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2013 APR ENERGY PLC

Annual Report & Accounts



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APR Energy powers the progress of the communities we serve by providing cost-efficient reliable electricity, on a fast-track basis, anywhere in the world.

We leverage state-of-the art technology and industry-leading expertise to provide utility and industrial customers with fuel-efficient turnkey plants that are rapidly deployed, customisable, and scalable.

Cautionary Statement

This announcement (in particular the Chairman's Statement and the Chief Executive Officer's Statement) has been prepared solely to provide additional information to shareholders to assess the Company's strategies and overall performance. Certain statements in this announcement constitute or may constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition, and business is or may be a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those projected or implied in any forward-looking statement. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. As a result, whilst they are made in good faith based on information available up to the time of their approval of this announcement, you are cautioned not to place any reliance on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast.

Highlights

- Record new contract wins in 2013 totalling 740MW and 298MW of extensions reflecting 90% renewal rate
- Full year revenues up 16% to \$308 million, Adjusted EBITDA up 15% to \$181 million
- Adjusted profit for the year of \$48 million, Adjusted basic EPS of \$0.60 in line with expectations
- Power generation capacity increased 58% during the year to 2,074MW
- High fleet utilisation rate of 81% at year end, Average utilisation of 74% across the year
- Completion of the GE Power Rental Business acquisition
- Strong start to 2014 with extension of 200MW project in Libya and 82MW new contract in Myanmar
- New contract announced today with global mining customer for 60MW turbine plant in South Pacific
- Libyan customer up to date with all payments, \$100 million of cash received to date in respect of contract
- Full Year dividend maintained at 10 pence per share

<i>\$ million unless otherwise stated</i>	Reported 2013	Reported 2012	Adjusted¹ 2013	Adjusted¹ 2012	Adjusted¹ Change
Revenue	308.3	265.7	308.3	265.7	16%
Operating profit	69.0	9.2	77.8	67.2	16%
Profit/(loss) before taxation	27.5	(4.9)	56.0	63.3	(12%)
Profit/(loss) for the year	19.8	(14.9)	48.3	53.3	(9%)
Basic earnings per share (\$)	\$0.24	(\$0.19)	\$0.60	\$0.68	(12%)
Adjusted EBITDA	-	-	181.2	157.0	15%
Adjusted EBITDA margin (%)	-	-	59%	59%	-

¹ The Group uses adjusted financial information in managing the business and evaluating the Group's underlying performance. The Group adjusts for certain items including amortisation of intangibles, Founder securities revaluation movements and acquisition related costs. A reconciliation to their statutory equivalents is available in the Financial Review on page 34.

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Overview

APR Energy at a glance

APR Energy is a global leader in rapidly delivered large-scale power solutions and, following our acquisition of the GE Power Rental Business and our GE strategic alliance, we are the world's leading provider of fast-track mobile turbine power

Serving both developed and developing markets, APR Energy sells electricity and generation capacity to utilities, countries, and industries that have critical power deficits or that require dedicated, distributed, or seasonal generation solutions

Fast-track power

APR Energy delivers power fast when and where it is needed. We combine highly mobile technology with proprietary modular plant design and advanced engineering, logistics, and installation capabilities to deploy, install and commission a large-scale power plant within days or weeks.

Turnkey approach

APR Energy installs, operates, and maintains its own plants and equipment, including site preparation and integration with surrounding infrastructure. Customers therefore, do not worry about project management, plant operations, or upfront funding or financing, typically paying only for electricity generation and capacity.

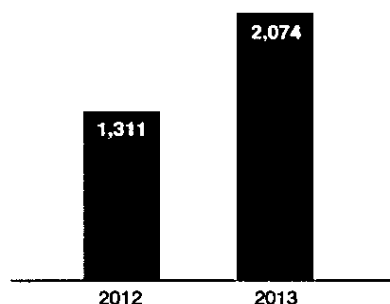
Global reach

With a presence in over 25 countries, a network of regional hubs and commercial offices, a fleet capacity exceeding two gigawatts (GW), and attendant supplier relationships in all our key markets, APR Energy stands ready to respond quickly to urgent electricity needs wherever they may be around the globe.

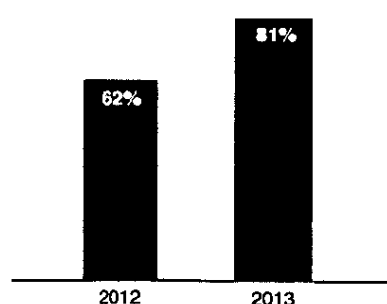
Industry leading expertise

APR Energy's industry-leading logistical, project management, and engineering expertise enables us to mobilise large-scale power plants quickly and efficiently. Our fast-track, highly developed processes integrate across all logistics, planning, engineering, installation, legal, and commercial teams to ensure seamless and rapid execution.

Fleet capacity* (MW)



Contracted utilisation* (%)



*Defined in the glossary on page 133



www.aprenergy.com

Through our use of highly mobile, turnkey power plants, APR Energy delivers, within weeks large blocks of power that can run entire cities. The reliable power we provide helps foster economic growth, socio-political stability, and an overall improved quality of life for the communities we serve.

Advanced, mobile technology

APR Energy offers the newest power generation fleet in the industry providing customers with the latest advancements in fuel efficiency and emissions controls. Our fleet features proven mobile gas turbine technology from GE, as well as diesel and natural gas reciprocating-engine power modules from Caterpillar.

Scalability

Our solutions are highly customisable to accommodate each customer's unique needs and can scale to over 400MW. Installed on either an interim or semi-permanent basis, APR Energy's solutions can deliver the power capacity equivalent to a traditional power plant and integrate seamlessly into existing infrastructure.

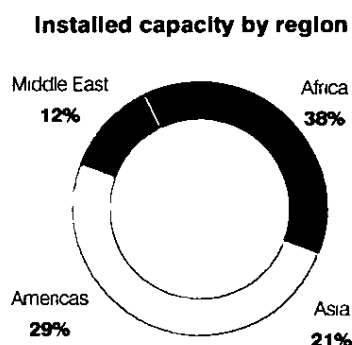
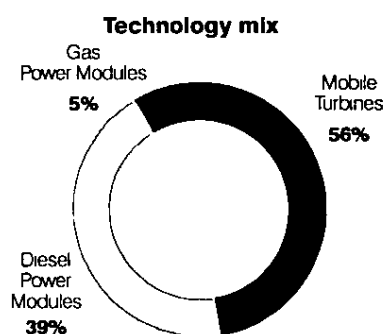
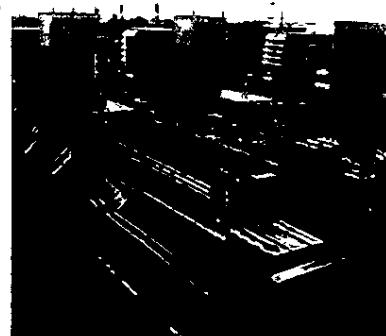


Proven track record

APR Energy has installed over 2.5GW of power capacity across more than 25 countries around the globe, powering millions of homes and keeping economies growing. Our high rate of contract renewals is a testament to high levels of customer satisfaction and the value of the service we provide.

Community partnership

APR Energy partners with the local communities in which we operate to build positive relationships and contribute to their overall well-being. We hire a large number of our plant employees locally and, through our community development programme, we support local infrastructure, education, healthcare, and disaster relief causes.



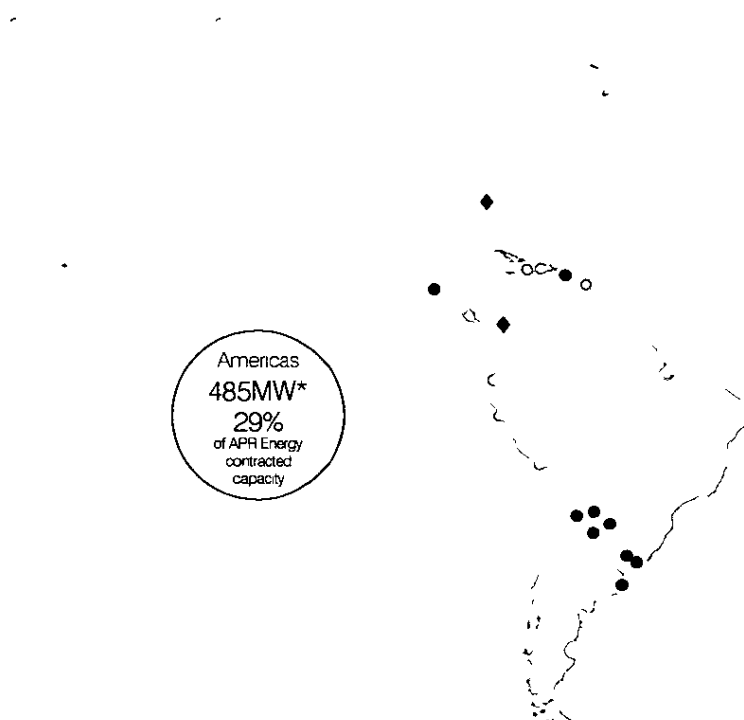
Our global reach

A global footprint that spans over 25 countries

APR Energy has installed over 2.5GW of capacity across more than 25 countries and is able to respond quickly to urgent electricity needs wherever they may arise around the world.

APR Energy's international network of regional hubs and offices allows us to leverage proximity, strong supplier relationships, and efficient logistics to provide world-class service and a timely response. At the same time, our commitment to managing the business and assets on a homogenous and global basis means that each local APR Energy regional hub has access to deep vertically integrated channels of customer support.

Being close to our customers is one of APR Energy's key competitive advantages. It allows us to respond quickly to the needs of our clients and new opportunities. As a global business, we are able to use our resources strategically by moving staff and equipment around the world to wherever our customers need them.



Americas

- Dilapidated infrastructure and transmission line bottlenecks
- Power demand consistently outstripping GDP growth
- Lack of power grid integration among countries
- High vulnerability to geophysical and hydrological events
- Rich mineral reserves and resources attracting investment



Africa

- Increasing population, urbanisation, and standard of living driving demand growth
- Hydro-dominant systems with increasing sensitivity to climatic changes
- Well-endowed with oil and gas resources
- Damaged and destroyed infrastructure due to conflicts and political strife
- Underdeveloped power transmission and distribution infrastructure

Middle East

- Rapid population and economic growth heightening electricity demand
- Increasing need to retire ageing, inefficient infrastructure
- Uninterrupted power supply requirement during peak summer months
- Accelerated investment and rebuilding in the aftermath of the Arab Spring
- Extreme weather with summer peaking

Asia Pacific

- Tight reserve margins and low utility cash reserves for public sector growth
- Outdated equipment running at partial capacity
- Liberalisation of power markets and regulatory framework
- Awareness and acceptance of advanced technologies for power generation
- History of highest natural catastrophe occurrences and upward trend

Chairman's Statement



A year of transformational change and significant achievement provides strong foundation for continued growth in the fast evolving global market for large scale, rapidly delivered power

Mike Fairey, Chairman

It is a pleasure to report on a year of transformational change and significant achievement. APR Energy is a growth business operating in an attractive and growing market. The value our customers place on the large-scale, rapidly delivered power that we provide is reflected in the Group's successful new contract wins and extensions during the year.

Our mobile turbine technology continues to be key in winning new customers. The low emission, dual-fuel turbines offer quick installation, greater reliability and extended maintenance intervals, providing maximum operating flexibility. The turbines' ability to run on diesel or natural gas also makes them available for a broad range of applications throughout the world.

The demand for our power solutions across our portfolio of technologies and geographic regions remains strong. This, coupled with the structural dynamics of the fast-track power market, bodes well for the Group's continued growth.

During 2013, there were two excellent examples that illustrate how we are benefitting from the rapidly growing global market for large-scale power solutions:

- We successfully installed and commissioned our 450MW project in Libya, providing power to over a million people. This is the largest single contract in the fast-track power industry – a tremendous achievement that was successfully executed across multiple sites, notwithstanding the challenging operating environment.
- Similarly, we commissioned and further extended our contract in Uruguay to 300MW. Featuring mobile gas turbines, our plants are now a critical part of the country's power generation infrastructure.

With a diverse pipeline of opportunities, an experienced management team, a capable workforce and a focused financial discipline, the Board believes that the Group is well

placed to continue to fulfil its significant growth potential.

The Board provides active oversight to support the Group in securing key opportunities and achieving disciplined growth. We consider the Group's risk appetite and risk management, in the context of material contracts and extensions, to ensure that any associated risks, including concentration risk, have been fully considered. In the case of the Group's significant contract in Libya, this included entering into an enhanced credit structure, backed by a leading UK Financial Institution which affords us the confidence that all payments will be recovered in full. This confidence is reflected by the receipt of \$100 million from our Libyan customer since the contract commenced, representing the receipt of all outstanding payments.

In October, the Board was pleased to announce and complete our acquisition of GE's Power Rental Business. Following this, APR Energy became the world's leading provider of fast-track mobile turbine power. This transformational transaction allows us to move forward rapidly towards delivering our objectives.

The transaction also offered attractive diversification of our revenue base into new markets and sectors, which we believe offer significant potential for the future. The deal creates a long-term strategic alliance with GE, providing a dedicated supply of new turbines, a collaborative business development platform and expanded access to worldwide support services.

We are excited to be working closely with GE, whose partnership and equity commitment is testament to our prospects and vision to be the leader in the large-scale fast-track power industry. We welcome GE as a key strategic investor in APR Energy and their participation on our Board.

The Board continually strives to achieve high standards of corporate governance and we believe that the observance of these

standards is in the best interests of all our stakeholders. The Board comprises high calibre individuals, who possess the range of skills and experience needed to ensure quality contribution to our decision making. We believe that diversity adds significant value to the quality of discussion and decision making, as reflected by the Board's composition in terms of both gender and international representation.

The Board believes that moving to a Premium listing would be advantageous for the Company and reflects a positive step in the Company's maturity. The Board is actively taking steps towards a Premium Listing, which it expects to achieve within the coming twelve months.

In recognition of the Board's confidence in the Group's underlying and future prospects, the Directors are proposing a final dividend for 2013 of 6.7p (2012: 6.7p) per share. With the interim dividend of 3.3p (2012: 3.3p), this results in a full year dividend of 10.0p (2012: 10.0p). Subject to shareholders' approval at the Annual General Meeting on 20 May 2014, the final dividend will be payable on 3 June 2014 to shareholders on the register as at 4 April 2014. The Board will continue to maintain a regular review of its dividend policy and reiterates its intention to pay an annual dividend.

2013 was a transformational year for APR Energy and one which we exited strongly. We have a highly motivated and experienced management team and have made real progress in advancing our strategy to deliver power solutions to our increasing customer base where and when they are needed. We remain confident that the Group will create significant shareholder value in the future.

Mike Fairey
Chairman
25 March 2014

Chief Executive Officer's Statement



We are pleased with the results achieved in 2013, and believe our progress during the year has positioned us well to deliver sustainable growth into 2014 and beyond

John Campion, Chief Executive Officer

2013 was a year of significant change for APR Energy, and I am pleased to report the progress we have achieved

Our ability to deploy large-scale power, rapidly, combined with our turnkey approach and advanced technology, provides customers with the confidence of having reliable power when they need it. Our ability to do this consistently has led to great client 'stickiness' – and our contract renewal rate of over 90% in 2013 is testament to that

Order intake was strong, driven by record new contract wins of 740MW (2012: 569MW) and contract extensions of 298MW (2012: 724MW), including in Uruguay, Indonesia, Angola and post year-end Libya, where clients not only renewed contracts but expanded them at similar pricing

We have focused on delivering a strong operational performance, with utilisation a key target for management. Across the year the Group achieved a utilisation rate of 74%. With the commissioning of a number of significant contracts during the second half and ongoing renewals, total fleet utilisation increased to 81% at year end. This reflects a significant improvement in diesel power module utilisation and almost full utilisation across our turbine fleet, demonstrating our customers' desire for this technology

Our acquisition of the GE Power Rental Business in October 2013, together with our new partnership and supply agreement has accelerated the pace at which the Group can address the growing market opportunity. During the year, we continued to invest in our power generation capacity, increasing it by nearly 60% to 2,074 MW (31 December 2012: 1,311MW) through a combination of acquisitive and organic capacity expansion. This investment focused primarily on our mobile gas turbines, the key technology underpinning our strategy. As a result of this investment, our fleet at the year end comprised 56% mobile gas turbines, 39% diesel power modules and 5% gas power modules

2013 financial performance

Through a combination of strong order book growth and successful project execution, we delivered a strong operating and financial performance. Our financial results for 2013 reflect the inclusion of the GE power rental business from the end of October

Revenue increased 16% to \$308 million (2012: \$266 million) driven primarily by new contract wins, contract extensions and high utilisation levels on an enlarged fleet, following the commissioning of a number of significant contracts during the year. The timing of these projects becoming operational resulted in revenue being heavily biased to the second half of the year, as expected

Adjusted EBITDA increased 15% to \$181 million (2012: \$157 million) resulting in an adjusted EBITDA margin of 59% (2012: 59%). Over the medium-term, larger-scale, repeatable projects should benefit from operating efficiencies, which, together with the growth of our turbine fleet, is expected to enhance margins

Adjusted basic earnings per share was 60 cents (2012: 68 cents) based on a weighted average number of shares of 81.0 million (2012: 78.2 million shares), the increase in shares reflecting the 15.5 million shares issued to GE at the end of October 2013

During the year, the Group increased its credit facilities to \$650 million (31 December 2012: \$400 million) to provide significant liquidity to continue to grow our fleet, expand our global network, and quickly respond to the growing opportunities in our market, including the GE acquisition. At the year end, we had grown our total fleet capacity by 58% to 2,074MW, (31 December 2012: 1,311MW) reflecting the 520MW of additional capacity acquired through the GE acquisition and 313MW of organic capacity expansion funded by fleet capital expenditure of approximately \$290 million

The Group's cash flow reflected these high levels of fleet investment and increased mobilisation costs, together with investments in working capital arising from the significantly higher activity in the second half, the timing of receivables and the acquisition of the GE business in October. As a result, the Group maintained a good financial position, with year end net debt as announced in the January 2014 trading update of \$556 million (31 December 2012: \$184 million) excluding capitalised financing fees

Our year end net debt position reflected the timing of the receipt of receivables, including those in respect of Libya. In the case of our Libyan project, we established upon contract signing an enhanced credit structure backed by a leading UK Financial Institution, through which the Group receives payment. I am pleased to report that in recent weeks we have seen significant progress – and have received \$100 million to date from our customer in Libya, reflecting the receipt of all outstanding and due payments and significantly reducing our current net debt position

Our provision for bad debts remains at a historic low level reflecting a strong customer payment record. The Group's use of letters of credit, contract insurance policies and up front deposits support the receipt of contract revenues, notwithstanding occasional timing issues given the jurisdictions in which we operate

Acquisition of GE's Power Rental Business

A key development during the year was our acquisition of GE's Power Rental Business and GE's investment in our Company. Through the transaction we acquired 520MW of power generation capacity, comprising five equipment-only rental contracts in Australia, Bangladesh, Canada, Iraq and the US Virgin Islands, and four non-contracted mobile turbines

The acquisition of GE's Power Rental Business created the world's leading fast-track mobile turbine power business, strengthening and diversifying APR Energy's business

- Creates a long-term strategic alliance with GE, providing dedicated supply for the fast track turnkey power segment, a collaborative business development platform and expanded access to worldwide support services, subject to existing contractual arrangements
- Makes GE a key strategic investor in APR Energy
- Strengthens and diversifies APR Energy's global footprint and contract revenue base, providing access to new developed and developing countries
- Enhances APR Energy's large scale, fast track power business positioning APR Energy well to take advantage of expanding opportunities with the fastest growing technology in the industry
- Improves APR Energy's footprint in natural gas, a growing fuel source that is both cost-efficient and emissions friendly
- Strong financial rationale and is expected to be earnings accretive for the Company
- Delivers enhanced cash generation for the enlarged group

In creating the world's leading fast-track mobile turbine business, the acquisition advances us towards our strategic goals strengthening and diversifying our business, while creating a valuable long-term strategic partnership with GE. The transaction broadens our revenue base, and reduces our concentration risk, through exposure to new geographies and an established natural gas footprint.

While still early days integration is progressing well. We have realised our first renewal, with a twelve-month extension on improved pricing of the 25MW mobile turbine contract in the US Virgin Islands. We are in discussions with customers in Bangladesh and Iraq, whose contracts are due for renewal in 2014. We intend to apply our standard approach and pricing to these contracts, transferring customers across to our full turnkey offering which we believe provides an attractive power solution. In the event customers do not require this full offering, or we are unable to reach agreement, we will seek to redeploy these assets onto more favourable terms in line with our historic turbine pricing.

The strategic partnership with GE gives us the ability to collaborate on business development opportunities where APR Energy can offer complementary power solutions, while permanent GE plants are built. We have been pleased with the level of inbound requests and expect these opportunities to develop over the short to medium-term. Our partnership provides access to GE's manufacturing capacity through which we expect to be able to support our future growth opportunities more efficiently, reducing the time between order and delivery, as well as reducing the time between purchasing new turbines and their commissioning, and hence revenue generation.

Using our technological advantage to deliver sustainable growth

We continue to differentiate ourselves by offering a broad choice of technologies in our fleet, with a particular strategic focus on dual-fuel mobile turbines, the technology best suited for the rapid deployment of large blocks of power. Turbines are an integral part of our growth strategy providing a stronger offering into more attractive larger-scale, longer-term projects. This technology presents a number of advantages to our customers: its power density (i.e., small footprint-to-megawatt ratio), improves speed and

logistics while providing greater reliability requiring less maintenance and producing significantly less emissions than its reciprocating engine counterparts. The fuel flexibility of our mobile gas turbines provides an additional advantage for the customer with the ability to switch quickly between diesel and natural gas depending on customer needs or preference. Furthermore, where gas is available to a customer, it can significantly reduce the generating costs of electricity, as well as reduce emissions.

Our global strategic partnerships with GE and Caterpillar provide us with reliable, state-of-the-art technology, around the clock support across the globe and beneficial pricing. Our partnership with GE provides the Group exclusive worldwide rights to offer its mobile turbines within our market while deploying capital in a more timely manner.

Risk management

APR Energy operates in a market with strong structural growth opportunities. These opportunities often take us to challenging parts of the world, including countries that experience political, social, economic and security instability. And, as contracts become larger, longer and more complex, we recognise the need for ever more rigorous risk assessment and mitigation.

We are committed to creating a secure working environment for our people while ensuring the security of our physical assets and surety of payment. We are proactive through our contract due diligence to address these issues through a variety of mitigating actions including the purchasing of insurance, bonds, guarantees, and cash advances to protect both our financial and operational assets. To mitigate significant receivable risks, we also enter into enhanced credit structures which through the use of letters of credit, guarantee customer payment.

At times, we operate in countries that have recently emerged from significant political and social upheavals. The emerging governments, often require a period in which they establish the administrative processes, often via committee, through which they can effectively operate – this has been the case in Libya. Our customer, the state owned utility, has been through a period of tremendous change, and it has taken time to establish the requisite committees and processes. To mitigate

risk associated with this contract we have an enhanced credit structure in place. Backed by a leading UK financial institution, our documentary letters of credit assure payment from a pre-funded escrow account upon presentation of approved invoices. At the year end date a significant proportion of these invoices were outstanding. We acknowledge shareholders concerns and are pleased to report that following the receipt of all outstanding and due payments, our customer is current and our processes to mitigate risk have proved effective.

A year of progress across our global portfolio

We accomplished a number of achievements around the world that merit highlighting. The structural growth drivers within the Group's business are intact and the prospects for fast-track, large-scale power in all our chosen geographies remain very strong.

Europe, Middle East, and Africa

During the year, our footprint across Africa more than doubled, with many notable successes. In March, we announced the signing of a new 250MW mobile turbine contract in Libya to provide a turnkey power solution, followed by the expansion of our 200MW diesel project announced in June, making this the largest single contract in the history of the fast-track power industry.

This 450MW solution provides power to more than one million homes and helps meet demand during the critical summer high heat season, as well as provide interim power while the country continues to rebuild and improve its ageing infrastructure. The timescale was tight – and not without its challenges – with commissioning occurring across six sites in the peak heat of the summer and during Ramadan. Nonetheless, we were pleased to report that our plants were fully installed and commercially operational during the third quarter. Notwithstanding our sizeable power contribution, Libya continues to face a chronic and growing structural power deficit, requiring significant long-term investment to address.

We delivered our first cross-border agreement, a 40MW diesel power module solution, with the Government of Mali. The solution was installed in Senegal and feeds into the interconnected grid that connects Mali, Senegal and Mauritania.

We also extended our 70MW diesel power module contract in Botswana for a further twelve months in late December. Our facility in Francistown has been a key component of the country's power generation infrastructure since 2009, filling a critical gap in its drive toward permanent energy sufficiency. As part of this renewal, we anticipate to sell our installed fleet to the client, with the expected transfer of assets to occur post the end of the existing contract in Q4 2014. The sale represents a mutually attractive opportunity for the client to supplement its owned diesel power modules while enabling the Group to dispose of older technology and legacy equipment. Going forward, we will consider the sale of other installed assets as opportunities arise.

Our continued presence in Angola exemplifies our market approach. In 2012, we established our first project in the country, a 40MW plant located in Luanda using diesel power modules. After building a positive relationship with the customer and delivering a strong track-record of reliability, we successfully extended the contract for another term and expanded our capacity by a further 40MW, doubling our footprint in country. Rather than expanding with more diesel power modules, the customer specifically requested to upgrade to mobile gas turbines, resulting in one of the first-ever semi-permanent mobile turbine projects in Sub-Saharan Africa and APR Energy's first turbine deal following the GE strategic alliance. Through this relationship, we have established a strong platform from which we hope to expand our market for mobile turbine generation solutions across the region.

Oman's hot summer season puts heavy demand on the country's power grid from May to August, causing intermittent power outages. For the second consecutive summer, we provided power to meet this seasonal demand. Facilitated by our modular system and supported by our regional hub in Dubai, the Group's 32MW plant in Oman was operational in under two weeks.

Asia Pacific

Indonesia represents one of the largest fast-track power markets in the world. During the year, we built on our existing contract, delivering an additional 40MW and 75MW to bring our total power capacity in the country to 130MW. Our plants provide much needed, reliable power to the islands of Nias and Sumatra

and by using the newest generation diesel power modules, we have been able to provide fuel-efficiencies to our customer.

Following the year end, we were pleased to announce two new significant contracts in Asia. Firstly, a landmark contract in Myanmar for 82MW, with plant capacity to deliver up to 100MW. The plant, featuring our gas power modules, is expected to be operational in the second quarter of 2014 and will be one of the largest thermal plants in the country, providing power to more than six million people. This bridging power capacity is required whilst the utility builds a new combined cycle power plant to fulfil the country's needs.

Today, we have announced our largest industrial contract. Producing a guaranteed 60MW, the mobile gas turbine plant will power the customer's critical mining operations in the South Pacific. This technology was the customer's preferred solution, meeting strict EU emissions requirements and able to fit within the challenging space constraints at the mine site. The plant will run on diesel, while offering our customer the flexibility to seamlessly switch to natural gas, if needed.

The project adds to APR Energy's track record in the extractive industry sector that includes successful power projects in Mozambique, Guatemala and Botswana. It is also representative of the Group's second large-scale turbine project following its acquisition of the GE Power Rental Business. The plant is expected to begin operations in late Q2 2014 and run through to late 2015. This contract reflects the versatility that mobile gas turbines provide, and the attractiveness of this technology not just to utilities, but to industrial customers as well.

Recently, we have been informed that our customer in Australia has filed for protection from its creditors. As such, the assets allocated to that project are tied up in the receivership process. Although it is still in the early stages, the Group is working with the administrators and receivers of Forge Group Limited regarding possession of those assets.

These contracts, together with our recent installation of 130MW of new power generation in Indonesia, reflect the success of our rapidly growing Asia Pacific business following the opening of our Malaysian hub in 2012 and Singapore commercial office in 2013.

The Americas

In Uruguay, we were pleased to announce in late 2012 the extension of our existing 100MW plant and expansion of an additional 200MW of mobile gas turbine capacity. The 100MW La Tablada site commissioning and 100MW Punta del Tigre site expansion went operational in the second quarter bringing our total power generation capacity in the country to 300MW.

In December, we announced the first extension of a contract acquired as part of the GE transaction – a twelve-month extension of the 25MW mobile gas turbine contract in the US Virgin Islands, on improved pricing in line with APR Energy's historic turbine pricing.

These contracts reinforce our success in and commitment to the provision of power across our global portfolio. We continue to see customers – including those in emerging markets – come back to APR Energy time and again, to take repeatable and often enlarged blocks of power to meet their ongoing needs.

Our people

Our people are the key to APR Energy's success and our achievements are only possible through their hard work and dedication. With a rapidly growing business, maintaining and growing a highly motivated, trained and efficient workforce is a top priority and is essential to deliver our vision.

I would like to thank everyone within the Group for their continued efforts. I am committed to ensuring that we continue to foster a collaborative working environment. Our employees live and demonstrate our values every day, helping to make APR Energy a productive and positive place to work.

We have a reputation for integrity and honesty in all our business dealings, a factor that contributes positively to our long-term relationships with customers and suppliers. Maintaining our good reputation is, therefore, essential for our continued success.

With the prospect of significant growth ahead, we need to ensure the organisation is positioned to achieve this in a disciplined way. This includes investing in our people to enable them to work to the best of their abilities, supported by systems, policies, and procedures that

ensure that our growth is achieved in a controlled and repeatable manner. We are evolving the organisation to ensure our global footprint is aligned to meet the needs of our customers quickly, while retaining its agility to capture opportunities.

A strong foundation for the future

We have long believed the market opportunity exists to provide customers with larger-scale power projects on a semi-permanent basis in a way that helps them to address an often chronic imbalance in the supply of and demand for electricity in a faster, smarter way.

Our approach is to build a strong, reliable and repeatable platform. We have made significant progress in this area in recent years, building the capabilities to meet our customers' needs. We have invested in an advanced and scalable fleet. We have developed our proprietary modular building process and have put regional hubs in place to serve our strategic markets. All of these investments enable us to move at pace – winning new contracts and continuing to achieve high renewal rates, improving mobilisation and installation time, while retaining flexibility to be both scalable and customisable.

We have developed strategic partnerships, which provide us with reliable, state-of-the-art technology and around the clock support across the world. And, we have deliberately differentiated ourselves through our broad, technologically advanced and scalable fleet, with a particular focus on our mobile turbines.

Through major projects such as Uruguay and Libya, we have shown that mobile turbine technology does and will continue to, play an important role in the growth of the fast-track power solutions market as customers look for reliable technology with greater power-density and emissions control. We have also seen that, by employing technologies offering the latest advancements in fuel efficiency, we can reduce significantly the total operating cost for the customer over the use of older, more technologically-dated equipment. This advantage has helped us win projects over the course of the year.

With this strong foundation, we are focused on extending and expanding our existing portfolio of contracts and growing our global footprint via opportunities

with new customers and in new markets. All the while, we continue to evolve and enhance our platform through a focus on operational excellence and continued investment in our people and our assets.

Outlook

APR Energy believes that the outlook for the mobile gas turbine market remains positive. The Group continues to see strong structural demand for power solutions in Africa, Latin America, the Middle East, and South East Asia where available new power capacity significantly lags growing demand.

The scalability of this technology allows large amounts of power to be deployed swiftly and efficiently. This, combined with low emissions and dual-fuel capability, makes turbines the technology of choice for customers requiring large-scale, rapidly delivered power. The Group is well placed to capture opportunities to provide larger-scale, longer term power.

Our focus for the year ahead includes securing a number of key contracts, renewals, transferring the GE contracts that are due for renewal onto more favourable terms or re-deploying these assets, developing opportunities through our partnership with GE and importantly continuing to deliver an improved financial and operational performance.

Market expectations for 2014 reflect strong year-on-year growth for the Group. Subject to fluctuations in exchange rates, the Board's expectations for the current financial year remain unchanged.

John Campion
Chief Executive Officer
25 March 2014

Our market

Drivers of growth

Demand for APR Energy's solutions is driven by a number of factors, including rapid economic growth and urbanisation, lack of funding and financing for new plants, ageing infrastructure and variable weather patterns

The marketplace in which APR Energy operates is global and extensive. It benefits from strong growth drivers for the short, medium and long term. It is a market where demand significantly outstrips supply, and this supply/demand gap is expected to continue to rise due to certain underlying factors, which are likely to persist for many years. Those underlying factors include rapid economic development and urbanisation in emerging markets; the advanced ageing of a number of power plants and infrastructure around the world; the lack of funds and available financing for construction of new permanent plants; geopolitical and natural events; and climatic impacts on rain-dependent hydroelectric power generation. In addition, the variability of those factors compounds the planning and forecasting challenges for many countries, further exacerbating the problem. As a result, many countries are faced with critical electricity shortages, impacting economic growth and quality of life.

The solutions that APR Energy provides addresses only a portion of the global electricity deficit. In many cases, we are competing against the choice by some countries to take no action in solving their power gaps – i.e., to allow for black-outs, brown-outs, or provide no power at all to some of their constituents, leaving industries and private homes to compete for the small supply of power available. For these reasons, there is tremendous opportunity to drive and create new demand by offering innovative, accessible solutions and by educating our target customers on the benefits that these solutions provide.

