



Viridian Group

Results presentation

Year Ended 31 March 2015

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VIRIDIAN

Forward looking statements

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- Positive set of results for the Year Ended 31 March 2015 which were in line with expectations and previous guidance
- Pro-forma EBITDA* for the Year Ended 31 March 2015 was £97.7m (2014 - £102.4m) reflecting RoI residential market entry start up costs and foreign exchange translation losses
- Pro-forma cash flow before interest and tax** for the Year Ended 31 March 2015 was £92.1m (2014 - £84.5m)
- Senior net debt was £553.9m at 31 March 2015 (2014 – £560.9m)

* EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and Arcapita advisory fees and excluding earnings from renewable wind farm assets

** Pro-forma EBITDA, less pension charges, plus movements in provisions and working capital (inc purchase of and proceeds from sale of other intangibles), less gross capex (excluding capex of renewable wind farm assets) and exceptional items and including the effects of FX

High availability of Huntstown plants with reduction in utilisations

- Availability of 100.0% for Huntstown 1 and 97.3% for Huntstown 2 for Year Ended 31 March 2015
- Unconstrained utilisations of Huntstown 1 at 2.3% and Huntstown 2 at 24.8% for Year Ended 31 March 2015
- Incremental impact of constrained utilisation was an increase of 15.8% for Huntstown 1 and an increase of 3.1% for Huntstown 2 for Year Ended 31 March 2015

Retail sales

- Total electricity sales volumes for the Year Ended 31 March 2015 were 5.0TWh (2014 – 5.2TWh)
- Business electricity customer sites supplied at 31 March 2015 were 56,500 (2014 – 61,100) reflecting competition in the market
- Business gas customer sites supplied at 31 March 2015 were 4,800 (2014 – 4,200)
- RoI residential customers supplied at 31 March 2015 increased to 56,000 (2014 – 10,000) reflecting continued growth in the customer base in line with expectations (including 26,200 dual fuel customers)

I- SEM

- Formal approval from EU member states for extension to 31 December 2017 for the full implementation of EU target model in NI and the RoI
- The detailed market design phase is ongoing and the latest Project Plan Quarterly Update published on 13 May 2015 reconfirmed that the project remains on track for Go-Live of I-SEM in Q4 2017

Energy Efficiency Obligation

- Energy Efficiency Notice received in November 2014. Sets out annual energy saving targets for first three years (2014 – 2016) of the Energy Efficiency Obligation in the RoI
- Energia will seek to recover all or a portion of the cost of compliance with the obligation from retail customers
- Liability for first compliance year will not be recognised until 31 December 2015

Energia Group business developments (cont'd)

Proposed capacity pot for 2016

- Proposed capacity pot for 2016 published on 11 May 2015
 - Proposed capacity pot of €463.1m (2015 - €574.2m) represents a 19% reduction on 2015
 - Reduction mainly due to lower cost of capital in the BNE component of the calculation
 - Consultation process closes on 12 June and a final decision is expected in August 2015

Renewable portfolio

PPAs

- Average contracted renewable generation capacity for Year Ended 31 March 2015 was 727MW (2014 - 607MW) with 778MW operational capacity at 31 March 2015 (2014 – 687MW)
- 100MW of contracted capacity in construction at 31 March 2015 (2014 – 88MW)
- 66MW in various stages of development (2014 – 154MW)

Assets

- Direct investment in operational and in-development windfarm capacity 163MW^(a) at 31 March 2015
 - 29MW operational at 31 March 2015 (2014 – 9MW) following the successful commissioning of a 20MW windfarm in Northern Ireland during December 2014
 - Two windfarms with a total capacity of 100MW^(a) in construction as at 31 March 2015 – 5MW since commissioned in May 2015 and 95MW expected to become operational in the next two years
 - 34MW of fully-consented capacity in development expected to become operational in the next two years
- Further pipeline of projects (43MW) in various stages of obtaining planning permission and grid connections

