

Infinis Energy plc (Symbol: INFI)

Disposal of hydro business for £20.5m

Infinis Energy plc (“Infinis” or the “Company”) has reached agreement to dispose of its hydro portfolio for cash consideration of £20.5m. Infinis has entered into agreements to sell all of its Welsh hydro sites, totalling 14MW, to Dwr Cymru Welsh Water (“Welsh Water”) and the remaining hydro sites, totalling 3MW, to H2O Power Limited.

As previously stated, Infinis has considered the hydro business as non-core given its size and limited investment has been made in developing further the hydro portfolio. Today’s announcement follows long-running discussions between Infinis and its counterparties to coordinate arrangements for the disposal of the hydro portfolio as a whole. The Company will use the proceeds of the hydro sale to further develop the growth of its onshore wind portfolio in line with its existing strategy.

Eric Machiels, Chief Executive of Infinis, said:

"We are pleased to announce today that we have agreed the sale of our non-core hydro business. This will enable Infinis to streamline its operational portfolio by focusing on its core landfill gas and onshore wind businesses. It also allows us to recycle capital to continue to develop our onshore wind portfolio which remains central to our growth plans."

The disposal of the Welsh hydro operations is conditional upon receiving approval from Welsh Water’s lenders. Majority lender consent is required and, subject to such consent being obtained, we would anticipate completing this transaction in or around February 2015. The disposal of the remaining sites is conditional upon completion of the Welsh Water transaction. The aggregate purchase price may be adjusted downwards by up to c£2.8m and relevant sites excluded if certain approvals are not obtained within 12 months of completion.

The hydro business has an aggregate installed capacity of 17MW and in FY14 contributed £1.6m to profit before taxation and £2.3m to divisional EBITDA (or approximately 1.5% of group EBITDA of £148.4m). The value of the gross assets comprising the hydro portfolio as at 31 March 2014 was £16.4m. The hydro sites operate both run of river and reservoir technologies.

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Note to editors:

Statements made in this announcement may include forward-looking statements. Any forward-looking statements reflect the Company’s current expectations concerning future events and actual results may differ materially from current expectations or historical results.