It has been seen in countries with low electrification rates that the introduction of electricity, in turn, leads to new incremental demand as constituents begin to modernise. This demand growth is driven by the introduction and proliferation of power-intensive appliances such as refrigerators, as well as the need for constant power access for charging mobile phones and other personal devices.

Our Market Space

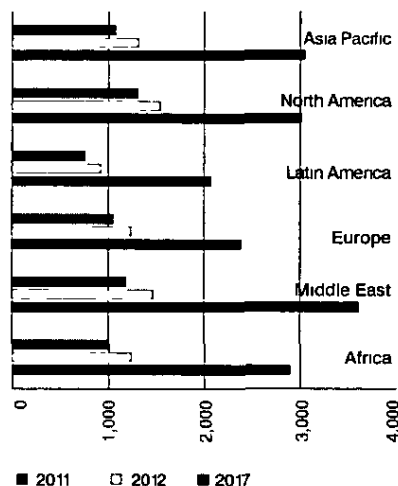
While the overall market for electricity is large, broad, and diverse, APR Energy's focus is on sovereign utilities, private utilities, and power-intensive industries located in both developed and developing markets. Our target projects typically run from 20MW to more than 400MW.

Historically, our largest opportunities have been in high-growth, emerging, frontier, and underserved markets, located in the regions of Africa, Latin America, the Middle East, and Asia. However, as we have increased our fleet weighting in mobile gas turbines, this technology provides a strong play in developed markets, where power-dense and low-emissions technology is needed to counter ageing infrastructure and tightening emissions regulations. Power-intensive industries also have been an area of increased opportunity, particularly extractive industries, which often operate in remote locations distant from the power grid.

Customer demand in our priority market spaces remains high. These customers have needs for a number of applications, including bridging power, peaking power, grid stability and support, industrial generation, and distributed generation. In addition, we remain ready to provide rapid response to event-driven need, wherever it may be required in the world, although the very nature of such events makes them difficult to predict and forecast.

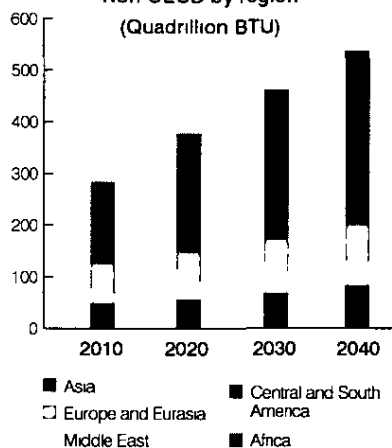
From a strategic perspective, APR Energy has broadened its market opportunities by offering utilities and industries a greater choice of technology to meet their needs. With a flexible offering that includes mobile gas turbines, our market opportunity expands beyond traditional temporary power and rental power markets to bridge customers to longer-term solutions. As seen from our 300MW project in Uruguay, many large utility customers prefer to work with the reliable, power-dense, and emissions friendly turbine technology with which they are most familiar.

**Global power rental market
by geography, 2011 – 2017**
(\$ million)



Source: MarketsandMarkets 2012

**World energy consumption
Non-OECD by region**
(Quadrillion BTU)



Source: U.S. Energy Information Administration 2013

Market growth

Over the last decade, meeting the world's ever-growing energy needs has become a critical challenge. The need for power continues to rise, driven by growth in population and incomes, continued industrialisation and urbanisation of emerging markets, revisions to climate change policies, and a number of other factors. At the same time, decades of underinvestment in new and existing capacity have left governments and utilities in a position where they must not only catch up to current demand requirements, but also invest for future business and population growth.

Against this backdrop, the structural opportunity for fast-track power and bridging power is expected to continue to expand, given the persistent supply-side constraints in certain regions, such as lack of financing for infrastructure projects, low electrification rates, and high transmission and distribution losses. A new permanent power plant takes years to plan, finance and construct. It costs hundreds of millions of dollars, requires extensive permitting and often has attendant network and infrastructure demands.

According to recent estimates, the global power rental market is expected to grow from an estimated \$8 billion in 2012 to \$17 billion in 2017 with a compound annual growth rate of 17% during the same period. Due to the long lead time required for the construction of permanent power infrastructure and the innate need for standby power in the event of natural disasters, high seasonal demand and maintenance, the marketplace opportunities for fast-track power projects will continue to grow.

Looking ahead, we expect this growth to continue due to the following key factors:

The global demand for electricity continues to outpace supply

According to the International Energy Agency (IEA) 2013 World Energy Outlook, the demand for electricity is projected to outpace any other final form of energy, with over a 65% increase through 2035, or 2.2% per year on average. Over four-fifths of this demand is required by non-OECD countries, due to faster population and economic growth, and rising standards of living.

The growth in power consumption is led by developing countries, driven by industrialisation and by increasing numbers of people using devices that

consume electricity, including refrigerators, televisions and mobile phones. However, population growth also is an important driver of energy consumption, with the majority of growth taking place in Asia and Africa. Due to this continued population and economic growth, 1.2 billion people still remain without access to electricity, or 17% of the global population. According to the 2013 World Energy Outlook, by 2030, nearly a billion people will still lack electricity, with the majority being in sub-Saharan Africa or developing Asia. Even though world electricity generation increases along with incremental demand growth, the increase of generation is lower than that of the demand, resulting in a continuous and growing gap.

Lack of investment in power capacity

The investment in new generating capacity and the maintenance of existing capacity have each remained below levels required to keep supply in line with the accelerating demand. Given the ongoing uncertainty in the global economy and the complexity and cost of constructing large-scale power plants, investment in building new capacity and maintaining existing capacity has been unable to keep pace. Even with planned capacity additions in developing economies, construction lead-times for long-term plants may take three to five years before being commissioned and operational. Furthermore, construction costs run at an approximate range of \$1.5 million to \$7 million per megawatt constructed, depending on the technology employed. Construction of conventional plants also are contractually complex, requiring the hiring of specialists and understanding of the financial, technical, socio-economic, environmental and legal aspects of the construction, as well as assessing the long-term impact of the plant.

According to IEA's 2013 World Energy Outlook, if existing policies continue and new policies are cautiously implemented, investment of \$1 trillion is required in the world's energy supply system through 2035, or \$740 billion per year, to ensure the availability of generation, transmission and distribution systems needed to fulfil the global capacity requirements. Out of this, 58% of total investment is in new generating capacity, while the remainder is needed for transmission and distribution networks. According to the World Energy Outlook, around 50% of today's grid infrastructure will have reached 40 years of age by 2035, requiring major investments in refurbishments. About 60% of capacity retirements are in OECD countries, where

about two-thirds of the coal fleet is over 30 years old. As a result, developing nations increasingly will rely on interim or bridging power solutions to help meet rising demand until more permanent power sources can be financed and built.

Changing weather patterns driving major electricity shortages

Energy-related CO₂ emissions growth, driven in large part to increasing coal demand in non-OECD countries, has contributed towards the progression of climatic changes. A shift to low-carbon technologies, thermal efficiency improvements of fossil-fuelled power plants and coal-to-gas switching all contribute to an expected reduction of emissions growth through 2035, but immediate effects will be hard to see. Climate change is expected to increase the duration, frequency and intensity of heat waves and droughts, causing electricity shortages in countries that obtain large shares of their electricity from renewable sources and also by stressing transmission infrastructure due to prolonged heat. This variability of rainfall, increased levels of evaporation, and changing wind cycles, may hinder economic growth and affect electricity pricing and sales revenue. Since renewable energy sources are more expensive than conventional sources and are unable to provide reliable dedicated power during peak demand, standby power solutions remain essential to provide stability and additional capacity when renewable sources are affected or during extreme weather periods.

Ageing power infrastructure and the need for reliable backup

Over the next decade, a significant investment is needed to refurbish or replace ageing distribution grids and generating plants to keep pace with rising electricity consumption. This is particularly pronounced in OECD countries, where over 60% of global capacity retirements through 2035 will occur in order to abide by generation and environmental regulations. OECD countries may face up to 530GW of capacity retirements through 2035.

Given the environmental and safety concerns associated with an ageing power infrastructure, both developed and developing countries will be required to plan and finance extensive renovations in order to meet the growing demand for electricity. Of the new generation capacity that is expected to be built through 2035, around one-third is needed to replace plants that are retiring. The majority of new

additions are projected to be gas-powered plants, with a majority expected to take place in non-OECD countries. This equates to an investment of \$17 trillion or \$740 billion per year through 2035 to develop new generation facilities and refurbish transmission and distribution networks.

As a fast-track power solutions provider, APR Energy is ideally positioned to provide energy companies, municipalities and federal agencies with additional power support for periods when current power facilities are undergoing maintenance being upgraded, or replaced.

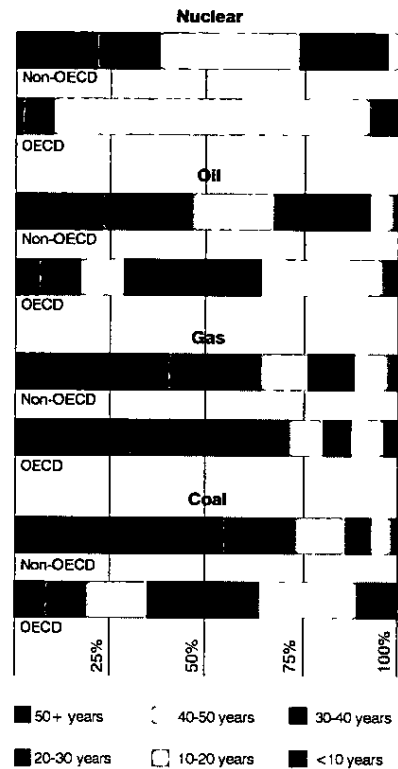
Event-driven opportunities

When disaster strikes, access to a fast reliable backup power source becomes critical for the populations living in the affected areas. Natural catastrophes are on the rise worldwide, resulting in significant direct economic losses and impacting emerging economies the most. Weather phenomena such as extended droughts, high temperatures, high sea ice melt, and storm surges linked to heightening cyclone risk have increased over the past 10 years. Over 900 documented loss events in 2013 were reported, of which 93% were weather-related (storms, floods and climatological events such as heat waves, cold waves, droughts and wildfires) and the remaining were caused by earthquakes and volcanic eruptions. The majority of events took place in Asia, although Africa saw a spike in loss events in 2012. When an unforeseen power failure due to a weather phenomenon or natural disaster occurs, emergency power is needed instantly to supplement the loss of grid power and to begin recovery efforts and effective humanitarian aid. APR Energy with its advanced logistical expertise can provide rapid assistance for the affected region and its citizens.

Industrial power

According to The World Energy Outlook 2013, industry remains the largest electricity end-use sector, accounting for 41% of total electricity demand and expected to increase over 2% per annum. With the redevelopment and capacity expansion of existing mines, as well as the opening of new mines, demand for power within the extractive industry will continue to grow. The rising demand for mineral resources from developing countries such as Brazil, Russia, India, and China (BRIC) should contribute further to this increase.

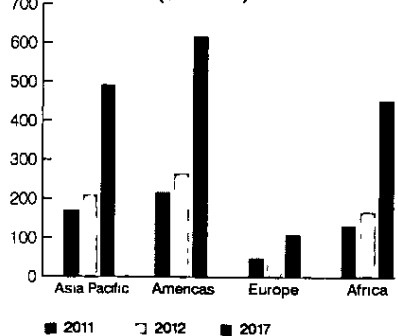
Age profile of installed thermal capacity by region
At year end 2012



Sources: World Energy Outlook 2013 © OECD/IEA 2013

Quarrying & mining Global power rental market

By geography, 2011-2017
(\$ Million)



Source: MarketsandMarkets, 2012

Our business

A global leader in fast-track power solutions

APR Energy delivers large-scale power fast – when and where customers need it

APR Energy is a global leader in the underserved market for rapidly deployable, large-scale power and is the world's leading provider of fast-track mobile turbine power. Our highly mobile, turnkey power plants help run cities, countries, and industries around the world in both developed and developing markets.

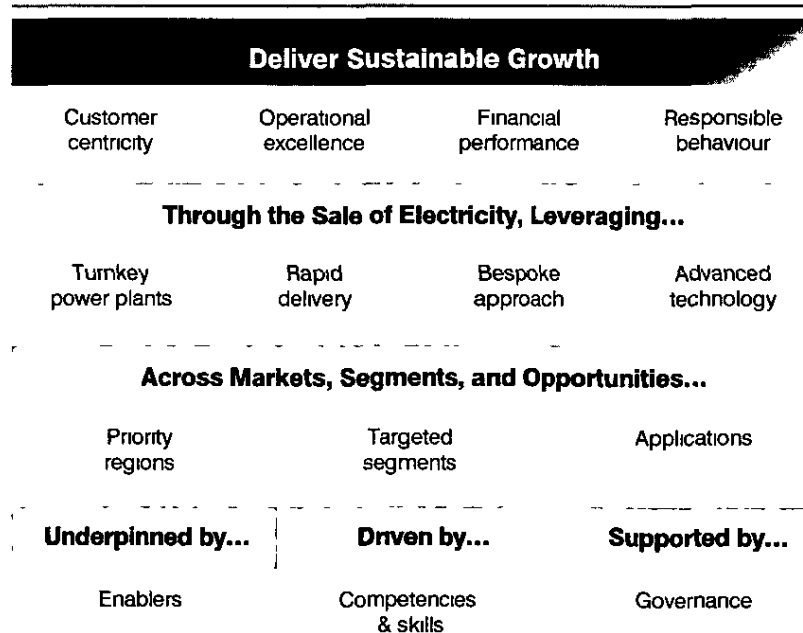
Without reliable electricity, countries and industries cannot function efficiently or in many cases, safely. Unfortunately, traditional power plants typically take years to build and commission and due to lack of funding and complex financing requirements, many projects never break ground. In contrast, APR Energy's plants can be installed in weeks, not years, supplying the electricity needed to power millions of homes. With a presence in over 25 countries and supported by a network of regional hubs, APR Energy has the capability to respond quickly to needs across most of the world, getting power to our customers fast – when and where they need it.

Large-scale, fast-track power

Rapidly delivered, large-scale power projects are our sole focus. Our business model is based on selling the capacity for power generation as well as the power itself. APR Energy installs, owns, operates, and maintains its power plants, providing the customer with a complete turnkey solution. Through this approach, APR Energy helps customers by rapidly deploying the power capacity to address their supply gaps without requiring the customer to fund the up-front capital investment.

APR Energy's power plants are typically deployed on an interim or semi-permanent basis, and are used for many applications ranging from supplemental base-load capacity and seasonal peaking power, to distributed generation, and dedicated industrial power. Our solutions are scalable to over 400MW and use the latest advancements in mobile generation technology. Contracts typically run from a period of 12 months to five years, although the majority of our contracts typically

The APR Energy business model



renew one or more times, with some customers remaining under contract for a number of years

We serve a wide range of customers across the globe

APR Energy's customers range from sovereign utilities in high-growth emerging or frontier markets that face a structural imbalance in their supply and demand of electricity, to public and private utilities in developed markets looking to replace and upgrade their ageing power infrastructure. While utilities represent our largest customer base, APR Energy also serves a wide range of industrial customers seeking reliable large-scale power solutions. Extractive industries like mining often require dedicated power solutions given that their operations are highly power intensive and frequently take place in remote locations with limited or no access to the power grid.

Since many customers often require their own unique configurations, APR Energy's engineers work to deliver customised solutions that meet regulatory requirements, create minimal impact on the surrounding community and combine the right mix of generation technology to achieve peak efficiency. The diversity of APR Energy's customer base, both in terms of geography and market segment, reduces our exposure to downturns in any particular market segment.

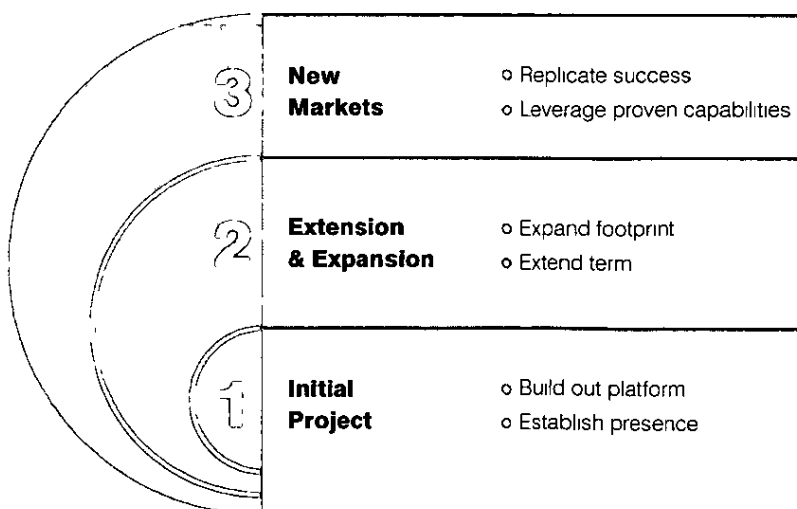
A repeatable, scalable process

Once APR Energy establishes a local presence through the installation of a power plant, we leverage that presence as a platform from which we extend or expand our business. Offering flexible and long life-cycle technology, such as mobile gas turbines, together with our turnkey approach, helps provide longevity and 'stickiness' to our contracts. As a result, the majority of our contracts renew and we have had several notable expansions of projects including Libya, Uruguay, and Indonesia. We apply this model in all of our markets and it serves as a repeatable process. The market credibility we gain through the successful delivery of our projects helps open doors to new business opportunities, both within and beyond our existing markets.

Case study: Angola

APR Energy's Angola project exemplifies our go-to-market approach. In 2012, we established our first project in the country, a 40MW plant located in Luanda using diesel power modules. After building a positive relationship with the customer and delivering a strong track-record of reliability, APR Energy was able to extend the contract for another term, as well as expand our capacity in country by an additional 40MW, doubling the size of our operations.

The customer specifically requested to upgrade technology to mobile gas turbines for the additional 40MW, resulting in one of the first-ever mobile turbine projects in Sub-Saharan Africa and APR Energy's first turbine contract following its strategic alliance with GE. Through the Angola win, extension and expansion, APR Energy has established a strong platform from which we can expand our market for mobile turbine generation solutions and will use the project as a model for future business opportunities in the region.



Our business applications

Bridging power

Utilities often require additional power support for periods when current power facilities are undergoing maintenance or being replaced or upgraded to newer, more efficient technologies. APR Energy's power solutions provide a reliable power alternative in such scenarios, minimising the interruption to a community's electricity supply during scheduled periods of outages or bridging until permanent infrastructure comes on line or can be constructed.



Botswana

Experiencing electricity shortages driven by demand growth and supply constraints, the Botswana Power Corporation (BPC) needed bridging power until a permanent plant could be constructed. In 2009, APR Energy was contracted to provide 70MW of reliable electricity to the national grid in order to counteract power shortages. The plant has remained in operation following multiple contract extensions, and is scheduled to continue running through 2014.

Grid stability and support

APR Energy's grid optimisation and stabilisation projects help global customers operate more efficiently and ultimately enable a more reliable and secure supply of energy. They incorporate distributed generation solutions at strategically located substations to help reduce the load on existing substation equipment and release capacity on the transmission grid. Grid optimisation and stabilisation projects greatly improve the efficiency of the customer's substation and electrical networks, often by over 20%.

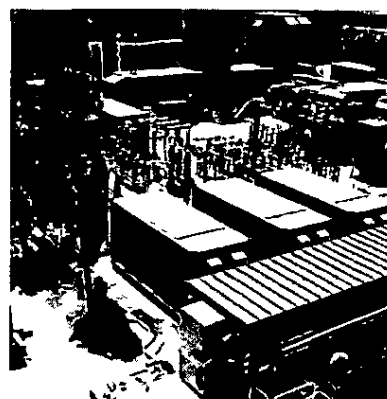


Indonesia

During 2013, APR Energy designed, constructed, and installed four power plants in Indonesia totalling 130MW. Indonesia, with its vast geography and underdeveloped infrastructure, is one of the world's largest markets for distributed power and grid stability projects. APR Energy's plants provide much needed, reliable power to the islands of Nias and Sumatra. In addition, leveraging its newest-generation diesel power modules, APR Energy was able to provide fuel-efficiency cost savings compared to other solutions.

Base load operation

In some countries, the underdevelopment of power generation infrastructure is so severe that they need a power provider such as APR Energy to help cover significant portions of their national power production. In such cases, APR Energy may operate its facilities as base load plants, running on a continuous basis to meet its customers' critical power needs. For example, in Senegal, APR Energy has accounted for as much as 30% of the country's available capacity. Other such recent projects have included Yemen, Libya, and Angola.

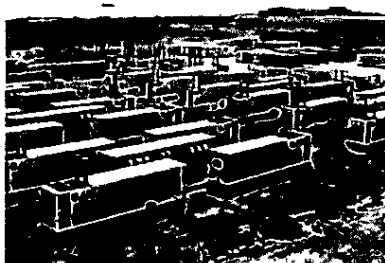


Libya

APR Energy operates six plants in Libya to alleviate its chronic and growing supply and demand imbalance while the country builds and repairs its infrastructure. These plants, located within the metropolitan Tripoli region and in the southern part of the country, operate at or near base-load capacity and are critical to keeping the lights on for the communities they serve. With over 450MW of power generation in Libya, APR Energy makes a significant contribution to the country's overall electricity production.

Peaking power

In markets where the demand for electricity exceeds the available power generation capacity, utilities need to consider the practicalities of load management and load shedding during peak demand times of the day. In some cases, this need is seasonal, driven by extreme temperatures or, in hydro-dependent countries, by lack of rainfall. In a peaking power solution, APR Energy's power plant would operate during peak demand periods, normally only for a few hours each day to alleviate these power outages.



Oman

Oman's hot summer season puts heavy demand on the country's power grid from May to September, causing intermittent power outages. Following APR Energy's successful execution of a similar project in Oman the year before, the Group was awarded a new contract to supply power and backup capacity to the eastern part of the country. Leveraging its Dubai hub for rapid distribution and using its patent pending modular block system for plant design, APR Energy installed the Oman site within days, one of the fastest in the Group's history.

Distributed generation

In scenarios where the delivery of electricity to a city or region is restricted by inadequate or inefficient transmission lines, a utility company may need to place power generation closer to the point of consumption to avoid blackouts. APR Energy's flexible turnkey plants can be placed where they are most needed, generating the required electricity and injecting it either directly into the local medium voltage distribution network or the main high voltage grid. Also referred to as rural electrification, distributed generation provides an efficient and secure method of delivering additional electricity at a local level while helping to improve the overall efficiency of the customer's electrical system.



Argentina

The Argentine government-owned electricity company, Energía Argentina S.A. (ENARSA), required additional power sources as a result of slow-paced investment, transmission line restraints, a continuous rise in electricity demand, and territorial expansion. Over the course of numerous phases, APR Energy provided ENARSA with over 90MW of power distributed at five separate locations. The plants feed into regional substations and supply critical power needed for seasonal peak demands and grid support.

Industrial generation

Industrial companies and mining facilities often require a dedicated source of electricity. An unreliable supply from a local grid or limited access to the main transmission network may impair the delivery of electricity required for the customer to sustain its operations. Industrial and mining customers are dependent upon constant power to ensure that maximum operational capacity is achieved and costly plant outages are avoided. Power generation projects also supply camps with a secure source of electricity, supporting the camp's operational activities and ensuring the safety of personnel.



Guatemala

Powering the Escobal silver mine's critical operations, APR Energy's turnkey plant delivers electricity independent from the local grid system. Located about 40km outside of the capital Guatemala City, APR Energy's power plant is the sole provider of energy for the mine and keeps its critical operations running.

The Guatemala plant follows other successful industrial generation projects APR Energy has executed, including the Moatize Coal Project in Mozambique for Vale, one of the largest mining companies in the world, and the Boseto mine in Botswana.

Our value propositions

Large-scale power – fast

The essence of our business is to deliver large-scale power fast, when and where our customers need it. With mobile technology, regional distribution hubs near our key markets and advanced engineering, logistics and installation processes, we can deploy, install, and commission a large-scale power plant within days or weeks.

With our growing fleet and our global network of APR Energy offices and distribution hubs, we are able to respond quickly to opportunities as they happen and are able to mobilise equipment and our support teams to areas of urgent need or emerging opportunity. Moreover, we have extensive experience in the rapid deployment of equipment to customers via air, sea, and road transport, and we work closely with recognised global logistics providers to readily deploy our equipment.

Available, mobile fleet

With over 2GW of power generation capacity, APR Energy benefits from one of the largest mobile fleets in the industry, including mobile gas turbines and gas and diesel power modules. Our high power-density, fuel-flexible turbines offer customers a unique advantage in that they can be cost effectively transported and rapidly installed to deliver up to 30MW per turbine.

Regional distribution and logistics
Our full-service distribution hubs in Dubai, Panama, and Malaysia provide us proximity to our key markets, and enable us to rapidly deploy a complete, large-scale turnkey power plant anywhere in the world. Through partnerships with world-class logistics companies, we are able to quickly deploy our fleet via air, sea, or land. Also, we leverage a highly skilled, flexible workforce stationed across the Americas, Africa, the Middle East, and Asia, which can be rapidly mobilised to meet urgent customer needs.

Modular plant design

APR Energy uses a proprietary modular building system that significantly improves mobilisation and installation time, while reducing labour and installation costs, and improving margin. These systems enable us to build plants of 400MW or more. For plants using reciprocating engine generators, the customised plug and play system is

scalable in 6MW blocks. For turbine plants, power capacity is delivered in 25MW or 30MW blocks. All equipment is packaged for standard ISO shipping containers. The plants are completely automated and remote controllable, with flexible application (50/60 hertz).

Customised, turnkey approach

APR Energy combines leading-edge technology with flexible plant design, fast-track installation, and around-the-clock service and maintenance to provide our customers with customised, turnkey solutions to meet their specific requirements. From the design and installation of our plants through their eventual decommissioning, our highly trained engineers and support staff stationed across the globe provide our clients with reliable 24/7/365 service and uninterrupted power capacity. APR Energy's solutions are customised to accommodate customer requirements respective to application, scale, generation technology preference, fuel type, voltage range, and configuration needed to fit a given site.

As part of our full turnkey power solution, APR Energy provides a comprehensive Balance of Plant offering that is tailored to each site and to each customer's unique requirements. From transmission technology to remote monitoring capabilities, the ancillary equipment we provide plays a critical role in maximising power delivery to our clients while minimising downtime and operating costs. To assess full requirements of each site, APR Energy's project engineers and technical experts work closely with the

customer and local entities to conduct site analysis and evaluation, considering factors such as space availability, preferred fuel type, altitude, climate, and delivery voltage.

Within our turnkey solution, Balance of Plant and ancillary equipment offerings may include:

- Design and commissioning of substations, transformers and other electrical infrastructure
- Fuel storage, offloading, transfer, and efficiency monitoring
- Deployment of all necessary supporting infrastructure including mobile offices, mobile maintenance containers, mobile housing, water, power, and climate control
- Security perimeter with CCTV and security personnel
- Remote monitoring capabilities including oil temperature, coolant temperature, turbo temperature, fuel levels, power relays, and grid information
- Remote switching between grid mode and island mode

Advanced technology

APR Energy's young, diverse fleet offers customers the broadest choice of power generation technologies in the market today, including fuel-flexible mobile gas turbines and the latest-generation reciprocating diesel and natural gas generators. The diversity of our fleet enables us to match customers' specific requirements related to fuel type, voltage range, power generation technology, scale, and power density.

Using our modular building system, APR Energy installed a 32MW plant in Oman in under two weeks.



The young age of our fleet enables us to provide our clients with reliable power, a cleaner operation, and greater fuel efficiency. Our technology offers the latest advancements in reliability, fuel efficiency, and emissions control, while providing remote automation and monitoring capabilities and automatic reactive power control for voltage support and grid stability.

Through our strategic supplier relationships with GE and Caterpillar Inc., two of the world's leaders in mobile power generation technology, we offer the clear visibility of an integrated supply line capable of fulfilling the diverse needs of the growing fast-track power market.

Fuel efficiency

When it comes to power generation, fuel represents one of the highest operating costs, which is why APR Energy has placed a heavy focus on fuel efficiency. With the youngest, most advanced fleet in the industry, APR Energy is uniquely positioned to utilise some of the most fuel-efficient mobile technology available in our market today, thereby helping customers reduce the overall total cost of their power projects. As the price and volatility

of fuel continues to rise, so will the need for more fuel-efficient solutions. To meet this demand, APR Energy continues to invest in advanced technology and innovative engineering that help customers operate more profitably and efficiently.

Emissions control

At APR Energy, we continuously strive to find new ways to lower our emissions footprint. Given the young age of our fleet and its flexibility in terms of technology and fuel-type, we are able to provide some of the cleanest solutions available in the fast-track power industry today. All our equipment is designed to comply with emissions standards set forth by The World Bank. We apply advanced mitigation techniques where more stringent emissions levels are required for local markets. Our generating equipment is controlled by state-of-the-art electronic engine and generator management systems, which are automated to increase flexibility and decrease emissions levels. This means no matter where our clients need us, we can deliver optimised emissions solutions tailored for each application.

During a contract, APR Energy provides all engineering, procurement, and construction, including a turnkey suite of services tailored to customer need.

Site and civil

From civil and foundation work to perimeter fencing, lighting, and comprehensive security systems, APR Energy can provide all site preparation work for each power project. We also provide all necessary control rooms, offices, workshops, and warehousing to maintain optimal operation of the plant.

Mechanical

APR Energy can supply all equipment necessary for fuelling the operation of our power generation equipment. Our systems include all piping, pumping, and filtering, as well as continuous metering to help ensure the performance of the equipment is closely monitored.

Electrical

At each site, APR Energy provides a complete electrical system in order to meet the customer's design specifications. This includes all cabling, protection and metering, as well as a custom-designed ground grid and any required step-up transformers.

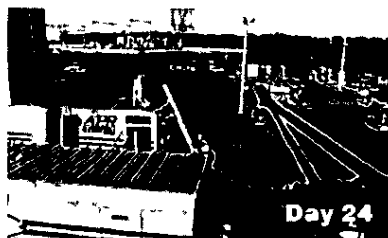
Advanced controls

APR Energy utilises advanced controls systems via satellite uplink, using remote control and monitoring systems along with project-specific utility relaying. We also supply all protection and operational interfaces.



Indonesia. Leveraging the newest generation diesel power modules from CAT, APR Energy was able to provide significant fuel efficiency cost savings.

Day 1: Works commence



Day 42: 100MW plant in Uruguay commissioned and operating.

Our technology

Mobile gas turbines

As the world's leading provider of fast-track mobile turbine power, APR Energy uses some of the most rapidly deployable and reliable mobile gas turbine technology in the market today. The term 'gas' in their name comes not from the fuel the turbines consume (although they can operate on natural gas), but from the gas compression (mostly air) which drives the turbine. Using the same aero-derivative technology found in many jet airliners, APR Energy's mobile gas turbines are highly reliable. They require much less maintenance, and produce significantly less emissions than their reciprocating engine counterparts.

The high power density and reliability of these units allows APR Energy to deliver scalable solutions of 400MW or more that can integrate into existing infrastructure and operate on a semi-permanent basis. A key advantage of a mobile turbine solution is the fuel flexibility it brings, with the ability to switch seamlessly

between diesel and natural gas. Mobile turbines also produce significantly less emissions than reciprocating engine solutions, making them a good fit for environmentally conscious customers and developed markets with stringent regulatory controls.

APR Energy's mobile turbine fleet features the GE TM2500+™. The power-dense turbine is capable of producing up to 30MW of power – the equivalent of approximately 18 - 30 diesel or gas reciprocating generators – and is quick to dispatch, achieving full power in less than 10 minutes. The TM2500+ can be easily transported anywhere in the world and set up on a significantly smaller footprint than an equivalent-MW reciprocating generator plant.

Through our strategic alliance with GE, a world leader in turbine technology, APR Energy has access to the fleet and technology needed to grow into the long-term

Diesel and natural gas power modules



The APR Energy diesel power module is an industry leader in terms of fuel efficiency, reliability, and emissions control, while the APR Energy gas power module is one of the most reliable and fuel-efficient natural gas power module packages within the fast-track power industry. These reliable and compact modules can support a wide range of utility and industrial power generation applications. Whether operating continuously in base load or as part of a peaking plant, these generators, combined with APR Energy's comprehensive operation and maintenance support, help ensure a reliable and efficient supply of electricity to our customers.

Thanks to our global framework agreement with Caterpillar Inc., one of the world's best-known heavy equipment brands, and CAT® dealer Ring Power, APR Energy is able to source Caterpillar's diesel and gas reciprocating power modules at beneficial pricing. The partnership enables us to maintain a robust fleet infrastructure to help fulfil project opportunities, gives APR Energy clear visibility to Caterpillar's integrated supply chain, and provides us ready access to its world-class aftermarket sales and support.



APR Energy's mobile turbine fleet features the GE TM2500+™, one of the world's leading gas turbine solutions for fast-track applications.

