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VIRIDIAN

Results presentation

Year ended 31 March 2012

19 June 2012

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Forward looking statements

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Highlights

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- Strong set of results underpinned with by a solid performance across all businesses
- Pro-forma EBITDA* increased to £111.3m (2011 - £101.7m) underpinned by growth in renewables
- Pro-forma cash flow before interest and tax** increased to £108.8m (2011 - £84.8m)
- Pro-forma net senior leverage was 3.6x at 31 March 2012
- Key developments since bond issuance in March 2012:
  - Huntstown 2 planned outage successfully completed on 3 April 2012
  - Power NI Enduring Solution IT project go-live in May 2012
  - Carbon revenue levy ended 25 May 2012
  - PPB price control agreed for three years April 2012 to March 2015
  - Completed the second stage sale of operational and in-construction wind farm assets to AMP enabling repayment of bridge loan and c£24m part repayment of Junior facility

* *EBITDA based on regulated entitlement, before exceptional items and excluding earnings from renewable wind farm assets*

** *Cash flow before interest and tax for continuing operations and before movement in security deposits and over/(under)-recovery of regulated entitlement*

Strategic focus on maintaining leading market position and capturing profit opportunities across the value chain

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- The Group's strategy is focused on leveraging its integrated business model to maintain and enhance its position as a leading independent all-island energy utility and to capture available margin arising in all parts of the value chain in all its businesses both regulated and unregulated.

- Management is focused on the following five strategic objectives underpinning Viridian's strategy:
  - improve profitability and maintain stable cash flows;
  - maintain high availability of generation plants;
  - continue to drive growth through expansion in renewables;
  - focus on customer retention; and
  - maintain active engagement with regulators and key lobby groups.

Energia Group business developments

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Growth in windfarm portfolio

- Average contracted renewable generation capacity was 407MW (2011 – 283MW) with 446MW at 31 March 2012 (2011 – 309MW)
- 135MW of contracted capacity currently in construction
- 260MW of capacity in development expected to become operational in the next three years including direct investment in 80MW of in-development windfarm capacity

Review of the Capacity Payment Mechanism (CPM)

- Regulatory authorities published the CPM Medium Term Review decision on 6 March 2012
- Cost of a Best New Entrant peaking plant to be calculated for calendar year 2013 and to remain in place for 3 years
- Consultation issued proposing capacity pot to remain at c€528m for 2013
- Capacity requirement calculated annually

Carbon revenue levy ended

- Carbon revenue levy originally scheduled to run to 31 December 2012
- RoI Government repealed the legislation enabling the levy
    - levy ended on 25 May 2012

Energia Group business developments (cont'd)

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Increased availability of Huntstown plants with reduction in utilisations

- Availability of both Huntstown 1 and 2 increased over the previous year as a result of the timing of outages
- Utilisations decreased for both plants as a result of:
  - Full year impact of Whitegate CCGT commissioned in November 2010
  - Higher wind factors
  - Coal/gas price switch from November 2011

Electricity market shares maintained

- Energia continues to supply c28% share of the business electricity market with c61,400 customers (2011 – 59,900)
- Electricity sales volumes decreased to 5.7TWh (2011 – 5.9TWh) reflecting lower customer consumption

Sale of operating and in-construction windfarm assets

- 14 March 2012 – completed the disposal of operating and in-construction windfarm assets to an affiliated entity outside the restricted group
  - Sale of 100% of VRL and 50% of EWP
- 15 June 2012 – sale of 80% of VRL and 75% of EWP to AMP Capital Partners completed
  - Proceeds used to repay bridge loan and c£24m* prepayment to junior lenders
  - Remaining 20% of VRL transferred back to VP&EH

* *Based on prevailing Sterling/Euro exchange rates*

Power NI business developments

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Price Control

- New 2 year price control agreed on 20 January 2012
- Effective from 1 April 2012
- Structure similar to previous price control

Tariff Deregulation

- NIAUR decision paper published 18 May 2012
- No significant deregulation of the NI retail market anticipated during next few years
- Price controls remain in place for residential customers and commercial customers with annual consumption < 150MWh

