

**16 January 2015**

## **Foresight Solar Fund Limited**

### **NAV Statement, Trading Update and Quarterly Dividends**

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#### **NAV UPDATE AS AT 31 DECEMBER 2014**

- Foresight Solar Fund Limited (“The Company”) announces that as at 31 December 2014, the unaudited Net Asset Value (“NAV”) per ordinary share was 100.9p (30 September 2014: 101.7).
- Unaudited NAV of the Company as at 31 December 2014 was £209.8m.
- The market capitalisation of the Company as at close of business on 15 January 2015 was £215.5m.

#### **OPERATIONAL STATUS**

- The Company’s 231MW, ten asset UK solar portfolio is fully operational following the recent grid connection and financial completion of the UK’s largest operating solar project, the 46MW Landmead asset in Oxfordshire.
- All the Company’s ten assets have been connected well ahead of the 31 March 2015 date at which the 1.4 Renewable Obligation Certificate (ROC) regime ends and, being already operational, are all generating income for the benefit of the Company.
- The Bournemouth and Spriggs Farm assets achieved financial completion during the quarter utilising the proceeds of the Placing in October together with approximately half of the Company’s £100m acquisition facility.
- Financial completion of the Kencot asset (which has a binding agreement in place for its acquisition) is expected in the first quarter of this year. The Company has the contractual right to all revenue generated from Kencot from the start of its operations in September 2014. The remaining assets owned by the Company all reached financial completion prior to the end of 2014. The financial completion of the Kencot asset will utilise the remainder of the £100m acquisition facility.
- There are several further large project acquisitions currently under consideration by the Company. Additional acquisitions will be funded utilising debt facilities within the Company’s 40% gearing cap, or the proceeds of any future Placing under the Placing Programme. The current acquisition facility is being extended by up to a further £40m.
- There is no debt at the underlying project level in line with the Company’s stated strategy.
- The Company’s energy yield for the full quarter under review has performed in line with expectations.
- The NAV reflects the recent downward shift in power prices offsetting NAV increases achieved from financial completions of projects during the period. In line with the UK listed solar peer group, the Company has also reduced its average discount rate applied to future cashflows by 0.2% to 7.8%.

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## **DIVIDEND, AND INTENTION TO PAY QUARTERLY DIVIDENDS**

- The Company continues to target a dividend of 6p per ordinary share in respect of its first financial period ended 31 December 2014. The second interim dividend in respect of that period will be announced in March 2015.
- Subject to market conditions and the Company's performance, the Directors' continued intention is to pay a sustainable, inflation-linked, dividend to Shareholders. The Directors anticipate being able to increase the annual dividend in line with inflation for the period commencing 1 January 2015.
- Following discussions with the Company's advisers, the Directors will increase the frequency of dividend payments from semi-annually to quarterly. The payment of dividends will remain subject to market conditions and the Company's performance, financial position and financial outlook.
- The Board expects to pay the first quarterly dividend in respect of the period from 1 January 2015 to 31 March 2015 in June 2015.

## **PLACING PROGRAMME**

- The Company has established a Placing Programme under the Prospectus dated 25 September 2014 in respect of proposed issues of up to 200 million new ordinary shares. The Company raised £60 million of gross proceeds from the issue of 58 million ordinary shares in its initial fundraising in October 2014 under the Programme.
- In order to raise further equity funds for financial completion and repayment of the acquisition facility in respect of existing assets and, together with debt facilities, to finance future investment opportunities, the Company intends to carry out a further Placing under the Placing Programme in the current quarter ending 31 March 2015. The timetable for the Placing, the Placing Price and the number of any such ordinary shares to be issued will be announced in due course.
- The Placing Price is expected to be set at a small premium to the NAV per ordinary share as at 31 December 2014, such premium being sufficient at least to cover the costs of the relevant Placing.

## **RISK PROFILE**

- The Company maintains the lowest risk approach to the sector by seeking to avoid blind pool, development and construction risk in its acquisition of assets. This deliberate strategy minimises the exposure of its investments to changes in regulation such as the accelerated introduction of a cliff-edge deadline in March 2015 for Renewable Obligation Certificate (ROC) projects greater than 5MW.
- The Company's Investment Manager, Foresight Group CI Limited, is seeing an active secondary market develop for portfolios of operating projects of over 5MW in addition to

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large pipelines of sub-5MW projects that will be connected post-March 2015. On this basis, the Company expects to continue its growth rate.

#### **SCALE**

- The Company's UK solar portfolio now consists of ten assets with 231MW capacity, all of which are fully operational.
- In December 2014, the Company financially completed the acquisition of the 37MW Bournemouth and the 46MW Landmead assets.
- The Company now owns and manages 4 of the 6 largest operational UK Solar plants.

#### **JOINT BROKER APPOINTMENT**

- The Company announces the appointment of J.P Morgan Cazenove as joint corporate broker alongside Oriel Securities Limited.

**ENDS**

#### **For further information**

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#### **Notes to Editors**

##### **About Foresight Solar Fund Limited ("The Company" or "FSFL")**

FSFL is a Jersey-registered closed-end investment company. The Company invests in ground based UK solar power assets to achieve its objective of providing Shareholders with a sustainable and increasing dividend with the potential for capital growth over the long-term.

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The Company raised proceeds of £150m through an initial public offering (“IPO”) of shares on the main market of the London Stock Exchange in October 2013, and a further £60.1m through an Initial Placing and Offer for Subscription in October 2014.

## **About Foresight Group**

Foresight Group was established in 1984 and today is a leading independent infrastructure and private equity investment manager with over £1.3 billion of assets under management. As one of the UK’s leading solar infrastructure investment teams Foresight funds currently manage over £930 million in 44 separate operating Photovoltaic (“PV”) plants in the UK, the USA and southern Europe.

In May 2013 Foresight executed an innovative refinancing of its existing UK solar assets through the issue of a £60m London Stock Exchange listed index-linked Solar Bond.

Foresight Group has offices in the UK, the USA and Italy.

[www.foresightgroup.eu](http://www.foresightgroup.eu)