Mobile gas turbine

Reliable, low emissions and fuel-efficient engine

Installation in less than 24 hours

Easily transportable by ground, ocean or air

No foundation or concrete pad required

Remote operation

Optional black start capabilities

Dual fuel: natural gas and liquid fuels

Dual frequency: 50/60Hz

Gas power module

Reliable and fuel efficient engine

Rugged and robust construction

Automatic or manual paralleling

Automatic loading control

Local or remote operation

High ambient operating conditions

Low emissions

Fuel type: natural gas

Dual frequency: 50/60Hz

Diesel power module

Reliable and fuel efficient engine

Rugged and robust construction

Automatic or manual paralleling

Automatic loading control

Local or remote operation

Low emissions

Fuel type: diesel

Dual frequency: 50/60Hz

Our competencies

APR Energy designs and assembles its own control panels, which provide our power plants with remote controls and monitoring capabilities

Power project development

APR Energy's business development team comprises experienced power project developers, not equipment salespeople. APR Energy project developers are knowledgeable across all aspects of project development, project financing, engineering, procurement and construction (EPC), and operations. Located within their geographic markets, our teams build long-term relationships by understanding local market needs and identifying solutions that best serve the needs of our customers.

Global experience

APR Energy has installed over 2.5GW of power capacity across more than 25 countries around the world. Our full-service distribution hubs in Dubai, Panama, and Malaysia give us proximity to our key markets, and enable us to rapidly deploy complete, large-scale turnkey power plants. Our highly skilled people have experience executing projects across all corners of the globe and speak over 25 different languages. With a flexible workforce stationed across the Americas, Africa, the Middle East, and Asia, APR Energy can rapidly mobilise to meet urgent needs anywhere in the world.

Advanced plant design and engineering

APR Energy's experienced engineering team designs turnkey plants that scale to over 400MW and configure them to meet our customers' unique requirements. Each APR Energy power solution has been developed to enable rapid mobilisation and installation, while ensuring performance that operationally meets all guaranteed availability and efficiency requirements throughout the life of a project. The proprietary systems and technology we develop enable us to remotely control and monitor each plant, optimise site and infrastructure, increase generation efficiency and reduce emissions. This attention to engineering detail and system compatibility ensures that the power plant, its interconnection point, and the ultimate quality of the delivered electricity meet customers' expectations.

Mobilisation and logistics

Our highly developed processes integrate

across all logistics, planning, engineering, installation, legal, and commercial teams to help ensure seamless and rapid execution. Through partnerships with world-class logistics companies, we are able to quickly deploy our fleet via air, sea, or land. In addition, through our proprietary, modular building system, we are able to deploy, install, and demobilise plants with the highest level of speed and efficiency.

An experienced management team

APR Energy benefits from a strong and experienced management team led by the co-founders of the business, John Campion and Laurence Anderson. With over 120 years of collective industry experience, our management team has a strong understanding of the global power market, its technologies, and the complex nature of project delivery requirements. This extensive sector knowledge plays an important part in maintaining long-term relationships with key customers and suppliers, as well as being crucial to achieving new contract wins.



Our strategy

Delivering value to our shareholders, communities and people

APR Energy will achieve its vision by driving sustained growth and operational excellence, generating customer value and developing world-class infrastructure and people

APR Energy's vision is to be the leading provider of large-scale, rapidly-deployed power solutions. We do this by providing cost-efficient, reliable electricity, on a fast-track basis, where our customers need it. We leverage state-of-the-art technology and industry-leading expertise to provide fuel-efficient, turnkey power plants that are rapidly deployed, customisable, and scalable.

With a proven record of success, a sole focus on large-scale power projects around the globe, and a strong balance sheet, we are confident in our ability to achieve our vision. We will build upon our legacy of trusted expertise, leading-edge technology, and rapid deployment by carefully executing our strategy for growth – the success of which will be measured against our three core strategic corporate objectives.

Grow long-term shareholder value

We drive business growth that is consistent and sustainable. We effectively deploy capital to expand our fleet and our global

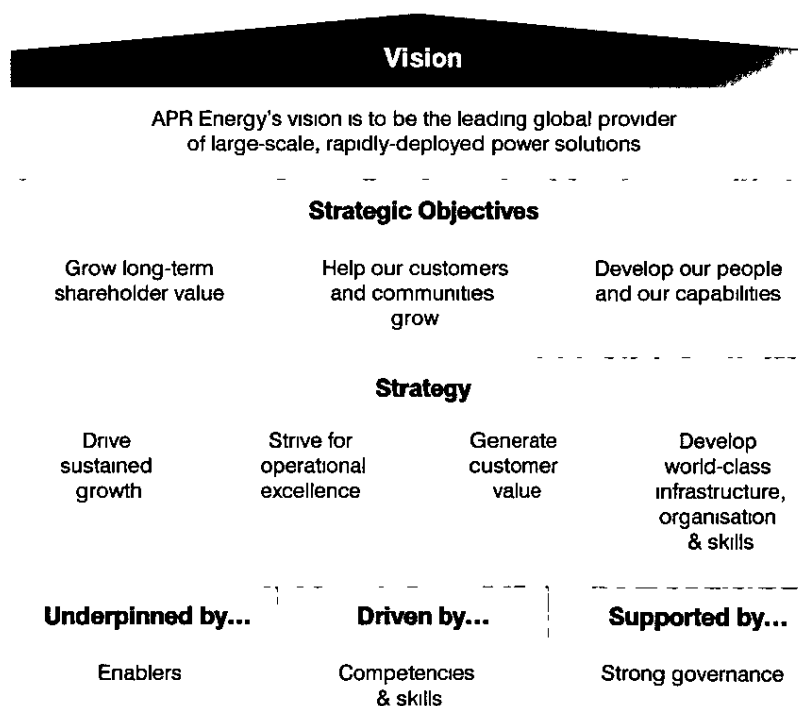
footprint – driving revenue, profit expansion and long-term shareholder value. We strive for operational efficiencies, using process innovation and improvements to lower costs and improve margins.

Help our customers and their communities grow

The power and capacity APR Energy provides do more than just keep the lights on. Our fast-track power solutions enable economic and social progress in the parts of the world that need it the most. As a trusted, responsible partner with our communities, we are proud of our reputation as a good corporate citizen. We will continue to support the communities in which we operate and, as always, strive to provide the highest level of customer satisfaction.

Develop our people and our capabilities

Our growth plans, coupled with the complex challenges facing our customers, require a well-trained, highly motivated workforce with the ability to execute effectively at a



global level. APR Energy operates upon a foundation of strong core values that helps cultivate a work environment that encourages growth in skills, capabilities, and satisfaction. We implement and utilise global systems and processes that help our employees be successful and accountable.

Our strategic focus areas:

Drive sustained growth

Grow our mobile gas turbine business

Mobile gas turbines are an integral part of APR Energy's growth strategy, providing a stronger play into more lucrative larger-scale, longer-term projects. Through our acquisition of the GE Power Rental Business in October 2013, APR Energy is now the world's largest provider of fast-track mobile turbine power. We have deliberately chosen to differentiate ourselves in the market through our decision to invest in this technology, which now represents 56% of our total fleet mix.

In comparison to gas reciprocating engines, mobile gas turbine technology provides greater reliability, requires much less maintenance, needs significantly fewer people to operate, occupies a smaller installed footprint per MW, and produces a fraction of the emissions. They also provide the added flexibility of being able to seamlessly switch between natural gas and diesel fuel as needed by the customer.

These aero-derivative turbines can each produce up to 30MW of power and their integrated, high-density design radically improves the speed and logistics of transport. They can be transported anywhere in the world for projects and require approximately one-third of the space as the equivalent number of reciprocating generators.

As a result of these advantages, the mobile gas turbine share of the fast-track power market has grown rapidly over the last three years, representing approximately 20% of all deals since 2012, excluding projects in the BRIC countries. For deals of 100MW and greater, mobile gas turbines reached over a third of the market, with 138% CAGR over a three-year period. Some of this growth is due to fast-track power customers shifting preference on technologies.

However, in many cases, turbines have expanded the playing field in our market, opening up opportunities with customers who would have otherwise not considered large-scale, fast-track power previously, either due to emissions requirements, scale, space constraints, or requirements for fuel flexibility.

Leverage the GE Strategic Alliance

In October 2013, APR Energy completed a transformational deal with GE, acquiring GE's Power Rental Business in exchange for APR Energy stock and cash and entering into a long-term strategic alliance. The deal created the world's leading fast-track mobile turbine business, further strengthening APR Energy's leadership position in large-scale, fast-track power and provided the Group with the fleet and technology to support our growth plans into the long term. The strategic alliance and equity commitment reflects GE's endorsement of APR Energy's prospects to lead the fast-track power space.

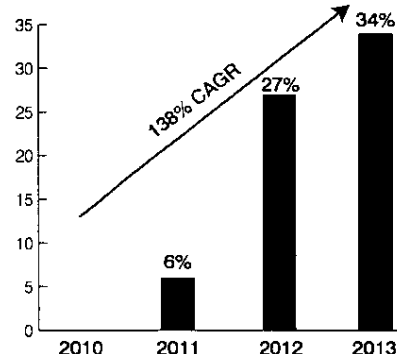
APR Energy's strategy with regards to the GE strategic alliance includes the following:

- Leverage the acquired GE turbine fleet worldwide support services, and long-term supply agreement to focus further on turbine opportunities in both developed and developing markets.
- Use the GE brand to build credibility for APR Energy as the Group enters new markets and positions its technology and fast-track turnkey solutions.
- Collaborate on business development opportunities with GE where APR Energy can offer complementary bridging power solutions while permanent GE plants are built.
- Convert the acquired GE power rental contracts to APR Energy's full turnkey contracts with add-in services.

Since the closing of the GE deal, APR Energy has signed a new 40MW contract in Angola featuring GE turbines and has also renewed its US Virgin Islands contract, assumed through the acquisition, at improved pricing consistent with APR Energy's historic turbine pricing levels.

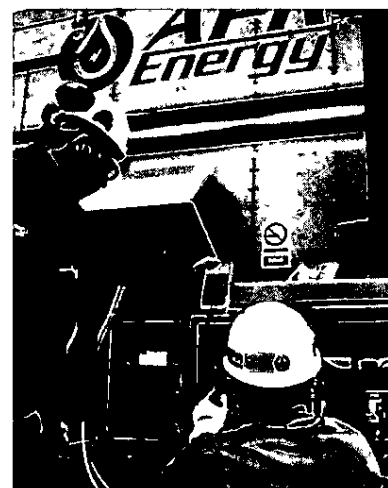
Gas turbine share (MW)

Fast-track power market
100MW+ sized deals*



Source: Company analysis

* excludes BRIC countries





Strategic benefits of the GE Power Rental Business acquisition

Advances APR Energy towards its strategic vision to be the leader in large-scale, rapidly deployed power

The acquisition has made APR Energy the world's leading supplier of fast-track mobile turbine power. Mobile turbines play a key part of our strategy to focus on larger-scale longer-term projects and have been a growth driver in our industry. With the backing of the GE brand name, a long-term supply agreement, collaboration on opportunities, and expansion of our global footprint, APR Energy is well positioned to grow its leadership position in the industry.

Provides the technology and fleet capacity for growth

The acquisition has expanded APR Energy's turbine capacity by 520MW to 1.2GW, creating the world's largest fleet of fast-track mobile gas turbines. This, together with a long-term supply agreement that provides favorable terms and broader access to technical service and support around the globe, will support APR Energy's ability to address growing demand for large-scale, fast-track power. The deal also has diversified the Group's fleet, with over 50% having dual-fuel capability.

Establishes a long-term strategic alliance with GE

As a result of the Acquisition, GE has become a strategic shareholder in the Group with approximately 16.5% of the share capital, demonstrating GE's intent to assist in value creation. APR Energy has already begun benefiting from its GE Partner brand designation. Additionally, since the alliance provides us access to GE's sales and commercial network, APR Energy benefits from the opportunity to complement GE's longer-term projects with a fast-track offering leveraging GE technology.

Expands and diversifies APR Energy's global footprint

The GE deal included contracts in Australia, Bangladesh, Canada, Iraq, and the US, Virgin Islands, expanding APR Energy's footprint in both developing and developed countries, and providing immediate access to key targeted markets. The acquisition also diversifies APR Energy's customer base and significantly enhances our natural gas footprint, with the majority of the turbine contracts being acquired running on natural gas.

Enhanced cash generation

It is expected that the enlarged business will have an enhanced cash generation profile helping to contribute to the future de-leveraging of the Group's balance sheet.

Advantages of mobile gas turbines

Scalable in large power blocks

Mobile gas turbines such as the GE TM2500+ can deliver up to 30MW of power per unit. This is the equivalent of anywhere from 15 to 25 reciprocating engines. Using multiple turbines, plants can be configured easily to deliver more than 400MW of power.

Require less space

Due to its high power density, a mobile turbine plant requires less than a third of the space of an equivalent megawatt diesel reciprocating engine plant. This can be a critical consideration when sites have limited space, such as found at existing utility plant sites or in urban locations.

Fuel flexibility

The dual-fuel nature of mobile gas turbines offer customers greater flexibility as fuel availability, quality, or pricing changes over time, without the need for changing equipment. Customers often choose to start operations with readily-available diesel fuel and then later switch to cheaper natural gas as reserves and infrastructure are developed.

Semi-permanent technology

Mobile gas turbines are highly durable and integrate well into existing plant infrastructure. Since many power plants already use gas turbines, utilities are familiar and comfortable with the advanced technology. Their long life span, in contrast to reciprocating engine generators, allows them to be installed on a semi-permanent basis for longer-term contracts.

High mobility

A major advantage of mobile gas turbines is the mobility they provide. They can be rapidly transported by air or ocean through their containerised configuration and can be quickly installed by APR Energy into a turnkey power plant.

Better for the environment

Mobile gas turbines only produce a fraction of the NO_x and other pollutants that diesel reciprocating engines generate and significantly less noise. In many markets with strict environmental regulations, including most developed markets, turbines offer the most viable large-scale, fast-track solution.

Penetration of priority markets and segments

APR Energy's strategy is to serve both developed and developing markets with the largest segments being large sovereign and private utilities together with power-intensive industries such as mining. Customers located in high-growth emerging, frontier, and underserved markets remain a major focus. Those customers face a structural imbalance in their supply and demand of electricity due to high growth, ageing infrastructure, lack of infrastructure investment, and/or dependence on unreliable foreign or hydroelectric sources of electricity.

Benefitting from our power-dense and low-emissions turbines, APR Energy provides a strong offering for developed markets that require bridging or backup power due to decommissioning and renovations of plants caused by ageing, tightening environmental regulations, and/or public opposition. In addition to our primary markets, APR Energy is ready and capable to respond to event-driven requirements and emergencies anywhere in world.

Market expansion and diversification within our priority markets, whether by geography, the industries we serve, or the fuel types our power solutions support, are critical for our long-term growth. This multi-faceted diversification will enable us to expand our revenue base in rapidly growing high-demand, and untapped markets and segments. It will allow us to build operating efficiencies with a greater scale in terms of talent pools, supply bases, and fleet. In addition, by reducing dependency on any single market or customer, APR Energy will be in a stronger position to minimise business, political, and economic risk, which, in turn, should reduce volatility and variability in revenue over time.

Africa

Africa remains a strategically important region for APR Energy. We have engaged in a number of fast-track, turnkey power projects throughout the western, eastern, and southern regions of the continent since 2006, including in Angola, Botswana, Burkina Faso, Gabon, Libya, Mali, Mozambique, Senegal, and Tanzania. We see strong opportunities in Africa due to the rapidly growing demand for electricity and an acute lack of investment and planning for permanent power plants.

Rapid expansion of the commodities, mining, and construction industries is also expected to drive economic growth and the need for more permanent power generation

infrastructure. Many industrial firms and countries dependent on hydroelectricity are also switching to off-grid dedicated power generation facilities to reduce lost production caused by power interruptions. In addition, regional dependence on hydroelectric resources makes the power generation capacity of many African countries vulnerable to prolonged droughts.

Our Dubai hub has positioned us well to pursue new opportunities across the continent. We continue our focus to secure new contracts within Africa, which has significant natural gas reserves that present good opportunities for our mobile gas turbines. In December 2013, APR Energy announced its first-ever mobile turbine project in sub-Saharan Africa, a 40MW plant in Angola, which follows the Group's execution of a 40MW plant using diesel reciprocating engines earlier in the year.

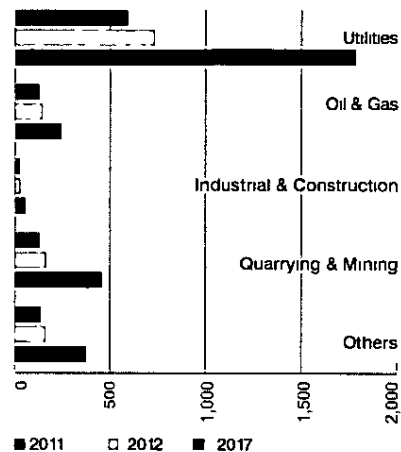
The Middle East

This region offers strong growth potential and continues to be a focus for new strategic investment by the Group. The 'Arab Spring' has created a number of opportunities for APR Energy's fast-track power solutions throughout the region. These opportunities are driven by the need for seasonal power, ageing and damaged infrastructure, and shifting political climate. Our Dubai hub and commercial office has already played a key role in expanding our footprint in the region, playing a key role in the development, deployment and support of projects in Oman and Yemen.

Ongoing infrastructure development, industrial expansion in the energy and chemicals sectors, and event-driven needs are expected to drive significant demand growth in the region over the next few decades. According to the EIA, numerous 'mega' petrochemical projects are currently underway in Saudi Arabia, Qatar, Kuwait, and the UAE.

In 2012, the Gulf Cooperation Council region experienced large increases in peak demand due to an influx of refugees in some countries, growth of the middle class, and prevalence of subsidies. This trend is set to continue with on-going political strife and uprising. According to the MEED Insight Mena Power 2013 report, the Middle East and North African region is facing annual demand growth rates in excess of 10% due to rising populations, oil prices and high economic growth. This demand coupled with lack of tariff reform is pushing utilities to find immediate solutions and invest in new generation capacity to restore or maintain their 15% reserve margin.

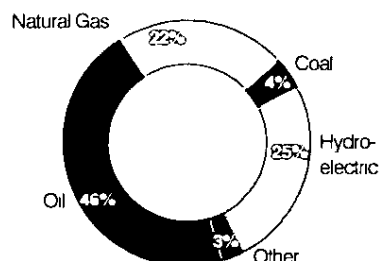
African power rental market
by end-use, 2011-2017
(\$ million)



Source: MarketsandMarkets 2012

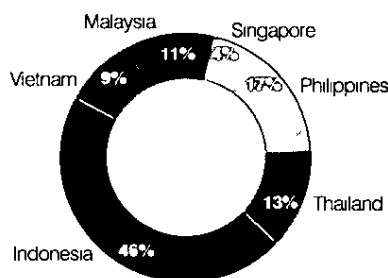


Energy consumption by fuel South & Central America



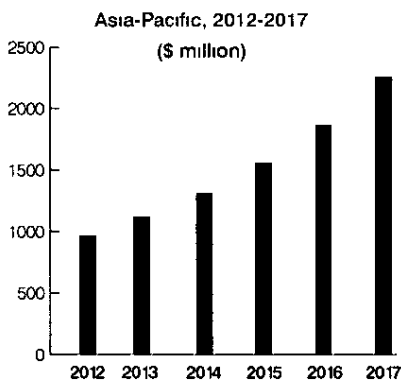
Source: BP - Statistical Review of World Energy 2013

Southeast Asia rental power market



Source: Frost & Sullivan 2013

Total rental power market: revenue forecast



Source: Frost & Sullivan

The projected demand for fast-track and bridging power within the Middle East market represents great potential and the demand for electrical capacity in this dynamic region is projected to increase dramatically in the medium to long-term

Latin America and the Caribbean

Similar to Africa, Latin America's reliance on hydroelectric power presents opportunities for the deployment of mobile power generation facilities. Many regions have experienced widespread blackouts due to power deficits and local utilities routinely schedule power interruptions. In addition, poor investment in infrastructure and steady economic growth has resulted in inadequate power generating resources

Representing one of the world's largest markets for fast-track power, there are large disparities in electricity access across the countries of Latin American and the Caribbean. APR Energy has delivered successful power projects in Argentina, Costa Rica, Ecuador, Haiti, Martinique, Peru, and Uruguay and, through the acquisition of the GE Power Rental Business, the US Virgin Islands. At the same time, we see strong opportunities to provide fast-track and dedicated power solutions for industries such as mining and other extractive operations – a growing and important sector in countries like Brazil, Chile, and Peru.

Asia-Pacific

The Asia-Pacific region has been one of the fastest-growing markets for APR Energy and remains a strategic priority for Group growth and investment. Our regional hub in Malaysia, together with our commercial office in Singapore, positions us well for further regional expansion in the region. Our investment has helped us penetrate strategically important markets in the region, including Indonesia and Myanmar. APR Energy has had success in both the utility and industrial sectors in other Asian countries, including Sri Lanka, and Japan – where we have demonstrated our operational flexibility by delivering solutions based upon both reciprocating engine power modules and mobile gas turbines.

Our GE strategic alliance will serve as a platform from which we can generate additional business in the region. The increasing availability of natural gas throughout this geography will help us further drive mobile gas turbine power opportunities.

Notwithstanding ambitious power expansion plans, rapid consumption and

demand in this region will strain efforts to ensure reliable electricity supply on a continuous basis. Already, countries like Indonesia, with the largest economy in Southeast Asia, are facing difficulties in ensuring the reliability of its power delivery and distribution networks. Another example is Myanmar, where approximately 75% of the population does not have access to reliable power.

Developed markets

Developed markets such as South Korea, Japan, the UK, Poland, and even the US have a rising need for bridging and backup power generation. This is being driven by the decommissioning and renovations of plants due to ageing, tightening environmental regulations, and public opposition to certain types of power.

Due to strict environmental regulations, limited space, and need for integration with existing plants, mobile gas turbines are the most attractive option for these customers. Benefitting from our power-dense and low-emissions turbines, APR Energy provides a strong scalable offering for the high megawatt demands of large utilities, and offers the technology with which these customers are most comfortable and familiar.

Industrial applications

Industrial customers remain an important segment for APR Energy, and provide diversification for the Group's customer base. APR Energy will continue to target large industries, particularly Engineering, Procurement and Construction (EPC), oil and gas, and extractive industries. The extractive industry, e.g., mining, is particularly attractive as it consumes high amounts of electricity and often operates in remote locations distant from the power grid. Such companies need dedicated power solutions in order to maintain production and optimise their operations.

APR Energy's success in this sector includes projects delivered in Botswana, Guatemala, and Mozambique.

The industrial sector is expected to remain the largest electricity consumer of all end-use sectors, accounting for over 40% of total electricity demand in 2035. Due to increasing electrification of industrial processes, especially in non-OECD countries, industry electricity demand is expected to grow over 2% per year through 2035.

APR Energy's fast-track mobile systems can provide electricity for space-restricted facilities located far beyond the reach of utility power grids. Our state-of-the-art equipment and experienced support teams offer private and state-owned companies a cost-effective and reliable source of power for even the most remote operations and harshest conditions.

Looking ahead, we see good opportunities to grow our base of industrial customers to include applications such as oil and gas exploration, mining, chemical processing plants, and other remote operations without grid access but where a reliable supply of power is essential to a customer's operations.

Penetrating the natural gas market

As part of our strategic growth strategy, APR Energy remains committed to increasing its natural gas power generation footprint. As worldwide production of natural gas continues to grow, and as both developed and developing countries increase their production capacity, APR Energy is well positioned to take advantage of this readily available fuel source. Our mobile gas turbines and gas reciprocating engines offer customers a cleaner, more cost-effective, and lower impact option. Fuel cost is often a major driver for our customers, and natural gas presents a significantly cheaper alternative to diesel fuel in many markets.

Natural gas will continue to play an increasingly vital role in the world's supply of energy. It is one of the cleanest and most useful of all non-renewable energy sources. Compared to large-scale diesel generators, natural gas powered generators can produce significantly lower amounts of harmful emissions such as NOx, particulate matter, and pollutants.

In its World Energy Outlook 2011, the IEA forecasts the demand for natural gas growing by 2% per year between 2009 and 2035. Natural gas offers significant competitive advantages over other fuels. It is seen as economically more efficient because only about 10% of the natural gas produced is wasted before it is consumed. In addition, technological advances are constantly improving efficiencies in extraction, transportation, and storage, as well as in equipment that uses natural gas such as APR Energy's mobile gas turbines.

Develop the APR Energy brand

Our brand strategy is designed to present the Group's values and propositions in ways that will help us drive business, attract

and retain the best people, and increase shareholder value. Our brand promise, Powering Your Progress® captures the benefits APR Energy provides for the businesses and communities that depend on our ability to provide power under even the most extreme circumstances. As we continue to build our global footprint, our ability to generate awareness around our capabilities and capture new business opportunities is enhanced by our continued success in fostering meaningful connections with the communities we serve.

Our brand strategy focuses on reaching targeted customers in the places where they look for information, creating relevant content that demonstrates our expertise and thought-leadership, and generating conversation around the value our fast-track turnkey power solutions can provide. We will continue to evolve and elevate our brand presence in priority regions, and will further leverage the brand credibility our GE strategic alliance brings.

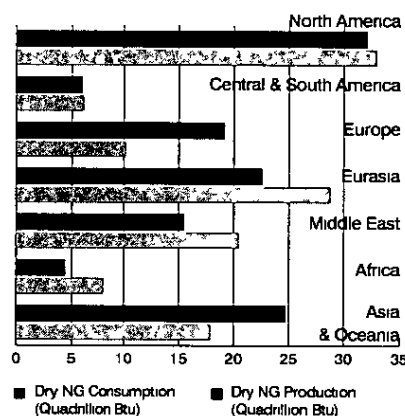


Africa Energy Forum 2013



Global advertising

Natural gas production and consumption World regions, 2012 (Quadrillion Btu)



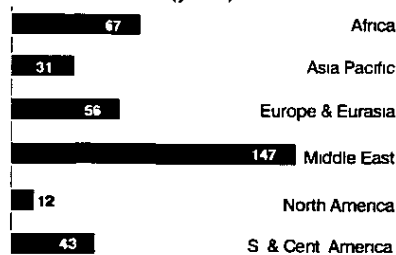
Source: U.S. Energy Information Administration, 2012

Largest mineral producing economies by production value (in current \$ million)

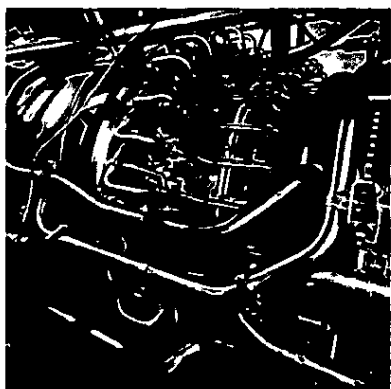
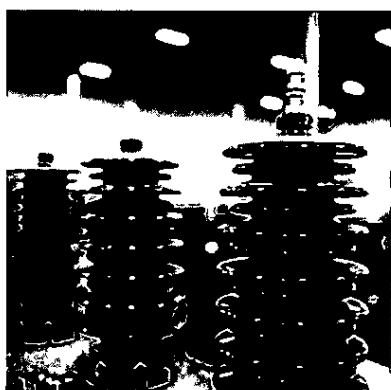
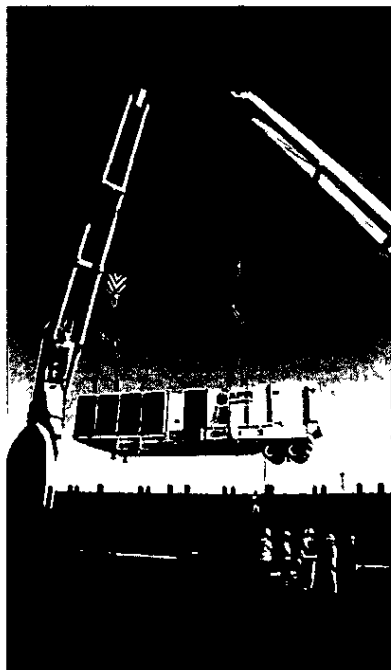
Country	Production value
Australia	71,955
China	69,281
Brazil	47,027
Chile	31,275
Russian Federation	28,680
South Africa	27,116
India	26,042
United States	22,957
Peru	18,832
Canada	13,984
Indonesia	12,225
Ukraine	9,283
Mexico	8,361

Source: International Council on Mining & Minerals, 2012

Reserve lifetime of natural gas (years)



Source: BP Statistical Review of World Energy 2013



Operational excellence

APR Energy strives for operational excellence in everything it does: optimising speed, quality, and cost to deliver value to both our customers and shareholders. The cornerstones to this strategy are speed of execution, technology leadership, scalable global processes and structure, and efficient management of assets.

Speed of execution

Speed is a key driver behind our business model. Whatever the cause, a loss or deficiency of power can have a devastating impact on communities and businesses – quickly leading to negative economic consequences, deteriorating government functions, and potential social unrest. When customers have a critical need for power, they need a fast response. APR Energy remains committed to getting plant and power capacity in place when and where our customers need it most – a commitment we have achieved for over ten years.

Key elements of this strategy

- A global network of equipment and personnel, with the ability to fully deploy a large-scale, turnkey power plant with best-in-class speed to anywhere in the world.
- Access to one of the largest mobile fleets in the industry, including mobile gas turbines that can be cost-effectively shipped by air and rapidly installed to deliver up to 30MW per unit – versus 1-2MW for a traditional reciprocating engine.
- Partnerships with world-class logistics companies that offer far-reaching logistical capabilities and which are able to deploy our fleet via air, sea, or land.
- Proprietary modular building systems optimised for rapid and cost-efficient mobilisation and installation of scalable plants.
- Highly skilled electrical and mechanical engineering capabilities, including proprietary designs and testing methodologies, which allow us to meet a wide range of customer needs, such as high voltage and custom transmission or monitoring and metering systems.
- A highly skilled, flexible workforce stationed across the Americas, Africa, the Middle East, and Asia, which can be rapidly mobilised to meet urgent customer needs.
- Highly developed, cross-functional processes working seamlessly together across our commercial, engineering,

financial, legal, supply chain, and HR departments.

- Effective project management integrating and tracking all aspects of execution, including scheduling and cost.

Technology leadership

For APR Energy, differentiation through technology leadership remains a key part of our strategy. Our customers depend on our fleet as a reliable and efficient source of power and capacity. APR Energy seeks to offer customers the most reliable and technologically advanced and diverse fleet in the industry, including mobile gas turbines and reciprocating-engine diesel and natural gas power modules. By offering utilities and industries the best and broadest choice of technology in the industry, we are able to expand the playing field of opportunity, and provide solutions that best serve our customers' needs.

Benefitting from the newest fleet in the industry and APR's internally designed monitoring and control systems, we offer leading-edge, "smart" technology with the latest advancements in reliability, fuel efficiency, and emissions control, while providing remote automation and monitoring capabilities, and automatic reactive power control for voltage support and grid stability. Our plants offer some of the best fuel efficiencies in the industry, enabling us to provide our customers with an overall lower cost of generation.

Asset Management

With a business model that requires large investments in fleet and balance of plant, effective asset management is a vital part of our overall operational excellence strategy. APR Energy differentiates itself through technology that offers the latest advancements in fuel efficiency, emissions, and operation. As part of this approach, we make ongoing investments in new next-generation fleet to support our growth, while retiring older equipment that reaches the end of its useful life as appropriate.

To protect our investment, and to ensure we continue to provide reliable electricity to our customers, we keep our fleet well maintained through stringent maintenance regimes. We also ensure we have the training, tooling, and logistics capabilities in place to service effectively the fleet mix. Through our ability to collect operating data on our equipment in real time, we are able to conduct research and development on ways to operate our assets more efficiently and effectively.

Strategic Partnerships

Sourced through strategic partnership agreements with GE and Caterpillar Inc, our power generation technology enables us to deploy and service new, efficient units that provide our clients with peace of mind that they will have reliable power

APR Energy's global framework agreements with Caterpillar, Inc, one of the world's best-known heavy equipment brands, and CAT® dealer Ring Power enables us to source Caterpillar's diesel and gas reciprocating power modules at beneficial pricing. These reliable and compact modules feature some of the latest reciprocating engine technology in the market and can support a wide range of utility and industrial power generation applications. The partnership enables us to maintain a robust fleet infrastructure to help fulfil power plant opportunities, gives us access to Caterpillar's world-class aftermarket sales and support, and provides APR Energy clear visibility to Caterpillar's integrated supply chain.

As part of APR Energy's acquisition of the GE Power Rental Business and GE strategic alliance, the Group has a long-term supply and services agreement for mobile gas turbines, including GE's TM2500+ – one of the leading mobile turbine products on the market. The GE agreement includes the opportunity for supply of related parts and services, and on-going technical support and training. As such, this agreement gives APR Energy a reliable supply of available fleet and capacity needed to support our growth ambitions into the long term.

Generate customer value

Given the broad range of customer needs, which vary in terms of application, site conditions, scale, and fuel availability, APR Energy is flexible in working with each customer's unique requirements. APR Energy balances speed, quality, service and cost in ways designed to generate customer value by providing solutions that address fully our customers' needs and ultimately drive their satisfaction.

As part of this strategy, APR Energy takes a customer-centric approach by combining leading-edge technology with fast-track installation, around-the-clock service and maintenance, and flexible plant design, to provide our customers with customised, turnkey solutions to meet their specific requirements. Customers are able to benefit quickly from reliable power – worry free – without waiting for the up-front capital investment needed for permanent facilities.

