

Investment commitment of GBP 25.2million

RNS Number : 6297X
GCP Infrastructure Investments Ltd
21 November 2014

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GCP Infrastructure Investments Limited
("GCP" or "the Company")
Investment commitment of £25.2million
c.18 year loan note yielding c. 10.1%

The Board of Directors of GCP, the UK's only listed infrastructure fund focused primarily on investments in UK infrastructure debt, is pleased to announce the completion on 20 November 2014 of a transaction subscribing for a loan note with a term of c.18 years and a value of £25.2 million (the "Loan Note"). The Company will advance £19.8 million at completion and the remainder over the next two years. The average yield on the Loan Note will be c. 10.1% per annum, payable in arrears.

The Loan Note will be issued by GCP Biomass 4 Limited and the proceeds used to provide a loan secured on a subordinated basis to part-finance the construction of a 20.2MWe wood-fuelled biomass combined heat and power plant on a site in Widnes, Merseyside (the "Plant"). The loan from GCP Biomass 4 Ltd will be invested on a matched basis with a loan from the Green Investment Bank.

Following the commissioning of the Plant, all payments of both principal and interest in relation to the Loan Note are expected to be serviced from income arising from the Renewables Obligation Certificates (issued by Ofgem) and the Renewable Heat Incentive (made by Ofgem) generated by the operation of the Plant, and from the sale of electricity.

The acquisition of the Loan Note has been financed fully from available cash reserves within the Company.

Contact details:

Gravis Capital Partners LLP

Stephen Ellis	+44 (0)20 7518 1495
Rollo Wright	+44 (0)20 7518 1493

Oriel Securities

Neil Winward	+44 (0)20 7710 7600
Mark Bloomfield	
Tunga Chigovanyika	

Cenkos Securities

Dion Di Miceli	+44 (0)20 7397 1921
Tom Scrivens	+44 (0)20 7397 1915

Buchanan

Charles Ryland	+44 (0)20 7466 5000
Sophie McNulty	

Notes to Editors

The Company

The Company is a closed-ended London Stock Exchange-listed investment company that seeks to generate returns from senior and subordinated infrastructure debt and related and/or similar assets. The Company is advised by Gravis Capital Partners LLP.

Green Investment Bank (the "GIB")

The UK Government has set up the world's first investment bank solely dedicated to greening the economy.

The initiative is part of the Government's commitment to setting the UK firmly on course towards a green and growing economy, while also delivering long-term sustainable growth.

The UK Government sees the GIB as being a key component of the progression towards a green economy, complementing other green policies to help accelerate additional capital into green infrastructure.

Its mission is to provide financial solutions to accelerate private sector investment in the green economy. Capitalised with £3 billion, the GIB role is to play a role in addressing market failures affecting green infrastructure projects in order to stimulate a step up in private investment.

The Renewables Obligation

The Renewables Obligation ("RO") was introduced in the UK in 2002 and in Northern Ireland in 2005, and is administered by Ofgem. It was established to encourage the development of renewable energy generation by providing financial support to primarily mid- to large-scale renewable electricity generation projects in the UK and NI. In April 2010, the end date of the RO was extended from 2027 to 2037 for new projects to provide long-term certainty for investors and to ensure continued deployment of renewables to meet the UK's 2020 renewables target and beyond.

Ofgem issues Renewables Obligation Certificates ("ROCs") to renewable electricity generators ("Renewable Generators") for every megawatt hour ("MWh") of eligible renewable electricity they generate. Policy in respect of ROCs in the UK is set by the Department for Energy and Climate Change, and in NI by the Department of Enterprise, Trade and Investment ("DETI") (as energy regulation is a devolved matter).

All Renewable Generators apply to Ofgem for accreditation that their electricity is generated from eligible renewable sources. The number of ROCs issued per MWh generated varies according to the size and type of project, but once established will not vary over the life of the project.

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