VIRIDIS CLEAN ENERGY

FACSIMILE

TO	Australian Stock Exchange	DATE	31 August 2010
ATTENTION	Ms Kate Kidson	FACSIMILE	+61 3 9614 0303
FROM	Duncan Jewell		
SUBJECT	Appendix 4E		

Dear Ms Kidson,

Please find attached Appendix 4E for Viridis Clean Energy (VIR).

Yours sincerely,

Duncan Jewell
Company Secretary
Viridis Investment Management Limited

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APPENDIX 4E

Preliminary final report

Name of entity: **Viridis Clean Energy (VIR)**
(comprising Viridis Clean Energy - ARSN 115 340 639).

1. Details of the reporting period

Current Period:	1 July 2009 –	30 June 2010
Previous Corresponding Period:	1 July 2008 –	30 June 2009

2. Results for announcement to the market

				$A'000
2.1 Revenues from ordinary activities	Down	21.9 %	to	53,283
2.2 Loss from ordinary activities after tax attributable to members	Up	100% plus	to	(64,147)
2.3 Net loss for the period before tax attributable to members	Up	100% plus	to	(105,230)

2.4 Distributions	Amount per security	Franked amount per security
Current Period:		
Final dividend/distribution	Nil	Nil
Interim dividend/distribution	Nil	Nil
Previous Corresponding Period:		
Final dividend/distribution	Nil	Nil
Interim dividend/distribution	$0.0323	Nil

2.5 Record date for determining entitlements to the dividend/distribution	N/A

2.6 *Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood.*

The consolidated financial information in this document incorporates the assets and liabilities of Viridis Clean Energy ("VCE") and its controlled entities. These entities are referred to in this document as the Viridis Clean Energy Group ("VCEG"), or the Group.

Principal activities

The principal activity of VCEG is to invest in and manage a global portfolio of clean energy assets. VCEG's investment focus is on assets that generate electricity or other consumable energy from renewable, waste or inherently low-emission energy sources including wind, hydro, biomass, geothermal, solar, waste fuel, coal seam methane and natural gas.

During the course of the reporting period VCEG embarked on an asset sale programme as part of a strategy to reduce debt levels. The programme resulted in the sale of VCEG's interest in its 82 MW German wind farm portfolio on 26 November 2009 and the sale of its 49% interest in the 30 MW Ardrossan wind farm on 21 April 2010.

In April 2010 the directors announced the continuation of the asset sale programme, under which it would seek and evaluate proposals for the sale of the remaining asset portfolios, or the sale of VCEG as a whole. VCEG has engaged a financial adviser to assist the Group in managing the sale process. The process is ongoing.

Assets held for sale

Consistent with the April 2010 directors' announcement to continue with the asset sale programme the directors have classified the assets of VCEG as "held for sale". This treatment reflects that the carrying value of the assets will likely be recovered principally through a sale transaction rather than through continuing use.

Following completion of the year-end asset impairment testing, the directors decided to write down the carrying value of "assets held for sale". Reflecting that the Group is engaged in commercially sensitive negotiations in relation to the sale of its assets the directors have determined that the most appropriate basis for determining the carrying value of assets held for sale is to base it on the value ascribed to those assets by securityholders. The Viridis Clean Energy three month VWAP (Volume Weighted Average Price) for the period ended 30 June 2010 was 8.2¢ per security, with net assets on this basis of $16.3 million resulting in an impairment charge of $73.6 million. The directors consider that a three month VWAP is appropriate as securityholders were fully informed of the intention to continue with the asset sale programme for the majority of this period.

Results and review of operations

Results

The net loss after income tax benefit for VCEG for the financial year ended 30 June 2010 was $64.147 million (2009: $13.517 million).

Operations

A summary of the revenues and adjusted EBITDA contributions by segment is given below[1].

	Total revenue		Adjusted EBITDA*	
	Year ended		Year ended	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
	$'000	$'000	$'000	$'000
UK Landfill Gas	44,408	54,561	15,190	19,999
Texas Landfill Gas	8,118	9,987	(1,424)	3,389
California Landfill Gas	607	2,981	(1,637)	(104)
Realised gains on FX derivatives	-	-	9,378	6,335
Corporate	150	705	(5,354)	(9,831)
	53,283	68,234	16,153	19,788

* Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) is calculated as follows:

	$'000	$'000
Reported EBITDA	(5,285)	29,563
Exclude items included in reported EBITDA:		
- Interest income – other	(103)	(653)
- Unrealised losses on derivatives	5,261	3,595
- Unrealised FX losses/(gains)	14,480	(12,070)
- Transaction costs written-off	487	1,570
- Write-back of Texas maintenance costs accrual	-	(2,217)
- Buyout of management contract (acquisition of Viridis Energy Capital Pty Limited and associated transaction costs)	3,445	-
- Texas spare part credit	(2,132)	-
Adjusted EBITDA	16,153	19,788

UK Landfill Gas

Total production from the portfolio in 2010 was 343,407 MWh (370,210 MWh in 2009). Production levels were impacted by the operating practices of the operations and maintenance contractor, which resulted in lower landfill gas production levels and reduced power plant capacity. Portfolio revenues were $44.408 million (2009: $54.561 million) and the adjusted EBITDA contribution from the portfolio was $15.190 million (2009: $19.999 million). The operating result was impacted by lower production levels and the effect of a strong Australian dollar against the pound sterling, which reduced reported results by approximately 17% on a comparative basis.

Texas Landfill Gas

Production from the portfolio was 121,441 MWh (134,908 MWh in 2009). Production levels were impacted by landfill gas supply interruptions resulting from the landfill operator's gas-field works programme, other unscheduled landfill gas supply interruptions and ongoing work on plant maintenance backlog following a change-out in operations and maintenance contractor. Total revenues for the year were $8.118 million (2009: $9.987 million), driven by lower production levels and a materially lower average power price than in the previous corresponding period. Adjusted EBITDA was a shortfall of $(1.493) million (2009: contribution $3.389 million) reflecting lower revenues and the increased cost associated with the change in operations and maintenance arrangements and operational issues. The effect of a strong Australian dollar against the US dollar decreased reported results approximately 14% on a comparative basis. Adjusted EBITDA excludes income from a spare part credit from the previous operations and maintenance contractor of $2.132 million.