Customer centricity helps APR Energy build a strong reputation in the industry and drives loyalty. Renewals are a key part of our business, with over 80% of our initial contracts renewing for additional term.

Key elements of this strategy include

● 24/7 Service and support

Through the turnkey nature of our plants, APR Energy handles all operation, maintenance and service. This, together with skilled operators knowledgeable on our plants and technology, relieves our customers from the day-to-day concerns of running and maintaining a power plant. Also, with a network of regional hubs and commercial offices located in our key markets, we are able to respond quickly to urgent customer needs, wherever they may be.

● Customised approach

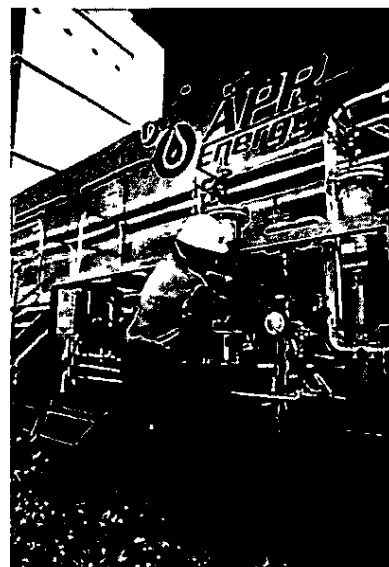
APR Energy works with our customers to accommodate specific requirements, respective to application, scale, generation technology preference, fuel type, voltage range, and configuration needed to fit a given site. Depending on each project's unique set of needs, our customer-centric staff works closely on the ground to design and deliver a turnkey process that includes installation, operation, and maintenance services for the entire life of the power project.

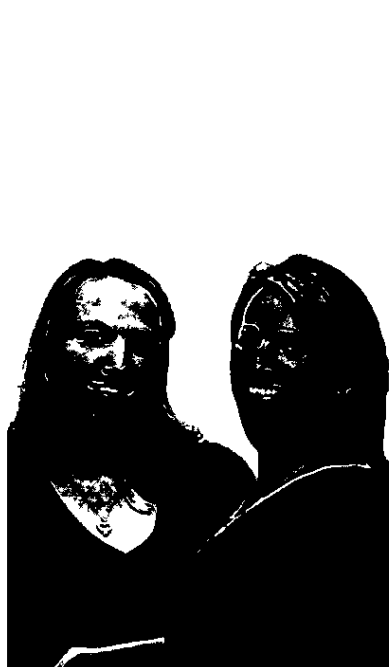
● Scalability

APR Energy's strategy is to focus on larger-scale, longer-term projects, which in turn equate to higher value contracts. We design our plants to be scalable to serve customers with high megawatt needs. Through our power-dense mobile turbine technology and modular building processes, our projects can be readily scaled to over 400MW and can be configured to meet our customers' unique requirements.

● Flexible technology offering

APR Energy offers customers the broadest choice of power generation technologies in the market, including diesel and natural gas power modules, as well as mobile gas turbines. This choice allows us to match each customer's specific requirements related to fuel type, voltage range, power generation technology, scale, and power density. With our gas turbines, we provide the added flexibility of being able to switch seamlessly between natural gas and diesel fuel as needed by the customer. The energy efficiency of our technology can also drive an overall lower cost of electricity generation for our customers.





Develop world-class infrastructure, organisation and people

Developing our people

With any rapidly growing company, maintaining and growing a highly motivated, trained workforce is a top priority and is essential in order to meet APR Energy's strategic goals. Over the long-term, we will grow our global sales, engineering, finance, legal, HR, marketing, and logistics teams in order to meet the rising demand for turnkey fast-track power projects. To operate in the fast-paced, unpredictable climate of our market, it is critical to have the right people on the ground in the regions we serve – armed with all the resources they need to take care of our customers. As our business continues to grow and diversify, we will provide our staff with the motivation, training, and positive career incentives they need to perform at the highest level. This will help ensure skill development, provide stability, and minimise staff turnover.

Expanding our regional presence

In order to support our objectives of rapid solutions delivery and best-in-class customer responsiveness, APR Energy will continue to develop and expand its global footprint of regional hubs and offices. The investments we have already made have helped us win new contracts and provide some of the industry's fastest response times for large-scale power projects.

By stationing teams of logistics, purchasing, and engineering staff on the ground in the regions in which we operate, APR Energy can provide customers the kind of informed, responsive partner they need and expect. In addition to further developing our distribution and service hubs, we will continue to develop our regional commercial offices to help us to better serve and respond to our customers, stay attuned to the local markets, build strategic business relationships, and serve as a base for developing new projects.

Our global network of fleet and service offices serve as vital hubs for quickly responding to new business opportunities and the needs of customers around the world. To expand our market presence in strategic markets, we operate facilities in Panama, Dubai, and Malaysia. These full-service hubs house APR Energy's expanding fleet of power generators and transmission units – enabling rapid deployment and technical support at a moment's notice.

Finance and administration

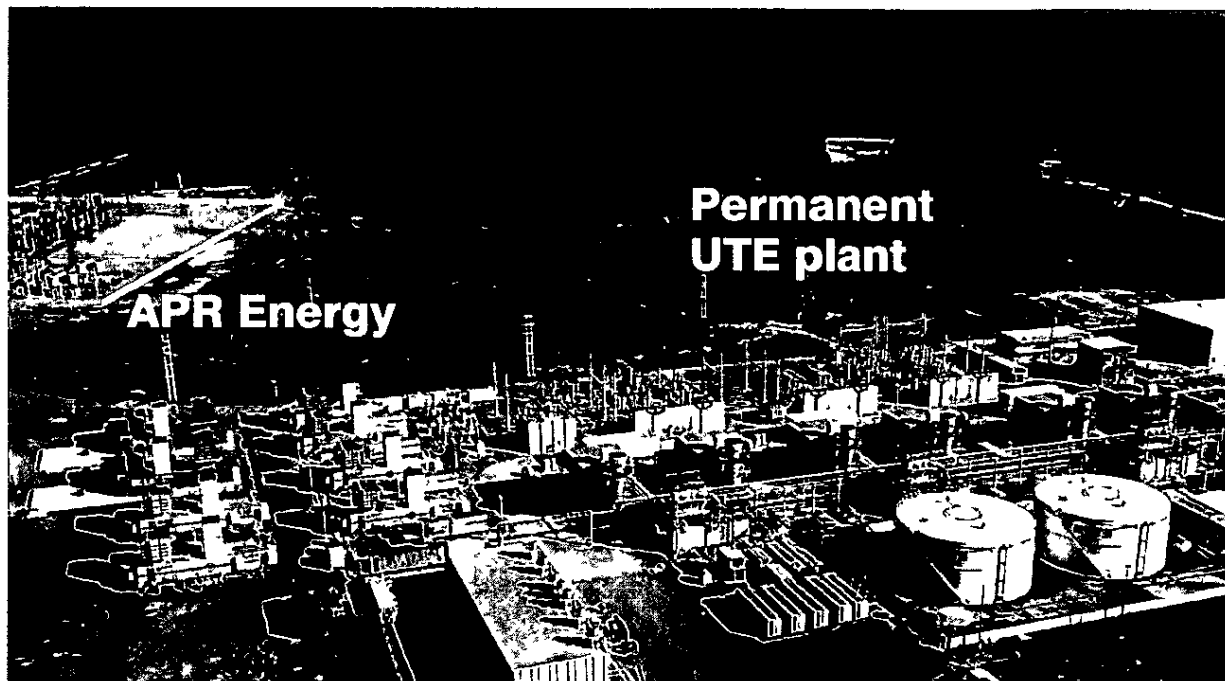
We continue to invest in our accounting and finance function to strengthen the skills, experience, and depth of our team, while driving significant improvement across our process, reporting, and analytical systems. We have complemented this with key hires in the areas of tax, treasury, and investor relations, as well as establishing regional finance teams. We have also enhanced the support finance provides to our operations teams throughout the lifecycle of our projects, including the early stages of bid compilation and approval, ongoing project cost control, and ongoing local support to our project teams via our regional finance teams.

In December, the Group established an internal audit function, including the appointment of a senior, experienced individual as the lead of our internal audit function. The primary responsibility of internal audit is to provide objective assurance and consulting services designed to help the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.



www.aprenergy.com/uruguay bridging power

URUGUAY



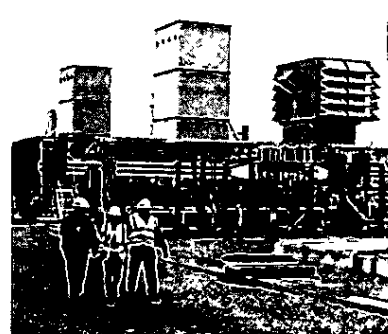
"I was marvelled with the response that this company has given. We now begin a commercial stage in which we are strategic partners. With the availability of these machines, we will supply the demand in Uruguay and it will allow us to optimise our system. Sincerely, with APR we have had a very good experience."

Gonzalo Casaravilla
President of UTE

Strategy in action

The electricity sector of Uruguay is largely based on domestic hydropower. This leaves the country vulnerable to seasonal rainfall patterns and often requires importation of electricity from its neighbours. Urgently needing a strategic defence against hydro dependency until a new power plant could be constructed, Uruguay's national utility, UTE, contracted with APR Energy in 2012 for an initial 100MW turnkey plant. The utility had a strong preference for dual-fuel gas turbines given its familiarity with the technology and the country's strict environmental regulations. It also needed a solution that would integrate into its current site and infrastructure.

Pleased with APR Energy's solutions and technology, UTE contracted APR Energy for an additional 200MW, installed in early 2013 across two sites. Through the fast-track deployment, eight mobile turbines travelled via a mix of ocean and air freight to meet a tight operational schedule. The full turnkey 100MW solution at Punta del Tigre commenced operations in May, bringing APR Energy's total capacity at the site to 200MW. The 100MW plant at La Tablada, which became operational in April, includes 150kV substation equipment for protection and metering.



The semi-permanent plants integrate seamlessly into UTE's existing infrastructure and utilise demineralised water solutions to comply fully with Uruguay's strict emissions standards. The plants are run as needed for peaking power and backup generation. APR Energy now represents 30% of Uruguay's backup thermal generation and has helped the country become self-sufficient in power production for the first time in 15 years.

Overview

Strategy

Performance

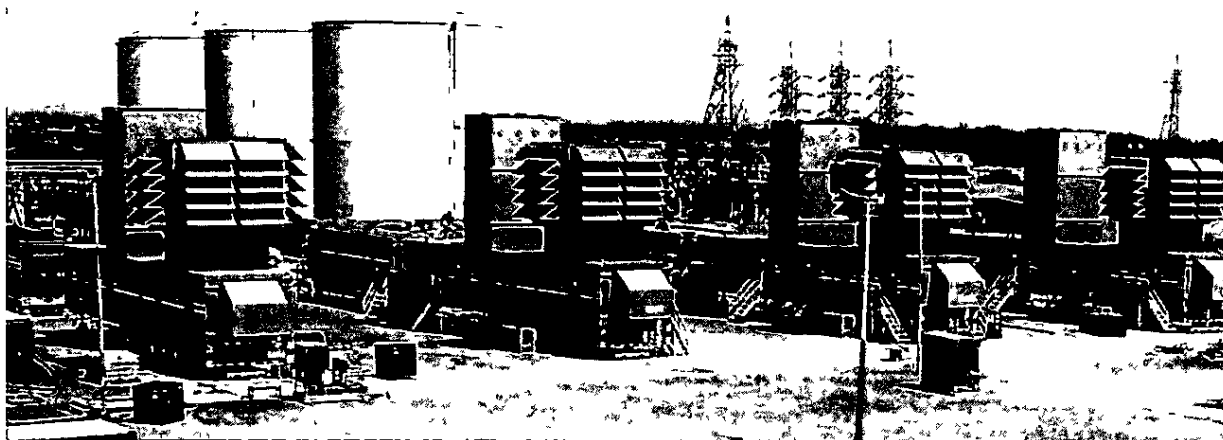
Directors' Report

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Other Information



LIBYA



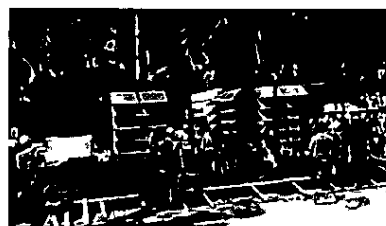
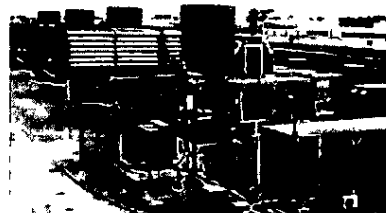
The 450MW project in Libya spans across six sites, involves multiple technologies, and was delivered within a very tight schedule to meet the customer's requirements

Strategy in action

As Libya worked to build and repair its power infrastructure, APR Energy was there to help the Libyan people keep the lights on. In March 2013, APR signed with the Libyan government what would become the largest single contract ever in the fast-track power industry. Executed across six plant sites in the western and southern parts of the country, the 450MW solution included 250MW of dual-fuel mobile gas turbines and 200MW of fuel-efficient diesel power modules.

Using APR Energy's regional hubs in Malaysia, Dubai, and Panama, our logistics team mobilised and routed the equipment through three Libyan seaports and three Libyan airports to ultimately make deliveries to the six sites. The enormous size of the project required shipment of over 8,000 line items and included 76 transformers and 21 total substations. Control rooms complete with IT systems were delivered to each site, as were fuel distribution systems and fuel storage facilities. Two of the remote desert sites included man-camps with living facilities.









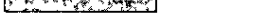
Despite a challenging socio-political environment, extreme climatic conditions, and



installation over the holy month of Ramadan, APR Energy successfully commissioned 450MW of generation capacity across the six plant sites within 75 days from the time equipment arrived at the various sea and air ports in Libya. The electricity that is generated powers approximately one million Libyan homes, helping the country develop its new economy and stay connected with the world.

Key Performance Indicators

The Directors regularly review these key performance indicators in managing the business and measuring the Group's performance

Capacity (MW)	Order book (MW-Months)	Adjusted EBITDA (\$m)
2013  2,074	2013  15,730	2013  181.2
2012  1,311	2012  11,592	2012  157.0
2011  900	2011  6,429	2011  110.6

'Capacity' represents the aggregate megawatt capacity that APR Energy's power generating equipment, including both owned and leased equipment, would be capable of delivering when operating at 100% of their power output







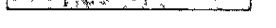
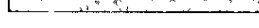

The Directors consider committed capacity to be an important indicator of APR Energy's revenue generating capability

Order book represents contracted future orders expressed as megawatt months

The Directors consider order book to be an important indicator of APR Energy's secured future revenue

Adjusted EBITDA represents operating profit adjusted to add back depreciation of property, plant and equipment, equity settled share-based payment expense, amortisation of intangible assets and exceptional items. Exceptional items are those items believed to be exceptional in nature by virtue of size and/or incidence.

The Directors consider Adjusted EBITDA to be an important indicator because it provides a proxy for free cash generation

Adjusted EBITDA margin (%)	Adjusted ROCE (%)	Adjusted Earnings per share (\$)
2013  59%	2013  8%	2013  0.60
2012  59%	2012  11%	2012  0.68
2011  52%	2011  17%	2011  0.52

Adjusted EBITDA margin represents adjusted EBITDA, as defined, divided by revenue

The Directors consider Adjusted EBITDA margin to be an important indicator because it demonstrates the Group's underlying operating profitability

Adjusted return on capital employed represents operating profit for the previous twelve months adjusted to add back amortisation of intangible assets and exceptional items divided by the average of the net operating assets at the three balance sheet dates (for example, for 31 December 2013 this comprised 31 December 2013, 30 June 2013 and 31 December 2012). 'Net operating assets' is defined as total equity adjusted to exclude goodwill, intangible assets, borrowings, Founders shares and securities, deferred tax assets and liabilities and current tax assets and liabilities.

In a capital intensive business such as APR Energy, ROCE provides a measure that reflects both margin performance and capital productivity

Adjusted earnings per share represents adjusted net income divided by the weighted average number of ordinary shares. The weighted average number of ordinary shares used to calculate the 2013 Adjusted EPS was 80.1m (2012: 78.2m, 2011: 78.2m)

The Directors consider earnings per share to be an important indicator as it provides a comparable means to measure the returns the Group generates for its shareholders

The Directors have included these measures because they are used by the Group in managing the business and measuring the Group's core performance. These measures will also be beneficial to potential investors in understanding the Group's business. However, the figures disclosed herein may not be comparable to similarly titled measures disclosed by other companies as non-IFRS measures are not uniformly defined.

Financial Review

	Reported 2013	Reported 2012	Adjusted 2013	Adjusted 2012
\$ million	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	308.3	265.7	308.3	265.7
Cost of sales	(197.3)	(165.0)	(197.3)	(165.0)
Amortisation of intangible assets	(8.8)	(58.0)	-	-
Gross profit	102.2	42.7	111.0	100.7
Selling, general and administrative expenses	(33.2)	(33.5)	(33.2)	(33.5)
Operating profit	69.0	9.2	77.8	67.2
Acquisition related costs	(14.4)	-	-	-
Founder securities revaluation	(3.3)	(10.2)	-	-
Foreign exchange (loss)/gain	(0.4)	0.4	(0.4)	0.4
Finance income	0.2	0.3	0.2	0.3
Finance costs	(23.6)	(4.6)	(21.6)	(4.6)
Profit/(loss) before taxation	27.5	(4.9)	56.0	63.3
Taxation	(7.7)	(10.0)	(7.7)	(10.0)
Profit/(loss) for the year	19.8	(14.9)	48.3	53.3
Total comprehensive profit/(loss) for the year	19.8	(14.9)	48.3	53.3
Earnings per share				
Basic earnings per share	\$0.24	(\$0.19)	\$0.60	\$0.68
Diluted earnings per share	\$0.24	(\$0.19)	\$0.59	\$0.68

On 28 October 2013, APR Energy completed the acquisition of the GE Power Rental Business. In accordance with IFRS 13, Fair Value Measurement, the value of the transaction reflected the closing share price at completion of 1,155p per share. As a result, for accounting purposes, total consideration was \$362 million, reflecting the issuance of 15,453,129 million new Ordinary Shares and \$73 million in cash as recognised in the financial statements.

The Group recognised the provisional fair value of identifiable assets and liabilities relating to this transaction in accordance with IFRS 3, Business Combinations. Further details can be found in Note 29, Acquisition of Subsidiaries.

Adjusted financial results and performance review

To provide investors with greater clarity on the performance of the Group, adjusted unaudited financial information has been prepared to show the results for the Group, excluding certain items: amortisation of intangibles, Founder securities revaluation movements, and GE related transaction and integration costs. The adjusted unaudited financial information has been prepared as follows:

	Revenue	Operating profit	Profit for the year
\$ million			
12 month statutory results to 31 December 2013	308.3	69.0	19.8
Amortisation of intangible assets	-	8.8	8.8
Founder securities revaluation	-	-	3.3
Acquisition related costs	-	-	14.4
Acquisition related finance costs	-	-	2.0
12 month adjusted results to 31 December 2013	308.3	77.8	48.3

\$ million	Revenue	Operating profit	Profit for the year
12 month statutory results to 31 December 2012	265.7	9.2	(14.9)
Amortisation of intangible assets	-	58.0	58.0
Founder securities revaluation	-	-	10.2
12 month adjusted results to 31 December 2012	265.7	67.2	53.3

Revenues for the year increased 16% to \$308.3 million (2012: \$265.7 million) driven primarily by new contract wins, contract extensions and high utilisation levels on an enlarged fleet, following the commissioning of a number of significant contracts during the year. The timing of these projects becoming operational resulted in revenue being heavily skewed to the second half of the year, as expected.

Revenue included \$9 million (2012: \$nil) from the GE business post acquisition and \$14 million arising from the finance lease accounting in connection with the planned disposal of assets in Botswana. Excluding these items, revenue increased 7% year on year.

Adjusted operating profit increased 16% to \$77.8 million (2012: \$67.2 million) reflecting the higher revenue and gross profit offset by proportionally lower selling, general and administrative expenses. The depreciation charge as a percentage of revenue remains in line with the previous year and reflects capital expenditure on the fleet during the year.

Adjusted net interest expense for the year was \$21.4 million (2012: \$4.3 million) reflecting drawings made on the enlarged credit facility as part of the purchase of fleet capital expenditure, the timing of receipt of receivables and the \$150 million term-loan drawn down in May 2013. This excludes the cash consideration of \$73 million (2012: \$nil) for the GE acquisition and fees associated with the additional \$100 million term-loan.

The 2013 tax charge on an adjusted basis was \$7.7 million (2012: \$10.0 million), reflecting an effective tax rate on adjusted profit before tax of 14% (2012: 16%). The reduction in the effective tax rate reflects the Group booking previously unrecognised tax losses in the UK as a result of contract wins during the year.

Adjusted profit for the year was \$48.3 million (2012: \$53.3 million) reflecting the increased adjusted operating profit, offset by the higher adjusted net interest expense.

Adjusted basic earnings per share were \$0.60 (2012: \$0.68) based on a weighted average number of shares of 81.0 million (2012: 78.2 million shares). Adjusted diluted earnings per share were \$0.59 (2012: \$0.68) based on a weighted average number of shares of 81.9 million (2012: 78.2 million shares).

Adjusted EBITDA increased 15% to \$181.2 million (2012: \$157.0 million), resulting in an adjusted EBITDA margin of 59% (2012: 59%).

As at 31 December 2013, total fleet capacity was 2,074MW, an increase of over 58% compared to 31 December 2012 (1,311MW) reflecting the 520MW of additional capacity acquired through the GE power rental acquisition and 335MW of gross organic capacity expansion, funded by fleet capital expenditure of \$294 million (2012: \$317 million).

Fleet capital expenditure of \$294 million (2012: \$317 million) excluding assets acquired through the GE acquisition, reflects fleet investment primarily in mobile gas turbines resulting in gross organic fleet capacity expansion of 335MW to support new projects wins.

As part of the renewal of the 70MW contract in Botswana in late December, APR Energy has agreed to sell its 70MW installed fleet to the customer. The transaction has been treated as a finance lease, with the sale recognised in December 2013, and with the legal transfer of assets expected to occur post the end of the existing contract in Q4 2014. The sale represents a mutually attractive opportunity for the customer to supplement their owned diesel reciprocating power in country while enabling APR Energy to dispose of legacy equipment. In the interim, we continue our strong relationship with the Botswana Power Corporation.

Financing and bank facilities

The Group has commenced discussions with its existing group of relationship banks regarding its refinancing strategy and expects to execute this strategy over the coming nine months, in light of the term-loan which matures on 1 January 2015

As at 31 December 2013, the Group had gross debt of \$590 million (excluding capitalised finance costs) (31 December 2012: \$205 million) and cash of \$34 million (31 December 2012: \$21 million), resulting in a net debt of \$556 million (31 December 2012: \$184 million). This net debt position partially reflects the timing of the receipt of receivables in respect of the Libyan contracts. Receivables of \$100 million have been received in respect of the Libyan contract since contract commencement. As previously communicated, Management continues to focus on cash management and balance sheet efficiency. The Group's bad debt position is unchanged and in line with historical low levels representing less than 1% of total receivables.

Adjusted Return on Capital Employed

Adjusted Return on Capital Employed (ROCE) is a key performance metric for the business. Given the significant increase in net operating assets associated with the growth of the business, adjusted ROCE decreased to 8% (2012: 11%), primarily reflecting the timing of the significant asset increase, including the 520MW acquired through the GE acquisition in the fourth quarter.

Currencies

Nearly all operating costs are matched with corresponding revenues of the same currency and as such there is minimal transactional currency risk in the Group.

Reconciliation of adjusted operating profit to adjusted EBITDA:

<i>\$ million</i>	Adjusted 2013	Adjusted 2012
Adjusted operating profit	77.8	67.2
Depreciation	99.0	86.3
Equity-settled share-based payment expense	4.4	3.5
Adjusted EBITDA	181.2	157.0

Statutory financial results and performance review

The statutory results for APR Energy covers the year ended 31 December 2013.

Revenue

Revenue for the year was \$308.3 million (2012: \$265.7 million) as described above.

Operating profit

Reported operating profit was \$69.0 million (2012: \$9.2m) reflecting increased revenues and the lower charge arising from the impact of the amortisation of intangible assets.

Acquisition related costs

Expenses of \$14.4 million (2012: \$nil) were recognised in respect of the transaction and integration fees associated with the GE acquisition, which completed during the year.

Amortisation of intangible assets

As a result of the GE acquisition, the Group completed a provisional fair value analysis of tangible and intangible assets and liabilities acquired. Combined with historic intangibles, this resulted in the recognition of a charge of \$8.8 million (2012: \$58.0 million). Included within this amount for 2013 is a total of \$3.2 million (2012: \$nil) of amortisation expense related to intangible assets associated with the GE acquisition.

Bad debt expense

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. There is a concentration of credit risk because there are a limited number of customers and as at 31 December 2013 the two individually significant aggregate amounts owed by individual customers were \$65 million and \$15 million (2012: \$16 million and \$10 million). The risk associated with individual customers is mitigated by the letters of credit we obtain from customers on commencement of a contract. Management reviews concentration credit risk on a regular basis and ensures that where the net exposure exceeds certain thresholds appropriate actions are taken. This is done on a customer by customer basis and takes account of the billing terms, letters of credit and local customs and practices. Bad debt expense was \$nil million in the period (2012: net credit of \$1.5 million) reflecting the Group's use of letters of credit, contract insurance policies and up front deposits to support receipt of contract revenues.

Share-based payments

In accordance with IFRS 2, a non-cash charge of \$4.4 million (2012: \$3.4 million) was recognised related to equity-settled share-based payment transactions. This expense relates to equity grants made under the Company's Performance Share Plans.

Interest and finance cost

Net interest expense for the year was \$23.4 million (2012: \$4.3 million), reflecting drawings made on the enlarged credit facility as part of the purchase of fleet capital expenditure, the timing of receipt of receivables, the cash consideration of \$73 million (2012: \$nil) for the GE acquisition and fees associated with the enlarged facility.

Taxation

The Group's reported tax charge for the year was \$7.7 million (2012: \$10.0 million). The charge primarily comprises withholding taxes of \$3.2 million (2012: \$4.8 million) and foreign income taxes in overseas jurisdictions of \$4.5 million (2012: \$6.7 million).

Earnings per share

Basic earnings per share was \$0.24 (2012: loss per share of \$0.19) based on a weighted average number of shares of 81.0 million (2012: 78.2 million shares). Diluted earnings per share was \$0.24 (2012: loss per share of \$0.19) based on a weighted average number of shares of 81.9 million (2012: 78.2 million shares).

Liquidity and capital resources

Net debt (excluding capitalised finance fees of \$10.7 million) as at 31 December 2013 was \$556.1 million (2012: \$184.0 million). This reflects the Group's continued investment in its fleet and is consistent with the Group strategy. A summary analysis of cash flows is set out in the table below.

\$ million	2013	2012
Net cash from operating activities	57.8	117.3
Net cash used in investing activities	(410.8)	(347.1)
Net cash from financing activities	365.9	187.8
Net increase/(decrease) in cash and cash equivalents	12.9	(42.0)
Cash and cash equivalents at beginning of the year	21.0	63.0
Cash and cash equivalents at end of the year	33.9	21.0

During the period, net cash flow from operating activities totalled \$57.8 million (2012: \$117.3 million). The reduction reflected investments in working capital as a result of the significantly higher activity during the second half and the acquisition of the GE business in October 2013.

Cash flow used in investing activities primarily comprised the increased purchases of property, plant and equipment due to higher levels of organic investment in the fleet and increased mobilisation costs arising from projects commencing operations during the year and the \$73.1 million due to the acquisition of the GE Power Rental Business.

Cash from financing activities included a net \$385.0 million of debt draw-downs. The cash balance at year end was maintained at a level commensurate with the month ahead forecasted cash flows, plus leaving a sufficient amount of cash on hand to cover any eventualities and to minimise borrowing costs.

Acquisition of the GE Power Rental Business

On 28 October 2013, the Group acquired the GE Power Rental Business. The total consideration for the acquisition was \$361.5 million payable in cash (\$73.1 million) on completion and 15,453,129 ordinary shares allotted and issued credited as fully paid up to the sellers. The fair value of this share issue was \$288.4 million, which was equal to the share price on the closing date of the transaction multiplied by the number of shares issued. The GE Power Rental Business contributed \$9.2 million revenue and \$2.4 million to the Group's profit for the period between the date of acquisition and the 31 December 2013. Further details can be found in Note 29 'Acquisition of Subsidiaries'.

Statement of financial position

As at 31 December 2013, the Group had goodwill of \$622.6 million (2012: \$547.1 million), the increase reflecting goodwill of \$75.5 million acquired through the acquisition of the GE Power Rental Business in October 2013. Further details can be found in Note 29 'Acquisition of Subsidiaries'.

Property, plant and equipment

As at 31 December 2013, the Group held property, plant and equipment of \$1,194.3 million (2012: \$671.5 million), reflecting significant additions of \$536.2 million including \$242.3 million arising from the acquisition of the GE Power Rental Business and \$293.9 million from fleet capital expenditure. Disposals of \$14.4 million (2012: \$0.4 million) primarily relate to the expected sale via a finance lease of 70MW of legacy diesel reciprocating power modules in Botswana as part of the December 2013 renewal.

Equity

As at 31 December 2013, the Group's total equity increased 28% to \$1,396.6 million (31 December 2012: \$1,091.8 million) principally as a result of the share capital issuance in respect of the GE acquisition of \$286.6 million, and the profit for the year.

Treasury policies and risk management

The Group's activities give rise to a number of financial risks, particularly market risk comprising foreign exchange and interest rate risk, credit risk, liquidity risk and capital risk management.

Market risk

Market risk includes foreign exchange risk and interest rate risk. The Group seeks to manage these risks to acceptable levels by maintaining appropriate policies and procedures. In its determination to enter into a contract, the Group will carry out a risk assessment and determine the appropriate risk mitigation strategies. Market risk also includes the risk that cash derived from income for services fulfilled under contract terms will become restricted and not available for use in the on-going activities of the business.

Foreign exchange risk

The Group has an exposure to transactional foreign exchange from purchases or sales in currencies other than US dollars. In order to minimise exposure to foreign exchange risk, the Group primarily contracts in US dollars or in contracts with a price based on US dollars at the date of transaction or payment if possible. In some cases, the Group transacts in local currencies when purchasing materials and supplies for project operations.

In limited circumstances, the Group may use derivative instruments to economically hedge against foreign exchange risk. Any hedges are limited in duration and correspond to the applicable contract payments or receipts to which the derivatives are associated.

Interest rate risk

The Group is primarily exposed to interest rate risk on its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. When applicable, the Group may elect to hedge interest rate risk associated with debt or borrowings under the credit facility by purchasing derivative instruments. As at 31 December 2013 and 2012 there were no interest rate hedges in place.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as exposures to outstanding receivables from customers. Due to the nature of the Group's business in emerging markets, management believes the most significant of these to be exposures to outstanding receivables from customers.

To minimise the risk of a significant impact on the business due to a customer defaulting on its commitments, the Group closely monitors trade receivables. In addition, the Group utilises letters of credit, contract insurance policies and up front deposits to mitigate this risk.

Liquidity risk

Liquidity risk results from insufficient funding being available to meet the Group's funding requirements as they arise. The Group manages liquidity risk by maintaining adequate reserves of cash and available committed facilities to meet the Group's short and long-term funding requirements. The Group monitors the short-term forecast and actual cash flows on a daily basis and medium- and long-term requirements in line with the Group's long-term planning processes.

Financing and bank facilities

In 2013, the Group extended its committed, secured credit facility by \$250 million to \$650 million comprising a \$400 million revolving credit facility and a \$250 million term-loan. The facility, with an expanded group of international banks, provides significant liquidity to allow the Group to continue to grow its fleet, expand its global network and respond quickly to opportunities in the market. The \$250 million term-loan is due for repayment on 1 January 2015.

The Group has commenced discussions with its group of existing relationship banks regarding its refinancing strategy and expects to execute this strategy over the coming nine months.

Going concern

The Group has committed, secured credit facilities of \$650 million comprising a \$400 million revolving credit facility and a \$250 million term-loan. The \$250 million term-loan is due on 1 January 2015 within the timeframe of the going concern review. The Group is currently forecasting to meet the repayment of the term-loan and while the Group expects to refinance the \$250 million term-loan, the Group's forecast cash flow headroom is sufficient to allow repayment of the loan on the maturity date.

In order to ensure it remains within the terms of this facility (including covenant requirements), the Group regularly produces cash flow statements and forecasts and sensitivities are run for different scenarios including, but not limited to, changes to contract start dates, pricing and expected contract duration. In the event of unexpected adverse changes to the Group's cash flows, the Directors are confident that the Group could manage its financial affairs, portfolio management and deferring of non-essential capital expenditure so as to ensure that sufficient funding remains available for the next twelve months.

Accordingly, the Directors believe that the Group's forecasts and projections, taking account of reasonably possible changes in assumptions, show that the Group will be able to operate within the terms of its financing and bank facilities for the foreseeable future, being twelve months from the date of this report.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and consolidated financial statements.

