



£350 million 7% Senior Notes due 2019 Annual Results Announcement

Infinis plc (the “Issuer”), an indirectly wholly owned subsidiary of Infinis Energy Limited, announces its results for the year ended 31 March 2016

Operationally the business has performed strongly, with 97.1% engine reliability (2015: 96.4%) and Mean Time Between Breakdowns (MTBB) increasing to 226 hours (2015: 187 hours). Strong operational performance and tight cost control resulted in EBITDA for the year ended 31 March 2016 of £96.0m, down by £6.7m against year ended 31 March 2015 (£102.7m).

At a cash level, and off-setting this EBITDA reduction, capex for year ended 31 March 2016 was £13.2m, £5.9m less than year ended 31 March 2015 (£19.1m)

	Year ended 31 March 2016	Year ended 31 March 2015
Output in GWh	1,724	1,842
Underlying Average Selling Price ^{1,2}	£95.96/MWh	£92.12/MWh
Reported Average Selling Price ^{1,2}	£96.26/MWh	£97.49/MWh

Revenue for the year ended 31 March 2016 was £166.0m compared with £179.6m for the year ended 31 March 2015. Exported generation in the year was 1,724 GWh compared with 1,842 GWh in the previous year. The reduction of 118 GWh (6.4%) was mainly due to the natural decline in landfill gas at closed sites.

Furthermore, revenue in the year was adversely affected by £4.9m less being earned from the sale of LECs compared with the previous year, due to the Government removing the exemption from the Climate Change Levy for renewable generation from August 2015.

Offsetting LEC removal and natural gas decline, the transition from NFFO to RO contracts continued in the year with the proportion of sales under RO contracts increasing from 89.6% in 2015 to 93.6% in 2016, increasing revenue by £3.2m.

Whilst wholesale power market prices fell from £41.27/MWh to £39.13/MWh (for average day ahead), our forward-selling trading strategy enabled prices to be locked in at £49.24/MWh, £0.04/MWh higher than 2015 (£49.20/MWh).

Reported all-in average selling price reduced by £1.23/MWh from £97.49/MWh to £96.26/MWh. However, underlying average selling price increased by £3.84/MWh from £92.12/MWh to £95.96/MWh.

Operating cost management

Disciplined cost control and targeted capacity reductions led to operating costs reducing from £38.7m to £36.6m. Our aspiration to keep real costs / MWh flat has been achieved; operating costs per MWh (excluding overheads) increased by 1.1% to £21.23/MWh (FY 2015: £20.99/MWh), with RPI at 1.6%³.

Capital expenditure

Capital expenditure during the year was £13.2m (2015: £19.1m).

Cash and net debt / EBITDA

Cash at 31 March 2016 was £36.9m (2015: £42.1m). Net debt / last 12 months' EBITDA was 3.3x (2015: 3.0x).

Loan to Infinis Capital Limited (parent company to IEHL)

As previously disclosed on 25 January 2016, Infinis plc and Infinis Capital Limited entered into a Loan Agreement whereby Infinis plc would advance loans of up to £20 million at an annual interest rate of 9%. The loan is repayable on demand in writing on or after 31 December 2016. The interest is calculated on a daily basis and is payable in cash on 31 March and 30 September each year.

Subsequent to the agreement, a loan of £20 million was drawn down on 25 January 2016.

On 23 February 2016, Infinis plc, Infinis Capital Limited and IEHL entered into a Deed of Novation in relation to the original loan agreement and as a result IEHL has replaced Infinis Capital as the borrower. All terms, including the annual interest rate of 9% remain unchanged.

Note:

1. Revenue recognised in the prior period included an accrual in respect of the recycled element of the ROC price which we expect to receive for eligible generation and is therefore included in the Reported Average Selling Price. The actual amount due is not normally known until six months after the end of the financial year and, to the extent that the payment is different from our estimates, will result in an increase or decrease in revenue recognised in the current period, which relates to a prior period, once the actual becomes known or a revised estimate of the expected amount is made. Underlying Average Selling Price aligns recycled ROC payments to the period in which they were earned.
2. The removal of the exemption from the Climate Change Levy for renewable generation from August 2015 adversely affected our revenue in FY16. Underlying Average Selling Price therefore removes this revenue stream for FY16 and FY15
3. ONS from March 2015 to March 2016

An investor conference call will be held on 6 July 2016, at 10:00hrs BST.

Dial in details for this call are: +44 (0) 1452 555566

Conference ID: 64144735