California Landfill Gas

Total production from the portfolio was 12,585 MWh (35,029 MWh in 2009). The 7MW Penrose facility operated at reduced capacity and was ultimately shut down in October 2009 as a result of an ongoing dispute with the project's major landfill gas supplier. The dispute is currently the subject of arbitration proceedings. Total revenues for the period were $0.607 million (2009: $2.981 million) and the adjusted EBITDA contribution from the portfolio was a shortfall of $1.637 million (2009: shortfall $0.104 million). The operating result was further impacted by reduced year-on-year revenues from the Toyon facility, primarily due to a falling power price, ongoing costs associated with VCEG continuing to meet its Penrose contractual commitments and inventory write downs.

Discontinued operations

[1] Does not include any contribution from discontinued operations.

Germany Wind

VCEG sold its 82 MW German wind farm portfolio to a European investment fund on 26 November 2009 for €20.2 million ($31.828 million) (equity value).

UK Wind – Ardrossan wind farm

VCEG sold its 49% share in the 30 MW Ardrossan wind farm to SSE Renewables on 21 April 2010 for £13.0 million ($21.712 million) (equity value).

Investment and finance

At a general meeting of VCEG securityholders held on 19 August 2009 securityholders approved the internalisation of VCEG's management arrangements through the purchase by VCEG of Viridis Energy Capital Pty Limited ("VEC") and its subsidiary entities. On 20 August 2009, 12 million new stapled securities were issued to the owners of VEC at an issue price of $0.23 per stapled security for cash received as consideration for VCEG's purchase of VEC.

During the reporting period VCEG negotiated an extension to its corporate debt facility to 31 March 2011. The net sale proceeds (post transaction costs) from the sale of the German wind portfolio of $29.0 million and of the Ardrossan wind farm of $20.0 million were applied to pay down the corporate debt facility, leaving a principal amount outstanding on the facility at 30 June 2010 of $12.6 million. Provided the corporate lenders are satisfied with the progress of the sale process and other conditions precedent (including that there is no event of default or potential event of default under the corporate debt facility or UK landfill gas debt facility) Viridis is able to draw further funds under the facility to cover working capital requirements during the sale process and to enable Viridis to fund a £4.1 million capital injection required in the UK landfill gas business by 30 September 2010. If Viridis does not make the UK capital injection by 30 September 2010, this would constitute an event of default under the UK landfill gas debt facility. That breach would in turn constitute a breach of the corporate debt facility, meaning that Viridis may not be able to use the corporate debt facility to fund its working capital requirements.

Pursuant to the terms of the extended facility, on 30 April 2010 VCEG issued 29,853,086 options to the corporate lenders ("the Lenders"), equivalent to 15% of VCEG's issued capital. Each option carries the right to subscribe for one new security in VCEG at an exercise price of 10 cents per option. The options have a 12 month term from the date of issue, and as at the date of this report have not been exercised. The issue of these options was ratified by VCEG securityholders at a general meeting held on 11 June 2010.

If VCEG draws on the facility to fund the capital injection in its UK landfill gas business, then the Lenders will require the issue of a second tranche of options. This second tranche of options would be for a proportion of VCEG's issued capital at the time of drawdown, to be equal to the amount of the drawdown divided by the implied market capitalisation of VCEG at the time, but capped to 15% of the then current issued capital. These options will also have a 12 month term (from the time of issue), and will have an exercise price equal to the 30 day volume weighted average price of VCEG securities ending immediately prior to the drawdown. If VCEG does not draw the facility to fund the UK capital injection the second tranche of options will not be issued.

VCEG has also fully repaid the $7.0 million working capital facility in its UK landfill gas business.

Group Restructure

In June 2010 VCEG implemented a group restructure under which:

- the units in Viridis Clean Energy Trust I ("Trust I") and VCE were unstapled;
- all of the Trust I units were transferred to Viridis Investment Management Limited ("VIML") as responsible entity for VCE (so that Trust I became wholly-owned by VCE);
- new VCE units were issued to securityholders in consideration for the Trust I units; and
- all of the VCE units were consolidated (so that the number of VCE units on issue after the consolidation was the same as the number of units that were on issue prior to the issue of the new VCE units).

The restructure was approved at a general meeting of VCEG securityholders held on 11 June 2010.

Distributions

No distributions were declared during the period ended 30 June 2010. No interim distribution was declared for the six months ended 31 December 2009 (2008: 3.23 cents per stapled security (including a 0.14 cents foreign tax credit component) was paid on 16 February 2009). No final distribution was declared for the period ended 30 June 2010 (2009: nil). The total distribution amount for the reporting period was $nil (2009: $6.037 million).

Also refer attached financial information.

3. Statement of Financial Performance with notes

Refer attached financial information

4. Statement of Financial Position with notes

Refer attached financial information

5. Statement of Cash Flows with notes

Refer attached financial information

6. Details of distributions

	Record Date	Payment Date
2010 Interim distribution	N/A	N/A
2010 Final distribution	N/A	N/A

7. Details of distribution reinvestment plan

The distribution reinvestment plan was not active for the current period.

8. Statement of retained earnings showing movements

Refer attached financial information

9. Net tangible assets per security

	Current period	Previous corresponding period
Net asset backing per unit	$0.08	$0.36
Net tangible asset backing per unit[2]	$0.08	($0.54)

10. Control gained or lost over entities during the period

10.1 Name of entity (or group of entities) over which control was gained or lost	Refer attached financial information
10.2 Date control was gained or lost	Refer attached financial information
10.3 Contribution to the reporting entity's profit during the period, since the date on which control was gained or until control was lost	Refer attached financial information

11. Details of associates and joint venture entities

The only material investment in associates was a 49% interest in Ardrossan Wind Farm (Scotland) Limited, which was disposed of on 21 April 2010. Refer attached financial information.

12. Other significant information

Refer section 2.6 above and attached financial information

13. Accounting standards used by foreign entities

[2] Net tangible assets include Assets classified as held for sale, which represent assets that were transferred from both tangible and intangible assets and were subsequently impaired. However there is no allocation of Assets classified as held for sale between tangible and intangible assets and the whole classification has been included in the calculation of net tangible asset backing per unit. If the intangible assets had not been transferred and the impairment charge had been taken wholly against the intangible assets the net tangible liabilities backing would have been $0.14 per unit.

Financial statements of foreign entities have been restated under Australian Equivalents to International Financial Reporting Standards (AIFRS) for the purpose of inclusion in the consolidated financial statements of the Viridis Clean Energy Group.