Dividends proposed

At the upcoming Annual General Meeting on 20 May 2014, the Board will recommend to shareholders that a resolution is passed to approve payment of a final dividend for the year ended 31 December 2013 of 6.7 pence per share (2012: 6.7 pence per share). With the interim dividend of 3.3p (2012: 3.3p) this results in a full year dividend of 10.0p (2012: 10.0p). Subject to shareholders' approval at the Annual General Meeting on 20 May 2014, the final dividend will be payable on 3 June 2014 to shareholders on the register as at 4 April 2014.

The Board will continue to maintain a regular review of its dividend policy and reiterates its intention to pay an annual dividend.

Andrew Martinez
Chief Financial Officer
25 March 2014

Corporate responsibility

Transforming the future for our people, our customers and our communities

At APR Energy we firmly believe that acting responsibly makes good business sense. It helps drive our interactions with employees, customers, suppliers, and our communities. It is a fundamental part of who we are and how we operate. Demonstrating our core values, each and every day we build lasting relationships with our customers and deliver safe and consistent operations. This will support our vision to be the leader in our chosen market.

Having a strong set of corporate responsibility (CR) policies and practices is critical. We have a growing and geographically diverse employee base. We do business in many countries around the world, each with differing cultures, practices, and regulations.

Given the nature of our fast-track power projects, we may deploy our power solutions to remote, inhospitable environments, sometimes following the wake of a natural disaster. We use equipment which, if improperly handled, could be potentially harmful to people and to the surrounding communities and environment.

To ensure that APR Energy operates in a safe, ethical, and responsible manner, we have adopted a number of policies designed to ensure the health, safety, and well-being of our employees, our customers, and the communities in which we operate. We have developed a comprehensive range of operating procedures and processes to help minimise the risks inherent in our industry. We work collaboratively with our vendors and suppliers to help ensure alignment with, and adherence to, our CR goals and objectives.

People

Our people are our most valuable resource. With a workforce that spans the globe, our objective is to create a positive workplace and culture where people feel valued, enjoy the challenge of exciting and rewarding work, and can grow in their careers.

APR Energy is proud of its skilled and experienced workforce. We aim to be an employer that attracts and retains high-performing people whose diversity is representative of all the regions in

which we operate. With our global reach, recruiting and developing the best people are essential components to our growth aspirations, and we continue to invest in ensuring that our employees are able to work to the best of their abilities.

We provide our people the training and development they need to be successful. Training programmes are tailored to the employee's role, environment, and/or functional area, and cover a broad number of subject areas, including skills development, processes and tools, environment, ethics and compliance, health and safety – to name just a few. APR Energy also supports employee growth as part of development planning.

APR Energy strives to ensure that our employee policies and procedures reflect best practices and are implemented and followed by all our employees across the regions in which we operate. Our policies and procedures cover a broad range of areas, including health and safety, travel, gifts and entertainment, and anti-corruption. APR Energy has adopted a zero tolerance policy with regard to any compliance policy violations.

We expect our employees to act appropriately and ethically in everything they do. Guidelines are set out in APR Energy's Code of Conduct, which all employees are required to read and sign as a pre-condition of employment.

We have a growing and geographically diverse employee base. We do business in many countries around the world, each with differing cultures, practices, and regulations. We believe our diversity is an essential part of how we do business and meet the needs of our equally diverse customer base. We do not tolerate any form of discrimination and aim to reflect the diversity of the communities in which we operate. We are committed to treating people fairly and ensuring that our employment policies are free from any form of unlawful discrimination against any employee on the grounds of sex, gender reassignment, sexual orientation, pregnancy, race, colour, nationality, ethnic or national origin, religion or belief, age, or disability.

We proactively encourage communications between our employees across the globe and work to ensure all employees understand the values, goals and strategies that are important to our business

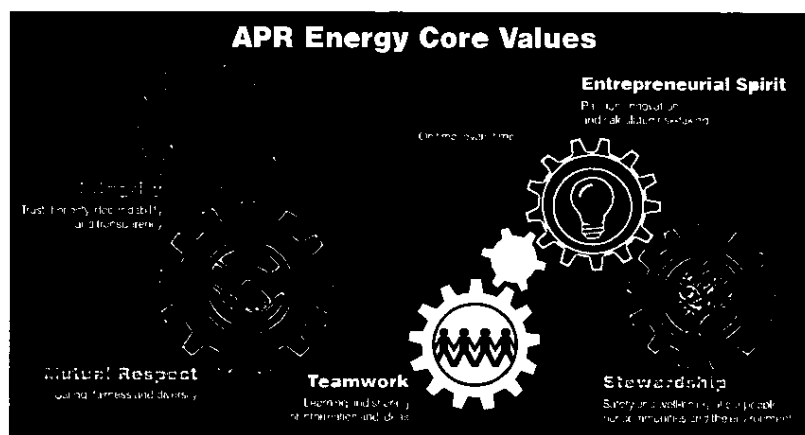
Through our internal company newsletter we regularly share successes and best practices across our global operations giving employees in each region visibility into what others are doing. Additionally, we strive to ensure information is shared between field operations and headquarters

Our Promises to our Employees

- We provide a positive workplace that fosters teamwork, supports career growth, and celebrates achievements and success
- We provide ongoing training and development that creates a bench of talent to meet our growth strategies
- We attract top tier talent and we reward and recognise high performance to improve our competitive position
- We embrace diversity across all the regions in which we operate, and prohibit discrimination on the grounds of race, religion, gender, sexual orientation, age, nationality or ethnic origin
- We provide our employees with clear direction, tools, systems, and the processes they need to provide superior products and services to our customers

As stated, our people are our most valuable resource. As such, we openly encourage and welcome employee feedback and do so through a number of initiatives. This feedback is solicited regularly and we take every measure to capture and follow-up on any inputs and concerns received. The following are examples of ways we engage with employees to receive and address feedback

- We conduct quarterly Town Hall meetings with all employees to discuss Company strategy and plans and new initiatives to provide focus across the organisation to our plans and recognise achievements of individuals who have made significant



APR Energy core values

At APR Energy, we take our values seriously. For us, they are more than a belief system – they are the heart of our Company. They serve as the foundation upon which we work and interact with our co-workers, partners, customers and communities.

Integrity

Our relationships are built on a foundation of trust, honesty, dependability and transparency. We stay true to our word, and deliver what we commit. We follow the highest ethical and moral standards and take responsibility for our actions.

Speed

Speed is the essence of our business. We deliver with pace, ensuring a level of responsiveness to our customers, stakeholders and teammates that meets or exceeds expectations. We break through barriers and bureaucracy to meet our goal of delivering on time, every time.

Entrepreneurial spirit

We foster a kindred entrepreneurial spirit that values passion, innovation and calculated risk-taking. We embrace change as a necessary part of driving growth, and approach each challenge with creativity, courage, collaboration and a 'can-do' attitude.

Mutual respect

We care for our people, communities and customers, and conduct all dealings in a manner that reflects fairness and diversity. We behave in a professional, courteous manner and show respect for the individual at all times.

Teamwork

We enjoy a collaborative and collegiate work environment that fosters open communication, learning, and the sharing of information and ideas. We promote close cooperation across business functions and strive to be a flexible and customer-centric business partner.

Stewardship

We value the health, safety, and well-being of our people and the communities in which we work and act as a steward to the environment. We carefully manage our resources while minimising waste and actively partner in the progress of our communities through community development.

contributions to the Company

- The APR Energy Open Door Policy helps ensure that employees can feel comfortable in sharing concerns and issues openly with their management. Employees can take comfort in knowing that no one at APR Energy may, in any manner, retaliate against any employee for utilising APR Energy's Open Door Policy to raise issues or concerns.
- Additionally, APR Energy has a HR/Compliance hotline that can be called anonymously and, in any event, would not allow for retaliation by one who was referenced on that hotline.
- Through the President's Council, APR Energy employees representing a cross-section of our business, including Operations, Business Development, Finance, IT, Marketing, HR and Administration, are able to have open and candid dialogue directly with senior management on issues most important to them and the business.
- The President's Council provides an opportunity for any of our employees to bring ideas, voice concerns and discuss how we can continue to grow a successful business. Ideas are captured and shared within the organisation, with action items noted and tracked by senior management.

Corporate Ethics

We operate in a wide range of countries around the world and it is APR Energy policy to always conduct our activities in accordance with applicable laws and regulations. We always work in a safe, ethical and professional manner across all our operations and to the highest standards of corporate governance. In many cases, setting standards well above that required by local law.

Business ethics and compliance, particularly in the areas of anti-bribery and corruption, are increasingly important to regulators, customers and stakeholders who need the assurance of knowing they can trust us to do the right thing. Complying with the law in this important area, as well as maintaining our good reputation, is therefore, essential for our continued success.

APR Energy has a reputation for integrity and honesty in all our business dealings, a factor that contributes positively to our long-term relationships with customers and suppliers. All APR employees, as well as consultants, suppliers and agents with whom we work, are required to behave ethically, and our expectations of them are set forth in our

Corporate Ethics Policy which applies to all Group employees.

The principal objectives of our ethics policy are:

- Make APR Energy a good company for which to work.
- Maintain our reputation for exceptional customer service and ethical business dealings.
- Enable APR Energy to compete to the highest standards in an ethical manner.
- Ensure the business is managed with the highest standards.

The Board, its Committees, the Chief Executive Officer and its Chief Compliance Officer play key roles together with management in promoting and monitoring ethical behaviour and safeguarding our reputation. Compliance training is provided to all employees in order to support their understanding of, and commitment to, comply with the law and to protect and enhance the Company's reputation. The training educates managers in their responsibilities for employees, commercial contracts and company assets and is delivered globally.

APR Energy has an Anti-Bribery Policy which applies to all Group entities worldwide and to all directors, employees, workers, agents or any other persons acting for or on behalf of the Group and which includes a clear statement of commitment to anti-bribery and anti-corruption practices. We have also raised awareness and extended anti-bribery training, including the need for due diligence when entering into third party arrangements and monitoring at a senior level.

APR Energy's Ethics Committee is responsible for, among other things, making recommendations to the Board to establish a culture of integrity and honesty in all of the Group's business dealings.

Additionally, APR Energy operates a published Share Dealing Code which explains to directors, employees, and certain contractors their obligations with respect to buying and selling the Company's securities in order to ensure compliance with relevant laws and to protect the interests of the Company and includes the dates of the Company's close periods on trading in its shares. The Ethics Committee, in conjunction with our General Counsel & Chief Compliance Officer, has developed vendor, agent and customer certifications, sign-offs, agreements, checklists, and other forms of due diligence in connection with engaging our third party providers.

Those materials are located in one central electronic repository available to all APR Energy employees who require access to them anywhere in the world.

Human Rights

The Group operates in accordance with the Universal Declaration of Human Rights and takes account of other internationally accepted human rights standards. We also promote human rights through our employment policies and practices, through our supply chain and through the responsible use of our products and services. APR Energy is confident of the human rights performance of its own operations but recognises that business practices in the supply chain are not always transparent and represent a risk that we aim to manage. Every effort is made to ensure that the issues are managed effectively.

Environment

APR Energy is dedicated to minimising our environmental impact throughout all business activities it undertakes around the globe. We seek to incorporate the latest technologies in order to lower emissions and noise levels, while increasing fuel efficiencies. APR Energy offers generating equipment capable of producing one of the highest fuel efficiency levels within our industry, significantly cutting total cost for our customers while providing reduced carbon emissions.

Emissions

APR Energy's equipment is designed to function in all types of terrain, and by careful design and use of the most suitable technology, we aim to minimise the environmental impact of that equipment. All our equipment is designed to comply with applicable laws, regulations, and industry standards wherever we operate in the world.

Our generating equipment is controlled by state-of-the-art Programmable Logic Control (PLC) Systems, which are automated to increase flexibility and decrease emission levels. APR uses the internationally recognised air emissions modelling software 'AERMOD' to identify air emissions patterns for the project site. This modelling allows APR to choose equipment that best matches the use and environment.

When it comes to power generation, fuel represents one of the highest operating costs, which is why APR Energy has placed a heavy focus on fuel efficiency. With its technologically advanced fleet, APR Energy is uniquely positioned to utilise the most fuel-efficient equipment available in the fast-track power market today, thereby helping our customers to reduce the overall total cost of

their power project. As the price and volatility of fuel continues to rise, so will the need for more fuel-efficient solutions. To meet this demand, we continue to invest in leading-edge technology and innovative engineering that help customers operate more profitably and efficiently, without sacrificing on emissions control.

Our fleet of diesel and gas power modules and gas turbines combine advanced engine technology with our own proprietary processes and modifications to provide customers with cleaner and more fuel-efficient solutions.

As fuel efficiency rates can vary depending on factors like temperature, altitude, and fuel quality, APR Energy's engineering and plant operations teams conduct ongoing reviews of our operations and perform fuel efficiency calculations. By taking readings of fuel burned throughout a 24-hour period and then comparing those numbers to the amount of energy produced, we are able to provide an accurate forecast of fuel savings throughout the life of a project and make necessary adjustments to further boost the efficiency of our equipment.

At APR Energy, we continuously strive to find new ways to lower our emissions footprint. Given the young age of our fleet and its flexibility in terms of technology and fuel-type, we are able to provide some of the cleanest solutions available in the fast-track power market today. All of our equipment is designed to perform in accordance with various internationally recognised standards, including The World Bank. We apply advanced mitigation techniques and can meet more stringent emissions levels where required for local markets. Our generating equipment is controlled by state-of-the-art electronic engine and generator management systems, which greatly contributed to the mitigation of emissions levels. This means no matter where our clients need us, we can deliver optimised emissions solutions tailored for each application.

Our turbine technology provides a number of ways in which it can lower emissions, including water injection, which can increase power output, improve fuel efficiency and decrease nitrogen oxides (NOx) emissions. Gas turbines also use fewer consumables than other technologies.

A key part of our strategy towards emissions control is our focus on natural gas. APR Energy enables customers to take advantage of this cleaner, readily available fuel source through our mobile

gas turbines, as well as through our next-generation natural gas reciprocating power modules. These technologies offer customers a cleaner, more cost-effective, and lower impact alternative to diesel-fuelled generators.

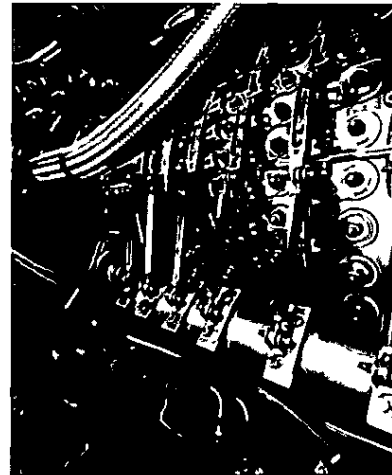
Natural gas is one of the cleanest of all non-renewable energy sources. Its use in place of the other fossil fuel types will emit fewer harmful pollutants. Natural gas is considered an environmentally-friendly clean fuel, offering important environmental benefits when compared with other fossil fuels, including significantly lower levels of NOx, carbon dioxide (CO₂), and virtually no sulphur oxides (SOx). The near non-existent SOx emission rates means it is not a major contributor towards the cause of acid rain.

For those customers requiring a diesel solution, our dual-fuel mobile turbines and diesel power modules provide market-leading low emissions. For example, the average diesel truck produces more emissions (in the form of NOx and particulate matter) than one of our diesel power modules.

Our focus is to deliver power solutions. We achieve this by providing our customers with the applications and technologies that best meet their requirements and preferences with regards to fuel type, fuel efficiency, and emissions. We work with our partners (GE and Caterpillar) to improve fuel efficiency technology and equipment for application. Also, by investing in alternative fuels such as gas and fuel-efficient engines, we can seek to mitigate the impact of emissions arising from our growing business.

Almost all of the Group's related emissions arise from those produced by the fleet. There are three main factors driving APR Energy's total annual greenhouse gas ("GHG") emissions, which include the fuel type our customers choose to use, the fleet mix and usage pattern, and the fuel efficiency of the equipment we use. As the decision of fuel choice and fleet usage remains with the client, it is only the last of these factors that is within APR Energy's control.

As a growing business, we expect the absolute amount of GHG emissions will increase as fleet capacity and utilisation increases. In addition, there is another trade-off to be considered – lower NOx emissions come at the cost of higher fuel consumption. Therefore, our customers' focus on fuel efficiency could result in higher emissions. In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, our Greenhouse Gas





emissions for the period 1 January to 31 December 2013 are reported in the Directors Report on page 73

Noise

Through the use of custom-built acoustic enclosures as well as high-performance isolation and attenuation systems APR Energy actively seeks to minimise the noise levels associated with our power plants. When our equipment is located in or near a local population we have a system of regular noise monitoring and community coordination to help ensure that we are in compliance with all noise regulations and are not negatively affecting the surrounding quality of life.

Our reciprocating power modules typically operate at decibel levels between 72 and 76 dB(A) at a standard distance of 15 metres under normal operation and ambient conditions. APR Energy provides a standard noise solution package which minimises external noise by the installation of sound attenuating louvers and insulation as well as providing top-quality internal mufflers if necessary. APR's engineering staff is trained in noise mitigation and has the capability to decrease standard noise levels to meet critical noise specifications.

Waste

The APR Energy engineering team has placed a major focus on designing our power plants to minimise waste during the installation phase. We accomplish this through the use of more reusable and durable materials as well as by pre-cutting and fabricating as many items in advance as possible. These efforts decrease the amount of materials that we have to dispose of at the end of the project.

APR Energy actively promotes recycling within its processes, facilities and operations, and implements a Waste Management Policy to focus on the recycling of all wastes. As an example, each APR plant recycles the oil that it produces every month.

Health and Safety

APR Energy is committed to high standards of occupational health and safety to protect its employees, contractors, customers, suppliers and visitors. The health and well-being of those who work in and around each power project site is of the utmost importance to us. We not only ensure that basic requirements are met, but aim to go above and beyond those requirements to provide employees with the most optimal work environment possible. As a result

of these efforts we are pleased to again report that we had no employee on-the-job fatalities in 2013.

A well-structured Health and Safety programme is key to our business success, and serves as a prescribed requirement of the APR Energy EHS policy. The programme is led by a dedicated team of EHS leaders and specialists located throughout our on-site operations worldwide. Our EHS programme is in accordance with leading international standards, including the US Occupational (OSHA) guidelines and the UK Health and Safety at Work Act 1974. We implement and enforce this programme throughout our global operations. The standards we follow serve to ensure that our facilities provide the highest level of protection for our employees and sub-contractors. Also, we use the latest technologies in equipment and tools that are control checked to the highest safety standards.

The APR Energy EHS director, together with engineering and other area subject matter experts, maintains APR Energy's EHS policy and reviews procedures and risk management standards on a yearly basis to identify opportunities for further improvement.

We keep our health and safety initiative up-to-date by requiring regular safety training and certification for the day-to-day operations of each of our power plants worldwide. Moreover, each APR Energy power plant is inspected regularly by both internal and independent safety committees to ensure that every facility is operating in compliance with the latest industry standards.

During 2013 APR Energy updated its crisis management plan and procedures together with the support of one of the world's leading crisis management consultants. The process included training across the Company as well as plant emergency response practical exercises with the APR crisis management team and key areas of the business.

Security

Demand for power can often be the result of event-driven forces or emergencies, whether caused by human events or forces of nature. Consequently, the environment in which APR Energy operates can often contain a number of social, political, and environmental risks which present operational challenges.

APR Energy is committed to creating a secure working environment for all.

personnel while also ensuring the security of our physical assets. During 2013 we strengthened our security posture with the introduction of a Group Security Director as well as a Regional Security Manager in our highest risk region. We also introduced security standards setting out mandatory principles and procedures for all our locations.

We maintain practices, policies, and procedures to mitigate risk of potential incidents. This includes contracting protection services from global security providers where warranted, as well as providing traveller assistance and establishing traveller protocols. We monitor security intelligence on a real time basis and ensure that appropriate risk mitigation measures are in place pursuant to the corresponding risk climate.

We have robust systems for assessing and monitoring security in all countries of interest to APR Energy, with systematic security analysis now an integral component of risk management for both existing operations and new markets.

Community Development

APR Energy is dedicated to the development and well-being of the local communities in which we operate, and we strive to build close relationships with the people whom we serve and work amongst. APR Energy not only helps our communities by hiring from the local workforce and providing valuable skills training, but also looks to contribute in ways that help local communities improve their overall quality of life.

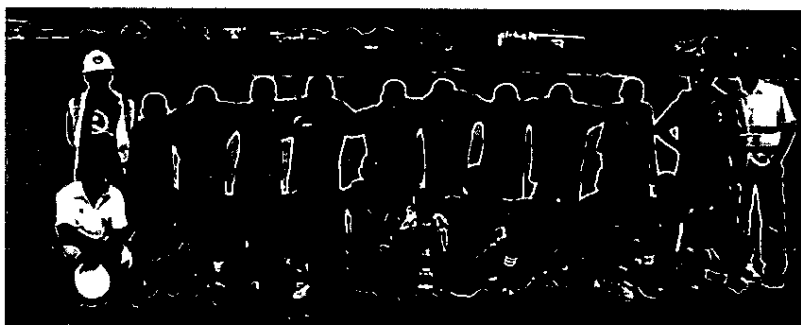
Through our Community Development Programme, we regularly identify service projects with the needs of our neighbouring communities in mind, and actively encourage staff and customer involvement. The projects are primarily focused on improving infrastructure, health, and education, and usually take place in the neighbourhoods near our power plant sites.

In 2013, we completed a number of community and charitable initiatives. We are honoured to have the opportunity to create these partnerships and implement projects that benefit local members of the community, our customers, and global APR Energy personnel. We expect to undertake further projects in 2014 across many of the communities in which we operate.



Yemen girls' schools

APR Energy is proud to have sponsored a community project in Yemen to provide resources and assistance to two local schools within the Aden community. Done in cooperation with our local partner, Griffin Group, the project provided the schools with educational resources that included computers, sewing machines, copiers, and school supplies, as well as air conditioning units, kitchen materials, lockers, tables and chairs. These contributions will help to support the development of valuable life skills through the incorporation of technology into the daily curriculum, and will contribute towards a higher quality of life for the students, teachers, and families.



Youth athletics

During the year, APR Energy contributed to a number of initiatives supporting young people in our communities, including renovating a playground at a local school near our site at Punta del Tigre, Uruguay, supporting youth football in Morro Bento, Angola, and providing new uniforms for youth football in Nias, Indonesia.

Philippines relief

APR Energy and its employees made a significant donation to a disaster relief fund in support of victims of Typhoon Haiyan, which caused significant destruction in the Philippines. Over a two-week period, APR Energy and its employees combined to donate over \$124,000 to relief efforts. APR Energy's donation helped to provide consistent treatment to more than 40,000 people who were impacted.

United States local initiatives

In 2013, APR Energy employees at the Jacksonville corporate office contributed significant time and money to local community causes. This includes volunteering, donations, and collecting non-perishable food for the Second Harvest Food Bank, providing meals for local underprivileged families.

Employees, friends and relatives of APR Energy joined together as "Team APR Energy" for the 2013 Juvenile Diabetes Research Foundation (JDRF) Walk to Cure Diabetes, raising over \$7,800. APR Energy employees also volunteered significant time in support of the local Leukemia & Lymphoma Society, including participation in the annual Light the Night Walk, which helps bring awareness to the cause.

Risk management

Risk management is an integral part of our business and is fundamental to how we create value and deliver sustainable returns to shareholders

A key responsibility of the Board and the Management Team is the effective identification and management of risks facing the business now and in the future. Managing risk effectively is a key element of achieving the Group's strategic objectives and maintaining high-quality services to customers.

The Group's risk management approach is designed to support the successful running of the business and provide assurance to the Board by identifying and managing risks to an acceptable level. Proactive assessment of risks across strategies, markets, operations, and finance – and the establishment of mitigating actions – are recognised as critical to the successful delivery of APR Energy's objectives.

The Board has overall responsibility for establishing the risk appetite of the Group, for identifying risks, and for ensuring that risk mitigation processes are in place and that they are being managed effectively. The Board has delegated this responsibility for monitoring the risk management system to the Audit Committee, including the review of annual risk assessments and the effectiveness of systems and processes of internal control.

Management is responsible for the diligent execution of risk management processes, including the maintenance of active risk registers and the system of internal controls. In order to help fulfill this responsibility, management operates a Risk Management Committee ("RMC") comprising the Group's Management Team. The RMC assists the Chief Executive Officer, Audit Committee and the Board in providing information on the key elements of the Group's risks and provides guidance to Group leadership on the risk management framework.

The Board is responsible for ensuring that the Group's risks are properly identified, monitored, and managed. The RMC provides oversight and guidance. The duties of the RMC include the following:

- Reviewing the major risks to the Group, such as strategic, operational, financial,

market and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

- Maintaining and reviewing regularly the Group's risk register
- Discussing with Management the Group's risk assessment process, management's plan to mitigate or control the identified risks, and proper disclosure of the risks to the Board and its committees
- Monitoring the identified risks and reviewing with Management the amount of overall risk that the Group is willing to accept or retain
- Reviewing the scope and adequacy of the Group's insurance and providing a route to escalate the financial impact of any risks identified that exceed established acceptable thresholds

A key element of the Group's risk management framework is the Group's risk register. This is compiled by the RMC based on input from all parts of the business, together with a top-down review undertaken by the RMC, prior to the Board's regular review. It forms the basis of the mitigation strategies identified for all key risks. The risk register supports the identification and mitigation of the principal risks and uncertainties outlined on pages 48 to 51.

Through the RMC, the Group continues to enhance its focus on the identification of risk and its mitigation, including strengthening internal controls and improving the reporting of risk-related management information, to ensure that the management of risk is fully embedded in the strategic and operational processes of the Group.

The Group recognises that it operates in some challenging parts of the world and takes the security and welfare of its people and assets very seriously. The Group continues to review its security arrangements, including assessing security risk in all high-risk territories before entering into specific contracts. During the year, the

Group recruited experienced senior security experts including a Global Director of Security, to oversee all aspects of securing our people, property and security vendors throughout the world

Internal Controls

The Board of Directors acknowledges its responsibility for the oversight of the Group's system of internal controls and for reviewing its effectiveness. The Group's system of internal controls is designed to manage rather than eliminate risk. It provides reasonable, but not absolute assurance against material misstatement or loss.

To assist in its execution of these responsibilities, the Group has recently established an Internal Audit function responsible for the independent review of the Group's risk management and control environment. Its objective is to provide reliable, valued and timely assurance to the Board of Directors, the Audit Committee, the Chief Executive Officer and the Senior Management Team as to the effectiveness of controls in mitigating current and evolving risks and in so doing enhancing the controls environment within the Group.

In particular, Internal Audit will assist the Senior Management Team by performing independent appraisals of the effectiveness of the internal control environment and making recommendations for improvement, and support the Group's business management system. The Audit Committee will review and approve Internal Audit's programme and resources, review and discuss major findings of audit reviews, together with management responses, and evaluate the effectiveness of the internal audit function.

Further details on the Board and its Committees can be found in the Corporate Governance Report on pages 58 to 67.

Risk Factors

APR Energy's performance and prospects may be affected by a number of risks and uncertainties that relate to the industry and the environments in which it undertakes its operations around the world. The Group is aware of and sensitive to the issue of risk, and has systems and procedures in place across the Group to identify, assess and mitigate major business risk.

The Group undertakes a formal review of risks, at least annually, which could impact its area of business. Identified risks are formally reviewed on a regular basis and recorded in an active risks register with mitigating actions. The Group continues to develop its risk management systems and processes to help to ensure that its responses remain appropriate to the range of risks that the Group faces.

Principal Risks and Uncertainties

The following factors and other information contained in this Annual Report should be considered carefully. The following is a description of the risks that may affect some or all of the Group's activities and which may affect the value of an investment in the Company's securities. If any of the events described below occurs, the business, financial condition or results of operations of the Group could be affected adversely in a material way.

Additional risks and uncertainties that the Group is unaware of, or that it currently deems immaterial, may also in the future have a material adverse effect on the Group's business, results of operations and financial condition.

Effective risk management

The effective identification and management of risk is critical to APR Energy's success and the following systematic approach is applied across the Group:

- **Identifying key risks** The Group applies the same methodology to identifying risk at all levels across the Group. Key and emerging risks are reviewed on a regular and ongoing basis.
- **Analysing risks and controls** Risks are evaluated to assess financial and non-financial impacts, the likelihood of occurrence and the potential impact. This results in a prioritised register of risks against which management will review the nature, adequacy and appropriateness of current controls to mitigate these risks.
- **Determining management actions** If new, different or additional actions are identified, these are analysed and appropriate responsibilities to execute them are assigned.
- **Reporting and monitoring** Management is responsible for monitoring the effectiveness of controls and progress of actions taken to mitigate key risks. This will be assessed through the Group's recently established internal audit programme.

Principal risks and uncertainties

KEY RISK	DESCRIPTION	IMPACT
Strategic		
Failure to deliver the growth plan envisaged as part of the recent capital injections	The Group's strategy is primarily based on organic growth via the deployment of capital into new temporary power projects that are value accretive. This organic growth is dependent on the Group's ability to effectively secure new projects and to scale the infrastructure of the business to support execution.	The inability to deploy successfully capital into new projects and maintain its growing fleet could have a material adverse effect on the financial results of the Group.
Contracts are temporary in nature	The Group operates in an industry where the majority of contracts are short-term (typically 12 -18 months) and there are no assurances that any particular customer will renew or extend a contract.	Assets may be idle for a period of time before they are redeployed in a revenue generating capacity.
Asset concentration	Given the scale of the Group's - albeit growing, customer base, the loss of any single major customer, and/or high concentration of assets could have an adverse impact on the results of its operations.	Any such loss of a major customer contract could materially impact revenues and associated profitability.
Market		
Global political and economic conditions	The global footprint of the Group's business exposes it to risks of change in economic conditions and political regimes.	Declines in economic activity, slowing of growth rates and customer access to funding could impact the growth strategies of the business. Additionally, changes in political regimes pose potential risk to existing contracts and/or the timing of potential new contract opportunities.
Volatility in customer demand, including event driven demand	Customer demand inherently fluctuates and, in many cases it is driven by external events that are difficult to predict.	Fluctuating demand can create volatility in trading results. Higher margin event (emergency) driven contracts may not be sustainable on a consistent basis.
Increase in competitive environment	While barriers to entry in the temporary power space remain high, there is the potential for new or expanding entrants to compete with the Group.	New entrants may create pricing pressure in the market and lead to reduced margins.

The following factors and other information contained in this Annual Report should be carefully considered. The following is a description of the risks that may affect some or all of the Group's activities and which may affect the value of an investment in the Company's securities. If any of the events described below occurs, the business, financial condition or results of operations of the Group could be adversely affected in a material way.

Additional risks and uncertainties that the Group is unaware of, or that it currently deems immaterial, may also in the future have a material adverse effect on the Group's business, results of operations and financial condition.

MITIGATION

- A detailed annual operating plan has been established, approved by the Board and is monitored monthly.
- A longer range (3-5 year) plan has been put in place and is updated annually to incorporate market changes.
- Regional business development organisation fully deployed and operational. Pace of capital expenditures is aligned with the commercial pipeline.

- The Group's commercial team takes a dual approach, which involves pursuing contract extensions with existing customers whilst also pre-marketing assets that may soon become available.
- A commercial pipeline process tracks new contract opportunities from opportunity identification through to final contract signature.
- Asset utilisation models are used to manage fleet assets.

- The Group is pursuing a strategy of geographic and market diversification as demonstrated via our hub strategy, with a focus on continued expansion of its customer base in order to lessen the impact of any single customer loss. The placing of assets across multiple sites helps to mitigate the impact pertaining to any given location.
- Commercial opportunities are segmented across regions, customer segments and technology to align with strategic growth objectives.
- The Group maintains a regular dialogue with major customers at a senior level to help understand and anticipate their future plans.
- The acquisition of the GE Power Rental Business increased the scale and diversification of APR Energy's business.

- The Group is pursuing a strategy of geographic and market diversification with a focus on continuing to expand its customer base in order to lessen the impact of economic cycles and/or political changes.
- A commercial pipeline process has been established to track new contract opportunities and includes risk management elements.
- APR recognises that some of the countries in which it operates have experienced political, social, economic and security instability. The Group is proactive about mitigating all or a portion of its international currency and asset exposures through various risk mitigation tools, including the use or purchasing of insurance, bonds, guarantees, and cash advances to protect its assets, both financial and operational.

- By developing a global expanded customer base, the impact of any single event can be mitigated.
- A regional hub strategy has been implemented to help ensure that equipment is available nearby to customers and that it is able to be utilised in the event that a short-term market opportunity arises.

- The Group's commercial team regularly monitors competitive activity and publicly available pricing dynamics to help understand changes in the market.
- The Group focuses on maintaining a world-class competitive offering using best-in-class technology to provide a responsive customer service and pricing which is aligned with our overall value proposition.

