Green Investment Bank

Mobilising institutional investment in offshore wind

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Offshore wind specialist with a proven track record

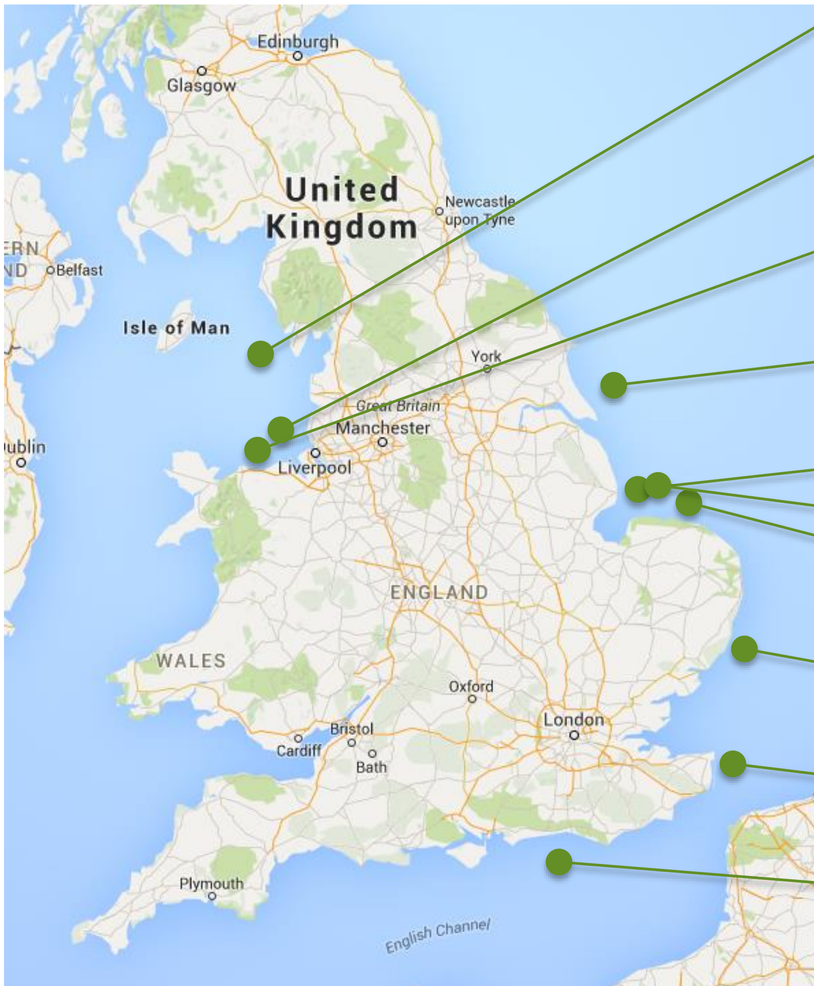
In four years, GIB has deployed £2,261m of capital and continued to innovate by developing precedent transaction structures and products

Completed Transactions	Product	Phase	GIB Investment	Partners		Innovation
Lincs	Equity	Operational	£681m	DONG energy		
Lynn and Inner Dowsing	Equity	Operational	£242m	EIG Global Energy Partners, BlackRock, centrica	1st	✓ 100% owned by non-utility investors
Galloper	Equity	Construction	£119m	RWE, SIEMENS	1st	✓ Construction-ready offshore wind project finance deal
Rampion	Equity	Construction	£306m	e·on, ENBRIDGE	1st	✓ Construction financing at FID
Offshore Wind Fund	Fund	Operational	N/A		1st	✓ Offshore wind fund raising £1bn
Sheringham Shoal	Equity	Operational	£240m	Statoil, Statkraft		
Westermost Rough	Equity	Construction	£241m	Marubeni, DONG energy	1st	✓ Holdco financing in construction
Gwynt y Môr	Equity	Construction	£220m	RWE		
London Array	Debt	Operational	£59m	SMBC, kfw, SIEMENS, Bank of Tokyo-Mitsubishi UFJ		
Greencoat[1]	Fund	Operational	£50m	London Stock Exchange, SSE	1st	✓ Listing of OSW asset on the LSE
Rhyl Flats	Equity	Operational	£57m	GREENCOAT UK WIND		
Walney	Debt	Operational	£46m	Lloyds Banking Group, Santander, RBS The Royal Bank of Scotland, SIEMENS	1st	✓ Holdco re-financing minority stake
Total			**£2,261m**			