14. Commentary on results

	Current period	Previous corresponding period
14.1 Earnings per security, cents	(27.76)	(11.84)
14.2 Returns to shareholders: Distributions, cents	-	3.23
14.3 Significant features of operating performance	Refer section 2.6 above and attached financial information	Refer section 2.6 above and attached financial information

Commentary on significant features of operating performance

Refer section 2.6 above

14.4 Segment results	Refer attached financial information
14.5 Trends in performance	Refer section 2.6 above

14.6 Other factors

Provide discussion of any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Refer section 2.6 above and attached financial information

15. Audit/review of accounts upon which the report is based

This report is based on accounts to which one of the following applies (*tick one*):

☐	The accounts have been audited. (refer attached financial statements)	☐	The accounts have been subject to review. (refer attached financial statements)
☑	The accounts are in the process of being audited and subject to review.	☐	The accounts have *not* yet been audited or reviewed

16. Where accounts not yet audited or reviewed are they likely to be subject to dispute or qualification?

It is expected that, as for the half-year financial report to 31 December 2009, the auditors will include an emphasis of matter paragraph in their opinion regarding the 'significant uncertainty regarding continuation as a going concern'. This significant uncertainty relating to the repayment of the corporate loan facility is described in the going concern basis of preparation paragraphs included in page 9 of this document.

17. Qualifications of audit/review

N/A – not yet audited, refer section 16 above.

VIRIDIS CLEAN ENERGY GROUP

FINANCIAL INFORMATION

For the year ended

30 June 2010

Contents

Financial Information **Page**

Basis of preparation

The financial information included in this document for the year ended 30 June 2010 is unaudited and has been derived from the draft financial report of VCEG for the year ended 30 June 2010. The financial information does not constitute the Group's full financial statements for the year ended 30 June 2010, which will be approved by the board of directors of the responsible entity, reported on by the auditors, and subsequently filed with the Australian Securities and Investments Commission.

The financial information set out on pages 8 to 28 for the year ended 30 June 2010 has been prepared on the basis of accounting policies consistent with those applied in the 30 June 2009 financial statements contained within the annual report of VCEG, except for the following standards and interpretations which have been adopted for the year ended 30 June 2010.

- AASB 8: Operating Segments and AASB 2007–3: Amendments to Australian Accounting Standards arising from AASB 8

  AASB 8 and AASB 2007 –3 are applicable to annual reporting periods beginning on or after 1 January 2009. VCEG has assessed its impact for the year ended 30 June 2010. VCEG has adopted AASB 8, which has made a significant change to its approach to segment reporting by adopting management's approach to reporting on the financial performance. The information being reported is based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The adoption of AASB 8 has resulted in different segments and different types of information being reported in the segment note of the financial report. However, it has not affected any of the amounts recognised in the financial statements.

- Revised AASB 123: Borrowing Costs and AASB 2007 –6: Amendments to Australian Accounting Standards arising from AASB 123

  The revised AASB 123 is applicable to annual reporting periods beginning on or after 1 January 2009. VCEG has assessed its impact for the year ended 30 June 2010. It has removed the option to expense all borrowing costs and requires the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. This is consistent with the current group accounting policy and therefore there has been no impact on the financial statements.

- Revised AASB 101: Presentation of Financial Statements

  The revised AASB 101 is applicable to annual reporting periods beginning on or after 1 January 2009. VCEG has assessed its impact for the year ended 30 June 2010. VCEG has presented a statement of comprehensive income and altered the statement of changes in equity. It has not affected any of the amounts recognised in the financial statements. If, in the future, VCEG makes a prior-period adjustment or a reclassification of items in the financial statements, it will also need to disclose a third balance sheet, this one being as at the beginning of the comparative period.

All amounts are expressed in Australian dollars unless otherwise stated.

Where applicable, comparatives have been adjusted to disclose them on the same basis as current period figures. Amounts in this financial information have, unless otherwise indicated, been rounded to the nearest thousand dollars.

Going concern basis of preparation

VCEG has a corporate loan facility which is repayable in full by 31 March 2011. At 30 June 2010 the amount drawn on the facility was $12.6 million. Provided the corporate lenders are satisfied with the progress of the sale process and other conditions precedent (including that there is no event of default or potential event of default under the corporate debt facility or UK landfill gas debt facility) Viridis is able to draw further funds under the facility to cover working capital requirements during the sale process and to enable Viridis to fund a £4.1 million capital injection required in the UK landfill gas business by 30 September 2010. If Viridis does not make the UK capital injection by 30 September 2010, this would constitute an event of default under the UK landfill gas debt facility. That breach would in turn constitute a breach of the corporate debt facility, meaning that Viridis may not be able to use the corporate debt facility to meet its working capital requirements.

The directors are continuing with the structured sale process previously announced under which Viridis has sought proposals for the sale of individual asset portfolios, the sale of the entire business or other transactions which deliver value to securityholders. Viridis and its financial advisor (Macquarie Capital Advisors) continue to progress discussions in respect of a number of proposals that have been forthcoming. Parties are actively engaged in reviewing the data room material and conducting other due diligence investigations. The process is taking longer to conclude than originally anticipated, reflecting the scope and complexity of Viridis' assets, the volume of assets and materials to be reviewed and general market conditions. The timing for concluding the process is in part driven by other parties. Nevertheless the directors are seeking to reach a conclusion to the sale process as expeditiously as possible.

As the sale process is still ongoing and may not be completed by 30 September 2010, drawing additional funds under the corporate debt facility to fund working capital and the UK capital injection at that time will remain subject to the corporate lenders' discretion.

The directors consider it appropriate to prepare the accounts on a going concern basis. However, as satisfaction of some of the conditions required to draw funds under the corporate debt facility are beyond the directors' control, there is significant uncertainty as to whether VCEG will continue as a going concern or realise its assets or settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial information.

