21 October 2014

The Renewables Infrastructure Group Limited

Interim Management Statement

The Renewables Infrastructure Group Limited ('TRIG' or the 'Company'), the listed renewable energy infrastructure investment company, is issuing this Interim Management Statement ('IMS') in accordance with FCA Disclosure and Transparency Rule 4.3. This statement relates to the period since 1 July 2014. References to the Group below refer to the Company and its wholly-owned corporate subsidiaries.

Highlights for the period since 1 July 2014

- Acquisition of three solar PV electricity generating projects, approximately doubling TRIG's solar PV capacity to 119 MW;

- Successful equity raising of £38.6 million via an oversubscribed tap issue;

- Continued benefits of portfolio diversification coming through – low British Isles wind speeds over the summer months, mitigated in part by strong solar production;

- Payment of a first interim dividend of 3.0 pence per share in respect of the six months to 30 June 2014. On target to declare a second interim dividend of 3.08 pence per share in respect of the six months to 31 December 2014; and

- Progress on a broad pipeline of further investment opportunities in TRIG's target markets with an expectation of further equity issuance in the near term.

Helen Mahy, Chairman of The Renewables Infrastructure Group Limited, said:

"A year on from IPO, TRIG is continuing its robust performance and the Company looks forward to further portfolio expansion and diversification. The Board appreciates the support of its shareholders who are attracted by TRIG's delivery of stable dividend returns linked to inflation as well as the potential for capital growth from reinvestment of surplus cash flows."

Richard Crawford, Director, Infrastructure of InfraRed Capital Partners, said:

"TRIG's strategy of investing across multiple technologies and markets is proving itself with its large and diversified portfolio balancing production in a wide range of weather conditions. Looking ahead, we are well-positioned to source further projects for TRIG from a range of suitable opportunities in the onshore wind and solar PV segments."

Portfolio - Acquisitions

In August TRIG acquired 100% interests in three large-scale ground-mounted fully operational solar PV generating projects, on agricultural sites in the South and East of England with an aggregate generating capacity of 56.6MW, for consideration of £73.7 million, subject to certain performance adjustments. All three projects have received ROC accreditation at 1.6 ROCs per MWh.

The projects do not have project-level debt, although in due course TRIG may introduce project-level debt and/or sell down a minority interest in the projects to optimise the capital structure and enhance overall returns to the Group.

These acquisitions, funded by the Group's cash resources and utilising the revolving acquisition facility, bring the overall portfolio to 27 projects with approximately 398 MW generating capacity (the largest among UK listed investment companies) and approximately doubles TRIG's solar PV capacity to 119 MW, now representing 39% of the portfolio by value.

Portfolio - Performance

In the third quarter portfolio performance was beneath long term average expectations, as a result of low wind in the British Isles where production was more than a fifth down on expectations. Solar performed strongly and, with further mitigation from the French wind portfolio, TRIG's total production for the quarter was within 15% of long term average expectations and within 3% for the last four quarters as a whole.

A degree of variability in electricity production levels is to be expected from period to period and from site to site due to reliance on actual weather conditions. However, the benefits of diversification continue to be in evidence in TRIG's production performance, with offsetting factors in terms of both geography and weather source.

There are no other material operating issues to report.

Portfolio - Valuation

A number of power forecasters have materially reduced their wholesale power price projections, based on a number of factors including the build-up of Liquefied Natural Gas (LNG) supply influencing gas prices and a lower expectation for carbon prices combined with a near term reduction in demand resulting from warmer-than-usual weather conditions in Europe over the last 12 months.

At the same time, there is evidence that strong demand for income-producing infrastructure assets, including renewable energy infrastructure projects as the secondary market matures, has resulted in a reduction in prevailing discount rates for operating projects which partially offsets the changes in power price forecasts.

The weighted average portfolio discount rate used to value the portfolio at 30 September 2014 was 9.1%, down from 9.6% at 30 June, resulting from a combination of lowering discount rates in the market and the addition of ungeared solar projects to the portfolio.

Netting off all factors contributing to the valuation – notably generation in the quarter, future power price expectations and market discount rates – the Investment Manager has calculated TRIG's unaudited net asset value (NAV) per share at 30 September 2014 to be 100.2 pence. This represents an increase in NAV per share of 0.9 pence since 30 June 2014 after adjusting for the interim dividend of 3.0 pence per share paid in September.

Outlook – Acquisition Pipeline

The Investment Manager, InfraRed Capital Partners, continues to evaluate a selection of new investment opportunities for the Group from its pipeline of opportunities in both onshore wind and solar PV that meet the Company's Investment Policy to create further scale and diversification of the portfolio. TRIG is in exclusive and advanced discussions currently to acquire further investments in several projects.