Notes 1. *Greencoat deal was committed by BIS and comprised a mix of onshore and offshore assets. The transaction was supported by GIB.*

We have more OSW turbines than any other UK investor

GIB has sight over more than 880 WTGs equating to over 3.3 GW of gross capacity



Walney
- Senior debt, operational financing
- 102 X 3.6 MW Siemens WTGs, 367.2 MW

Rhyl Flats
- 24.95% equity stake, operational investment
- 25 X 3.6 MW Siemens WTGs, 90 MW

Gwynt y Mor
- 10% equity stake, pre-CoD investment
- 160 X 3.6 MW Siemens WTGs, 576 MW

Westermost Rough
- 25% equity stake, construction investment
- 35 X 6 MW Siemens WTGs, 210 MW

Lynn and Inner Dowsing
- 61% equity stake, operational investment
- 54 X 3.6 MW Siemens WTGs, 194.4 MW

Lincs
- 75% equity stake, operational investment
- 75 X 3.6 MW Siemens WTGs, 270 MW

Sheringham Shoal
- 20% equity stake, operational investment
- 88 X 3.6 MW Siemens WTGs, 316.8 MW

Galloper
- 25% equity stake, FID construction investment
- 56 X 6 MW Siemens WTGs, 336 MW

London Array
- Senior debt, operational financing
- 175 X 3.6 MW Siemens WTGs, 630 MW

Rampion
- 25% equity stake, FID construction investment
- 116 X 3.45 MW MHI-Vestas WTGs, 400.2 MW

The largest dedicated Renewable Energy fund in Europe

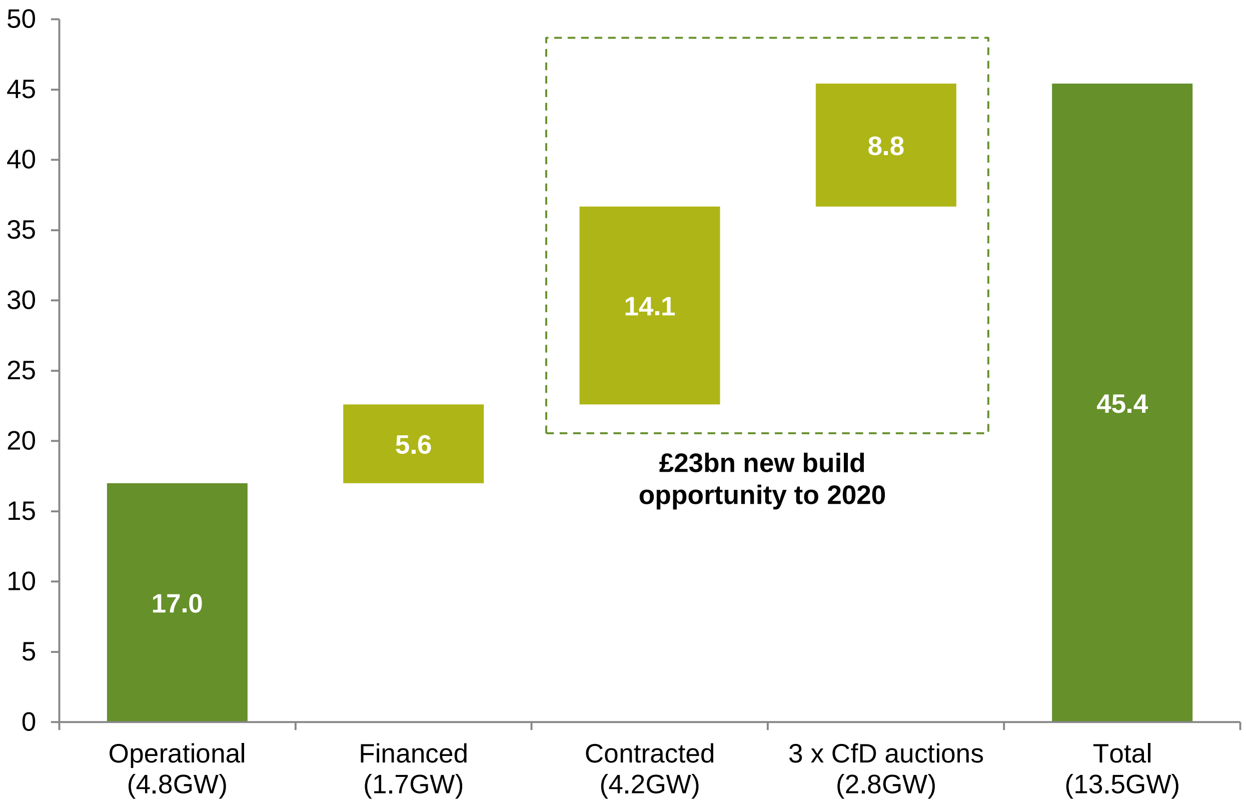
c. £1.1bn assets under management with investment in six assets