(a) Includes 31MW for which the acquisition of the minority partner's share became effective on financial close in April 2015

Power NI business developments

Electricity sales

- Residential customer numbers at 31 March 2015 was 545,000 (2014 – 562,000)
- Total electricity sales for Year Ended 31 March 2015 was 2.9TWh (2014 – 3.0TWh)

Regulated electricity tariffs

- Power NI undertook an early review of its regulated electricity tariffs in light of reductions in wholesale gas prices
 - On 12 February 2015, Power NI announced a 9.2% reduction in regulated electricity tariffs effective from 1 April 2015
 - The tariff reduction was agreed with the Utility Regulator

Utility Regulator's review of competition in the Northern Ireland market

- The Utility Regulator's review of the effectiveness of competition in the Northern Ireland energy supply market is ongoing
 - Phase 2 of the project, assessing the options for a future regulatory framework in a market where competition is limited, was announced on 1 May 2015

PPB business developments

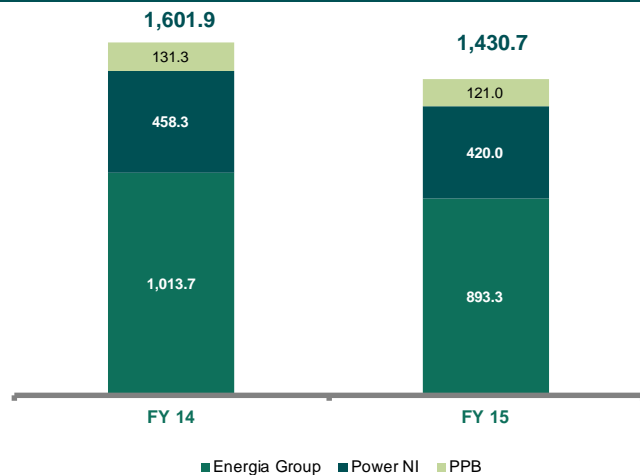
Price control

- On 2 April 2015 the Utility Regulator published draft proposals for a new price control to be effective from 1 April 2015
 - Two year period with option to extend to September 2018 informed by developments with I-SEM
 - Draft proposals broadly aligned to proposals put forward by PPB in August 2014
- Public consultation closed on 14 May 2015 and final proposals are expected shortly

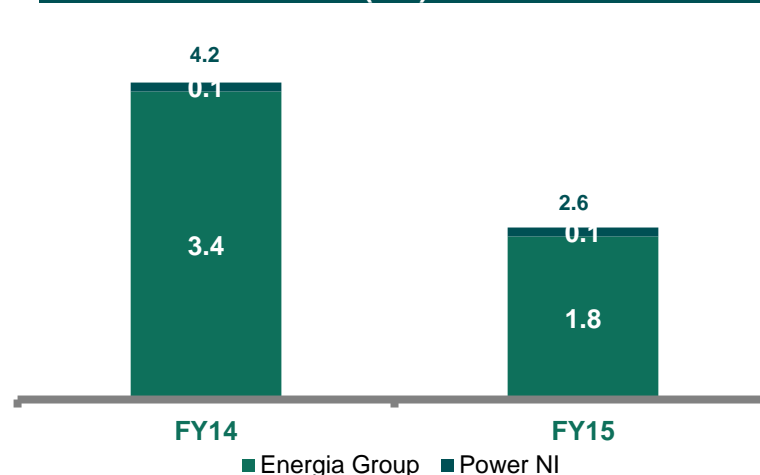
Financial summary – Year Ended 31 March 2015