Competition

- Continued competition from Airtricity and since August 2011, Budget Energy
- Residential customer numbers reduced to c666,000 (2011 – 732,000) with a market share of c89% (2011 – c97%) by volume

Enduring Solution Project

- Joint IT project with NIE to separate NIE and Power NI customer records
- System go-live achieved in May 2012

Rebranding

- NIE Energy Supply rebranded as Power NI on 25 July 2011
    - Rebranding driven by requirements of EU's third legislative package (IME3) together with the Group's sale of NIE in 2010

PPB business developments

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Price Control

- New three year price control effective from 1 April 2012
  – Structure similar to previous price control reflecting reduction in capacity under contract
- PPB accepted NIAUR’s proposals on 10 May 2012
  – Licence modifications required to reflect the new price control are expected to be incorporated shortly

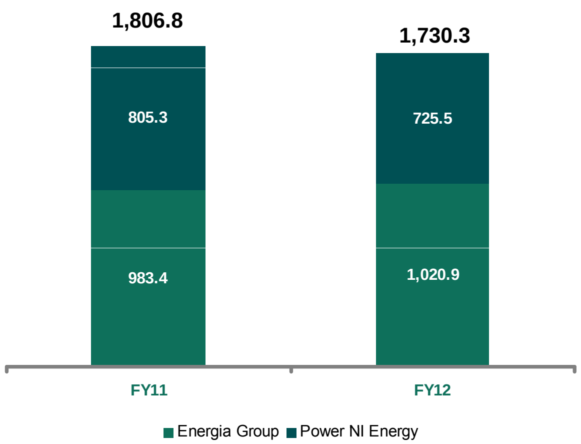
Contracted capacity

- 180MW generating unit agreement with Ballylumford expired on 31 March 2012
- Capacity currently under contract 832MW
- NIAUR to exercise cancellation rights in respect of 232MW of capacity under contract from 1 November 2012

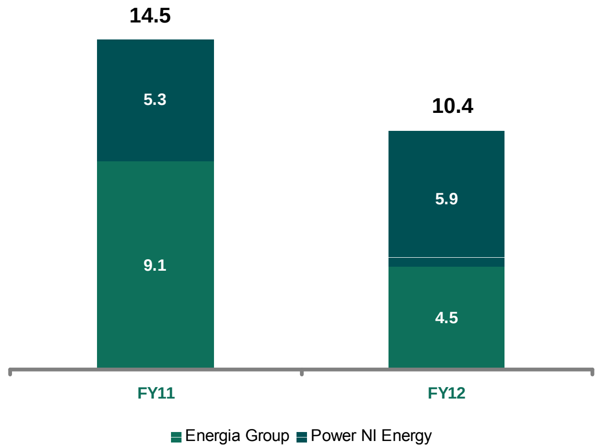
Financial highlights

Solid performance across all businesses

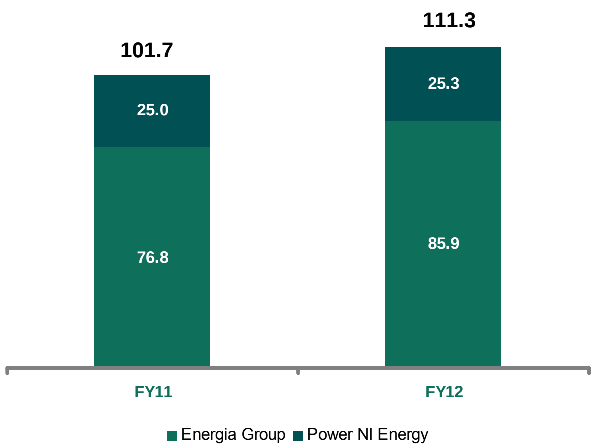
Turnover (£m)(a)



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



Pro-forma EBITDA (£m)(b)



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

(a) Turnover is based on regulated entitlement and excludes external turnover from renewable wind farm assets of £0.7m in FY12 and £1.4m in FY11.

(b) Pro-forma EBITDA is EBITDA based on regulated entitlement, before exceptional items and excluding earnings from renewable wind farm assets of £5.4m in FY12 and £2.2m in FY11.