Statement of comprehensive income for the year ended 30 June 2010

	Notes	VCEG 1 July 2009 – 30 June 2010 $'000	VCEG 1 July 2008 – 30 June 2009 $'000
Revenue from continuing operations			
Operating income	3	53,180	67,581
Interest income – other	3	103	653
Total revenue		**53,283**	**68,234**
Expenses			
Operating expenses	3	(39,799)	(42,570)
Fund expenses		(2,521)	(1,987)
Management fees		(166)	(1,527)
Net gain/(loss) on derivative financial instruments	3	4,117	2,740
Net foreign currency exchange gain/(loss)	3	(16,267)	6,243
Buyout of management contract	12	(3,445)	-
Transaction costs written off		(487)	(1,570)
Earnings before interest expense, tax, depreciation & amortisation		(5,285)	29,563
Depreciation of property, plant and equipment		(5,975)	(7,498)
Amortisation of intangibles		(13,845)	(17,445)
Impairment of assets	7	(73,620)	(8,301)
Earnings before interest expense and tax		(98,725)	(3,681)
Finance costs	3	(22,895)	(18,083)
Net profit/(loss) before income tax		**(121,620)**	**(21,764)**
Income tax benefit/(expense)	4	41,114	5,458
Profit/(loss) from continuing operations		**(80,506)**	**(16,306)**
Profit/(loss) from discontinued operations	13	16,359	2,789
Profit/(loss) for the year		**(64,147)**	**(13,517)**
Other comprehensive income			
Changes in the fair value of cash flow hedges		7,991	(16,005)
Currency translation differences		3,670	3,148
Income tax relating to components of other comprehensive income		(1,426)	4,049
Other comprehensive income for the year, net of tax		**10,235**	**(8,808)**
Total comprehensive income for the year		**(53,912)**	**(22,325)**
Profit/(loss) for the year is attributable to:			
VCE securityholders		(38,436)	(19,349)
Non-controlling interest holders		(25,711)	5,832
		(64,147)	**(13,517)**
Total comprehensive income for the year is attributable to:			
VCE securityholders		(28,201)	(27,857)
Non-controlling interest holders		(25,711)	5,532
		(53,912)	**(22,325)**

Statement of comprehensive income for the year ended 30 June 2010 (continued)

	Notes	VCEG 1 July 2009 – 30 June 2010 $'000	VCEG 1 July 2008 – 30 June 2009 $'000
Earnings per security for profit from continuing operations attributable to the VCE security holders		Cents per security	Cents per security
Basic earnings/(loss)	14	(27.76)	(11.84)
Diluted earnings/(loss)	14	(27.76)	(11.84)
Earnings per security for profit attributable to the VCE security holders			
Basic earnings/(loss)	14	(19.47)	(10.35)
Diluted earnings/(loss)	14	(19.47)	(10.35)

Statement of financial position as at 30 June 2010

	Notes	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Assets			
Current assets			
Cash and cash equivalents	6	10,145	21,036
Trade and other receivables		9,747	14,544
Income tax receivable		163	554
Derivative financial instruments		-	2,030
Other current assets		4,046	7,611
Assets classified as held for sale	7	115,538	-
Total current assets		139,639	45,775
Non-current assets			
Trade and other receivables		-	531
Investments accounted for using the equity method	8	-	3,126
Property, plant and equipment		-	191,749
Derivative financial instruments		-	3,340
Intangible assets		-	168,426
Other non-current assets		-	440
Total non-current assets		-	367,612
Total assets		**139,639**	**413,387**
Liabilities			
Current liabilities			
Trade and other payables		14,665	22,786
Interest-bearing liabilities	9	95,408	23,874
Provisions		3,542	-
Derivative financial instruments		9,704	449
Total current liabilities		123,319	47,109
Non-current liabilities			
Interest-bearing liabilities	9	-	239,261
Derivative financial instruments		-	6,675
Deferred tax liabilities		-	48,290
Provisions		-	5,498
Total non-current liabilities		-	299,724
Total liabilities		**123,319**	**346,833**
Net assets		**16,320**	**66,554**
Equity			
Contributed equity	10	174,010	171,250
Reserves	11	2,742	(8,411)
Retained earnings/(loss)		(160,432)	(96,285)
Total equity		**16,320**	**66,554**
Attributable to:			
Unitholders of VCE		16,320	(41,801)
Minority interests		-	108,355
Total		**16,320**	**66,554**

Statement of changes in equity for the year ended 30 June 2010

	Contributed equity $'000	Retained profits $'000	Cash flow hedge reserve $'000	Foreign currency translation reserve $'000	Security option reserve $'000	Total $'000
VCEG						
Balance as at 30 June 2008	**171,250**	**(76,731)**	**5,391**	**(4,994)**	**-**	**94,916**
Total comprehensive income for the period	**-**	**(13,517)**	**(11,956)**	**3,148**	**-**	**(22,325)**
Transactions with owners in their capacity as owners						
Distribution paid and declared	-	(6,037)	-	-	-	(6,037)
	-	**(6,037)**	**-**	**-**	**-**	**(6,037)**
Balance as at 30 June 2009	**171,250**	**(96,285)**	**(6,565)**	**(1,846)**	**-**	**66,554**
Total comprehensive income for the period	**-**	**(64,147)**	**6,565**	**3,670**	**-**	**(53,912)**
Transactions with owners in their capacity as owners						
Issue of capital	2,760	-	-	-	-	2,760
Issue of options	-	-	-	-	918	918
	2,760	**-**	**-**	**-**	**918**	**3,678**
Balance as at 30 June 2010	**174,010**	**(160,432)**	**-**	**1,824**	**918**	**16,320**

Statement of cash flows for the year ended 30 June 2010

	VCEG 1 July 2009 – 30 June 2010 $'000	VCEG 1 July 2008 – 30 June 2009 $'000
Cash flows from operating activities		
Receipts from customers	69,556	94,828
Payments to suppliers	(52,010)	(62,089)
Derivative receipts	9,378	6,335
Interest received	139	3,265
Interest paid	(10,092)	(21,414)
Dividends received from equity accounted investment	2,743	3,757
Finance costs paid	(1,586)	(2,321)
Income tax received/(paid)	380	(271)
Net cash flows from operating activities	**18,508**	**22,090**
Cash flows from investing activities		
Payment for purchase of wholly owned subsidiaries, net of cash acquired	(3,256)	-
Proceeds from sale of German wind farm portfolio, net of cash on disposal	21,554	-
Proceeds from sale of Ardrossan	20,187	-
Purchase of property, plant and equipment	(5,336)	(4,296)
Loans to related parties	-	(2,640)
Repayment of loans – related parties	-	21,596
Purchase of other non-current assets	-	(15)
Net cash flows from investing activities	**33,149**	**14,645**
Cash flows from financing activities		
Proceeds from issue of units	2,760	-
Proceeds from borrowings from external parties	-	86,920
Repayment of borrowings from external parties	(62,495)	(121,076)
Distributions paid by VCET I	-	(14,856)
Net cash flow from financing activities	**(59,735)**	**(49,012)**
Net increase/(decrease) in cash assets held	(8,078)	(12,277)
Cash at the beginning of the period	21,036	33,230
Effects of exchange rate changes on cash and cash equivalents	(2,813)	83
Cash at the end of the period	**10,145**	**21,036**

Notes to the financial information

1. Critical accounting estimates and judgements

The preparation of the financial report in accordance with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in the preparation of the financial report are reasonable. Actual results in future periods may differ from those reported.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation assessments (impairment)

Management has performed impairment tests on VCEG's assets held for sale.