Encouraging performance across all businesses

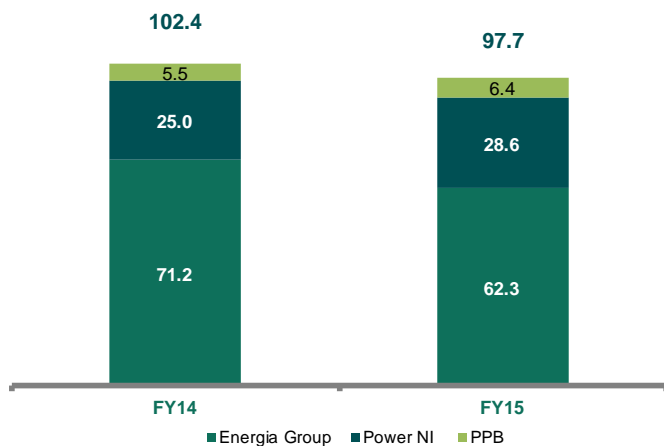
Revenue (£m)^(a)



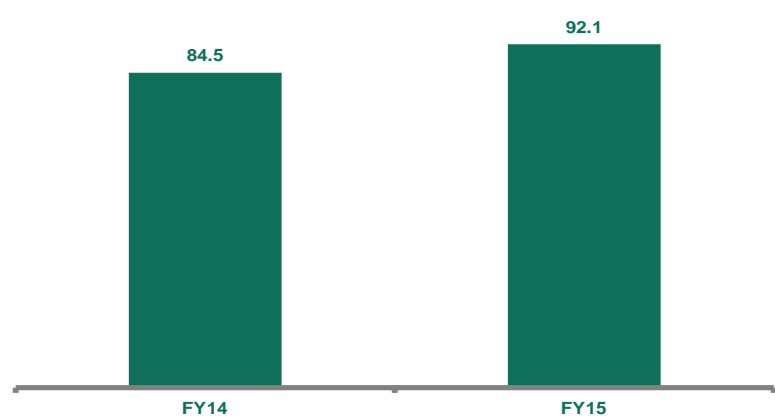
Capital Expenditure for continuing operations (£m)^(c)



Pro-forma EBITDA (£m)^(b)



Pro-forma cash flow before interest & tax (£m)^(d)



(a) Revenue is based on regulated entitlement and excludes external revenue of renewable windfarm assets

(b) Pro-forma EBITDA is EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and Arcapita advisory fees and excluding earnings from renewable wind farm assets £2.8m in FY15 and £0.4m loss in FY14.

(c) Excludes capital expenditure on renewable wind farm assets of £28.1m in FY15 and £19.3m in FY14. Total includes other group capex of £0.7m in FY15 and £0.7m in FY14

(d) Pro-forma cash flow before interest and tax defined as Pro-forma EBITDA, less pension charges, plus movements in provisions and working capital (inc purchase of and proceeds from sale of other intangibles), less gross capex (excluding capex of renewable wind farm assets) and exceptional items and including the effects of FX

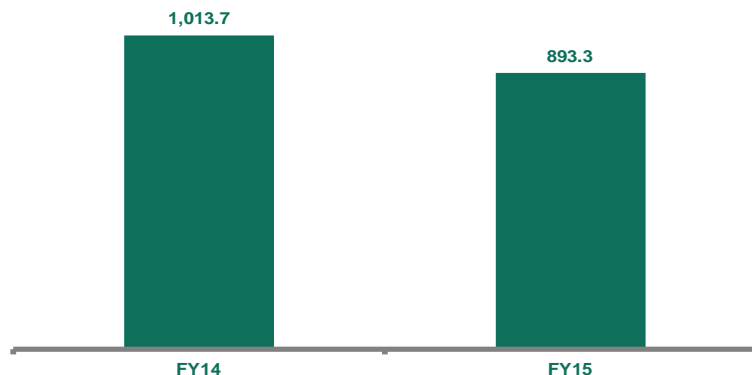
Energia Group KPIs



	FY14	FY15
Energia Group		
Availability (%)		
Huntstown 1	100.0	100.0
Huntstown 2	98.8	97.3
Unconstrained utilisation (%)		
Huntstown 1	1.0	2.3
Huntstown 2	24.7	24.8
Incremental impact of constrained utilisation (%)		
Huntstown 1	4.0	15.8
Huntstown 2	17.3	3.1
Energia electricity sales (TWh)	5.2	5.0
Energia gas sales (therms million)	64	68
Total customers (No.)		
Non-residential	65,300	61,300
Residential	10,000	56,000
Wind farm operational PPA contracts (MW)		
Average capacity during the period	607	727
Period end capacity – at 31 March	687	778

