	**2,180**

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

Six months ended 31 Dec	2012 (A$m)	2011 (A$m)	Change % F/(A)
Value of production tax credits (Class A)	34.9	38.6	(10)
Value of tax losses (Class A)	0.5	2.0	(75)
Benefits deferred during the period	(2.1)	(13.9)	85
Income from IEPs	**33.3**	**26.7**	**25**
Allocation of return (Class A)	(19.9)	(21.9)	6
Movement in residual interest (Class A)	(2.2)	(2.6)	15
Non-controlling interest (Class B)	-	(3.6)	(100)
Financing costs related to IEPs	**(22.1)**	**(28.1)**	**21**
Net income from IEPs (Statutory)	**11.2**	**(1.4)**	**n.m.**
Non-controlling interests (Class B & Class A)	(0.1)	1.9	(105)
Net income from IEPs (Economic Interest)	**11.1**	**0.5**	**2,120**

Value of Production Tax Credits (PTCs) (Class A) was $34.9 million, down 10% or $3.7 million largely reflecting lower production and the depreciation of the AUD against the USD. The unit value of a PTC was US$22 for both the 2011 and 2012 calendar years.

Value of tax losses (Class A) was $0.5 million, down 75% or $1.5 million due to the reduction in tax depreciation as the remaining assets that benefit from accelerated depreciation become fully depreciated.

During the period $2.1 million of benefits were deferred, down 85% or $11.8 million. Benefits deferred are the difference between tax depreciation and accounting depreciation for the year. This reduction reflects lower tax depreciation during the period as described above.

Allocation of return (Class A) is the agreed target return on Class A capital balances and was a $19.9 million expense for the period, down 6% or $2.0 million reflecting both lower Class A capital balances and the appreciation of the AUD against the USD.

The movement in residual interest (Class A) was $2.6 million, down $0.4 million. This reflects period on period changes in expectations of future tax allocations and cash flows.

The non-controlling interest (Class B) represents the share of net profit attributable to the non-controlling interest holders in the Cedar Creek and Crescent Ridge wind farms. The increase was primarily due to a higher net income from IEPs for those wind farms.

The non-controlling interest (Class B & Class A) represents the elimination of non-controlling interest contributions of each income and financing cost IEP line item (attributable to both the Class A and Class B non-controlling interests in the Cedar Creek and Crescent Ridge wind farms).

Infigen Energy Trust

ARSN 116 244 118

Interim Financial Report

for the Half-Year Ended

31 December 2012

CONTENTS

Infigen Energy Trust Structure

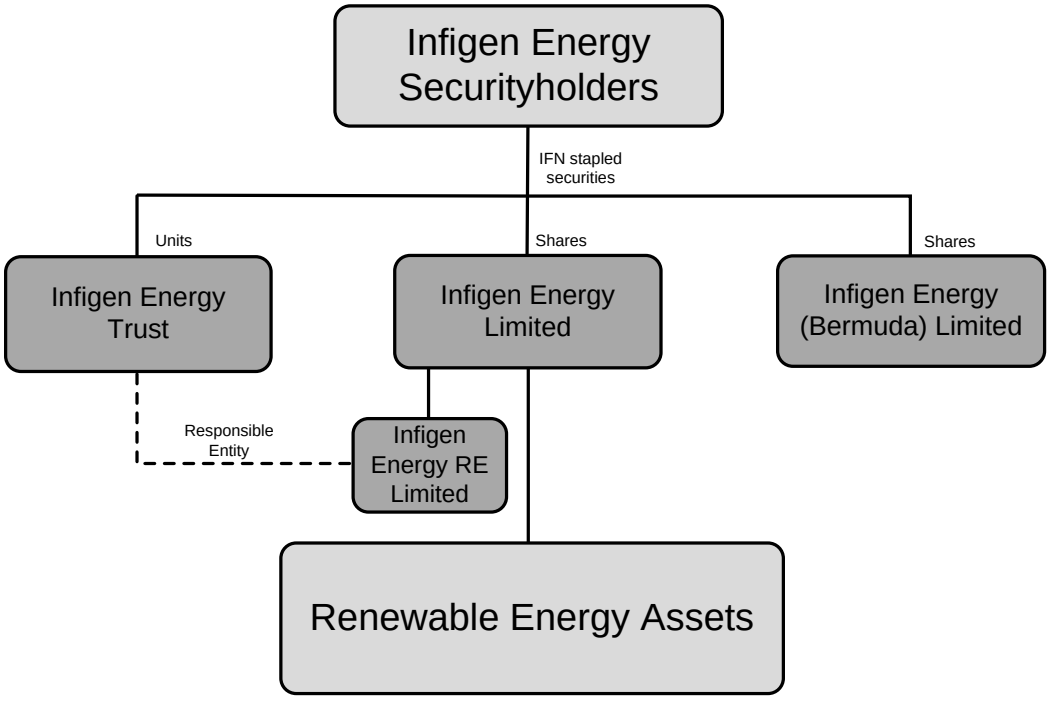
As at the date of this report, Infigen Energy Group (the Group) consists of the following entities:

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



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

Additionally, IET is a publicly accountable entity and has therefore prepared separate financial statements for IET and its controlled entities. The attached financial statements have been prepared for the IET consolidated group at 31 December 2012 and should be read in conjunction with IEL's consolidated financial statements.