(c) Excludes capital expenditure on renewable wind farm assets of £40.4m in FY12 and £34.3m in FY11.

(d) Pro-forma cash flow before interest and tax defined as Pro-forma EBITDA from continuing operations, less pension charges, plus movements in provisions, NWC (excl. NWC in respect of renewable wind farm assets) and security deposits, plus over/(under)-recovery, FX effects, and less gross capex (excluding capex of renewable wind farm assets), less purchase of, plus proceeds from sale of other intangibles, less exceptional items and other (Arcapita advisory fees).

Energia Group KPIs: continued strong operational performance

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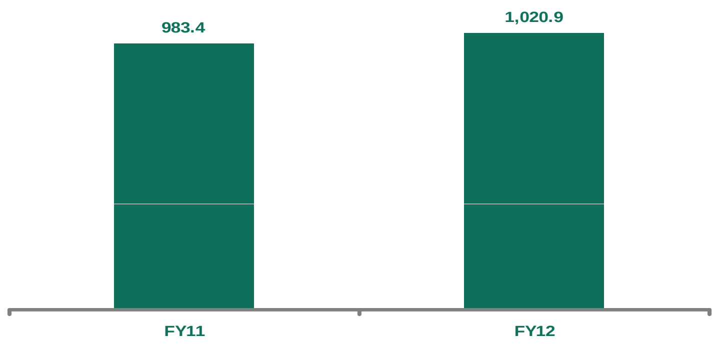
	FY11	FY12
Energia Group		
Availability (%)		
Huntstown 1	91.8	93.3
Huntstown 2	93.0	94.1
Utilisation (%)		
Huntstown 1	76.4	54.2
Huntstown 2	86.8	74.5
Energia electricity sales (TWh)	5.9	5.7
Energia natural gas sales (therms million)	91	74
Wind farm operational PPA contracts period end capacity (MW)	309	446
Wind farm operational PPA contracts average period capacity (MW)	283	407

Energia Group financial highlights

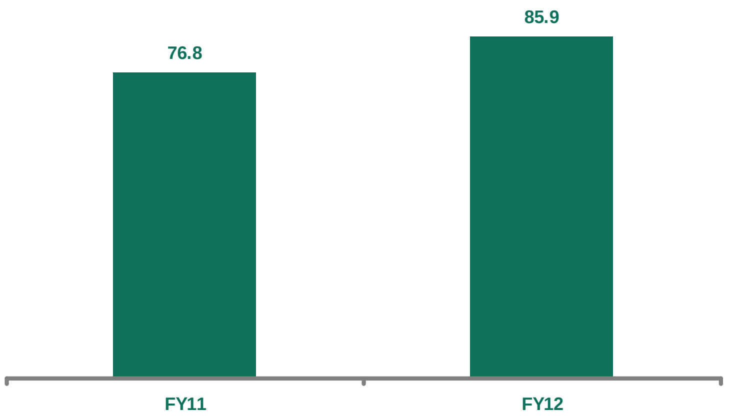
Turnover (£m)[a]



Turnover increased to £1,020.9m reflecting:

- Higher wholesale electricity and gas prices;
- Increased turnover from renewable PPAs due to commissioning of new capacity and higher wind factors; partly offset by
- Lower electricity and gas sales volumes
- Lower Huntstown plant utilisations

Pro-forma EBITDA (£m)[b]



Pro-forma EBITDA increased to £85.9m reflecting:

- Higher profitability from renewable PPAs resulting from commissioning of new capacity, higher wind factors and higher wholesale electricity prices;
- Higher availability of Huntstown plants (together with lower O&M costs);
- Higher retail electricity margins;
- Benefit of foreign exchange translation; partly offset by
- Lower Huntstown plant utilisations

(a) Turnover excludes external turnover from renewable wind farm assets £0.7m in FY12 and £1.4m in FY11.

(b) Pro-forma EBITDA excludes EBITDA from renewable wind farm assets of £5.4m in FY12 and £2.2m in FY11.

