



Half-year report and financial statements

30 June 2011

Directors' report

The Directors present the interim report including the unaudited financial statements for the Group for the half-year ended 30 June 2011.

Principal activities

Triodos Renewables' principal activity is the direct investment in small-to-medium scale renewable energy projects with planning consent and grid connection, such as wind farms and hydro-electric schemes. The Company offers a compelling way for individuals and institutions to invest directly in renewable energy opportunities. Our portfolio includes seven operating renewable energy projects (36.8MW), one wind farm under construction (1.5MW) and two wind farms under ownership with planning at pre-construction stage (1.8MW). We have also

secured exclusivity over a further four projects which are in the contract negotiation stage.

Although our principal focus (as set out in the 2011 Prospectus) is onshore wind, we are continuing to review other opportunities such as solar and hydro where the renewable technology risks are relatively low.

2011 Share Issue

We are pleased to confirm that the 2011 Share Issue, which closed on 11 October 2011, raised just under £6.5 million of new equity. We are delighted with the support shown from our existing shareholders and new investors and consider this to be a very successful outcome in what are difficult economic conditions and a



challenging fundraising environment. We raised in total £6,471,948.60, which came from 600 existing and 900 new shareholders respectively.

The combination of new equity funds raised through the 2011 Share Issue and the continued strong support of our bankers will enable us to close out the acquisition of a number of new wind farms later this year as planned and set out in the 2011 Prospectus.

UK renewable industry outlook

The UK Government's Energy Market Reform (EMR) proposes some major changes to the electricity sector including the way in which renewable energy projects are incentivised and how electricity from renewables is traded. The Government plans to implement the new scheme from 2013/2014. We are confident that any changes will not affect our existing portfolio because the Government has confirmed that all existing accreditations will be grandfathered and new accreditations under existing Renewables

Obligation (RO) will be granted up to 2017*, after which the new EMR system will take over.

In the meantime the renewables industry is expanding, proving that it can deliver substantial amounts of electricity. The statistics show that 2011 is already a record year for supplying British consumers with electricity from renewable sources. Between April 2011 and June 2011, renewable energy sources, including wind, supplied 9.6% of the UK's electricity – up from 6.3% in the same quarter in 2010. This increase is attributed to higher wind speeds and the industry's increased capacity to generate clean electricity.

* On 20 October 2011 the Government launched the consultation on banding levels for Renewables Obligation Certificates (ROCs) and proposed lowering the amount of support which onshore wind generators will receive from 1 ROC per megawatt hour (MWh) to 0.9 of a ROC. For offshore wind, the support level would be reduced from 2 ROCs to 1.9 ROCs from April 2015, and to 1.8 ROCs in April 2016. This is for the new project which will apply for ROCs from 1 April 2013. Existing projects will continue receiving 1 ROC per MW.



Operating performance

In the first half year to 30 June 2011, the Triodos Renewables portfolio generated 40,891MWh which is 100% higher than total generation for the same period in 2010 and 77% higher on a directly comparable basis after taking into account additional capacity available this year. It should be borne in mind that wind resource during the first and last quarters of 2010 were exceptionally poor (industry experts confirm a 1 in 15 year probability of such a low wind event). As explained in the 2011 Prospectus, continued

poor wind resource in the first quarter of 2011 resulted in a slow start to this year but much improved wind conditions, including a record month in May 2011, brought performance back to within 15% of target at the half-year. Wind resource since the half-year has been slightly ahead of target.

Operational turbine availability during the first half year has generally been satisfactory at around 94% and there were no major breakdowns, outages or health and safety incidents.

Financial results

The first half-year unaudited results are as follows:

| Consolidated profit and loss account half year ended 30 June 2011 | | | |
|--|--|--|--|
| | Half year to 30 June 2011 £ | Half year to 30 June 2010 £ | Year to 31 Dec 2010 £ |
| Turnover | 3,180,218 | 1,789,892 | 4,476,559 |
| Cost of sales | (1,612,774) | (1,259,186) | (3,059,734) |
| Gross profit | 1,567,444 | 530,706 | 1,416,825 |
| Administrative expenses | (431,784) | (498,379) | (1,086,271) |
| Operating profit | 1,135,660 | 32,327 | 330,554 |
| Interest receivable and similar income | 13,924 | 14,927 | 32,869 |
| Interest payable and similar charges | (867,048) | (746,701) | (1,616,432) |
| Profit/(loss) on ordinary activities before taxation | 282,536 | (699,447) | (1,253,009) |
| Tax credit/(charge) on profit on ordinary activities | - | 146,884 | 33,691 |
| Profit/(loss) on ordinary activities after taxation | 282,536 | (552,563) | (1,219,318) |