Management valued the assets based on the fair value less costs to sell and concluded that it was appropriate to record an impairment on assets held for sale. In reaching this conclusion management calculated values using the Viridis Clean Energy 3 month VWAP (Volume Weighted Average Price) for the period ended 30 June 2010 of 8.2¢ per security. The decision to use a VWAP reflects that the Group is engaged in commercially sensitive negotiations in relation to the sale of assets, and accordingly the carrying value of assets held for sale is that value ascribed by securityholders.

The total impairment charge of $73.6 million is included as the separate line item 'Impairment of assets' in the Statement of Comprehensive Income with net assets on this basis of $16.3 million.

The table below demonstrates a range of impairment scenarios based on different duration VWAP.

Period ended 30 June 2010	Cents per security	Impairment Amount A$'m	Net Assets A$'m
3 month VWAP	8.2	73.6	16.3
6 month VWAP	9.2	71.6	18.3
9 month VWAP	10.9	68.2	21.7
12 month VWAP	14.3	61.4	28.5
As at 30 June 2010	4.9	80.1	9.8

Decommissioning provisions

Decommissioning provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2. Segment information

Management has determined the operating segments based on the reports reviewed by the board of directors. These strategic decision makers identified the reportable segments from both a product and a geographic perspective. Since the divestment of the Germany and UK wind assets on 26 November 2009 and 21 April 2010 respectively, the reportable segments consist of three LFG assets; UK LFG, Texas LFG and California LFG. Other segments, which are not reportable segments as they are not separately included in the reports provided to the strategic decision makers, relate to the head office functions in Australia and the holding company in Denmark. The following table presents revenue and profit information regarding the geographic segments for the years ended 30 June 2009 and 30 June 2010. The strategic decision makers do not review asset and liabilities and other financial items at a segmental level.

	UK LFG	Texas LFG	California LFG	All other segments	Total
	$'000	$'000	$'000	$'000	$'000
2010					
Revenue					
Sales to external customers	44,315	5,101	569	-	49,985
Other revenues from external customers	93	3,017	38	47	3,195
Total segment revenue	44,408	8,118	607	47	53,180
Interest income – other					103
Total revenue					53,283
Results					
ADJUSTED EBITDA	15,190	(1,424)	(1,637)	4,024	16,153
2009					
Revenue					
Sales to external customers	54,454	9,987	2,981	-	67,422
Other revenues from external customers	107	-	-	52	159
Total segment revenue	54,561	9,987	2,981	52	67,581
Interest income – other					653
Total revenue					68,234
Results					
ADJUSTED EBITDA	19,999	3,389	(104)	(3,496)	19,788

The strategic decision makers assess the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as transaction costs written-off, unrealised gains and losses on derivatives and foreign exchange, and the non-cash depreciation and amortisation expense. Interest income and expense are not allocated to segments.

A reconciliation of adjusted EBITDA to operating profit/(loss) before income tax is provided as follows:

	30 June 2010	30 June 2009
	$'000	$'000
ADJUSTED EBITDA	**16,153**	**19,788**
Interest income - other	103	653
Unrealised (losses) on derivatives	(5,261)	(3,595)
Unrealised fx (losses)/gains	(14,480)	12,070
Transaction costs written off	(487)	(1,570)
Write-back of Texas maintenance costs accrual	-	2,217
Buyout of management contract	(3,445)	-
Texas spare part credit	2,132	-
Depreciation, amortisation and impairment expense	(93,440)	(33,244)
Cessation of hedge accounting of interest rate swaps	(9,704)	-
Finance costs	(13,191)	(18,083)
Profit/(loss) before income tax from continuing operations	**(121,620)**	**(21,764)**

3. Income and expenses

Revenue

Total revenue includes the following significant revenue

	VCEG 1 July 2009 – 30 June 2010 $'000	VCEG 1 July 2008 – 30 June 2009 $'000
Operating income from		
Landfill gas projects	49,985	67,422
Other revenue	3,195	159
	53,180	**67,581**
Interest income – other from		
Other parties	103	653
	103	**653**

Operating revenue represents electricity sales for landfill gas projects. Operating revenue includes $34.714 million (2009: $44.661 million) from contingent rentals for sales contracts deemed to be operating leases.

Expenses

Profit/(loss) before income tax includes the following significant expenses:

	VCEG 1 July 2009 – 30 June 2010 $'000	VCEG 1 July 2008 – 30 June 2009 $'000
Royalty expenses	16,640	21,004
Operations and maintenance costs	13,502	13,709
Net gain/(loss) on derivative financial instruments		
Realised	9,378	6,335
Unrealised	(5,261)	(3,595)
	4,117	**2,740**
Net foreign currency exchange gain/(loss)		
Realised	(1,787)	(5,827)
Unrealised	(14,480)	12,070
	(16,267)	**6,243**
Finance cost		
Interest expense	(6,138)	(14,017)
Financing costs	(3,294)	(1,754)
Provision: unwinding of discount	(185)	(210)
Fair value gains/(losses) on interest rate swaps – transfer from cash flow hedge reserve	(3,574)	(2,102)
Cessation of hedge accounting of interest rate swaps	(9,704)	-
	(22,895)	**(18,083)**

4. Income tax

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Major components of income tax for the period		
Current tax expense		
Current year	(117)	(267)
Under/(over) provision in prior years	166	(105)
Deferred tax expense		
Origination and reversal of temporary differences	(40,902)	(4,897)
Under/(over) provision in prior years	(230)	(180)
Total income tax (credit)/expense in income statement	(41,083)	(5,449)
Income tax expense is attributable to:		
Profit from continuing operations	(41,114)	(5,458)
Profit from discontinued operations	31	9
Aggregate income tax expense	(41,083)	(5,449)

5. Distributions paid and payable

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Interim distribution paid		
December 2009 (December 2008)	-	6,037
Final distribution payable		
June 2010 (June 2009)	-	-

No distributions were declared during the period ended 30 June 2010. No interim distribution was declared for the six months ended 31 December 2009 (2008: 3.23 cents per stapled security (including a 0.14 cents foreign tax credit component) was paid on 16 February 2009). No final distribution was declared for the period ended 30 June 2010 (2009: nil).

