

13 August 2015

## **INFINIS ENERGY PLC (Symbol: INFI)**

### **Q1 Trading Statement**

Infinis Energy plc (“Infinis” or the “Group”) publishes its Q1 trading statement for the period 1 April 2015 to the date of this announcement (the “Period”). Infinis also announces that its landfill gas subsidiary Infinis plc<sup>(1)</sup> released today its first quarter financial results as required under the terms of its publicly traded bond. A summary of Infinis plc’s results have been included at the end of this statement.

#### **Group operating and financial performance**

The Group had a strong first quarter with total power generation up 14 GWh to 586 GWh. Day ahead pricing and operating costs were in line with expectations. We have maintained our focus on operational performance with high engine reliability in our LFG business of 96% and wind availability also at 96% over the period.

#### ***Landfill Gas***

The LFG business continues to deliver solid output, exporting 435 GWh in the three months to 30 June 2015 compared to 463 GWh in the three months to 30 June 2014. The reduction in output of 6.0% was due to a combination of the natural decline in landfill gas, drier weather conditions and planned full grid outages at two of our larger sites initiated by the local network operators which lasted for 11 days. Adjusting for the one-off outages, the output decline would have been 4.7%.

The proportion of electricity exported under the RO regime for the three months to 30 June 2015 was 93% compared to 84% for the comparative period in 2014 and the total average selling price (“ASP”)<sup>(2)</sup> for the three months to 30 June 2015 was £93.51/MWh, an increase of £4.43/MWh on the comparative period figure of £89.08/MWh.

#### ***Onshore Wind***

Our onshore wind business exported 152 GWh in the three months to 30 June 2015, all under the RO regime. This was a 46% increase (+48 GWh) over the comparative period in FY15. On a rolling 12 month period to 30 June 2015 wind output was in line with long term average (P50) wind conditions. The wind ASP for the three month period to June 2015 was £88.59/MWh compared to £88.06/MWh in the comparative period to June 2014.

#### **Onshore wind construction and development activities**

The construction of the A’Chruach wind farm (43MW) is progressing according to plan. All 21 turbine bases are complete and, in addition, all site access roads are complete. Turbines will be erected over the Summer with final commissioning still expected by March 2016.

We have completed phase 1 construction works on the Galawhistle project (66MW) which included site access road construction and the sub-station floor. Construction work is underway on the main site infrastructure works.

We are also at advanced stages of procurement and financing on our wind farm projects at Sisters and North Steads (formerly known as Blue Sky) with financial close expected in early Autumn 2015.

We are on target to deliver 135MW of new onshore wind capacity by 31 March 2017.

### Regulatory update

The Government has begun the legislative process to close the RO regime for new onshore wind power plants on 31 March 2016. Projects which met the grace period criteria of planning consent, evidence of land rights and a grid offer and acceptance on the 18th June 2015 will qualify for a 12 month extension. In practical terms this means that these projects need to be built and operating by 31 March 2017 to qualify for support under the RO. We are highly confident that A'Chruach, Galawhistle, Sisters and North Steads meet the grace period criteria and therefore qualify as RO projects.

In addition, the Government announced its intention to remove the exemption from the Climate Change Levy (CCL) previously enjoyed by renewable generation. As previously announced, we anticipate that this will reduce our EBITDA in this financial year by £7.5 million and in FY17 by £10-11 million. The removal of exemption from the CCL was disappointing and was unexpected by the Industry. We continue to make representations at the highest levels of Government. The Board is reflecting on how these policy changes will affect the future strategy of the Group in delivering shareholder value and it is our intention to provide an update to the market by the time of our interim results.

### Financial position

Cash and cash equivalents stood at £107.7 million as at 30 June 2015 and net debt at the same date was £527.2 million. There were term loan drawings of £5.7 million on the A'Chruach funding facility. The Galawhistle funding facility was undrawn.

### Contracted position

Our contracted position as at 31 July 2015 is summarised in the table below. Summer 15 and Winter 16 corresponds with our financial year ending 31 March 2016.

Contracted position (LFG)	Summer 15		Winter 15/16		Summer 16	
	% of expected output	ASP (£/MWh)	% of expected output	ASP (£/MWh)	% of expected output	ASP (£/MWh)
NFFO sales (fixed price)	7%	£43.43	6%	£43.37 <sup>**</sup>	2%	£44.49
RO sales (power only)						
- contracted at fixed prices	93%	£46.90	90%	£50.90	67%	£47.51
- contracted at prices yet to fix	-	-	3%	-	24%	-
- uncontracted	-	-	1%	-	7%	-
<b>Total</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>-</b>

<sup>\*</sup> The Group also benefits from the sale of ROCs, LECs and income from embedded benefits

<sup>\*\*</sup> The NFFO value reduces slightly in Winter 15/16 from Summer 15 due to higher value NFFO contracts expiring

The onshore wind business continues to operate under long term PPAs with power prices set predominantly at fixed discounts on a day-ahead basis.

## Outlook

Our largely contracted position and strong operational performance supports management expectations for the full year, which remain unchanged apart from the downward adjustment announced for the LEC revenues.

An analyst conference call will be held today, Thursday 13<sup>th</sup> August at 09:00 (GMT).

Dial in details for the call are: +44 (0) 1452 555566 Participant code 78521959

\*\*\*\*\*

Enquiries:

Investor Relations: Will Cooper +44 (0) 1604 742338

Media: Brunswick: David Litterick +44 (0) 207 404 5959

Website: [www.infinis.com](http://www.infinis.com)

Note to Editors:

Infinis also announces that its landfill gas subsidiary Infinis plc<sup>(1)</sup> released today its third quarter financial results as required under the terms of its publicly traded bond. A summary is presented below:

£'millions	Three months ended 30 June 2015	Three months ended 30 June 2014
Revenue	42.1	42.6
EBITDA	22.9	23.6

For more details please refer to the full set of results published by Infinis plc available at [www.infinis.com](http://www.infinis.com) clicking on Investors and Senior notes information.

<sup>(1)</sup> Infinis plc is the wholly-owned landfill gas business of Infinis Energy plc. It is funded with £350m of Senior Notes due 2019 listed on the Luxembourg stock exchange. The Infinis plc results are released in line with the reporting requirements of the Luxembourg stock exchange and bond indenture which are available on Infinis Energy plc's website

<sup>(2)</sup> ASP is defined as NFFO and ROC revenue recognised in the period divided by exported power

END