Sale of a stake in Clyde wind farm to Greencoat and GLIL

SSE has signed agreements for the sale of 49.9% of its operational 349.6MW Clyde Wind Farm located in South Lanarkshire to Greencoat UK Wind Plc (“UKW”) and GMPF & LPFA Infrastructure LLP (“GLIL”) for a headline consideration of £355 million.

When the 172.8MW extension to Clyde is commissioned (currently under construction, completion expected in June 2017) the equity stake jointly owned by UKW and GLIL will be diluted to 30% with SSE retaining 70%. This shareholding implies a combined valuation of the two wind farms of £2.27* million per MW.

In addition to completing the construction of the extension, SSE will provide long term management services for the day to day operations of all 522.4MW as well as long term route to market PPA’s. Siemens will provide long term turbine O&M services.

In March 2014 SSE announced a disposal programme with intended proceeds and debt reduction of £1bn from the sale of non-core assets and businesses and the sale of existing or in-development onshore wind farms. Today’s announcement takes the total proceeds achieved to date in excess of that target and will release capital to support future investment.

Martin Pibworth, SSE’s Managing Director, Wholesale, said: “We are pleased to confirm the sale of a stake in our flagship Clyde wind farm to UKW and GLIL. The sale represents another significant step in a programme of disposals to recycle capital and optimise our wind farm pipeline. The proceeds from this disposal will help to support our future investments in a balanced range of energy assets.”

*The structure of the transaction implies a valuation of £2.03m/MW for the existing Clyde wind farm and £2.70m/MW for Clyde extension when built.

SSE was advised by Rothschild, Credit-Suisse and CMS.

ENDS

Notes to editors
SSE
SSE plc is one of the UK’s leading energy companies, involved in the generation, distribution and supply of electricity and in the extraction, storage, distribution and supply of gas. Its core purpose is to provide the energy people need in a reliable and sustainable way. It supplies energy to around 8.28 million customers throughout Great Britain and Ireland, is frequently ranked number one for customer service and is one of the UK’s leading generators of electricity from renewable sources. It
became a Living Wage employer in September 2013 and was accredited with the Fair Tax Mark in October 2014. Every year it contributes around £9 billion to the UK economy.

**Greencoat UK Wind Plc (“UKW”)**
Greencoat UK Wind Plc is the leading renewable infrastructure fund, solely and fully invested in eighteen operating UK wind farms with net generating capacity of 399 MW (including the acquisition of Clyde). UKW is managed by an experienced team of senior executives from Greencoat Capital LLP, the cleantech and renewables focused investment management firm, and overseen by a strong and experienced independent board. UKW is incorporated in England and Wales and is a UK Investment Trust.

**GMPF & LFPA Infrastructure LLP (“GLIL”)**
The GMPF & LPFA Infrastructure LLP (GLIL) is a joint venture between the Greater Manchester Pension Fund and London Pensions Fund Authority, established to increase their exposure to infrastructure, deliver long-term returns that match their liabilities and provide investment in major UK infrastructure projects. The Partnership was formed in April 2015 and seeded with £500m of commitments from the two pension funds.

**Clyde Wind Farm and Extension**
The existing Clyde wind farm comprises of 152 turbines and construction was completed in 2011. Investment in the project included £100m on contracts with Scottish companies. The 54 turbine extension to Clyde was granted consent in 2014 and commenced construction in July 2015, it is expected to contribute a further £120m to the Scottish economy during the construction period. In total the associated community funds have awarded over £3.5m towards local projects and initiatives since commencing in 2011.