There are no franking credits available.

6. Cash and cash equivalents

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Current		
Cash at bank(i)	10,145	21,036

Cash at bank earns interest at floating rates based on daily bank deposit rates at a weighted average of 0.40% (2009: 1.65%).

(i) $5.159 million (2009: $9.062 million) of the total cash at bank is restricted under the terms of the senior debt facility and may be used only for purposes specified in the facility agreement.

7. Assets classified as held for sale

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Assets classified as held for sale	115,538	-

Reconciliations

Reconciliations of the carrying amount of assets classified as held for sale are set out below.

	VCEG 30 June 2010 $'000
Year ended 30 June 2010	
Transfer from property, plant and equipment	71,776
Transfer from intangible assets	117,382
Impairment charge	(73,620)
Carrying amount at 30 June 2010	**115,538**

At the reporting date, an impairment of $73.620 million was recognised against the assets classified as held for sale. For details refer to Note 1. Critical accounting estimates and judgements.

The results for assets classified as held for sale are included in the results of the continuing operations as shown in the statement of comprehensive income.

8. Investments in associates

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Investments in associates	-	3,126

VCEG accounts for investments in associates using the equity method. VCEG has the following investment in associates.

Name of associate	Principal activity	Country	Class of shares	Year end	Ownership interest 30 June 2010 %	Ownership interest 30 June 2009 %
Ardrossan Wind Farm (Scotland) Limited ("Ardrossan")[1]	Electricity generation	Scotland	Ordinary shares	31 March 2010	nil	49
Stevok OS5 Unlimited ("Stevok")	Dormant	Ireland	Ordinary shares[2]	31 March 2010	49	49

1. VCEG sold its 49% share in the 30 MW Ardrossan wind farm to SSE Renewables on 21 April 2010 for $21.712 million. Refer to Note 13. Discontinued operations for further details.
2. The shareholders of Stevok are entitled to appoint an equal number of directors to the board of directors of that company; that is, VCEG is entitled to appoint two directors and Airtricity Holdings (UK) Limited, the 51% owner, is entitled to appoint two directors. At a meeting of the directors of Stevok each director has one vote.

Certain actions and decisions regarding the supervision and management of Stevok require the written approval of all of the holders of the share capital of Stevok.

Unless otherwise noted above, VCEG has 49% voting rights concerning actions and decisions affecting Stevok.

Stevok is a dormant company that has not traded since incorporation and there are no financial disclosures necessary for Stevok in the following tables.

Movements in carrying amounts and share of associates' profits or losses

	VCEG			
	2010	**2010**	**2009**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Carrying amount at 1 July		3,126		5,544
Profit before income tax, after amortisation	2,459		4,093	
Income tax expense	(737)		(1,146)	
Share of profits after income tax		1,722		2,947
Dividends received/receivable		(2,743)		(3,757)
Share of movement in the fair value of cash flow hedges, net of tax		(64)		(1,762)
Investment		-		15
Net foreign currency exchange differences		(714)		139
Disposal of Ardrossan		(1,327)		-
Carrying amount at 30 June		**-**		**3,126**

Summarised financial information of associates

	Group's share of			
	Assets	**Liabilities**	**Revenues**	**Profit**
	$'000	**$'000**	**$'000**	**$'000**
2010				
Ardrossan	-	-	6,590	1,722
2009				
Ardrossan	34,502	31,376	8,753	2,947

9. Interest-bearing liabilities

	VCEG 30 June 2010 $'000	**VCEG 30 June 2009 $'000**
Current		
Secured:		
Working capital facilities	-	9,420
Senior debt facilities	82,836	14,454
Corporate loan facilities	12,572	-
	95,408	**23,874**
Non-current		
Secured:		
Senior debt facilities	-	178,945
Corporate loan facilities	-	60,316
	-	**239,261**

Financing facilities

The financing facilities have the following maturity dates and weighted average interest rates

	Currency	Balance at 30 June 2009 '000	Undrawn at 30 June 2009 '000	Expiry date	Weighted average interest rate % (including margin)(i)	Australian dollars balance 30 June 2009 $'000	Australian dollars undrawn $'000
30 June 2009							
Senior debt facility (a)	EUR	28,782	-	2020	4.77	50,238	-
Working capital facility (a)	EUR	-	-	-	-	-	-
Senior debt facility (a)	EUR	23,483	-	2019	5.08	40,990	-
Working capital facility (a)	EUR	400	-	2019	2.97	698	-
Liquidity reserve facility (a)	EUR	-	1,806	2019	-	-	3,152
Senior debt facility(b)	GBP	50,780	-	2016	7.18	104,207	-
Working capital facility (b)	GBP	4,250	-	2010	4.21	8,722	-
Corporate loan facility (c)	AUD	61,591	-	2010	9.18	61,591	-
Total						266,446	**3,152**
					Less: Capitalised establishment costs	(3,311)	
						263,135	

(i) includes effect of interest rate swap transactions

	Currency	Balance at 30 June 2010 '000	Undrawn at 30 June 2010 '000	Expiry date	Weighted average interest rate % (including margin)(i)	Australian dollars balance 30 June 2010 $'000	Australian dollars undrawn $'000
30 June 2010							
Senior debt facility (b)	GBP	47,772	-	2016	6.12	84,016	-
Corporate loan facility (c)	AUD	12,572	13,035	2011	9.54	12,572	13,035
Total						96,588	**13,035**
					Less: Capitalised establishment costs	(1,180)	
						95,408	

Fair value is equal to the carrying value.

Bank loans

Renewal of facilities with a maturity date of 12 months or less remains at the discretion of the Lenders.

(a) Germany wind farm debt facilities

VCEG completed its sale of the Germany wind farm portfolio, including the relevant debt facilities, on 26 November 2009.