Power NI KPIs: continued competition in the market

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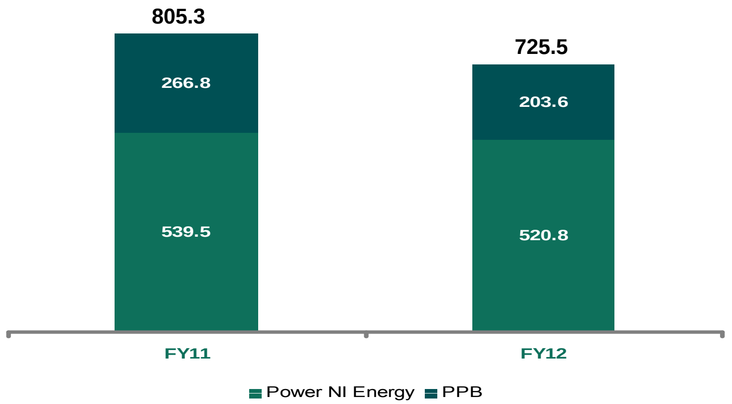
	FY11	FY12
Power NI		
Power NI electricity sales (TWh)	4.1	3.6
Power NI customer sites	768,000	703,000
- Residential	732,000	666,000
- Non-residential	36,000	37,000
Market share of NI electricity sales (%)		
- Residential	97	89
- Non-residential	19	16

Power NI Energy financial highlights

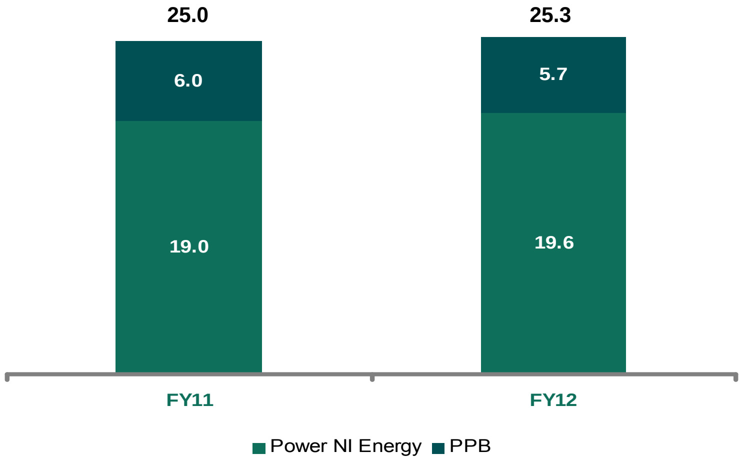
Turnover (£m)[a]



Power NI

- Turnover reduced to £520.8m from £539.5m reflecting reduction in electricity sales volume partly offset by an increase in electricity tariffs
- Pro-forma EBITDA increased to £19.6m – reflecting higher gross margin contribution from renewable PPAs partly offset by higher operating costs associated with rebranding of the business

Pro-forma EBITDA (£m)[a]



PPB

- Turnover reduced to £203.6m in FY12 from £266.8m in FY11 reflecting full year impact of Kilroot contract cancellation on 1 November 2010
- Pro-forma EBITDA decreased to £5.7m reflecting higher operating costs due to recovery of certain prior year costs in 2011

(a) Based on regulated entitlement

Group cash flow summary

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(£m)	FY11	FY12
Pro-forma EBITDA[(a)]	**101.7**	**111.3**
Defined benefit pension charge less contributions paid	(1.2)	(1.0)
Net movement in provisions	(0.7)	-
Changes in working capital[(b)]	24.2	20.2
Effects of FX	0.9	1.7
Exceptional items	(19.5)	(11.1)
Pro-forma cash flow from operating activities	**105.4**	**121.1**
Capital expenditure used in continuing operations[(c)]	(14.5)	(10.4)
Proceeds from sale of and purchase of other intangibles[(d)]	(3.1)	1.1
Other[(e)]	(3.0)	(3.0)
Pro-forma cash flow before interest and tax	**84.8**	**108.8**
Net movement in security deposits	(3.4)	(34.3)
Over / (under)-recovery of regulated entitlement	21.2	(14.6)
Cash flow before interest and tax	**102.6**	**59.9**

Note: Year end 31 March

Certain line items from Viridian's cash flow statements, including cash flow from financing activities, cannot be divided between continuing and discontinued operations. Therefore, a full comparison of the results of the cash flow from the Group's continuing operations for FY11 is not possible.