KEY RISK	DESCRIPTION	IMPACT
Operations		
Asset security	The Group's operations are highly capital intensive and in many cases, projects require the placement of high-value equipment into volatile environments	The potential exists for nationalisation, expropriation and/or theft of high-value assets
Focus on developing markets – operations in difficult regions of the world	The Group's operations are highly decentralised and in many cases the Group operates in regions of the world where corruption and bribery are commonplace	This may expose the Group to unethical behaviour and potential legal/regulatory violations that could have a significant financial and reputational impact
Recruitment and retention of key staff	The Group depends on the recruitment and retention of key senior management in order to effectively manage the business	The loss of key senior individuals in the organisation or the inability to recruit sufficient talent could jeopardise APR Energy's ability to execute its growth plans
Environment, health and safety	<p>The Group's operations involve the movement, installation, and operation of large electrical equipment which often operates at high voltage</p> <p>In addition, the handling of fuel, oil and other hazardous materials is a common part of the day-to-day activity</p>	<p>Plant personnel could be subject to safety hazards that lead to injury or loss of life</p> <p>Operations could be subject to an accidental spill of fuel or other hazardous materials</p>
Financial		
Movements in cost inputs	The business model is dependent on the procurement of capital equipment, services, labour and other cost inputs to operate temporary power plants around the world	Changes in the cost of key inputs could have a material adverse effect on the operating margins of the business
Payment default	The Group has a number of contracts with customers in developing countries where payment practices can be lengthy and unpredictable	Delay in payments or default could adversely affect the financial performance of the business
Funding risk	The business model is dependent on external funding for the procurement of capital equipment, services, labour, and other costs to operate the business	Adverse changes affecting access to funding or the higher costs associated with replacing maturing debt could have a material adverse effect on the business

MITIGATION

- The Group maintains a comprehensive global property insurance programme
- In addition, there is a global political risk insurance programme that can be implemented on a country-by-country basis to protect against government actions relative to assets such as expropriation or nationalisation
- In many cases, standby letters of credit from customers are required for asset security

- The Group has instituted a comprehensive compliance programme that includes a broad anti-corruption policy, extensive training and monitoring on a regular basis, with all new employees required to undertake training upon joining
- Third-party agents/ contractors are thoroughly vetted prior to any engagement and are required to provide compliance certifications

- Competitive remuneration policies, including a performance share plan, have been put in place to attract and retain key personnel
- A talent review and development process is in place across the organisation with a focus on providing growth opportunities across the organisation

- The Group has implemented comprehensive health and safety policies and procedures at all sites. An extensive training programme has been rolled out to all personnel
- The Group has strengthened its security arrangements, including the introduction of a Group Security Director, Country security managers in higher-risk countries and the introduction of a Group security standard setting out mandatory principles and procedures for all our locations
- The development of environment health and safety performance indicators is ongoing and will be reviewed regularly with the Board

- The Group has two key supplier framework agreements with GE and Caterpillar that have fixed pricing and are indexed to an annual inflation indicator thereafter
- Significant cost efficiency projects are underway to post standby, and in some cases, documentary letters of credit as payment security

- Prior to contracting with a customer, a thorough risk assessment is completed including a credit risk review
- In many cases, the Group requires the customer to post standby and in some cases documentary letters of credit as payment security, decreasing the impact of any individual contract default
- The Group's strategy is focused on increasing the scale and diversification of the business

- The Group increased its credit facility to \$650 million during 2013 with its group of lending banks. The credit facility includes provisions allowing for amendments to be requested, if necessary
- The Group enjoys good ongoing relationships with its lenders and has commenced discussions regarding its refinancing strategy in light of the term-loan which matures on 1 January 2015
- Alternative financing opportunities which are available to APR Energy are continuously evaluated by the Group

The Strategic report on pages 2 to 51 was approved by the Board and signed on its behalf by Andrew Bradshaw, Company Secretary on 25 March 2014

Corporate Governance Report

Chairman's letter

The Company is committed to high standards of corporate governance and seeks to apply voluntarily the UK Corporate Governance Code

The UK Corporate Governance Code (the "Code") states that a board's role is to provide entrepreneurial leadership for a company in setting its strategic aims. APR Energy has a well-developed strategy and planning process that involves the Board throughout the year. The Company's strategy is the subject of regular review that involves both the Management Team and Board members in analysis and discussion. With a robust strategy and business plan, the Board recognised that the acquisition of the GE power rental business provided an opportunity to accelerate the achievement of this strategy. That was a decision reviewed in detail by the Board and executed successfully. We are pleased to welcome the GE-appointed observer to our Board meetings.

The Code also aims to promote effective board decision-making. The Company is committed to high standards of corporate governance and seeks to apply voluntarily the Code, as it demonstrates commitment to the continuing maturing of the Company's corporate governance structures and maintains the Company's ability to seek Premium Listing at the appropriate time.

During the year, the Chairman, alongside the Chief Executive Officer, enhanced the Company's processes to maximise the Board's performance, including ensuring that meetings are scheduled to allow adequate time for discussion of each agenda item at the relevant meeting, that reporting packs are distributed in advance of each meeting, and that board discussions are held in a collaborative atmosphere, with open discussion allowing for questions, scrutiny and constructive challenge.

Together with well-constituted board with a clear division of responsibilities between Chairman and Chief Executive Officer, these enhancements enabled well-informed decisions to be made on the basis of collective debate and deliberation, and once a decision has been made, effective and ongoing board oversight and supervision.

UK Corporate Governance Code

The Board has also sought to improve the Group's governance framework and regularly reviews its risk management and internal control processes. Further details can be found on page 47.

During the year, the Company's governance framework has been enhanced to take into account the changes introduced by the September 2012 edition of the Code and the commencement of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). The most significant reporting changes have been to the Directors' Remuneration Report, together with the introduction of a binding vote on the Directors' remuneration policy at the Company's 2014 AGM.

This additional reporting also includes the statement made by the Directors on page 74 that they consider the Annual Report and Accounts taken as a whole, to be fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Additional disclosures in respect of how our Audit Committee addresses significant issues within the Annual Report and Accounts can be found on pages 62 to 65.

Ensuring we do the right things in the right way requires the right leadership. We believe that the Board and its committees have the required balance of impartiality, skills and experience to discharge their responsibilities effectively.

Mike Fahey
Chairman
25 March 2014

Governance

One of the Board's primary responsibilities is to ensure that the Company is run in the best long-term interests of the Company's shareholders, with appropriate regard also to its wider stakeholders. This can only be achieved if the activities of the Group are supported by appropriate governance processes applied across the Group. These processes are illustrated below and in the individual Committee reports.

The Company is committed to high standards of corporate governance, and therefore seeks to comply with the Code on a voluntary basis, as it reflects the continuing maturing of the Company's corporate governance structures.

During the year, the Company took a number of steps to address these areas in respect of the internal control and risk management framework required to achieve full compliance with the Code, including the establishment of an Internal Audit function in late 2013.

The Board is actively investigating its current status as a standard listed company. It has taken the steps, including establishing a taskforce headed by the Senior Independent Director, to understand the requirements necessary to achieve premium listing status.

Application of the UK Corporate Governance Code

In September 2012 the Financial Reporting Council published the 2012 edition of the Code, which contains broad principles and specific provisions to help boards operate in the best interests of their companies. Given its standard listing, the Company is not required to comply fully with the Code. With a view to the future, the Company continues to voluntarily apply the Code. Through the financial year ended 31 December 2013, the Company complied with a majority of provisions of the Code.

At the year end, the areas where the Company did not comply include:

- Provision B 1.2 – the Board does not comprise at least one-half in number (excluding the Chairman) of independent Non-Executive Directors.

- Provision B 1 – the Board, given its primarily supervisory role, has only one Executive Director.
- Provision B 2.1 – the Board acts as the Nomination Committee, and as such does not comprise a majority of independent Non-Executive Directors, and
- Provision B 3.1 – the Chairman of the Company is a member of the Audit Committee.

Matters reserved for the Board

There is a schedule of matters which are dealt with exclusively by the Board and on which it must make the final decision. These include approval of the Group and Parent Company financial statements, the Group's business strategy, the annual capital expenditure plan, major capital projects, major changes to the Group's management and control structure, material investments or disposals, risk management strategy, sustainability and environmental policies, the appointment or removal of Directors and the Company Secretary, and treasury policies.

Day-to-day management is the responsibility of the Executive Director and of the Management Team.

The Board of Directors

The role of the Board

The Board and the Operating Board have clearly defined roles and responsibility levels for the governance of the Group. The Board is responsible for the Group's objectives and business strategy, including matters such as approval of business plans and budgets, capital structure, acquisitions and disposals, capital expenditures per defined limits, and significant compensation matters. In addition, the Board has responsibility for overseeing the establishment of a comprehensive risk management and internal control framework. The Non-Executive Directors are encouraged and expected to challenge the Management Team and each other constructively in the development of the Group's strategy.

The Operating Board has responsibility for reviewing and recommending to the Board business plans and budgets, monitoring the Group's performance against plans, approving investment programmes per defined limits and reviewing significant

contracts and commitments. The Operating Board (the Board of APR Energy Holdings Limited, the immediate subsidiary of the Company) comprised the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, as well as nominees from the Company's key shareholders.

Responsibilities are clearly separated between the Non-Executive Chairman and the Chief Executive Officer. The Chairman's primary role is to manage Board effectiveness and ensure that each Director fulfills his or her role effectively. The Chief Executive Officer is responsible for executing the strategy as set by the Board and for leading the day-to-day activities of the Management Team.

The Board is specifically responsible for:

- guiding the Group's strategic aims, leading to its approval of the Group's strategy and its budgetary and business plans;
- approval of significant investments and capital expenditure;
- approval of annual and half-year results and interim management statements, accounting policies and, subject to shareholder approval, the appointment and remuneration of the external auditors;
- approval of the Group's dividend policy and the payment of interim and the recommendation of final dividends;
- changes to the Group's capital structure and the issue of any securities;
- establishing and maintaining the Group's risk appetite, system of internal control governance and approval authorities; and
- monitoring executive performance and succession planning.

The role of the Management Team

The Management Team, led by the Chief Executive Officer, has day-to-day responsibility and oversight of the primary operating and support functions of the Group, including operations, commercial, business development, marketing, finance, legal, compliance, human resources and IT. Biographies are provided on pages 56 to 57.

The Board of Directors



Mike Fairey ^{AR} 1

Independent Non-Executive Chairman
(aged 65)

Mr Fairey was formerly Deputy Group Chief Executive of Lloyds TSB Group plc before retiring from the position in June 2008. Mr Fairey had joined TSB Group in 1991 and held a number of senior and general management appointments before being appointed to the board in 1993. Following the merger with Lloyds Banking Group in 1995, he joined the board of Lloyds TSB Group plc in 1997 and became deputy group chief executive in 1998.

Previously, Mr Fairey was at Barclays Bank plc where, having joined them in 1967, he went on to hold a number of senior and general management appointments including managing director of Barclays Direct Lending Services from 1990 to 1991.

The Chairman's current commitments are non-executive directorships at The Energy Saving Trust, Legal & General Group plc, MGM Advantage Plc and the role of Chairman of the LTSB Pension Scheme.

John Campion ^E 2

Chief Executive Officer (aged 51)
From 1987 to 1999, Mr Campion served as the Chief Executive Officer of Showpower Inc., a portable generator company based in California that primarily served the entertainment industry. In December 1999, Showpower was acquired by GE Energy Rentals. After GE Energy Rentals' acquisition of Showpower, Mr Campion stayed on until towards the end of 2001 as GE Energy Rentals' Executive Vice President of Sales and Marketing. In early 2002, Mr Campion was hired to serve as the President of Alstom Power Rentals. Alstom Power Rentals was a subsidiary of Alstom Power Inc., a Paris-based company focused on energy and transportation infrastructure. In March 2004, Alstom Power

Rentals' ownership was transferred to APR LLC, a company owned and operated by John Campion and Laurence Anderson. Mr Campion has served as the Chief Executive Officer of the APR Group since 2004.

Matthew Allen 3

Non-Executive Director (aged 57)

Mr Allen is a qualified chartered accountant and has been the director of a range of public companies including Gold Greenlees Trott plc, the advertising agency PizzaExpress plc, a leading UK based restaurant business, and Precoat International plc, a quoted holding company for a group of businesses in UK and Canada that processed and distributed pre-painted steel to industrial consumers.

He has extensive international experience in the USA, Europe and Asia. Matthew is a director of Sun Capital Partners and was a founder of Pearl Group, Punch Group and Integrated Dental Holdings plc where he was chairman. Most recently, Matthew co-founded Horizon Acquisition Company plc, which subsequently completed the acquisition of APR Energy in June 2011. Matthew holds a BA in law from St Catharine's College, Cambridge.

Gregory Bowes ^R 4

Non-Executive Director (aged 53)

Mr Bowes serves as the Managing Principal and Chairman of the Management Committee of Albright Capital Management. He has over 26 years of experience in the financial services industry, beginning with Bankers Trust in 1983 and continuing with senior roles in institutional capital markets/alternative asset management firms. In 1988, he joined Greenwich Capital Markets (now RBS Greenwich), where he served in multiple roles, including acting as Senior Executive Officer of Greenwich International and, after acquisition of the firm by National Westminster Bank

Co-Head of NatWest Capital Markets. In 2003, after serving in other capacities in the alternative investment industry, Mr Bowes co-founded and has since headed Albright Capital Management LLC, a US-registered investment adviser and alternative asset manager focused exclusively on the emerging markets. Mr Bowes currently serves on the Board of Trustees of Bowdoin College in Brunswick, Maine.

Edward Hawkes 5

Non-Executive Director (aged 37)

Mr Hawkes is a founder and Director of the Company. Together with his co-founders, Mr Hawkes played an important role in identifying various acquisition opportunities and in acquiring the APR Group. Mr Hawkes is currently a director of Sun Capital Partners and was a co-founder of Phoenix Group, a UK life insurance business with approximately 6 million policyholders and approximately £67.5 billion under management. Mr Hawkes started his career at PricewaterhouseCoopers working on financial and commercial due diligence assignments. He left PricewaterhouseCoopers in 2001 to join Sun Capital Partners, where he has been involved in various companies and has raised over £7 billion for acquisitions.

Vipul Tandon ^E 6

Non-Executive Director (aged 40)

Mr Tandon is a Managing Director in the Private Equity Group of Soros Fund Management. Previously, he served as a vice president in the special situations group of American Capital Strategies, a vice-president of Foamex International and an associate at both Frontline Capital Group and Trace International and an analyst at DLJ Merchant Banking Partners. Mr Tandon is currently a director of Waypoint Leasing (Ireland) Ltd, Essent Group Ltd and Civic Builders.

Mr Tandon holds an MBA from INSEAD and a BA in International Relations from University of Pennsylvania and a BS in Economics from University of Pennsylvania Wharton School of Business

Baroness Denise Kingsmill **CBE ^{R,E} 7**

Senior Independent Non-Executive Director (aged 66)

Baroness Kingsmill is a non-executive director of International Consolidated Airlines Group, S A. She also sits on the supervisory board of E.ON AG and is Deputy Chairman of the PwC Advisory Board. From 1997 to 2004, she was Deputy Chairman of the Competition Commission (formerly the Monopolies and Mergers Commission). Baroness Kingsmill chaired the UK Department of Trade's Accounting for People Taskforce. In June 2006 Baroness Kingsmill was appointed to the House of Lords as a Labour Peer and sits on the Economic Affairs Committee. Baroness Kingsmill holds an MA from Cambridge University, UK.

Jim Hughes ^{A,R} 8

Independent Non-Executive Director (aged 51)

Mr Hughes has extensive experience in the energy market and joined First Solar in March 2012 as Chief Commercial Officer and was appointed Chief Executive Officer in May 2012. Prior to joining First Solar, Mr Hughes served from October 2007 until April 2011 as Chief Executive Officer and Director of AEI Services LLC, which owned and operated power distribution, power generation (both thermal and renewable), natural gas transportation and services, and natural gas distribution businesses in emerging markets worldwide. From 2004 to 2007, he engaged in principal investing with a privately held company based in Houston, Texas that focused on micro-cap investments in North American distressed

manufacturing assets. Previously, he served from 2002 until March 2004 as President and Chief Operating Officer of Prisma Energy International, which was formed out of former Enron interests in international electric and natural gas utilities. Prior to that role, Mr Hughes spent almost a decade with Enron Corporation in positions that included President and Chief Operating Officer of Enron Global Assets, President and Chief Operating Officer of Enron Asia-Pacific Africa and China and as Assistant General Counsel of Enron International. Mr Hughes is a member of the Board of Directors of the Los Angeles branch of the Federal Reserve Bank of San Francisco, the Advisory Board of the United States Export-Import Bank and the International Committee of the American Heart Association.

From 1999 to 2008, Mr Hughes was a non-executive director of Quicksilver Resources, an exploration and production company and from 2007 until 2010 of Elektro, a Brazilian electric utility listed on the Bovespa. He holds a BA Business Administration at the Edwin L. Cox School of Business at Southern Methodist University in Dallas, participated in the Foreign Exchange Programme with Queen Mary's College, University of London and has a Juris Doctor from the School of Law at the University of Texas.

Haresh Jaisinghani ^A 9

Independent Non-Executive Director (aged 47)

Mr Jaisinghani is the owner and Managing Director of 3R Capital Private Limited, an investment advisory and project development firm focused on the energy, environmental and infrastructure sector in Asia. From 1994 to 2007, Mr Jaisinghani held a number of senior leadership positions with the AES Corporation, an NYSE-listed Fortune 500 global power

company, including President of Asia Middle East, and CIS, and served as a member of the Corporate Executive Committee. He currently also serves on the board of the CitySpring Infrastructure Trust, a Singapore-listed infrastructure trust fund, and chairs the board of CityLink Investment Private Limited, the holding company of the Basslink subsea electricity transmission interconnect in Australia. Mr Jaisinghani is a graduate of University of Maryland and has an engineering degree from the University of Bombay.

Shonaid Jemmett-Page ^{A,E} 10

Independent Non-Executive Director (aged 53)

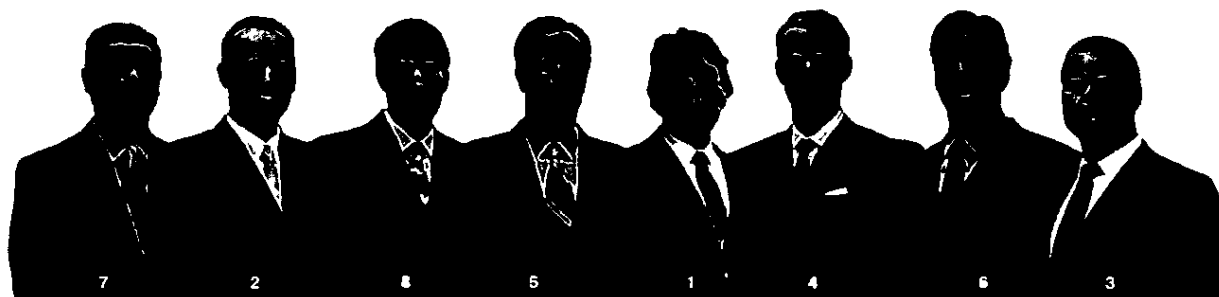
Ms Jemmett-Page qualified as a Chartered Accountant with KPMG in 1984, becoming a partner in 1992. In 2001, she joined Unilever plc as Senior Vice President, Finance and IT for Home and Personal Business for Asia, based in Singapore and, in 2005, became Global Senior Vice President, Finance and IT for Home and Personal Care and an Executive Board member of Unilever's HPC Business. In 2009, she moved to CDC Group plc, the UK government-backed private equity development finance company investing in developing countries, where she was Chief Operating Officer until leaving the group in 2012.

From 2008 to 2010, Ms Jemmett-Page was a non-executive director of Havelock Europa plc. Ms Jemmett-Page is currently a non-executive director of GKN plc, Close Brothers Group plc, Amlin plc, Origo Partners plc and Greencoat UK Wind plc. She holds an MA in Natural Sciences from Cambridge University, UK.

Committee membership:

A Audit Committee
R Remuneration Committee
E Ethics Committee

The Management Team



In addition to Mr John Campion the Management Team comprises

Laurence Anderson 1

President and Chief Operating Officer

Mr Anderson joined Showpower Inc in 1987 as a Vice President and Director of Operations. In 1996, he was appointed the President of Showpower, a position he held until the company was acquired by GE Energy Rentals in December 1999. As part of the acquisition, Mr Anderson became a Vice President of Fleet Operations for GE Energy Rentals. In 2002, he was hired as Vice President of Alstom Power Rentals. Alstom Power Rentals was a subsidiary of Alstom Power Inc, a Paris-based company focused on energy and transportation infrastructure. In March 2004, Alstom Power Rentals' ownership was transferred to APR LLC, a company owned and operated by John Campion and Laurence Anderson. Mr Anderson has served as the President and COO of the APR Group since 2004.

Andrew Martinez 2

Chief Financial Officer

Mr Martinez has over 20 years of international public accounting and public company experience, including with Ernst & Young and PricewaterhouseCoopers, and has held various global financial leadership roles, including seven years with the Cendant Corporation, where he served as VP of Financial Reporting, Planning & Analysis, and later as the Group Vice President of Finance for Cendant's Travelport Inc group. Mr Martinez is a member of the Institute of Chartered Accountants in England and Wales, and holds a Bachelor of Science degree in Banking & International Finance from the Cass Business School at City University London. Mr Martinez joined APR Energy in October 2011 and was appointed Chief Financial Officer in August 2012.

Lee Munro 3

Senior Vice President

Mr Munro joined General Electric Company (GE) working as a corporate auditor. He worked his way through the organisation, becoming the Chief Executive Officer of GE European Operations Services. After departing from GE in June 2005, Mr Munro founded LifeCare BV, a health and wellness company. Mr Munro holds a MBA from the University of North Texas. Mr Munro joined the APR Group as a Senior Vice President in December 2008.

Brian Rich 4

Senior Vice President – Business Development

Mr Rich brings over 20 years of international energy and utility infrastructure experience to his role at APR Energy. Prior to joining APR Energy, Mr Rich was Chief Financial Officer of Lebara Ltd, a \$1 billion telecommunications company based in London, and earlier served as Chief Executive Officer, AES Africa Power Corporation, where he managed AES Corporation's fully integrated utility in Cameroon, generation assets in Nigeria, and business development throughout the region. Mr Rich also held senior management positions in Moscow, Russia, as Senior Vice-President, Chief Financial Officer and Treasurer of NASDAQ-listed Golden Telecom, Inc., and in Hong Kong as Chief Financial Officer of Mirant Corporation's International power businesses. Mr Rich holds his Bachelor and Juris Doctor degrees from Tulane University in New Orleans, Louisiana. Mr Rich has served APR Energy as Senior Vice President of Business Development since 2012.

Steve List 5

General Counsel and Chief Compliance Officer

Mr. List has over 25 years of legal experience. Most recently, Mr. List was based in Sydney, Australia, as the Asia Pacific General Counsel for Accenture, where he supported the company's \$3.5 billion Asia Pacific business with over 80,000 employees in that region. During Mr. List's tenure at Accenture, he had global responsibility for their Health & Service Practice, was the company's first Government Compliance Officer and led its North American Utilities legal team. Additionally, Mr. List worked as Senior Counsel for Peoples Energy Corporation based in Chicago and began his career as an associate at a boutique law firm in the Chicago area. At APR Energy, Mr. List is responsible for compliance, the in-house legal practice, as well as managing the Company's secretarial responsibilities. Mr. List has an undergraduate degree in Psychology from the University of Wisconsin-Madison, and holds his law degree from DePaul University. Mr. List joined APR Energy in December 2011.

Chris Himebauch 6

Chief Human Resources Officer

Mr. Himebauch has over 20 years of progressive human resources leadership experience in a variety of industries. Mr. Himebauch began his career in human resources with Hyatt Hotels Corporation in Southern California. Subsequently, he spent 12 years at Darden Restaurants, where he was the Director of Staffing and then Director of Employee Relations for 60,000+ employees and managers in over 625 locations across the United States. Mr. Himebauch then served as Regional Vice-President of Human Resources for Wyndham Worldwide, where he oversaw HR for 26 properties throughout the U.S. East Coast and the Caribbean. Most recently, prior to joining APR Energy, Mr. Himebauch led the Field Human Resources team for Winn-Dixie Stores, Inc., supporting 521 Stores, 5 Distribution Centres and 420 Pharmacies, employing over 48,000 employees. Today, Mr. Himebauch leads a Human Resources group that is responsible for identifying, developing and engaging people who live the APR Energy values and deliver on the Group's strategy. Mr. Himebauch holds a BA from the University of North Carolina at Chapel Hill and an MBA from the University of Southern California. Mr. Himebauch joined APR Energy in January 2012.

Wayne Friederich 7

Vice President of Information Technology

Mr. Friederich has over 25 years of IT technical and leadership experience spanning the chemical, consumer goods and energy industries. Mr. Friederich held senior IT leadership positions as Vice President of IT with Playtex Products, Director of Global Infrastructure at Energizer Holdings and Senior Director of IT at Abound Solar. Mr. Friederich holds a Bachelor of Science degree in Business Administration – Information Systems from Southern Illinois University at Edwardsville. Mr. Friederich joined APR Energy in July 2012 as Vice President of Information Technology.

Silvio Cavaceppi 8

Vice President of Marketing & Communications

Mr. Cavaceppi has over 20 years of progressive leadership experience in international marketing and market development, and has a strong track record in developing and executing international marketing programmes and brand strategy. His experience includes 16 years with Lexmark International, a Fortune 500 information technology company, where he held a number of management roles, including Director of Marketing Communications, a position he held immediately prior to joining APR Energy. Mr. Cavaceppi holds a BS degree from the University of Florida in Business Administration and an International MBA from the University of South Carolina. Mr. Cavaceppi joined APR Energy in December 2011.

Corporate Governance Report

Board meetings

The Board typically meets at least six times a year in the US and in the UK, both in person and by telephone. Supplementary meetings are held as and when necessary. At each scheduled meeting, the Board evaluates regular reports focusing on amongst other things, the financial structure and performance of the business, the order pipeline and the Group's safety record. At particular points in the year, the Board reviews budgets, capital expenditure, risks and financial statements.

The Board receives regular updates on strategy, acquisition opportunities, and the competitive landscape. Most Board meetings include presentations from specific parts of the organisation in order to give the Directors an opportunity to examine the Group's business model in detail.

Attendance at meetings

The attendance of Directors at meetings of the Board and its committees in the year to 31 December 2013 is set out below.

	Board	Ethics Committee	Audit Committee	Remuneration Committee
No. of meetings	13	1	4	5
Mike Fahey	13	-	3	5
John Campion ¹	13	1	-	1
Matthew Allen	13	-	-	-
Edward Hawkes	13	-	-	-
Denise Kingsmill	11	1	-	3
Vipul Tandon	12	1	-	-
Gregory Bowes	10	-	-	5
Haresh Jaisinghani	13	-	4	-
Jim Hughes	13	-	3	5
Shona Jemmett Page	13	1	4	-

¹ John Campion stood down from the Remuneration Committee on 24 July 2013. He was eligible to attend two meetings during the year.

The Chairman also holds meetings with the Non-Executive Directors without the Executive Director present, and at least once a year, the Senior Independent Director chairs a meeting of the Non-Executive Directors without the Chairman. Additionally, KPMG completed a Board effectiveness review which was shared with the Board.

Board committees

The Board has put in place various committees to aid in the governance of the Company, including Audit, Remuneration and Ethics (the "Committees"). Details regarding the composition, responsibilities, and meetings of these Committees are provided on pages 62 to 67.

Each Committee reports to and has its terms of reference reviewed and approved annually by the Board and the minutes of the Committee meetings are circulated to, and reviewed by, the Board. The terms of reference of each Committee are available on the Group's website www.apenergy.com.

The Code recommends that the Remuneration Committee and the Audit Committee should comprise at least three independent Non-Executive Directors. The Company is compliant with these guidelines in relation to the Remuneration Committee and the Audit Committee.

The Board considered that the matters previously delegated to the Nominations Committee were of sufficient importance that they should be considered by the Board as a whole. Therefore, during the year these matters were considered, as necessary by the Board.

Frequency of Committee meetings

The Committees meet as frequently as is required to perform their delegated responsibilities (with the intention that the Audit Committee meets at least four times a year and the remaining Committees at least twice a year). Details of Committee meetings and attendance of members is provided above.

Leadership

How the Board operates

The Board comprises the Chairman, the Chief Executive Officer, and eight Non-Executive Directors, four of whom are considered independent. Given the Chairman Mike Fahey's very senior roles within the UK banking industry, the Board, although mindful of the provisions of the Code, considers him to be independent.

Baroness Denise Kingsmill CBE is the Senior Independent Non-Executive Director and is available to meet shareholders if they have concerns that have not been resolved through the normal channels of communication (including with the Chairman or Chief Executive Officer) or if it is not appropriate to use such channels.

Mike Fahey (Chairman), Jim Hughes, Haresh Jaisinghani, Shonaid Jemmett-Page and Denise Kingsmill bring a wealth of experience and expertise from the wider business world and are considered by the Board to be independent. The remaining Non-Executive Directors, Matthew Allen, Gregory Bowes, Edward Hawkes, and Vipul Tandon, are nominated by key shareholders so are not considered to be independent.

The Board remained unchanged throughout the year ended 31 December 2013. Details of the Board including biographies are provided on pages 54 to 55.

The Company's governance structure also encompasses an Operating Board (the Board of APR Energy Holdings Limited, the immediate subsidiary of the Company) which comprises the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer as well as nominees from the key shareholders referred to above.

Board balance and independence

The roles of the Chairman and the Chief Executive Officer and division of responsibilities

The roles of the Chairman and Chief Executive Officer are separated, with clear written guidance to support the division of responsibilities. A copy of the document setting out the division of responsibilities between Chairman and Chief Executive Officer can be found on the Group's website.

There is a clear division of responsibilities between the running of the Board, which is the Chairman's primary duty, and the day to day management of the Group's business, which is the Chief Executive Officer's primary responsibility. No one individual has unfettered powers of decision.

The role of the Chairman

The Chairman leads the Board. He is responsible for creating the conditions for, and for ensuring, an effective Board and effective contributions from individual Directors, particularly Non-Executive Directors, based on a culture of mutual respect, open debate and constructive challenge.

To achieve this, it is necessary for the Chairman to facilitate and encourage open communication and constructive working relations between the Executive and Non-Executive Directors. The Chairman seeks to ensure that the Executive Director is open and responsive to constructive challenge of proposals by the Non-Executive Directors. The Chairman is in frequent contact with the Chief Executive Officer. The Chairman also keeps the Non-Executive Directors up to date with significant developments between Board meetings. Moreover, the Chairman is also responsible for ensuring effective communication with shareholders and this is discussed further under 'Relations with shareholders' on page 69.

The Chairman sets the Board agenda and ensures that adequate time is dedicated for discussion of all agenda items, particularly strategic issues and risk appetite. Since his appointment as Chairman, Mr Fahey has led a detailed process of Board agenda review and planning, working with the Company Secretary, the Company's General Counsel & Chief Compliance Officer, the Chairmen of the Board Committees and the Chief Executive Officer. During the year, the Board approved an annual agenda plan designed to ensure that all necessary matters are reserved for Board decision and are afforded adequate time for discussion throughout the year. The Chairman monitors, with assistance from the Company Secretary, the information distributed to the Board to ensure that it is of high quality, accurate, clear and timely.

During the year, the Chairman met with the Non-Executive Directors without the Chief Executive Officer being present in order to review the Chief Executive Officer's performance.

The role of the Chief Executive Officer

The Chief Executive Officer has day to day management responsibility for the running of the Group's operations, for the application of Group policies and for the implementation of the Group's strategy and policies agreed by the Board

The Board has given the Chief Executive Officer broad authority to operate the business of the Group and he is accountable for, and reports to the Board on, the performance of the business. The Chief Executive Officer also has a key role in the process for the setting and review of strategy. More broadly, the Chief Executive Officer promotes the Company's culture and standards including appropriate governance standards throughout the Group. In addition, he ensures that the views of the Management Team on business issues and, as appropriate, employees' views on relevant issues are communicated to the Board in a balanced manner.

In carrying out his responsibilities, the Chief Executive Officer is supported by the Management Team, who together, are responsible amongst other things for ensuring that accurate information is provided to the Board on the Company's financial performance.

The role of the Chief Executive Officer and the Management Team

The biographical details of the Chief Executive Officer and the Management Team and details of their relevant experience and other significant commitments are set out on page 54 and pages 56 to 57.

The Chief Executive Officer and the Management Team have specific executive responsibilities but their duties extend to the whole of the Group's operations and activities and are not confined to the parts of the business encompassed by their specific executive role.

The role of the Non-Executive Directors

The role of the Non-Executive Directors is to scrutinise the performance of management in meeting agreed goals and objectives and to monitor the reporting of performance. Their role is also to satisfy themselves on the integrity of financial information and that the financial and non-financial controls and systems of risk management are robust and defensible.

The role of the Senior Independent Director

Baroness Denise Kingmill was appointed Senior Independent Director in 2011. The role of the Senior Independent Director is to provide a sounding board for the Chairman, to serve as a focal point to assist in resolving shareholder concerns which have not been resolved by the Chairman or Chief Executive Officer or in circumstances where a shareholder considers that communication with any of these Directors would be inappropriate. No such matters of concern were raised by shareholders during the year ended 31 December 2013. The Senior Independent Director also oversees the assessment of the effectiveness of the Chairman's performance, and is available for the other Non-Executive Directors to raise any issues or concerns.

The role of the Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters, ensuring good information flows within the Board, its Committees and Senior Management and ensuring that Board processes are complied with. Both the appointment and removal of the Company Secretary are a matter for the Board as a whole.

Conflicts of interest

The Chairman and Non-Executive Directors are permitted to serve on the boards of non-Group companies provided it does not impinge upon their required time commitment to the Group. The Directors are required to declare any directorships for non-Group companies or other appointments which could give rise to actual or potential conflicts of interest. The Group records and declares interests in a Directors' Interests Register.