(b) Norgen, United Kingdom landfill gas debt facilities

Norgen landfill gas debt facilities are provided by a syndicate of banks comprising Bayerische Hypo- und Vereinsbank AG London Branch, Lloyds TSB Bank plc, Fortis Bank NV and National Australia Bank Limited. The facilities are secured by a first ranking pledge over the assets and contracts of the Norgen landfill gas portfolio. The facilities are denominated in GBP and split between the following tranches:

- An amortising term debt facility. The facility amortises to £24.874 million at the loan expiry of 2016. £47.772 million was outstanding at 30 June 2010 (30 June 2009: £50.780 million).
- The £4.25 million working capital facility that expired on 5 April 2010 and was repaid in full (30 June 2009: £4.25 million).

(c) VCEG facility

VCEG has renegotiated its facility provided by Investec Group/The Royal Bank of Scotland. The facility is secured by a first ranking pledge over the assets of VCET I, VCET II, Viridis (Europe) Pty Limited, Viridis (Europe II) Pty Limited, and security provided by other subsidiaries of VCEG. Facility details are as follows

- At 30 June 2010: $25.607 million, of which $12.572 million was utilised. The facility is interest only with an expiry date of 31 March 2011.
- At 30 June 2009: $61.591 million all of which was utilised. The facility was interest only with an expiry date of 31 July 2010.

The facility provided by Investec Group also includes letters of credit/bank guarantee of $3.934 million.

10. Contributed equity

	VCEG 1 July 2009 - 30 June 2010 $	VCEG 1 July 2008 - 30 June 2009 $
Fully paid units		
Issued and fully paid	174,010,326	171,250,326

Movement in fully paid units on issue	VCEG Number of units	VCEG $
On issue 1 July 2008	187,020,586	171,250,326
On issue 30 June 2009	187,020,586	171,250,326
Acquisition of the Manager – 20 August 2009	12,000,000	2,760,000
Restructure – 24 June 2010		
Issue of units	1,635,949,988	-
Consolidation of units	(1,635,949,988)	-
On issue 30 June 2010	**199,020,586**	**174,010,326**

On 19 August 2009 the securityholders of VCEG approved the acquisition of all shares of the manager Viridis Energy Capital Pty Limited ("VEC"). The consideration payable to the owners of VEC was $2.76 million, which was used to subscribe for 12 million stapled securities at an issue price of $0.23 per stapled security.

On 11 June 2010 the securityholders of VCEG approved a restructure of the Group. The restructure was implemented on 24 June 2010 and involved the de-stapling of VCET I from VCE by a process under which VCE acquired VCET I, such that VCET I became a wholly-owned subsidiary entity of VCE. VCE acquired all the units of Viridis Clean Energy Trust I in exchange for 1,635,949,988 units in VCE. Immediately after the issue of new units VCE consolidated its units so that the number of units on issue after the consolidation was exactly the same as before the restructure.

Pursuant to the terms of the extended corporate debt facility, on 30 April 2010 VCEG issued 29,853,086 options to the corporate lenders, equivalent to 15% of VCEG's issued capital. Each option carries the right to subscribe for one new security in VCEG at an exercise price of 10 cents per option. The options have a 12 month term from the date of issue.

The constitution of VCE does not state the number of authorised units. Units issued have no par value.

11. Reserves

	VCEG 1 July 2009 – 30 June 2010 $	VCEG 1 July 2008 – 30 June 2009 $
(a) Reserves		
Foreign currency translation reserve	1,824	(1,846)
Cash flow hedge reserve	-	(6,565)
Security option reserve	918	-
	2,742	**(8,411)**
(b) Movements		
Foreign currency translation reserve		
Balance at 1 July	(1,846)	(4,994)
Currency translation differences arising during the year	3,670	3,148
Balance at 30 June	**1,824**	**(1,846)**
Cash flow hedge reserve		
Balance at 1 July	(6,565)	5,391
Revaluation – gross	(8,194)	(16,834)
Deferred tax	2,292	4,258
Transfer to net profit – gross continuing operations	13,278	2,102
Transfer to net profit – gross discontinued operations	-	(95)
Deferred tax	(3,718)	(209)
Investment in associate – movement net of tax	(64)	(1,762)
Disposal of discontinued operations	2,208	-
Net foreign currency exchange differences	763	584
Balance at 30 June	**-**	**(6,565)**
Security option reserve		
Balance at 1 July	-	-
Issue of options	918	-
Balance at 30 June	**918**	**-**

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign controlled entities. The reserve is recognised in profit and loss when the net investment is disposed of.

Cash flow hedge reserve

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss. The cessation of hedge accounting for interest rate swaps has led to the recognition of the remaining reserve to profit and loss for the year due to the underlying hedged transaction no longer being expected to occur.

Security option reserve

The security option reserve is used to recognise the grant date fair value of securities issued to the corporate lenders.

12. Business Combination

On 20 August 2009, 12 million new stapled securities were issued to the owners of VEC at an issue price of $0.23 per stapled security for cash received as consideration for VCE's purchase of VEC. The transaction was approved at a general meeting of VCEG securityholders held on 19 August 2009. On acquisition, VCE acquired the net assets of VEC and extinguished the obligation to pay management fees to VEC.

The excess consideration paid over the VEC net assets, as calculated below, was based on the value to VCE of being able to extinguish its obligation to pay management fees to VEC over the remaining 21 years of the contract. The total consideration (including transaction costs of $0.705 million) of $3.445 million has been expensed in the statement of comprehensive income.

The acquired business is reimbursed fully for its expenses and does not have any other material source of income.