(a) Pro-forma EBITDA is defined as EBITDA from continuing operations before exceptional items and adjusted for over/under-recovery of Viridian's regulated business against their regulated entitlement and excludes EBITDA from Viridian's owned ring-fenced wind farm assets of £5.4 for FY12 and £2.2 million for FY11, and Arcapita advisory fees of £3.0 million in both FY12 and FY11.

(b) Excludes net working capital in respect of renewable wind farm assets of £4.4 million decrease in FY12 and £1.4 million increase in FY 11.

(c) Gross capex excludes investments in renewables of £40.7 million in FY12 and £34.3 million in FY11.

(d) Related to trading activities with respect to emissions allowances and ROCs.

(e) Arcapita advisory fees.

Cash flow movements

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Changes in working capital

- Net reduction in working capital of £20.2m primarily due to:
  - Energia Group reduction of £0.4m
  - Power NI reduction of £13.8m
  - Other reduction £6.0m

Exceptional items

- Exceptional cash outflows of £11.1m (2011 - £19.5m) consist of carbon revenue levy payments - £11.1m (2011 - £7.3m) and pension settlement payments of £12.2m in 2011
  - Carbon levy ended 25 May 2012

Gross capital expenditure

- Gross capex (excl. investments in renewables) reduced to £10.4m (2011 - £14.5m) primarily due to:
  - Energia Group: timing of planned outages at Huntstown 1 in line with requirements of maintenance agreements; partly offset by
  - An increase in capital expenditure on the Enduring Solution project, an IT project to separate Power NI and NIE customer records and remove the current restrictions on residential customer switching inherent in the legacy systems. Project go-live achieved in May 2012

Cash flow movements (cont'd)

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Net movement in security deposits

- Net movement in security deposits was an outflow of £34.3m (2011 - £3.4m) as a result of the replacement of LOCs with cash deposits
  - Requirement driven by maturity of Senior bank facility prior to extension of facility in December 2011
  - Following issue of Notes in March 2012 and refinancing of the Group, security deposits have been replaced with LOCs under new SRCF.
    - Post year end £36.8m of security deposits have been returned to the Group and been replaced with LOCs

Over/ (under) recovery in regulated entitlement

- Regulated businesses of Power NI and PPB under-recovered by £14.6m (2011 – over-recovered £21.2m) against regulated entitlement
  - Due to phasing of regulated tariffs
- Cumulative under-recovery against regulated entitlement at 31 March 2012 was £13.0m
- Tariffs set to recover under-recovery over the next six months subject to movement in fuel prices

Pro-forma net senior leverage

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Pro-forma net senior leverage		
	At 31 March 2012 (£m)	x EBITDA[(a)]
Cash and investments	(35.4)	
Security deposits replaced with LOCs post year end	(36.8)	
Senior secured notes (gross of OID and fees capitalised)	420.2	
Senior RCF	55.0	
Net Senior Secured Debt	**403.0**	**3.6x**

(a) Based on pro-forma EBITDA of £111.3m for FY12

Net debt

Net debt	
	At 31 March 2012 (£m)
Cash and investments	(35.4)
Senior Secured Notes	380.9
Senior RCF	55.0
Subordinated shareholder loan	634.7
Junior bank facility asset	(336.9)
Interest accruals	3.4
Net debt	**701.7**

Conclusion

- Strong set of results underpinned with by a solid performance across all businesses

- Outlook:
  - New capital structure established
  - Price controls settled for Power NI and PPB for 2 and 3 years respectively
  - Renewable PPA pipeline continues to be delivered
  - Reasonable clarity on medium term outlook for capacity payments regime
  - Low coal and carbon prices and continue to affect gas plant utilisations
  - Retail margin contribution continues to be sustained
  - Carbon revenue levy no longer applies

Investor relations

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