Fund Size	• £1bn target • GIB commitments of £200m • Total fund capital of £1.12bn, together with co-invest commitments
Investors	• Insurance company • UK Pension Funds • Sovereign Wealth Fund
Assets	• Six assets totalling 1.45 GW • Equity stakes in UK OSW unlevered operating assets
Fund Team	• Dedicated team of professionals with extensive experience in renewable energy investing • Access to GIB's team of experts and investment platform

UK offshore wind: a significant market opportunity

The UK is the largest and most advanced offshore wind market in the world, with a forward opportunity of eq.US$30bn, with strong government support

UK MARKET SIZE TO 2020



STRONG MARKET DRIVERS

1. **4GW of contracted projects**
2. **2 to 3 further CfD auctions before 2020**
3. **Cost reducing in line with targets**
4. **10GW of projects in 2020s**

New sources of capital sought for offshore wind

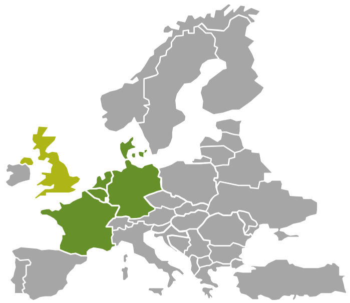
Historically dominated by balance sheet funding from the large utilities, but as balance sheet constraints bite, there is demand for new sources of capital

		Examples	Investor appetite	Development	Construction	Operations	Comments
EQUITY	Utilities	ScottishPower, Statkraft, DONG energy, e.on, sse, RWE, Statoil					Balance sheet / rating under pressure therefore looking to divest / co-invest
EQUITY	Industrials / strategic	Marubeni, Masdar (A Mubadala Company), Enbridge, Siemens					Increasing presence with appetite for construction risk. Preference for co-investors / partners
EQUITY	Public equity	Greencoat Capital, The Renewables Infrastructure Group					Little appetite for offshore wind at this stage. However, expected to change as secondary market develops
EQUITY	Direct institutional	CIP Copenhagen Infrastructure Partners, SDIC, PGGM					Building investment teams. However need experienced partners and co-investment opportunities. Some will take development risk, albeit limited
DEBT	20 project finance banks (including)	KfW IPEX-Bank, SMBC, Lloyds Banking Group, Santander, Bank of Tokyo-Mitsubishi UFJ (MUFG)					Continued appetite as liquidity has returned and experience with construction risk increases.

Compelling opportunity to expand internationally

UK Green Investment Bank is well placed to leverage its UK experience and relationships to expand into the growing markets of north-west Europe, North America and Asia

North-West Europe



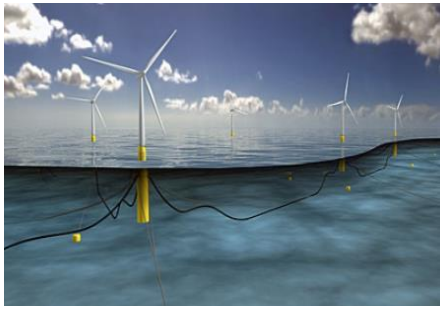
Opportunity

- US$50bn market opportunity to 2020
- Doubling GIB's addressable market
- US$10bn in German market in the next two years alone

GIB USP

- Similar operating environment and regulatory regime
- ~50% of pipeline owned by GIB co-investors
- GIB in discussions with sponsors in relation to a pipeline of over 2.8GW

Global Market: Fixed & Floating technology



Opportunity

- At least 120GW by 2030 across Europe, US and Asia
- Floating technologies have potential to unlock even larger potential resource

GIB USP

- Key floating markets likely to include US and Japan
- GIB in discussions with leading developer on financing of Scottish demonstration project

UK offshore wind financing landscape

Reasons to be cheerful

- Increasing liquidity in equity finance, including late-stage development investment
- Liquid bank debt market
- Domestic supply chain is of increasing political importance
- Further government support will be conditional on continued cost reduction
- The UK is on a trajectory, by 2020, to have over 12GW in operation, construction or late development – this represents total financing opportunity of over US$25bn

Find out more

http:// www.greeninvestmentbank.com

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