TRIG notes the recent announcements regarding the new UK Government programme for Contracts-for-Difference (CfD) intended to underpin a large portion of additional capacity in the UK renewables market, and replacing the programme for Renewables Obligation Certificates (ROCs) for new projects. The solar PV market is expected to be most affected by this in the year ahead, with any larger projects above 5 MW in capacity unable to be grid-connected by 31 March 2015 (and therefore unable to qualify for ROCs) having to compete for a limited budget of support under the CfD programme. While further large-scale ground-mounted projects may be successful in winning allocations under the CfD programme, some shift in volume of new delivered capacity towards smaller-scale and rooftop projects is likely. Further onshore wind projects are still expected to qualify for ROCs for new connections up to March 2017.

Elsewhere, and as referred to in the interim results, the Irish Single Electricity Market (SEM) is going through a period of re-design to bring it into line with the European Electricity Target Model by 2016. TRIG continues to monitor this for any potential effects on the SEM market. The Company also notes the further support given this month to the renewable energy market in France following the National Assembly's consent to the text for France's energy transition bill. France is currently targeting 32% of its energy consumption to be sourced from renewables by 2030. If passed into law in 2015, the bill is expected, among other enhancements, to ease approvals processes for new renewables developments including onshore wind.

Outlook – Equity Raising and Acquisition Facility

Given the exclusive discussions underway as well as TRIG's broader acquisition pipeline, the Company is contemplating a further equity raising in the near term which may form part of a share issuance programme subject to shareholder approval. Further details on this fund-raising plan will be published in due course. In addition, TRIG is considering increasing the size of its acquisition facility, should this be required to facilitate acquisitions currently under review.

Calendar

TRIG will announce its annual results for the year to 31 December 2014 in February 2015, together with its second interim dividend for year to 31 December 2014 which is targeted to be 3.08 pence per share, an increase over the first interim dividend for 2014 of 3.0 pence per share, incorporating an adjustment for inflation as expected.

Ends

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NOTES TO EDITORS:

The Renewables Infrastructure Group Limited (TRIG)

TRIG is a leading renewable energy infrastructure company delivering long-term, stable dividends from a diversified portfolio of onshore wind and solar photovoltaic projects in the UK and Northern Europe. The Company is seeking to provide investors with long-term, stable dividends, while preserving the capital value of its investment portfolio through re-investment of surplus cash flows after payment of dividends. TRIG is targeting an initial annualised dividend of 6.16 pence per Ordinary Share in aggregate for the 12 months to 30 June 2015 and aims to increase this dividend progressively in line with inflation over the medium term.

TRIG currently owns a portfolio of 27 wholly-owned assets in the UK, France and the Republic of Ireland. Of these, 11 are solar PV parks and 16 are onshore wind farms. The Group is progressing further suitable investment opportunities which fit its stated Investment Policy.

Further details can be found on TRIG's website at www.trig-ltd.com.

Investment Manager

TRIG's Investment Manager is InfraRed Capital Partners Limited (InfraRed). InfraRed is an independent investment business, managing a range of infrastructure and real estate funds and investments. It has a strong record of delivering attractive returns for its investors, with total equity under management of more than US$ 7 billion.

InfraRed currently has staff of over 100 employees and partners, based mainly in offices in London and with smaller offices in Paris, Sydney, Hong Kong and New York. The infrastructure investment team within the InfraRed Group currently consists of over 50 investment professionals, all of whom have an infrastructure investment background and a broad range of relevant skills, including private equity, structured finance, construction, renewable energy and facilities management.

Since 1998, InfraRed has launched 15 funds including two companies listed on the London Stock Exchange: HICL Infrastructure Company Limited (HICL) and The Renewables Infrastructure Group Limited (TRIG). To date, six of these funds have been completely or materially realised.

The InfraRed Group has a long and successful proven track record in sourcing, structuring, acquiring, managing and financing infrastructure equity investments. It has been responsible for over 160 infrastructure equity investments for the InfraRed Group (including predecessor organisations) and its funds to date.

InfraRed Capital Partners Limited is authorised and regulated by the Financial Conduct Authority.

Operations Manager

The Operations Manager of the Group is Renewable Energy Systems Limited (RES). RES is one of the world's leading renewable energy developers, with extensive experience in developing, financing, constructing and operating renewable energy infrastructure projects globally across a wide range of low carbon technologies including wind, solar and biomass.

RES has been at the forefront of wind energy development for over 30 years. Since incorporation, RES has developed and/or constructed more than 140 individual wind farms and PV parks around the world with a combined capacity of over 8,000 MW.

In recognition of extraordinary business success in growing revenues from international markets, RES was awarded its second Queen's Award for Enterprise in 2013, this time for International Trade. Today, projects developed and/or built by RES are contributing to meeting the needs of a rapidly-evolving energy market and, in doing so, are actively contributing to a more sustainable world.

RES's global headcount totals over 1,000 staff based in thirteen countries across five continents.

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