Energia Group financial highlights – Year Ended 31 March 2015

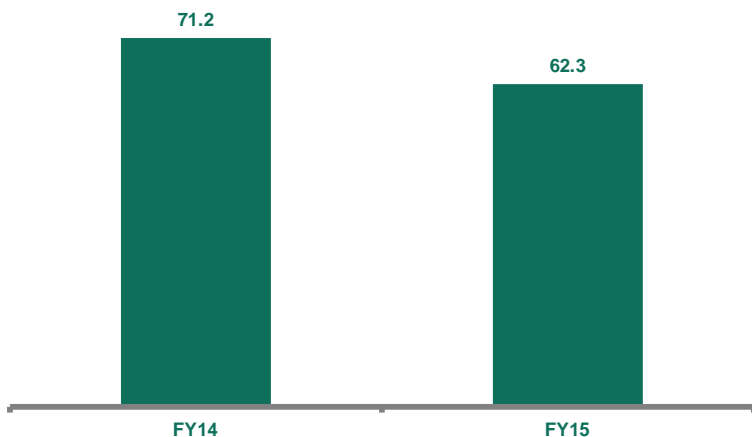
Revenue (£m)



Revenue for Year Ended 31 March 2015 decreased from £1,013.7m to £893.3m reflecting:

- Lower business electricity sales volumes and prices;
- Impact of foreign exchange translation;
- Lower interconnector trading;
- Lower renewable PPA revenues; and
- Lower business gas sales volumes; partly offset by
- Higher RoI residential sales revenues

Pro-forma EBITDA (£m)^(a)



Pro-forma EBITDA for Year Ended 31 March 2015 decreased from £71.2m to £62.3m reflecting:

- Lower contribution from renewable PPAs;
- Impact of foreign exchange translation; and
- Costs associated with entering the RoI residential market; partly offset by
- Lower operating costs

(a) Pro-forma EBITDA excludes EBITDA from renewable wind farm assets of £2.8m in FY15 and £0.4m loss in FY14

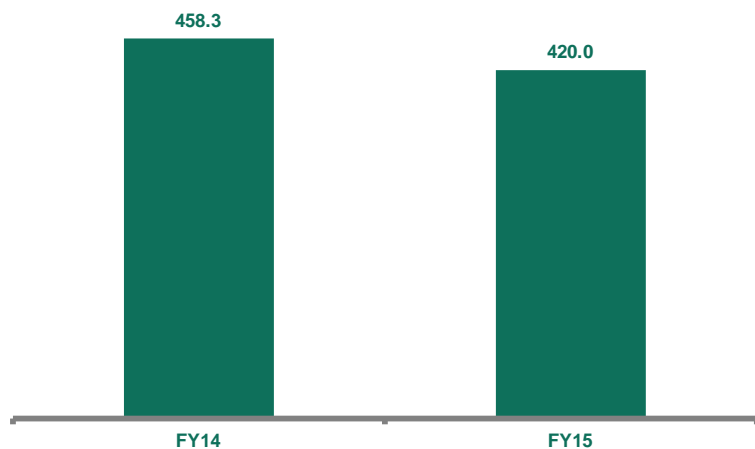
Power NI KPIs



	FY14	FY15
Power NI		
Power NI electricity sales (TWh)	3.0	2.9
Power NI customer sites (No.)		
Residential	562,000	545,000
Non-residential	37,000	37,000