Directors' Report

Directors

The following persons were Directors of Infigen Energy RE Limited (IERL) in its capacity as responsible entity of IET during the half-year and up to the date of this report, unless otherwise indicated:

Michael Hutchinson

Miles George

Philip Green

Fiona Harris

Ross Rolfe AO

Review of Operations

Financial Result

The loss attributable to the unit holders of IET for the half year ended 31 December 2012 amounted to $323,000 (half year ended 31 December 2011: $318,000 loss).

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5.

Signed in accordance with a resolution of Directors of the responsible entity.

On behalf of the Directors of IERL:

Miles George

Director

Sydney, 21 February 2013

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Auditor's Independence Declaration

As lead auditor for the review of Infigen Energy Trust for the half ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

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

Darren Ross
Partner
PricewaterhouseCoopers

21 February 2013

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Infigen Energy Trust, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Infigen Energy Trust (the consolidated entity). The consolidated entity comprises both Infigen Energy Trust (the registered scheme) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Infigen Energy Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Darren Ross
Partner

21 February 2013

Directors' Declaration

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 9 to 15 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 the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that IET will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors of Infigen Energy RE Limited (IERL).

On behalf of the Directors of IERL:

Miles George

Director

Sydney, 21 February 2013

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Interest income		7	12
Operating expenses		(330)	(330)
Net loss before income tax expense		**(323)**	**(318)**
Net loss for the period		**(323)**	**(318)**
Total comprehensive loss for the period		(323)	(318)
Net operating loss attributable to unit holders		(323)	(318)
Comprehensive loss attributable to unit holders		(323)	(318)
Earnings per unit based on earnings attributable to unit holders:			
Basic (cents per security)	5	0.0	0.0
Diluted (cents per security)	5	0.0	0.0

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	As at 31 Dec 2012 $'000	As at 30 June 2012 $'000
Current assets			
Cash and cash equivalents		376	369
Trade and other receivables	4	-	635,408
Total current assets		**376**	**635,777**
Non-current assets			
Receivables	4	741,840	106,452
Total non-current assets		**741,840**	**106,452**
Total assets		**742,216**	**742,229**
Current liabilities			
Trade and other payables		2,565	2,255
Total current liabilities		**2,565**	**2,255**
Total liabilities		**2,565**	**2,255**
Net assets		**739,651**	**739,974**
Equity			
Contributed equity	7	753,076	753,076
Retained deficit		(13,425)	(13,102)
Total equity and net assets attributable to the unit holders		**739,651**	**739,974**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Contributed equity $'000	Retained earnings $'000	Total $'000
Total equity at 1 July 2011		753,076	(12,476)	740,600
Net loss for the period		-	(318)	(318)
Total comprehensive income for the period		**-**	**(318)**	**(318)**
Total equity at 31 December 2011		**753,076**	**(12,794)**	**740,282**
Total equity at 1 July 2012		753,076	(13,102)	739,974
Net loss for the period		-	(323)	(323)
Total comprehensive income for the period		-	(323)	(323)
Total equity at 31 December 2012		**753,076**	**(13,425)**	**739,651**

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

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Cash flows from operating activities		
Loss for the period	(323)	(318)
Adjustments for:		
Changes in operating assets and liabilities:		
Decrease in Trade and other receivables	-	(12)
Increase in Trade and other payables	310	330
Net cash outflow from operating activities	**(13)**	**-**
Cash flows from financing activities		
Repayment of loans advanced	20	12
Distributions paid to security holders	-	-
Net cash inflow from financing activities	**20**	**12**
Net increase in cash and cash equivalents	**7**	**12**
Cash and cash equivalents at the beginning of the half year	369	346
Cash and cash equivalents at the end of the half year	**376**	**358**

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

1. Summary of accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the IET annual financial report for the year ended 30 June 2012 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

2. Distributions paid

Distributions in respect of the half year ended 31 December 2012 were nil (year ended 30 June 2012: nil).

3. Segment information

The principal activities of the consolidated entity during the period were to lend to and manage funds to Australian entities that carry on renewable energy businesses.

4. Trade and other receivables

	As at 31 Dec 2012 $'000	As at 30 June 2012 $'000
Current		
Loans to related parties[1]	-	635,408
	-	**635,408**
Non-current		
Loans to related parties[1]	741,840	106,452
	741,840	**106,452**

[1] Loans to related parties are amounts that IET has loaned to other entities of the Infigen Energy Group (the borrowers). Since 30 June 2012, IET has provided confirmation to the borrowers that it will not call for the repayment of these loans for a period of at least 12 months unless otherwise agreed with the Directors of the borrowers.

5. Earnings per unit

	Half year ended 31 Dec 2012 Cents per unit	Half year ended 31 Dec 2011 Cents per unit
Basic earnings / (loss) per unit	0.0	0.0
Diluted earnings / (loss) per unit	0.0	0.0

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

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Loss attributable to the unit holders	(323)	(318)

	Half year ended 31 Dec 2012 No.'000	Half year ended 31 Dec 2011 No.'000
Weighted average number of units for the purposes of basic and diluted earnings per unit	762,266	762,266

6. Contingent liabilities

IET's contingent liabilities as at 31 December 2012 were nil (2011: nil).

7. Issuances, repurchases and repayments of securities

	Half year ended 31 Dec 2012 $'000	Half year ended 31 Dec 2011 $'000
Fully paid stapled securities/shares		
Balance as at 1 July	753,076	753,076
Balance as at 31 December	**753,076**	**753,073**

	Half year ended 31 Dec 2012 No.'000	Half year ended 31 Dec 2011 No.'000
Number of fully paid stapled securities/shares		
Balance as at 1 July	762,266	762,266
Balance as at 31 December	**762,266**	**762,266**

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

8. Subsequent events

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