Details of the fair value of assets and liabilities acquired are as follows:

	$'000
Cash and total consideration paid	**3,465**
Fair value of net identifiable assets acquired (refer analysis below)	**(20)**
Excess of consideration paid over net assets	**3,445**

	Acquiree's carrying amount $'000	Fair value $'000
Cash	**209**	**209**
Receivables and other current assets	**277**	**277**
Property, plant and equipment	**66**	**66**
Trade and other payables	**(532)**	**(532)**
	20	**20**

Purchase consideration

	VCEG 1 July 2009 – 30 June 2010 $'000	VCEG 1 July 2008 – 30 June 2009 $'000
Outflow of cash to acquire wholly owned subsidiary, net of cash acquired		
Cash consideration	2,760	-
Transaction costs	705	-
Total consideration	3,465	-
Less: cash acquired	(209)	-
Cash		
Plus: other payments post acquisition	-	-
Outflow of cash	**3,256**	-

13. Discontinued Operations

Description

On 25 May 2009 VCEG announced its intention to call for formal bids in relation to the European wind asset portfolio. On 10 November VCEG announced it had signed a contract to sell its 82 MW Germany wind farm portfolio to a European investment fund, which was completed on 26 November 2009. Also, on 21 April 2010 VCEG sold its 49% share in the 30 MW Ardrossan wind farm to SSE Renewables. The segments disposed of are reported in this financial report as discontinued operations.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

(a) Germany wind farm portfolio

(i) Financial performance and cash flow information

The financial performance and cash flow information presented is for the period ended 26 November 2009, with comparatives for the period ended 30 June 2009.

	VCEG	VCEG
	30 June 2010	30 June 2009
	$'000	$'000
Financial performance		
Revenue	**7,216**	21,020
Expenses	**(8,373)**	(22,579)
Profit / (loss) before income tax	**(1,157)**	(1,559)
Income tax expense	**(31)**	(9)
Loss after income tax of discontinued operations	**(1,188)**	(1,568)
Loss on sale of Germany wind farm portfolio before and after income tax	**(418)**	-
Profit recycled from the foreign currency translation reserve	**343**	-
Loss recycled from the cash flow hedge reserve	**(636)**	-
Total loss on sale of Germany wind farm portfolio	**(711)**	-
Loss from discontinued operations	**(1,899)**	(1,568)
Cash flow		
Net cash inflow from operating activities	**4,410**	6,538
Net cash inflow from investing activities (2010 includes an inflow of $21,554,000, net of cash on disposal, from the sale of the portfolio)	**21,554**	(180)
Net cash outflow from financing activities	**(1,106)**	(7,612)
Net impact of effects of exchange rate changes	**(237)**	805
Net increase in cash generated by the Germany wind farm portfolio	**24,621**	(449)

(ii) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at 26 November 2009 were:

	VCEG 26 November 2009 $'000	VCEG 30 June 2009 $'000
Cash and cash equivalents	**7,281**	4,214
Trade and other receivables	**1,937**	1,845
Property, plant and equipment	**98,684**	109,167
Intangible assets	**14,424**	15,995
Other assets	**1,302**	2,162
Total assets	**123,628**	133,383
Interest bearing liabilities	**84,001**	91,505
Trade and other payables	**4,012**	2,358
Other liabilities	**5,145**	5,305
Total liabilities	**93,158**	99,168
Net assets	**30,470**	34,215

(iii) Details of the sale of Germany wind farm portfolio

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Consideration received or receivable:		
Cash	**30,611**	-
Present value of deferred consideration [1]	**1,217**	-
Total disposal consideration	**31,828**	-
Transaction costs	**(1,776)**	-
Carrying amount of net assets sold	**(30,470)**	-
Loss on sale of Germany wind farm portfolio before income tax	**(418)**	-
Income tax on sale of Germany wind farm portfolio	**-**	-
Loss on sale of Germany wind farm portfolio before and after income tax	**(418)**	-

1. Deferred consideration outstanding at 30 June 2010 is $1,069,000

(b) Ardrossan wind farm (UK wind)

(i) Financial performance and cash flow information

The financial performance and cash flow information presented is for the period ended 21 April 2010, with comparatives for the period ended 30 June 2009.

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Financial performance		
Profit before income tax, after amortisation	**2,459**	4,093
Income tax expense	**(737)**	(1,146)
Profit after income tax of discontinued operations	**1,722**	2,947
Profit on sale of Ardrossan wind farm before and after income tax	**18,860**	-
Loss recycled from the foreign currency translation reserve	**(752)**	-
Loss recycled from the cash flow hedge reserve	**(1,572)**	-
Total profit on sale of Ardrossan wind farm	**16,536**	-
Profit from discontinued operations	**18,258**	2,947
Cash flow		
Net cash inflow from operating activities	**2,743**	3,757
Net cash inflow from investing activities (2010 includes an inflow of $20,187,000, net of cash on disposal, from the sale of the portfolio)	**20,187**	-
Net increase in cash generated by Ardrossan wind farm	**22,930**	3,757

(ii) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at 21 April 2010 were:

	VCEG 21 April 2010 $'000	VCEG 30 June 09 $'000
Investments accounted for using the equity method	**1,327**	3,126
Total and net assets	**1,327**	3,126

(iii) Details of the sale of Ardrossan wind farm

	VCEG 30 June 2010 $'000	VCEG 30 June 2009 $'000
Consideration received or receivable:		
Cash and total consideration	**21,712**	-
Transaction costs	**(1,525)**	-
Carrying amount of net assets sold	**(1,327)**	-
Profit on sale of Ardrossan wind farm before income tax	**18,860**	-
Income tax on sale of Ardrossan wind farm	**-**	-
Profit on sale of Ardrossan wind farm before and after income tax	**18,860**	-

14. Earnings per unit

Basic earnings per unit amounts are calculated by dividing net profit for the year attributable to unit holders of VCEG by the weighted average number of units outstanding during the year. The diluted earnings per unit are the same as the basic earnings per unit as there are no instruments on issue that are considered to be dilutive.

	VCEG 30 June 2010 cents	VCEG 30 June 2009 cents
Earnings per security for profit from continuing operations attributable to the VCE security holders		
Basic earnings per unit	(27.76)	(11.84)
Diluted earnings per unit	(27.76)	(11.84)
Earnings per security for profit attributable to the VCE security holders		
Basic earnings per unit	(19.47)	(10.35)
Diluted earnings per unit	(19.47)	(10.35)

The following represents the income and unit data used in the basic earnings per unit calculations.

	VCEG 2010	VCEG 2009
Net profit/(loss) after income tax from continuing operations, $'000	(54,795)	(22,138)
Net profit/(loss) after income tax from discontinued operations, $'000	16,359	2,789
Net profit/(loss) after income tax, $'000	(38,436)	(19,349)
Weighted average number of units on issue used in the calculation of basic earnings per unit, units	197,376,750	187,020,586

15. Subsequent events

Since 30 June 2010 there has not been any matter or circumstance not otherwise dealt with in the financial information that has significantly affected or may significantly affect VCEG.