Power NI financial highlights – Year Ended 31 March 2015

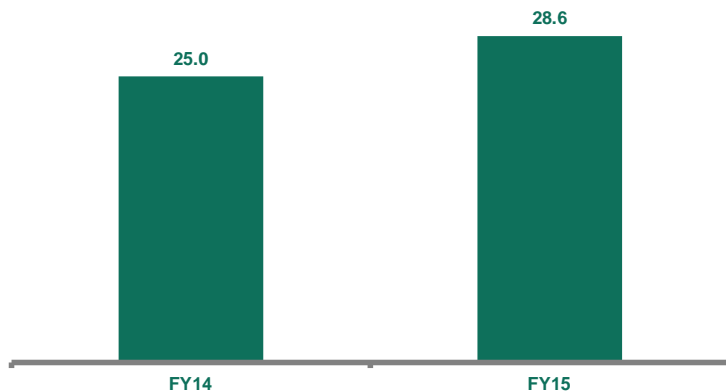
Revenue (£m)^(a)



Revenue for Year Ended 31 March 2015 decreased from £458.3m to £420.0m reflecting:

- Reduction in residential customer numbers;
- Lower consumption; and
- Lower market prices; partly offset by
- Higher unregulated sales volumes

Pro-forma EBITDA (£m)^(a)



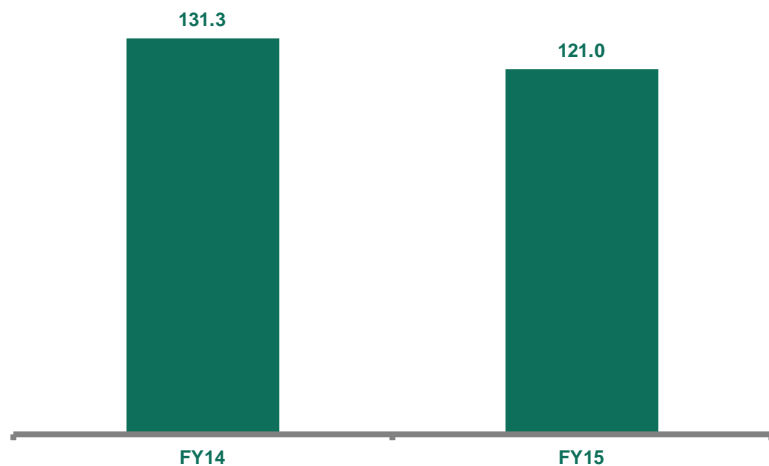
Pro-forma EBITDA for Year Ended 31 March 2015 increased from £25.0m to £28.6m reflecting:

- Higher unregulated sales;
- Higher contribution from small scale renewable PPAs; and
- Lower operating costs (notwithstanding VSS costs)

(a) Based on regulated entitlement

PPB financial highlights – Year Ended 31 March 2015

Revenue (£m)^(a)



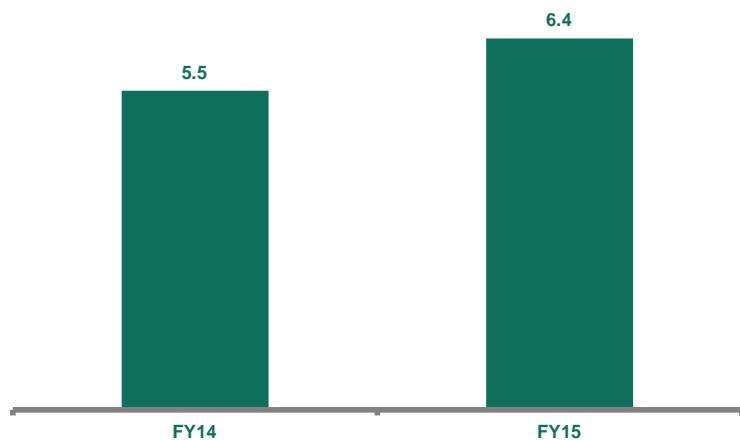
Revenue for Year Ended 31 March 2015 decreased from £131.3m to £121.0m reflecting:

- Lower market prices; offset by
- Higher utilisation of the Ballylumford plant

Pro-forma EBITDA for Year Ended 31 March 2015 was £6.4m (2014 - £5.5m) reflecting:

- Timing of the recovery of regulatory incentive allowances; and
- Lower operating costs

Pro-forma EBITDA (£m)^(a)



(a) Based on regulated entitlement

Group cash flow summary

(£m)	FY14	FY15
Pro-forma EBITDA^(a)	102.4	97.7
Defined benefit pension charge less contributions paid	(1.5)	(0.5)
Changes in working capital ^(b)	(8.7)	0.4
Effects of FX	(0.2)	(2.9)
Exceptional items	(3.3)	-
Pro-forma cash flow from operating activities	88.7	94.7
Net capital expenditure ^(c)	(4.2)	(2.6)
Pro-forma cash flow before interest and tax	84.5	92.1
Net movement in security deposits	1.1	-
(Under)/over-recovery of regulated entitlement	(2.4)	30.2
Equity investment in in-development windfarm assets	(15.1)	(8.6)
Pro-forma cash flow before interest, tax and acquisitions and disposals	68.1	113.7

Note:

- (a) Pro-forma EBITDA is defined as EBITDA before exceptional items and Arcapita advisory fees and adjusted for over/under-recovery of Viridian's regulated business against their regulated entitlement and excludes EBITDA from Viridian's wind farm assets of £2.8m in FY15 (FY14 - £0.4m loss).
- (b) Includes proceeds from sale and purchase of other intangibles which related to trading activities with respect to emissions allowances and ROCs and excludes changes in working capital from Viridian's wind farm assets of £2.0m increase in FY15 (FY14 - £0.3m increase).
- (c) Net capex excludes capex on renewable windfarm assets of £28.1m in FY15 (FY14 - £19.3m).

Net debt

Net debt (£m) As at	31 Mar 14	31 Mar 15
Cash and investments	(24.9)	(70.1)
Senior secured notes due 2017	346.5	-
Senior secured notes due 2020	-	425.2
Subordinated shareholder loan ^{1,2}	382.9	356.9
Junior bank facility asset ¹	(144.8)	(162.6)
Amount due from fellow subsidiary	-	(0.2)
Interest accruals	1.2	4.7
Senior net debt	560.9	553.9
Project finance cash	(2.8)	(3.8)
Project finance bank facilities	16.6	37.0
Total net debt	574.7	587.1

¹ Subordinated shareholder loan and junior bank facility asset at 31 March 2014 net to £194.3m (31 March 2014 net to £238.1m). Junior facility A held on balance sheet of the Company's parent VGHL at 31 March 2015 was £141.2m (31 March 2014 - £203.6m)

² Subordinated shareholder loan at 31 March 2015 split between non-interest bearing £182.8m (31 March 2014 - £160.3m) and interest bearing £174.1m (31 March 2014 - £222.6m) which accrues interest on a payment in kind basis

- Senior net debt was £553.9m at 31 March 2015 (31 March 2014 - £560.9m)
 - Cash and investments increased to £70.1m (31 March 2014 - £24.9m) reflecting positive cash generation and over-recovery of regulated entitlement in the year;
 - Senior secured notes due 2017 were refinanced through the issuance of senior secured notes due 2020;
 - Decrease in subordinated shareholder loan since March 2014 reflects a repayment of £64.1m from the proceeds of the issue of senior secured notes due 2020 (subsequently used to part prepay VGHL's Junior Facility A) partly offset by the unwinding of the discounted fair value; and
 - Increase in junior bank facility asset reflects the unwinding of the discounted fair value

- Encouraging set of results for the Year Ended 31 March 2015 which were in line with expectations and previous guidance

- Outlook:
 - Renewable PPA pipeline continues to be delivered
 - Continued managed growth in the residential supply market in the RoI
 - Current phase of renewable asset investment proceeding according to plan
 - Positive outcome expected on PPB's new price control
 - Challenging competitive environment in the business electricity supply market
 - Potential reduction in capacity payment pot for calendar year 2016 – consultation ongoing
 - I-SEM detailed design phase continues – go-live expected Q4 2017

Investor relations

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