The Directors have a duty to avoid a direct or indirect interest which conflicts, or may possibly conflict, with the interests of the Group unless that conflict has been approved by the Board. The Articles give the Directors power to approve conflicts of interest, subject to certain conditions, such as, the meeting being quorate without the Director in question participating and/or that the relevant Director does not participate in the vote. No conflicts of interest were declared during the year.

The Board is satisfied that the Chairman and Non-Executive Directors have devoted the required time to the proper performance of their duties for the Group throughout the year. Attendance at Board and Committee meetings is set out on page 58.

Effectiveness

Board evaluation and effectiveness

The effectiveness of the Board is vital to the success of the Group. The Board considers that it and its Committees have the appropriate balance of skills, experience, independence and knowledge of the Group to enable them to discharge their respective duties and responsibilities effectively. In addition, processes are in place for evaluation of the Board's performance including self-assessment and external referencing with third parties to ensure its performance is maintained. The Board believes that it presents a balanced and understandable assessment of the Group's position and prospects through its communications with shareholders.

Since the last report, the Company has undertaken a review to evaluate the performance of the Board, its Committees and individual Directors and in order to ensure the Non-Executive Directors maintain sufficient skills and knowledge to be suitable for re-election. This review was undertaken internally, with the Chairman being responsible for the evaluation of the Board as a whole and the Senior Independent Director being responsible for the review of the Chairman's effectiveness. Additionally, KPMG completed a Board effectiveness review which was shared with the Board.

Diversity

The Company and its Board are committed to diversity and inclusion. In terms of its composition, the Board has created a culture of inclusion where difference is recognised and valued. The Board will retain this commitment in its selection criteria, including diversity in nationality, gender, and industry experience.

In fostering, cultivating and preserving a culture of diversity and inclusion throughout the Group, the Board recognises that our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees bring to their work represents a significant part of our culture and plays a key role in helping us achieve our strategic goals.

We embrace and encourage our employees' differences in age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

APR Energy's diversity initiatives are applicable, but not limited to, our practices and policies on recruitment and selection, compensation and benefits, professional development and training, promotions, transfers, social and recreational programmes, layoffs, terminations, and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives
- Work/life balance through flexible work schedules to accommodate employees' varying needs
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity

Selection, appointment, review and re-election

Succession

The Board has a number of procedures in place for both executive and Board level succession. These include supervising the career development of key personnel to ensure they possess the correct mix of skill and experience to fulfil their potential. In addition, the Management Team includes a number of highly capable individuals with the ability to move in due course into more senior roles on the Operating Board and/or on the Board itself.

Appointment, retirement and re-appointment of Directors

Board appointments are made only after a thorough and orderly process of candidate identification, interview, and final selection. An initial shortlist of candidates is developed via a mix of external advertising and consultancy in specific fields.

A thorough screening process is utilised to narrow the candidate pool to a selection that is then vetted through personal interviews with members of the Board. Final candidate recommendations are presented to the full Board for approval. Individuals are required to have the necessary experience and integrity in relation to their sector knowledge or skills and to have sector knowledge or skills which complement those already within the Board. The terms of appointment for Directors is set out on page 81.

The Company's Articles of Association provide that each Director shall retire from office at the third AGM after appointment and that, if the Company does not fill the vacancy of the retiring Director at that AGM, then that Director shall be deemed to have been reappointed unless the Company resolves not to fill the vacancy or unless a resolution (to re-appoint that Director) is put to the Shareholders and is not passed. Notwithstanding the foregoing, the Board has decided that all Directors shall be subject to annual re-election by Shareholders at the AGM.

As is customary in listed companies, the independent Non-Executive Directors are normally expected to serve two three year terms (plus, exceptionally, one additional three year term if both the Company and the Director in question agree).

Board Induction and training

A review of Board performance is managed by the Chairman. In addition, training and development needs are identified by the Chairman, Committees and individual Directors, and relevant guidance is taken. Historically, Board members have participated in a training programme led by both the General Counsel & Chief Compliance Officer, as well as the Company's brokers. This training covered a broad range of topics, including anti-corruption and compliance (the FCPA and the UK Bribery Act) and Directors' responsibilities.

The Chairman and the Board provide ongoing assessment of the Board and Management Team performance.

Audit Committee Report

The Audit Committee plays a key role in ensuring the integrity of our financial statements and the effectiveness of our risk management processes and internal controls

Shonaid Jemmett-Page
Chairman, Audit Committee

The Audit Committee plays a fundamental role in monitoring and reviewing certain aspects of management and auditor conduct which could financially impact upon shareholders. This includes reviewing the integrity of the Group's financial statements to determine whether the judgements and policies of management are appropriate, as well as monitoring the independence of the external auditors and effectiveness of the audit process. The Committee's responsibilities also include oversight of the Group's systems of internal control and risk management. This report details the activities we undertook during the year in fulfilling our responsibilities.

Membership and process	The Committee comprises four members. Three members are considered to be independent Non-Executive Directors and at least one member has recent and relevant financial experience. The Chairman of the Company, who serves on the Committee, was considered independent on appointment as Chairman of the Company.
Chairman and members	<p>The following were members of the Audit Committee of the Company during 2013</p> <ul style="list-style-type: none"> ● Shonaid Jemmett-Page, Chairman ● Mike Fairey ● Jim Hughes ● Haresh Jaisinghani <p>Shonaid Jemmett-Page has recent and relevant financial experience. Her biography is set out on page 55.</p>
Committee Attendance	The Committee met on four occasions in 2013, with meetings timed to coincide with key dates in the financial and reporting calendar. The members' attendance record is set out on page 58.
Role	<p>The primary role of the Audit Committee is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal control and risk management systems. This includes responsibility for monitoring and reviewing</p> <ul style="list-style-type: none"> ● the integrity of the Group's financial statements and the significant reporting judgements contained therein, ● the appropriateness of the Group's relationship with the external auditors, including auditor independence, fees and provision of non-audit services, ● the effectiveness of the external audit process, making recommendations to the Board on the appointment of the external auditors, ● the activities and effectiveness of the newly established internal audit function, ● the effectiveness of the Group's internal control and risk management systems, and ● the Group's policies and practices concerning business conduct and ethics, including whistleblowing.
Terms of Reference	The terms of reference that set out the Committee's authority and responsibilities are available on the Group's website at www.aprenergy.com .
Main Activities	<p>The Committee's activities since the last report principally related to financial reporting, the external audit, internal control and risk management. In particular, the Committee</p> <p>Financial Reporting</p> <ul style="list-style-type: none"> ● considered information presented by management on significant accounting judgements and policies adopted in respect of the Group's half year and annual financial statements and agreed their appropriateness, ● examined key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial statements, ● discussed with the external auditor its reports to the Committee which highlighted key accounting matters and significant judgements in respect of each set of financial statements, ● reviewed documentation prepared to support the going concern judgement given on page 39 ● considered matters in respect of accounting for the Group's Founder securities, and ● considered the accounting judgements and methodologies applied in determining the opening balance sheet following the acquisition of the GE Power Rental Business.

Main Activities (cont'd)	<p>Governance</p> <ul style="list-style-type: none"> considered the prevention, detection and reporting of fraud and the Group's anti-fraud policies, reviewed procedures associated with engaging the external auditor to carry out non-audit related work, the Committee's work plan for the year ahead and a review of historic activity against the Committee's terms of reference and the effectiveness of the external audit process, the independence of the external auditor and a proposal in respect of the re-election of the external auditor <p>The Audit Committee last met in March 2014 and considered financial and governance matters, including the content of this Annual Report and Accounts</p>
External advisors	Deloitte LLP, the Group's external independent auditors (the 'Auditors' or 'Deloitte') is invited to every meeting. The Committee meets separately with Deloitte and the Head of Internal Audit without any member of the management team being present
Internal input	The Chief Executive Officer, Chief Financial Officer, Vice President of Finance, Head of Internal Audit and Director of Investor Relations are normally invited by the Chairman of the Committee to attend meetings of the Committee to maintain effective communications

Significant and material issues

In reviewing matters relating to the financial statements, the Committee has identified and considered the following significant issues

Area of focus	Committee action
Acquisition accounting	<ul style="list-style-type: none"> The Group completed the acquisition of the GE Power Rental Business on 28 October 2013. The transaction resulted in the application of complex accounting judgements, assumptions and methodologies in order to establish a fair value opening balance sheet KPMG were engaged as external advisers to assist in determining the fair value of the opening balance sheet. All assumptions were reviewed and challenged where necessary by the Auditors, with its findings reported to us for consideration. Following a review of all supporting internal and external documentation, we confirmed that we were satisfied with the judgements made by management In accordance with IFRS 13 "Fair Value Measurement", the value of the transaction reflected the closing share price at completion of 1.155p per share. As a result, for accounting purposes, total consideration was \$362 million, reflecting the issuance of 15,453,129 million new Ordinary Shares and \$73 million in cash, as recognised in the financial statements. The Group recognised the provisional fair value of identifiable assets and liabilities relating to this transaction in accordance with IFRS 3 Business Combinations. Further details can be found in note 29
Goodwill impairment	<ul style="list-style-type: none"> The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the cash generating unit (CGU) is determined from a value in use calculation. Based on this calculation, and the Committee's consideration of the appropriateness of the key assumptions, the Committee considered and concluded that there is no reasonable possible change in the key assumptions utilised in the impairment calculations that would give rise to an impairment
Accounting for income tax provisions	<ul style="list-style-type: none"> The Group has operations in various jurisdictions and as such is subject to an inherent risk arising from the geographical mix of revenue and profit and the complex nature of these arrangements. The Committee reviews the Group's tax positions and ensures that any potential exposures are identified and are representing accurately in the financial statements, as appropriate
Going concern	<ul style="list-style-type: none"> The Committee reviewed the appropriateness of preparing the Group's Financial Statements for the half-year and full year on a going concern basis. The Committee considered papers prepared by management, taking into account the external auditors' review of these papers, and management's assumptions in relation to going concern matters. The Committee looked at a number of scenarios, including recognition that part of the Group's financing facilities (its \$250 million term-loan is due to be renewed on 1 January 2015). Notwithstanding this, the Committee concluded that the management team's recommendation to prepare accounts on a going concern basis was appropriate
Founder securities	<ul style="list-style-type: none"> The Group continues to value the Founder securities via a bespoke Monte Carlo simulation model, which was created in 2012 to ensure the accounting for this financial liability was appropriate. Further to the receipt of a letter from the FRC requesting further information and clarity regarding the accounting treatment in respect of the Group's Founder securities, the Committee undertook extensive dialogue with the FRC and in July 2013, the FRC confirmed that it was satisfied with regard to the accounting treatment of these securities and closed its enquiry

Recoverability of trade and other receivables

- Management review the trade and other receivables balance on a regular basis and assesses its ability to collect receivables that are past due and provides for an adequate allowance for doubtful accounts based on the financial stability recent payment history of the customer, letters of credit in place and other pertinent factors related to the creditworthiness of the customer. Specifically for the 2013 year end management focused on the Libya receivables balance and were satisfied that these were recoverable, as all invoiced amounts had been received as at the date of this report. Based on this review, the Committee considered and concluded that these balances were recoverable

The Committee discussed with the Auditor the areas of significant risk identified by the external independent Auditor (see pages 92 to 94) and has satisfied itself that such risks are being appropriately managed

In addition, the Committee has considered a number of other key judgements and risks, as part of discharging a best practice approach which included

- revenue recognition in respect of new contracts and contract extensions,
- policy and practice in respect of demobilisation provisions and
- policy and practice in respect of the useful lives of property plant and equipment

The Committee is satisfied that all significant issues and risks have been managed appropriately and in accordance with the relevant accounting standards and principles

Internal control and risk review

The Board is responsible for the Group's system of internal control and reviews annually the effectiveness of the system of risk management and the internal controls framework. The system is designed to manage rather than eliminate risk of failure to achieve business objectives, and provides reasonable but not absolute assurance against material misstatement or loss

A comprehensive reporting structure was implemented during the year for the management of risk, financial compliance, and operational controls. This includes regular, at least annual review of the mechanisms in place to assess that risk is identified, managed and controlled wherever possible

Key elements of the risk management and internal control framework include

- a detailed annual risk assessment process, and
- structure of internal control policies and procedures

The risk assessment process conducted by management focuses on the identification of key risks to the annual business plan, an assessment of the likelihood and potential impact of each risk, a review of existing controls and their effectiveness and finally the identification of further actions to be taken to mitigate the risk factors. The risk assessment is reviewed by the Audit Committee

The Group's internal control framework comprises documented policies and procedures that define proper controls, delegation of authority and accountabilities in work flows for the effective operation and reporting in the business. The review and approval of business plans, budgets and investment programmes is conducted by the Board. Regular reporting is provided to the Board that not only covers performance on key financial metrics, but also focuses on operational performance. The Group operates a whistle blowing procedure, further details can be found on page 42

During the year, the Group has further enhanced its finance function to support the anticipated growth and demands of a listed business. This continues to be monitored in evaluating the process to secure a Premium Listing and the extra requirements this would entail

The Committee assesses the Group's internal risk management and financial control systems in order to help the Board understand the efficacy of structures in place. Reflecting the growth of the business and the Board's focus on internal control the Group has recruited a senior, experienced individual as Head of Internal Audit

Internal audit

The Audit Committee has oversight responsibilities for the Internal Audit department, following the establishment of an internal audit function in December 2013. The primary responsibility of the function is to provide independent objective assurance and consulting services designed to help the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes

Internal Audit is responsible for the preparation and ongoing management of an annual audit plan which will be reviewed and approved by the Audit Committee and all reports arising therefrom are reviewed and assessed, along with the related management's actions to findings and recommendations

Since his appointment in late 2013, the Head of Internal Audit is invited to and attends Audit Committee meetings and is also given the opportunity to meet privately with the Audit Committee without any members of management present. Going forward the Audit Committee will undertake a regular internal assessment of the effectiveness and independence of the Internal Audit function

External Auditors

The Audit Committee has responsibility for making a recommendation on the appointment, re-appointment and removal of the Auditors. The Auditor was reappointed auditor of the Group at the Annual General Meeting held in May 2013.

Audit tendering

The Audit Committee acknowledges the changes to the Code, the recent findings of the Competition Commission and the Guidance for Audit Committees issued by the Financial Reporting Council, each in the context of tendering for the external audit contract at least every ten years, a requirement which is currently voluntary for a Standard Listed company. Deloitte was appointed Auditor to the Company in 2011. The Auditor is required to rotate the audit partner responsible for the Group audit every five years. 2011 was the first year of the current lead audit partner's tenure.

Recognising the relatively recent appointment of the Auditor, the Committee will continue to give consideration to the timing of the next formal tender in light of the regulatory requirements, and any further changes in the regulatory framework. In any event, we do not anticipate that this will be earlier than the date of the rotation of the current senior statutory auditor. There are no contractual obligations that restrict the choice of Auditors.

Effectiveness of external audit process

To assess the effectiveness of the external audit process, the Auditor is asked on an annual basis to articulate the steps that it has taken to ensure objectivity and independence, including where the Auditor provides non-audit services. APR Energy monitors the Auditor's performance, behaviour and effectiveness during the exercise of its duties, which informs the Audit Committee's decision to recommend reappointment on an annual basis. This year, the Committee obtained a report on the Auditor's own quality control procedures and considered its annual audit quality and transparency report. During 2013, the Committee undertook a review to evaluate the performance of its Auditor. This was undertaken internally, incorporating feedback from across the Group including the Management Team, the Finance function and Committee members. For the 2013 financial year, management were satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good. The Committee concurred with the view of management.

Non-audit services

The fees and performance of the Auditor are reviewed annually. The Committee aims to ensure that the provision of non-audit services does not impair the integrity, independence and objectivity of the Company's Auditor. This has been achieved by adhering to the Accounting Practices Board Ethical Standard Number 5 relating to 'non-audit services provided to audited entities'. The Committee has reviewed and monitored the nature and extent of non-audit services and challenged it, where appropriate. The Committee has also reviewed the fees (both individually and in aggregate relative to the audit fee), noting that all significant non-audit services work required Committee approval before commencement.

It is acknowledged that, in some circumstances, the Auditor's understanding of the business can be beneficial in improving the efficiency and effectiveness of advisory work and, therefore, it has been considered appropriate that the Auditor be engaged. It was also determined that the nature of the work would not undermine auditor objectivity and independence. In total \$1.2m (2012: \$0.8m) was spent on non-audit services during the year of which \$0.8m (2012: \$nil) related to acquisition of the GE Power Rental Business and \$0.1m (2012: \$0.4m) related to the interim review. The work undertaken on the acquisition of the GE Power Rental Business is work that would usually be expected to be done by the Company's auditor, as there are significant synergies and timing benefits to the Company. As such, the Committee considers that this level of non-audit fees relative to the audit fee of \$1.0m (2012: \$0.9m) is acceptable. For further details see note 9.

Independence

The Committee requires confirmation, at least annually, from the Auditor that it possesses the suitable independence and impartiality to continue to serve the Company as auditor. The Committee reviews the expertise, performance and effectiveness of the Auditor. Based on the reviews conducted, the Committee has satisfied itself that the UK professional and regulatory requirements for audit partner rotation have been complied with.

Reappointment of the Auditor

In light of the reviews undertaken and the satisfactory conclusions reached, the Committee has recommended that a resolution proposing to reappoint Deloitte (now in its third year) as the Group's Auditor for a further year be put to shareholders at the 2014 AGM.

Nomination Committee Report

Membership and process

The Board determined that the activities often delegated to a Nomination Committee, would be performed by the Board as a whole. There were no specific meetings of the Committee, however the Board considered a number of tasks ordinarily undertaken by the Committee throughout the year.

Remit

The Committee is responsible, amongst other things, for reviewing the structure, size and composition of the Board of the Company and of the Subsidiary and ensuring that both are comprised of the right balance of skills, knowledge and experience, identifying and nominating for approval candidates to fill any vacancies on those Boards as and when they arise, giving full consideration to succession planning for the Group, and making recommendations as to the composition of the other committees of the Board.

Terms of Reference

In discharging its nomination related responsibilities, the Board is responsible for

- ensuring that the Company has a formal and transparent procedure for the appointment of new Executive and Non-Executive Directors to the Board,
- ensuring that the Company reviews the balance and effectiveness of the Board, identifying the skills needed and those individuals who might best provide them, in accordance with the Principles of Good Governance and the Code of Best Practice contained in the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate,
- reviewing regularly the Board structure, size and composition (including by reference to skills, knowledge, experience and diversity) and make recommendations to the Board with regard to any adjustments that are deemed necessary,
- identifying and nominating candidates, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular of the Chief Executive and Chairman of the Company,
- prior to any appointment, evaluating the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation preparing a description of the role and capabilities required for a particular appointment.

In identifying suitable candidates the Board shall use open advertising or the services of external advisers to facilitate the search, consider candidates from a wide range of backgrounds, and consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position. The Board's approach to diversity is detailed on page 69.

There were no changes to the Board during the year.

Ethics Committee Report

Membership and process

The Ethics Committee, which comprises Baroness Denise Kingsmill (as Chair), John Campion, Shonaid Jemmett-Page, and Vipul Tandon, is responsible for advising the Board on the development of the Group's compliance policies and strategies, including examining whether ethical risks have been effectively identified, assessed, managed and reported to the Board, with a view to ensuring that the Group does not engage in bribery, corruption or unethical behaviour.

Committee Attendance

The Committee met once in 2013 and the members' attendance record is set out on page 58.

Remit

The Company maintains an anti-corruption policy and all employees have certified that they have read and will comply with that policy. The Group also employs safeguards and programmes across its business, including anti-corruption training programmes and due diligence on third parties, designed to prevent the occurrence of fraud, bribery and corruption.

Key activities during the year

Since the Committee's last report, its main activities have been:

- A review of the Company's anti-corruption training including the extension to include modules on export compliance and anti money laundering and training coverage within the Group
- A review of the Company's process for supply chain compliance certification, and
- The Committee engaged the service of The Good Corporation to conduct an independent audit of the Group's ethics and compliance practices. The Good Corporation applied its framework on bribery and corruption, and found the Company to be in the top quartile of all companies surveyed, with a strong set of policies and controls to prevent bribery and corruption.

Following The Good Corporation's report, the Committee has overseen further enhancements in the implementation of procedures for safeguarding the Group against the risk of bribery and corruption, including:

- developing vendor, agent and customer certifications, sign-offs, agreements, checklists, and other forms of due diligence in connection with engaging with third party providers,
- conducting third-party agent registration, background checks and creating an electronic central repository for such information
- strengthening anti-corruption procedures and processes for invoice and expense approvals, and
- the inclusion of a conflict of interest policy into the corporate employee handbook and annual employee declaration of compliance.

Overview

Strategy

Performance

Directors' Report

Financial Statements

Other information

Directors' Report

The Company was incorporated in England and Wales on 30 October 2009 under the Companies Act 2006 as a private company limited by shares with the name Horizon Acquisition Company Limited and with registered number 7062201. The principal legislation under which the Company operates is the UK Companies Act 2006 (the 'Act') and the regulations made thereunder.

The Company is a holding company for the Group whose Ordinary Shares are currently admitted to a standard listing on the Official List and to trading on the Main Market. The Group is a leading global provider of fast-track large-scale mobile turbine power solutions to a variety of customers including sovereign owned utilities, governmental institutions and industrial customers.

Other Statutory and Regulatory Information

The Directors present the Annual Report together with the audited Consolidated Financial Statements for the year ended 31 December 2013.

Strategic Report

The Companies Act 2006 requires us to present a fair review of the business during the year to 31 December and of the position of the Group at the end of the financial year along with a description of the principal risks and uncertainties faced. This is set out in the Strategic Report, which can be found on pages 2 to 51.

Corporate Governance statement

The Disclosure and Transparency Rules require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Corporate Governance Report on pages 52 to 67 and is incorporated into this Directors' Report by reference.

Information included in the Directors' report

Certain information that fulfils the requirements of the Corporate Governance Statement can be found in the Directors' report in the sections headed 'Substantial shareholdings', 'Deadlines for voting rights', 'Repurchase of shares', 'Amendment of the Company's articles of association', 'Appointment and replacement of directors' and 'Powers of the directors' and is incorporated into this Corporate Governance section by reference.

Disclaimer

The purpose of this Annual Report and Accounts is to provide information to the members of the Company. The Annual Report and Accounts have been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its Directors and employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

The Annual Report and Accounts contain certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and Accounts and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report and Accounts should be construed as a profit forecast.

Results and dividends

The results for the year are set out on page 34 to 39. Dividends paid and proposed are set out on page 39. The Board is proposing a final dividend of 6.7 pence per share subject to shareholder approval at the AGM on 20 May 2014, payable on 3 June 2014 to shareholders on the register as at 4 April 2014. Following the payment of an interim dividend of 3.3 pence per share in May 2013, the proposed total dividend for the year is therefore 10.0 pence per share.

Internal control and risk management

Details of the Group's approach to internal control and risk management can be found on pages 46 to 47.

Directors and their interests

A list of Directors, their interests in the ordinary share capital of the Company, their interests in its long-term performance share plan and details of their options over the ordinary share capital of the Company are given in the Directors' Remuneration Report on page 88. No Director had a material interest in any significant contract, other than a service contract or contract for services, with the Company or any of its operating companies at any time during the year. The names of all persons who, at any time during the year, were Directors of the Company can be found on pages 54 to 55 under 'The Board'.

As at the date of this report, indemnities (which are qualifying third-party indemnity provisions under the Companies Act 2006) are in place under which the Company has agreed to indemnify the Directors of the Company and the former Directors of the Company who held

office during the year ended 31 December 2013 to the extent permitted by law and by the Company's Articles of Association in respect of all liabilities incurred in connection with the performance of their duties as a Director of the Company or its subsidiaries. Copies of these indemnities are available for review at the Company's registered office.

Employment policy

The Group continues to give full and fair consideration to applications for employment made by disabled persons having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate. The Group has continued its policy of employee involvement by making information available to employees on matters of concern to them. Many employees are stakeholders in the Company through participation in share option schemes and a long-term performance share plan.

Gender diversity

As at 31 December 2013, the Group employs 196 people globally. Around 27% per cent of our workforce is female with some 52 women employed. At a senior leadership level women represented 12% (3 out of 26) of this population and 20% (one in five) of the Board are female.

Future developments

Important events since the year end are described in note 35 and future developments are described in the Strategic report on pages 2 to 51.

Relations with shareholders

The Board aims to provide an impartial and straightforward analysis of the Group and its business when communicating with shareholders, and we believe that being clear and open in our assessment of the market for temporary power and the prospects for the business is extremely important. In line with the Company's Main Market listing in London, management will continue to engage fully with shareholders on a regular basis.

A reflection of the Board's commitment to this goal has been the appointment of a full time Director of Investor Relations based in London. Beyond the formal reporting of full year and half-year results, presentations, group calls and one-to-one meetings will be undertaken by management in the UK, Europe and North America. Non-Executive Directors are informed on a regular basis of such activity and encouraged to engage directly with shareholder meeting programmes during the year.

The Board makes every effort to ensure it has a comprehensive understanding of the views of major shareholders gained from regular contact with such shareholders and frequent dialogue with our brokers. The Board uses the Annual General Meeting to communicate with private investors and welcomes their participation.

Conflicts of interest

The Group has rigorous procedures in place to deal with conflicts of interest. Should any Directors declare any interests they have which could conflict with those of the Group, then the Board is satisfied that the powers it has to authorise (or otherwise address) such potential conflicts are effective.

Major shareholders

As at 3 March 2014 (the latest practicable date prior to the publication of this document) the Company had received notification of the following major shareholders, representing 3% or more of the voting rights attached to the issued ordinary share capital of the Company:

Name of Shareholder	No. of ordinary shares	% of total voting rights
General Electric International Inc	15,453,129	16.4%
SSP Energy	11,131,556	11.8%
ACM Energy Holdings	10,073,820	10.7%
JCLA	7,000,585	7.4%
Oppenheimer Funds Inc	6,171,648	6.6%
Alliance Bernstein	5,780,075	6.1%
J.P. Morgan Asset Management	5,559,537	5.9%
Blackrock Inc	5,232,977	5.6%
Capital Research Management	5,051,460	5.4%
Equinox Partners LP	2,988,749	3.2%

The Directors are not aware of any other material interests amounting to 3% or more in the share capital of the Company.

Share capital

On 31 December 2013, the Company had in issue 94,251,622 ordinary shares of 10 pence (2012: 78,235,164 ordinary shares of 10 pence). Following completion of its acquisition of GE's power rental business on 28 October 2013, the Company issued 15,453,129 new ordinary shares of 10 pence to General Electric International Inc. Details of the changes in issued share capital during the year are disclosed in Note 23 to the accounts.

Rights and obligations attached to ordinary shares

Subject to the provisions of the Companies Act 2006 (the 'Act') and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine, or in the absence of such determination including where such resolution does not make specific provision, as the Board may determine.

Voting rights

Subject to disenfranchisement as provided in the Company's Articles of Association and subject to any special terms as to voting on which any shares may be issued (no such shares currently being in issue) and any other provisions of the Articles, on a show of hands every member present in person (or, being a corporation, present by a duly authorised representative) or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder. The Company's major shareholders do not have different voting rights.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register in respect of the joint holding.

Restrictions on voting

No member is, unless the Board otherwise decides, entitled in respect of any share held by him to vote (either personally or by proxy or by a corporate representative) at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company if any calls or other sums presently payable by him in respect of that share remain unpaid or if he is a person who is interested (as defined in the Articles) in less than 0.25 per cent (in nominal value) of the shares of that class in issue and he has been served with a restriction notice (as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Act.

Save as disclosed in the prospectus published by the Company in September 2011 in connection with its readmission to the Official List of the UK Listing Authority (the 'Readmission Prospectus'), which is available on our website at www.aprenergy.com, the Company is not aware of any agreement between holders of securities that may result in restrictions on voting rights.

As disclosed in the Readmission Prospectus, pursuant to relationship agreements entered into between the Company and certain shareholders on 13 June 2011, such shareholders are obliged not to exercise their voting rights or procure any amendment to the Articles which would be inconsistent with the terms of the relevant relationship agreement.

Pursuant to the relationship agreement entered into between the Company and General Electric International Inc. on 28 October 2013, such shareholder is obliged to exercise or cause the exercise or, as applicable, prevent the exercise of all voting rights exercisable by any member of the GE group in the manner required to give effect to its obligations under such relationship agreement.

Dividends

The Company in a general meeting may declare dividends in accordance with the respective rights of its members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other moneys payable in respect of a share shall bear interest as against the Company.

There are no fixed dates on which entitlement to dividends arises. All dividends unclaimed for a period of twelve years after becoming due for payment shall be forfeited and shall cease to remain owing by the Company.

Variation of rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three quarters of the issued shares of the class (excluding treasury shares) or with the sanction of a special resolution passed at a separate meeting of such holders.

Restrictions on transfer of ordinary shares in the Company

There are no restrictions on the transfer of ordinary shares in the Company except that:

- pursuant to the relationship agreement dated 28 October 2013, General Electric International Inc. has agreed with the Company not to directly or indirectly transfer or dispose of ordinary shares (without the prior written consent of the Company) until the first anniversary of the Relationship Agreement or the earlier termination of such restrictions in accordance with the terms of the relationship agreement, if applicable (and thereafter for as long as members of the GE group hold equal to or greater than 5 per cent of the Company's ordinary shares such ordinary shares must only be transferred or disposed of in accordance with agreed orderly marketing arrangements).

- certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws), and
- pursuant to the Listing Rules of the Financial Conduct Authority certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares

Otherwise, the Company is not aware of any agreements between holders of ordinary shares that may result in restrictions on their transfer

Amendment of Articles of Association

Unless expressly specified to the contrary in the Articles of the Company, the Articles may be amended by a special resolution of the Company's shareholders

Rights to appoint and remove Directors

The Board may appoint any person to be a Director. Any Director so appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for election by shareholders

In addition to any power of removal conferred by the Act, the Company may by special resolution remove any Director before the expiration of his/her period of office. The office of a Director must be vacated if: (i) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the Board, or (ii) by notice in writing he offers to resign and the Board resolves to accept such offer, or (iii) his resignation is requested by all of the other Directors and all of the other Directors are not less than three in number, or (iv) a registered medical practitioner who is treating that Director gives a written opinion to the Company stating that that Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months, or (v) by reason of a Director's mental health a court makes an order which wholly or partly prevents that Director from personally exercising any powers or rights which that Director would otherwise have, or (vi) he is absent without the permission of the Board from meetings of the Board (whether or not an alternate Director appointed by him attends) for six consecutive months and the Board resolves that his office is vacated, or (vii) he becomes bankrupt or compounds with his creditors generally, or (viii) he is prohibited by law from being a Director, or (ix) he ceases to be a Director by virtue of the Act or is removed from office pursuant to the Articles

Relationship agreements

As disclosed in the Readmission Prospectus, certain shareholders entered into relationship agreements with the Company on 13 June 2011. The principal purpose of such relationship agreements is to ensure that the Company is capable of carrying on its business independently of the relevant shareholder and to ensure that transactions and relationships between the Company and such shareholders are at arm's length and on a commercial basis. Such agreements will terminate upon such shareholder (together with their connected persons and investment vehicles) ceasing to hold 5 per cent or more of the total number of ordinary shares in issue. In addition, so long as such shareholders' collective shareholding in the Company does not fall below 5 per cent, such shareholder will have the right to nominate for appointment one Director (or in the case of the Founders, two Directors) at each of the Board and Operating Board levels.

In addition, General Electric International, Inc. entered into a relationship agreement with the Company on 28 October 2013. The principal purpose of such relationship agreement is to ensure that the Company is capable of carrying on its business independently of GE and to ensure that transactions and relationships between the Company and GE are at arm's length and on a commercial basis. The principal rights and obligations of General Electric International, Inc. under such agreement will terminate upon members of the GE group ceasing to hold equal to or greater than 5 per cent of the Company's ordinary shares. In addition, as such members of the GE group hold equal to or greater than 5 per cent of the Company's ordinary shares, General Electric International Inc. will have the right to appoint one observer to attend Board meetings and meetings of the Audit, Ethics, Nomination and Remuneration Committees.

Powers of the Directors

Subject to the provisions of the Act, the Company's Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

Powers in relation to the Company issuing or buying back its own shares

At this year's Annual General Meeting, shareholders will be asked to grant authority to the Board to allot relevant securities (i) up to a nominal amount of £6,220,607 (representing 62,206,070 ordinary shares of 10p each) being the guideline limit of approximately 66% of the Company's ordinary share capital. Of this amount, £3,110,303 (or 31,103,035 ordinary shares of 10p each), representing approximately 33% of the Company's ordinary share capital, can only be allotted pursuant to a fully pre-emptive rights issue, such authority to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 20 August 2015).

A special resolution will also be proposed to grant the Directors' additional power to make non-pre-emptive issues for cash in connection with rights issues and otherwise up to a nominal amount of £471,258, representing approximately 5% of the Company's ordinary share capital. A special resolution will also be proposed at this year's Annual General Meeting to grant the Directors' authority to repurchase the Company's ordinary shares in the market. The authority will be limited to a maximum of 9,425,162 ordinary shares, representing 10% of the Company's ordinary share capital and will set the minimum and maximum prices which may be paid.