The Group achieved a half-year operating profit of £1.14 million on turnover of £3.18 million compared to an operating profit of only £32,327 on turnover of £1.79 million in the first half of 2010. The improvement in performance is largely down to improved wind resource compared to last year, but also as a result of increased wholesale

electricity prices (up 8% from 1 April 2011) and a full half-year contribution from Wern Ddu.

After interest charges, the Group achieved a pre-tax profit of £282,536 compared to a pre-tax loss of £699,447 in the same period in 2010. Due to losses brought forward from 2010, there is no tax liability at the 2011 half year.



KESSINGLAND

The new 4.1MW Kessingland wind farm, which is partially situated in the grounds of a wildlife park, is now operational and has been delivering electricity to the grid since June 2011.

In June 2011, the Triodos Renewables AGM was held in Lowestoft, Suffolk and shareholders were given the opportunity to visit our Ness Point and Kessingland wind farms situated nearby.

Dunfermline

We are pleased to announce that in October 2011 our 1.5MW turbine was erected on a brownfield industrial site in Dunfermline, Scotland. The site will be energised before the end of 2011.

The Dunfermline wind farm is the first in a series of brownfield merchant projects which we are progressing alongside our developer partners. These projects involve the construction of wind farms on industrial sites with the electricity generated being sold to the industrial host. The host business is therefore able to reduce its electricity costs and become more sustainable.

Developments

During the first half of 2011, and following two years of preparation through our development subsidiary Triodos Renewables Mellinsus Projects Limited (TMPL), we received planning permission for two 0.9MW single turbine wind farms in Aberdeenshire. These projects will be built out during 2012 and represent a successful conclusion to our development programme. In future, our focus is on acquiring projects with planning consent only and we remain keen to secure more projects in Scotland, which has rich renewable energy sources and strong political support for developing the renewable sector. First Minister Alex Salmond welcomed the strong interest Triodos is showing in investing in Scotland where the Scottish Governments commitment to renewable energy is making Scotland the green energy powerhouse of Europe.

Other new projects

Thanks to the success of our 2011 Share Issue we are continuing to actively progress

a number of onshore wind farm projects over which we have exclusivity. Further details on these will be announced once we have finalised the acquisitions.

New Board Member

We are delighted to confirm that in March 2011 we appointed Peter Weston as Non-Executive Director. Peter has more than 15 years' experience working in the energy markets as an investor, lender and strategic consultant. He is currently Global Head of Finance and Investment for Siemens Wind, one of the world's leading manufacturers of wind turbines. Before commencing his business career he was a journalist for Euromoney and the Financial Times.

Haverigg

Triodos Renewables would like to thank all those shareholders and stakeholders who successfully supported the fight against the proposal to build a nuclear power station at Kirksanton – home to our Haverigg II wind farm in the Lake District. The nuclear power station would have too great an impact on the Lake District National Park and therefore we are pleased that the Government has decided that Kirksanton is not suitable for development by 2025.

Community investments

During the year, we contributed £10,000 to the local communities surrounding Wern Ddu wind farm in North Wales. The money helped the communities to invest in local initiatives, including improvements to two Community Centres, upkeep of open spaces and a new park bench.

Buying and selling of Triodos Renewables shares

Triodos Renewables' shares are currently not quoted on a stock exchange but can be traded via a Matched Bargain Market operated by the stockbrokers Stocktrade Ltd (the execution only division of Brewin Dolphin Ltd). Most investors in the Company are long term shareholders committed to the aims and objectives of the business.

To buy or sell shares in Triodos Renewables via the Matched Bargain Market, contact Stocktrade at:

81 George Street
Edinburgh
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EH2 3ES

0845 213 3441
matchedbargain@brewin.co.uk

Please note that the Matched Bargain Market does not constitute a recognised investment exchange and that Triodos Renewables cannot provide you with any advice about the merits or suitability of this investment for you.

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Freephone 0800 056 2761

Further information regarding the buying and selling of shares in Triodos Renewables, including the terms and conditions of service, can be obtained directly from Stocktrade and Computershare Investor Services plc.

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