Founder securities

The Founder securities take the form of C ordinary shares in APR Energy Holdings Limited. Details of the Founder securities are disclosed in Note 25 to the accounts.

Save with the approval of the holders of 75 per cent of the Founder securities in issue from time to time: (i) APR Energy Holdings Limited may not be voluntarily wound up; (ii) the Company may not sell its ordinary shares in APR Energy Holdings Limited; (iii) APR Energy Holdings Limited may not sell any material part of the business or assets acquired pursuant to the Acquisition; and (iv) ordinary shares must not be issued at a discount to their market value.

Securities carrying special rights

Save as disclosed in the Readmission Prospectus (and summarised above) in respect of Founder securities, no person holds securities in the Group carrying special rights with regard to control of the Company.

Rights under the employee share scheme

There are no restrictions on the exercise of voting rights in relation to shares to which the employee share scheme relates.

Going concern

The Directors confirm that the business is a going concern on the basis that it has significant cash, debt facilities and net assets, and for this reason have adopted the going concern principle in the preparation of the financial statements. Further discussion regarding going concern is provided on page 39 in the Financial Review.

Change of control

The Company is party to a number of agreements, which take effect, alter or terminate upon a change of control of the Company following the successful conclusion of a takeover bid. Such agreements include purchase contracts with Caterpillar Inc. together with several customer sales contracts, none of which are considered individually material.

In addition, the Company's share schemes contain provisions which, in the event of a change of control, would result in outstanding options and awards becoming exercisable, subject to the rules of the relevant schemes. As summarised in Note 25 to the accounts, if a change of control of the Company is at a price per ordinary share that is at least equal to a specified price per ordinary share, the Founder securities may be converted into the requisite number of ordinary shares.

There are no agreements between the Company and its Directors or its employees providing for compensation for loss of office or employment that occurs because of a takeover bid (although, in line with the position for many listed companies, provisions of the Company's share plans permit options and awards granted under such plans to vest on a takeover in certain circumstances).

Certain members of the Management Team have entered into service agreements with APR Energy, LLC, a subsidiary of the Company. The terms of such agreements generally provide that in the event of a termination of that person's employment due to a change of control of the Company, the relevant employee shall be entitled to: (i) unpaid base salary as at the date of termination; (ii) any annual bonus accrued but unpaid as at the date of termination; (iii) a number of months' base salary; and (iv) other non-material benefits.

Disclosure of information to the Company's Auditor

In accordance with section 418 of the Act, the Directors who held office at the date of the approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information (as defined by section 418(3) of the Act) of which the Group's Auditor is unaware, and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Indemnity of officers

Under Article 180 of the Articles, the Company may indemnify any Director or other officer against liability, subject to the provisions of the Act, and the Articles grant an indemnity to the Directors against any liability for the costs of legal proceedings where judgement is given in their favour. Under the authority conferred by Article 180, the Company has granted indemnities to Directors and officers of the Company and its subsidiaries. The indemnities do not apply to any claim which arises out of fraud, default, negligence, or breach of fiduciary duty or trust by the indemnified person.

The Company has Directors' and officers' liability insurance which covers each Director and his or her lawful spouse or civil partner against losses for claims made against them in their capacity as Directors of the Company. The policy is intended to maintain such coverage for the term of the Directors' appointments, subject to the terms and conditions of the policy of insurance from time to time in force.

Where it is appropriate for a Director to seek advice from independent advisers at the Company's expense, the Company will reimburse the cost of reasonable legal costs incurred, subject (in each case) to a maximum of £5,000 per Director and, subject further to the prior approval of the Board.

Essential contractual arrangements

The Company's key equipment purchases are focused on two major suppliers with which it has strategic alliances and other agreements. The Company purchases its diesel and Gas reciprocating fleet from Ring Power Corporation with its headquarters located in St Augustine, Florida, USA. Ring Power is an authorised dealer of Caterpillar Inc. based in Peoria, Illinois, USA. On 28 October 2013, the Company purchased GE's dual-fuel mobile turbine fleet. The Company has arrangements for global support and service from GE, Ring Power and Pratt & Whitney Power Systems, Inc. to procure spare parts as required.

Political contributions

There were no political contributions during the period.

Annual General Meeting

The Company's Annual General Meeting ('AGM') will be held on 20 May 2014. The Notice of the Annual General Meeting and details of the resolutions to be proposed at the meeting will be provided to shareholders in a separate circular.

AGM – special resolutions

Special resolutions will be proposed at the 2014 AGM to authorise the Directors: (i) to allot ordinary shares up to an aggregate amount representing approximately one third of the issued ordinary share capital of the Company and a further one third in relation to rights issues (in line with guidance issued by the Association of the British Insurers); (ii) to disapply the statutory pre-emption rights of shareholders on allotment of equity securities for cash up to a limit of a total of shares with a nominal value of approximately 5 per cent of the current issued share capital; (iii) to authorise the Company to purchase its own ordinary shares; (iv) to approve the calling of meetings (other than AGMs) on 14 days' notice; (v) to give authority (in the form customarily taken by English law governed companies listed on the London Stock Exchange) for the Company to make donations to charities or other worthwhile causes that might technically fall within the Act's definition of a political donation; and (vi) to ratify the payment of previous dividends.

Auditor

Deloitte LLP was appointed as Auditor at the last AGM and has expressed its willingness to continue in office and, in accordance with the provisions of section 489 of the Act, a resolution proposing its reappointment will be put forward at the forthcoming AGM.

Greenhouse gas ("GHG") emissions

The following information reflects the Company's mandatory reporting of greenhouse gas emissions pursuant to the Act's (Strategic Report and Directors' Report) Regulations 2013 (the "Regulations"). Under the Regulations, the emission categories captured within the definitions reflect all material emission sources for which the Group is deemed responsible.

The Group has decided to measure GHG emissions using an operational control approach; the organisational boundary has been set to reflect those activities within the Group's control meaning that the Group does not have responsibility for any emission sources that are beyond the boundary of its operational control. Fleet emissions are driven by three main factors: the fuel type customers chose to use, the pattern of their usage, and the fuel efficiency of the Group's fleet. Only the last of these three factors is under the Group's control; therefore emissions arising from these other factors has not been measured.

The Group does not manufacture any products or equipment and has identified the following key activities as being within the GHG reporting requirements:

- Scope 1: Fleet emissions reflecting all fuel types burned within the Group's power generating equipment, including reciprocating engines and dual-fuel turbines used across all geographies within the Group's control.
- Scope 2: Heat and electricity purchased from the respective local suppliers for site/office usage and Group owned and operated site vehicles. This has been calculated as non-material and would reflect less than 1% of emissions and has therefore not been included.

At present, Scope 3 activities (e.g. business travel, freight shipping) are excluded from the reporting scope, as these are not within the Group's operational control, nor is it believed that the quality of the data would not be sufficiently robust for accurate reporting in these areas.

The Group has identified GHG emissions per megawatt hour (MWH) as the most appropriate KPI (referred to as the intensity ratio). This ratio will be impacted by fuel type, fuel quality and power generation equipment type; the determination of each of these factors rests with the client.

Global GHG emissions data - (CO₂e metric tonnes rounded to the nearest 10,000)

	2013
Scope 1	2,240,260
Scope 2	<20,000
Total GHG emissions (CO ₂ e)	2,260,260
Company's chosen intensity ratio	
Emissions per MWH	0.74

Statement of the Directors in respect of the Annual Report and Financial Statements

Fair, balanced and understandable

As required by the Code, the Directors confirm that they consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. When arriving at this position the Board was assisted by a number of processes including the following:

- the Annual Report is drafted by appropriate senior management with co-ordination to ensure consistency across sections
- a verification process to ensure factual accuracy
- comprehensive reviews of drafts of the Report are undertaken by members of the Management Team and other senior management
- an advanced draft is considered and reviewed by the Company's legal advisers and other advisers, and
- the final draft is reviewed by the Audit Committee prior to consideration by the full Board.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the Parent Company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole,
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face, and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

 On behalf of the Board
John Camplon
Chief Executive Officer
25 March 2014

Andrew Martinez
Chief Financial Officer
25 March 2014

Directors' Remuneration Report

Annual Statement Chairman of the Remuneration Committee

Dear Shareholder

I am pleased to present our report on Directors' remuneration at the end of a successful and transformational year for the Group. We operate a simple remuneration structure across all employees, which provides a clear link between pay, our key strategic priorities and the overall interests of shareholders. The Committee considers it essential to ensure that our executive pay arrangements are fully aligned with the ambition and achievement of our profitable growth strategy.

We were pleased with the Group's progress during the year in which we delivered a strong financial performance, together with the completion of the acquisition of the GE Power Rental Business which accelerated the pace at which we can execute our strategy.

Remuneration Committee activities

The Remuneration Committee (the 'Committee') has recognised best practice arrangements, resulting in John Campion, Chief Executive Officer stepping down from the Committee, which now comprises only Non-Executive Directors.

The main activities of the Committee since the last report were as follows:

- Assessed performance of the Chief Executive Officer and determined annual bonus for 2013,
- Approved share awards for 2013,
- Established the Chief Executive Officer's salary arrangements for 2014,
- Set bonus targets for the Chief Executive Officer for 2014
- Reviewed remuneration benchmarking and provided recommendation to the Board regarding fee structures and levels for Chairman and Non-Executive Directors,
- Considered remuneration market trends and corporate governance developments,
- Reviewed the revised remuneration reporting regulations and prepared the Directors' remuneration policy and report, and
- Considered a Non-Executive Director share purchase plan and provided recommendation to the Board.

Further details can be found in the Remuneration Committee's report on page 90.

Remuneration for 2013

Executive remuneration for the year was set in accordance with the outcome of a detailed review of the remuneration policy and levels for the Executive Directors undertaken by the Committee and its advisers, as detailed in our 2012 Directors' Remuneration Report. This review sought to align remuneration to drive long-term shareholder value, growth, development and sustainability and ensure that the Company is able to attract and retain the top talent in the industry.

The Committee consulted with a number of the Company's major institutional shareholders (including those represented on the Board) in relation to these changes (equating to an aggregate shareholding in excess of 50%). Those consulted were altogether supportive of the changes, and shareholders voted overwhelmingly in support as reflected by their 98% favourable vote at the 2013 AGM.

The Company has continued to seek to align the long-term interests of shareholders, the senior management team (including the Chief Executive Officer) and other employees in the Group by significantly increasing participation in the Company's Share Award Plan 2012 – with participation now cascaded to all levels of the Group (and with approximately 130 total participants). Details of the remuneration decisions for 2013 are set out in the Directors' annual remuneration report which follows.

The Committee believes that the performance of John Campion has been strong throughout the year. Under his leadership and vision the Group has effected a transformational acquisition and moved, at pace, with its ambitions. Remuneration for the year reflects the Group's strong financial performance, and is disclosed on page 84 of the Directors' remuneration report. This performance resulted in the award of a bonus representing 107% of target to the Chief Executive for 2013. The performance conditions of the 2011 LTIP award relating to the period ending 31 December 2013 were not met, and therefore, did not vest.

Key remuneration decisions for 2014

Following the extensive remuneration review in 2012, the Committee has, with this in mind, made no material or substantial

changes to the Company's Executive Director remuneration arrangements during 2013.

During 2013, the remuneration arrangements for the Chairman and Non-Executive Directors were reviewed by the Committee. This review resulted in changes to the fee structure and fee levels effective January 1, 2014. These changes have been made to reflect the commitment and contribution that is expected from the Chairman and Non-Executive Directors, and is commensurate with comparable roles in companies of a similar size and complexity to APR Energy.

Remuneration disclosure

This report complies with the requirements of the Large and Medium-sized Companies and Groups Regulations 2008 as amended in 2013, the provisions of the UK Corporate Governance Code (September 2012) and the Listing Rules.

The report comprises two main sections:

- The Directors' remuneration policy report (pages 77 to 83). This section contains details of the remuneration policy that we propose will apply from the 2014 AGM (20 May 2014) subject to obtaining shareholder approval at the AGM, and
- The Directors' annual report on remuneration. This section sets out details of how our remuneration policy was implemented for the year ended 31 December 2013 and details of Directors' remuneration for the year ended 31 December 2013.

At the Company's AGM in May 2014:

- The Directors' remuneration policy report will be put to a binding shareholder vote, and
- The Directors' annual report on remuneration report will be put to an advisory shareholder vote.

I sincerely hope that you find this report of the Committee's work and remuneration comprehensive and understandable. I hope you will support the resolutions presented at the upcoming AGM.

Jim Hughes
Chairman,
Remuneration Committee

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Directors' Remuneration Report

Reward principles

Our policy on remuneration

The Group's remuneration policy is set based on the Remuneration Committee's recommendations subject to Board approval. The Committee seeks to provide fair and appropriate remuneration across the Group and to retain key talent within the organisation. In setting remuneration levels, the Committee has regard to comparable UK and US energy market peers in terms of size, geographical spread, and complexity. It also considers pay and employment conditions elsewhere in the Group.

Remuneration levels and the relative importance of its different components are commensurate with those of the Company's UK and US energy market peers with similar revenue and market capitalisation levels. In considering these comparators, the Committee reflects APR Energy's position as a UK listed company and acknowledges that the Group's international business, operating within multiple financial markets, is inherently more complex than many of its comparators.

The key elements of the Chief Executive Officer's remuneration are base salary and benefits, an annual bonus plan and long-term incentive plans.

Each element is designed to achieve specific objectives. In aggregate, the different elements create a unified and balanced reward mix and competitive employment proposition. The individual elements are described in more details in the remuneration policy table on pages 77 to 80.

The Committee considers it essential to ensure that our remuneration arrangements are fully aligned with the ambition and achievement of our profitable growth strategy and enhancing long-term shareholder value.

The intention is to provide remuneration packages that help attract, retain, and motivate, with a significant proportion of the remuneration of the executive members of the senior management team (including the Chief Executive Officer) being structured to link rewards to both corporate and individual performance. Performance related elements of senior executive remuneration seek to promote the long-term success of the Group and are compatible with the Group's risk policies and systems.

The Committee takes into consideration performance on environmental, social, and governance (ESG) issues, and it believes that no element of the executive incentive structure raises ESG risks through inadvertently motivating irresponsible behaviour or the taking of any undue risks with the business.

Stretching performance targets

The Remuneration Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of stretching corporate performance targets and a strong alignment of interest with shareholders. Reflecting our pay for performance policy, bonus and share awards are linked to performance conditions with pre-determined targets. No payment is made below threshold levels of performance and, at stretch levels of performance, a majority of total compensation is delivered through performance-related incentives paid in a combination of cash and shares.

Competitive remuneration

The intention is to provide remuneration packages that help attract, retain, and motivate the members of the senior management team to achieve the Group's objectives of delivering growth in profits and enhancing long-term shareholder value. The remuneration package and the relative importance of its different components are based on a view of both UK and US energy market peers, with target compensation set around the median and the ability for exceptional performance to be rewarded through variable pay methods at the upper quartile of the market. Remuneration should reflect best practice among our peer groups, support our strategy, and have regard to governance principles around remuneration.

Commercial sensitivity with regards to disclosure of performance measures and targets

It is expected that commercially sensitive measures, targets and outcomes (particularly strategic and personal annual bonus targets) will not be disclosed retrospectively where the Committee considers this is not in the Company's commercial interests.

Directors' Remuneration Policy Report

It is intended that this Policy Report shall take binding effect from the date of its approval at the AGM on 20 May 2014. Information on how the Company intends to implement the policy for the current financial year is set out in the "Statement of implementation of remuneration policy" on page 84.

Future policy - Executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Executive Directors				
Base salary	<p>Attract and retain high-calibre talent necessary to deliver the Group's strategy</p> <p>Reflect market value of role and the Director's skills, experience and performance</p> <p>Where the Executive Director also receives fees from the Company these will be taken into account when setting base salary</p>	<p>Reviewed annually, any increases typically apply from 1 February</p> <p>When determining base salary levels, consideration is given to the following</p> <ul style="list-style-type: none"> • salary levels paid for similar roles with comparable status, skills, and responsibility in UK and US energy market peers of comparable size and complexity • the competitiveness of salary levels against these peers, and • performance against personal and corporate objectives, experience and conditions throughout the Group 	<p>No prescribed maximum annual increase</p> <p>Salary increases to Executive Directors are generally within the guidelines for the wider employee population</p> <p>However increases may be made above this level at the Committee's discretion to take account of individual circumstances such as</p> <ul style="list-style-type: none"> • Increase in scope and responsibility, • Increase to reflect the individual's development and performance in role (e.g. for a new appointment where base salary may be increased over time rather than set directly at the level of the previous incumbent or market level) and • Alignment to market level 	None
Retirement benefits	<p>Provide local market-competitive retirement benefits</p> <p>Attract and retain high-calibre talent necessary to deliver the Group's strategy</p>	<p>Ability to invest in a standard company to a "Section 401K" plan (a US retirement plan made available to US employees generally) or a local equivalent plan on the same terms as for other employees</p> <p>These arrangements are subject to limits based on US law</p> <p>Pension contribution may be paid into personal pension savings plans or paid as a separate cash allowance</p>	<p>Maximum of 25% of base salary</p> <p>No element other than base salary is pensionable</p>	None

Future policy - Executive Directors (cont'd)

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Other benefits	<p>Provide local market-competitive and cost-effective benefits to executives to assist them to carry out their duties effectively</p> <p>Attract and retain high-calibre talent necessary to deliver the Group's strategy</p>	<p>The Group provides a range of benefits which may include a car benefit (or cash equivalent), private medical insurance, permanent health insurance and life assurance</p> <p>Additional benefits may also be provided in certain circumstances which may include relocation expenses, housing allowance and school fees. Other benefits may be offered if considered appropriate and reasonable by the Committee</p> <p>The benefits arrangements for executive directors are reviewed by the Committee periodically to ensure appropriateness in terms of the type and level of benefits provided. In determining appropriateness, the Committee will consider factors such as the director's country of residence and length of service, as well as local practices, cost and convenience</p>	<p>Set at a level which the Remuneration Committee considers</p> <ul style="list-style-type: none"> ● Appropriately positioned against comparable roles in companies of a similar size and complexity in the relevant market, and ● Provides a sufficient level of benefit based on the role and individual circumstances, such as relocation 	None
Annual bonus	Reward and incentivise the achievement of annual financial and strategic targets	<p>Measures and targets are set annually and payout levels are determined by the Remuneration Committee based on performance against those targets</p> <p>The Remuneration Committee may, in exceptional circumstances, amend the bonus payout should this not, in the view of the Committee, reflect overall business performance or individual contribution</p> <p>Annual bonus is payable in cash</p> <p>There are no clawback or malus provisions applicable to the annual bonus</p>	<p>For maximum performance 250% of base salary</p> <p>For on-target performance 125% of base salary</p> <p>For threshold performance 50% of base salary</p> <p>No bonus is payable if performance is below specified threshold levels</p>	<p>Performance is assessed using the following metrics:</p> <p>75% of the award is based on financial measures, currently revenue, adjusted EBIT and adjusted ROCE, and 25% of the award is based on strategic measures</p> <p>The measures and targets are set by the Committee each year. The measures that will apply for the 2014 financial years are described in the Directors' annual remuneration report. Measures for the following years will be summarised in the Directors' annual remuneration report of the relevant year.</p>

Future policy - Executive Directors (cont'd)

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long-term share based incentive plans	<p>Motivate and reward the achievement of long-term Group financial performance in line with the Group's strategy and long-term shareholder returns</p> <p>Support the creation of shareholder value and aligns Executive interests with those of long-term shareholders</p>	<p>Awards made in the form of conditional shares or options, with vesting dependent upon the achievement of performance conditions</p> <p>Grants are typically made annually</p> <p>The Committee judges whether and to what extent targets have been met and if an exceptional event occurs that causes the Committee to consider that the targets are no longer appropriate, the Committee may adjust them</p> <p>Awards vest subject to continued employment and performance measured after three financial years and may vest earlier in good leaver circumstances or in connection with a change of control of other corporate event in accordance with the plan rules</p> <p>The Committee may adjust the number of shares that vest to ensure the basis of calculation to ensure it is fair and consistent</p> <p>Awards may also be adjusted in the event of a variation of capital in accordance with the plan rules</p> <p>There are no clawback or malus provisions applicable to the long-term incentive plans</p>	<p>Awards vest on the following basis</p> <ul style="list-style-type: none"> ● Threshold performance 30% of the maximum shares awarded ● 'Maximum' performance 100% of the shares awarded <p>With straight-line vesting between performance levels</p> <p>Current annual award levels for Executive Directors range between 100% - 300% of base salary at the time of grant</p> <p>Overall individual limit of 400% of base salary, in exceptional circumstances</p> <p>The Committee retains the discretion to make awards up to the individual limit and, would expect to consult with significant investors if awards were to be made routinely above current levels</p>	<p>Performance is measured against growth of the Group's annualised adjusted earnings per share, measured over a minimum three year period</p> <p>The measures and targets are set by the Committee</p> <p>Details of the targets that will apply for 2014 are set out in the Directors' annual remuneration report</p>
Historic Commitments	Honour previous agreements	Where commitments have been given prior to the 2014 AGM, as a matter of policy APR Energy will honour those commitments in accordance with their terms. The only such current commitments are share awards made and disclosed to shareholders in previous years	Dependent on circumstances	Dependent on circumstances

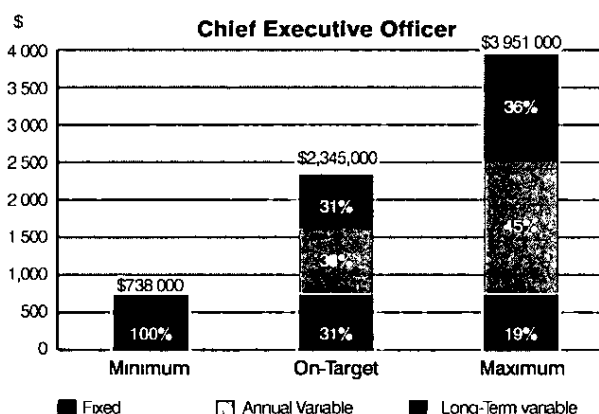
Future policy - Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Chairman and Non-Executive Directors' fees				
Fees	<p>Reward individuals for fulfilling the relevant role</p> <p>Attract and retain individuals with the skills, experience and knowledge to contribute to an effective Board</p>	<p>Fees are reviewed periodically</p> <p>The fee structure is as follows</p> <ul style="list-style-type: none"> The Chairman is paid a single, consolidated fee, The Non-Executive Directors are paid a basic fee, plus additional fees for membership or chairmanship of Board Committees or further responsibilities (e.g. SID), Fees are currently paid in cash although the Company may introduce a facility whereby Non-Executive Directors can elect to receive a portion of their fees in APR Energy shares based on open market value at the time 	<p>Set at a level which</p> <ul style="list-style-type: none"> Reflects the commitment and contribution that is expected from the Chairman and Non-Executive Directors, and Is appropriately positioned against comparable roles in companies of a similar size and complexity among UK and US energy companies of a similar size and international scope <p>Actual fee levels are disclosed in the Directors' annual remuneration report for the relevant financial year</p>	None

As noted above, performance measures apply to the Annual bonus and the Long-Term Incentive Plan (LTIP). These were chosen and targets are set as follows:

- Annual bonus – the specific metrics and their weightings are set by the Committee in the light of the Board's assessment of the strategic imperatives facing the Company and the budgets and other operational plans adopted by the Board to best address both short and longer-term imperatives. Management proposes suitable metrics (which are quantitative wherever possible) and levels of performance to form the threshold, on-target and maximum levels of attainment. The Committee then assesses whether achievement of these is appropriately aligned with shareholders' interests, and whether the reward that would accrue to the Executive Directors would be justifiable. They also examine whether the metric is consistent with the requirements of prudent risk management (and does not itself create perverse incentives) and good governance.
- LTIP – after consulting with shareholders in 2012, it was determined that the LTIP plan was fully aligned with the strategic imperatives facing the Company, could easily be adapted to changing circumstances and so represented a strong means of assessing value-creating activities. By including a longer-term assessment of annualised earnings per share growth over a minimum of three years, a clear incentive is created to manage the business for value over the longer term. Details of outstanding awards under the Company's LTIPs are set out on page 118.

Illustrative performance scenarios



The above chart provides an illustration of the operation of the remuneration policy and shows the levels of remuneration in US dollars that would be received by the Chief Executive Officer for different performance levels in accordance with the Directors' remuneration policy for 2014.

The chart shows three scenarios: (a) minimum, (b) on-target and (c) maximum. In developing the scenarios, the following assumptions have been made:

Minimum	Fixed remuneration only based on latest known salary, retirement benefits and other benefits, as shown in single figure table			
	\$'000s	Base salary	Benefits	Retirement benefits
	CEO	714	14	10
Total fixed: 738				
On-Target	Based on what an Executive Director would receive if performance was in line with the on-target scenario			
	<ul style="list-style-type: none"> Annual bonus pays out at 125% of salary for on-target performance A LTIP award with a face value of 100% (in line with the normal grant policy) pays out 30% of maximum, being threshold level of vesting 			
Maximum	Based on what an Executive Director would receive if performance was in line with the maximum scenario			
	<ul style="list-style-type: none"> Annual bonus pays out at 250% of salary for maximum performance A LTIP award with a face value of 200% (in line with the 'maximum possible award under the plan rules') pays out at 100% of maximum 			

Non-Executive Director Fees

The Chairman is paid a single consolidated fee per annum. The Non-Executive Directors are paid a basic fee plus fees reflecting additional responsibilities including Senior Independent Director membership and chairmanship of Board Committees. In addition, the Committee retains the authority to pay additional fees, up to £20,000 for independent work outside of the scope of the Board subject to approval by the Chairman and Chief Executive Officer.

The annual rates for Non-Executive Director fees effective 1 January 2014, are shown in the table on page 83.

The Company encourages the Non-Executive Directors to build up a holding in the Company's shares. The Committee may introduce a facility whereby Non-Executive Directors may elect to receive a portion of their fees in Ordinary Shares of the Company purchased on a regular basis in the market.

Letters of appointment

Non-Executive Directors, including the Chairman, are appointed pursuant to a letter of appointment.

The contractual arrangements for the current Chief Executive Officer comprises a service agreement with APR Energy LLC and a letter of appointment with the Company. Under the terms of his service agreement the Chief Executive Officer is entitled to a termination equal to twelve months salary. Where appropriate, it will continue to be the Company's policy that an Executive Director may have a service agreement with the relevant operating subsidiary in addition to appropriate contractual arrangements with the Company.

The details of the Directors' letters of appointment with the Company are summarised in the table below.

Name of Director	Date of letter of appointment	Notice period
Mike Farey (Chairman)	17 December 2009	12 months
John Campion	13 June 2011	12 months
Matthew Allen	25 January 2012	12 months
Gregory Bowes	13 June 2011	3 months
Edward Hawkes	12 January 2010	12 months
Jim Hughes	25 January 2012	12 months
Denise Kingsmill	17 December 2009	12 months
Haresh Jaisinghani	25 January 2012	12 months
Shonaid Jemmett-Page	23 July 2012	12 months
Vipul Tandon	13 June 2011	3 months

Terms of appointment of Directors

Executive Directors' service contracts are carefully considered by the Committee. The Committee considers that a rolling contract with a notice period of 12 months is appropriate. A longer initial period of notice of up to 36 months, may be used where considered appropriate in order to secure the recruitment of an external candidate.

The appointment of Non-Executive Directors is normally for a fixed term of three years, during which time the appointment may be terminated by the Board, or by the Company's shareholders on notice.

Exit payments

In the event of early termination, an Executive Director may receive compensation up to a maximum of basic salary, retirement benefit entitlement and other contractual benefits over the notice period. The Committee will consider mitigation where appropriate, having regard to the circumstances.

There is no automatic entitlement to annual bonus. Executive Directors may receive a bonus in respect of the financial year of cessation, based on performance against pre-determined targets. Where an Executive Director leaves by reason of death, disability or ill-health they may receive a pro-rata bonus for the year of cessation.

The treatment of leavers under the Company's long-term incentive plans is determined by the rules of the relevant plans. The Committee will determine when awards vest and the period during which awards may be exercised.

Performance shares lapse if the participant leaves employment in case of termination for cause or resignation. In other cases, normally including death and ill health, injury or disability, redundancy and retirement, the Committee may determine that awards vest at the end of the performance period and are pro-rated for time. Performance conditions would apply. However, the Committee has the discretion to allow the award to vest on cessation of employment (on a pro-rata basis or otherwise) if, having regard to progress towards meeting the performance conditions at that point.

The Committee may vest the award on any other basis if it believes there are exceptional circumstances which warrant that. For example it can be in the interest of the Company for the Board to proactively organise succession and manage an executive's departure. When determining the treatment of outstanding awards in those cases, the Committee will take into account the executive's level of performance and contribution to the transition.

No compensation is payable to Non-Executive Directors on leaving office.

Approach to recruitment remuneration

The remuneration package for a new Executive Director would be set in accordance with the terms of the approved remuneration policy in force at the time of appointment. The Committee may offer a package that will be sufficient to attract and retain the high-calibre talent necessary to develop and deliver the business strategy. The Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the Company and, therefore, shareholders. The Committee will seek to ensure that no more is paid than is necessary. Any buyout payments would be intended to be no more than is necessary to compensate for remuneration lost due to leaving the former employer and would reflect the delivery mechanism (i.e. cash, shares, options), time horizons and performance requirements attaching to that remuneration.

The following elements may be considered by the Committee for inclusion in a recruitment package for an Executive Director in addition to the policy elements set out in the table on pages 77 to 79.

Element	Approach
Initial long-term incentive award	<p>An initial long-term incentive award may be made which may be higher than the maximum opportunity, as set out on page 79</p> <p>The Committee will ensure</p> <ul style="list-style-type: none"> – The award is linked to the achievement of appropriate and challenging performance targets – The award will be forfeited if the performance and continued employment conditions are not achieved
Initial annual bonus opportunity	<p>The initial annual bonus opportunity may be set higher than the approved policy</p> <p>The Committee will ensure the award is linked to the achievement of appropriate and challenging performance targets</p>
Compensation for forfeited awards	<p>The terms of any compensation will be determined by taking into account the terms of any forfeited awards, including</p> <ul style="list-style-type: none"> – Performance achieved or likely to be achieved, – The proportion of performance/vesting period remaining, and – The form and timing of the original award
Sign on awards	<p>In certain limited circumstances, for example in order to compensate for a loss at a previous employer other than for forfeited awards the Committee may make a one-off sign-on award as part of the initial package</p> <p>The Committee retains the discretion to determine, based on the circumstances at the time whether this would be in cash or shares whether or not performance conditions or an additional holding period would apply</p>
Relocation costs	<p>Where necessary, the Company will pay appropriate relocation costs in line with standard practice. The Committee will seek to ensure that no more is paid than is necessary</p>
<p>An enhanced initial notice period, sign-on awards or increased initial annual bonus or long-term incentive award opportunities would only be made available in exceptional circumstances</p> <p>APR Energy plc is required to set out the maximum amount of variable pay which could be paid to a new Director. In order to provide the Company with sufficient flexibility in a recruitment scenario the Committee has set this figure as 650% of base salary excluding compensation for forfeited awards. This represents the maximum annual bonus (250%) and the maximum LTIP award (400%) in exceptional circumstances</p> <p>This level of variable pay would only be available in exceptional circumstances, and in order to achieve such a level of variable pay, stretching targets would need to be met, over both one year (for the annual bonus) and at least three-year (for long-term incentive plan) performance periods</p> <p>In the case of an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms</p>	

Fee levels for a new Chairman or new Non-Executive Directors will be determined in accordance with the policy set out in the policy table

Consultation with our employees

Although the Committee does not consult directly with employees on the Directors' remuneration policy, the Committee considers the general basic salary increase remuneration arrangements and employment conditions for the broader employee population when determining remuneration policy for Executive Directors

Statement of consideration of employment conditions elsewhere within the Group

The remuneration policy for executives reflects the overriding remuneration philosophy and principles of the wider Group. When determining the remuneration policy and arrangements for Executive Directors, the Remuneration Committee considers pay and employment conditions across the Group which operates in a number of different countries and has employees who perform a diverse range of jobs. The overall aim is that

- employees, including the Chief Executive Officer, are paid by reference to the market rate,
- the APR Group promotes and offers internal promotion opportunities
- the Group offers employment conditions which are commensurate with applicable laws where the Group does business, and
- the Group offers a range of benefits depending on the employee location including retirement savings plans, flexible benefits, paid annual leave, and healthcare insurance

As mentioned in the Annual Statement by the Chairman of the Remuneration Committee, the Company has continued to seek to align the long-term interests of shareholders, the Management Team (including the Chief Executive Officer) and other employees in the Group by significantly increasing participation in the Company's Share Award Plan 2012 – with participation now cascaded to all levels of the Group (and with approximately 130 total participants)

The Committee seeks to encourage greater employee ownership and is considering the introduction of arrangements whereby employees would be able to participate in a US tax qualifying employee share purchase plan, a UK tax qualifying Share Incentive Plan and/or a UK tax qualifying Sharesave Plan (or equivalent plans tailored to reflect tax and legal considerations in other relevant jurisdictions), offering an opportunity to acquire shares on beneficial terms. It is envisaged that participation in such plans may be offered to as many employees as practicable up to the relevant statutory limits. In common with most plans of this type, it is not anticipated that performance conditions will apply.

The Company continues to review and evolve its medium-term strategic plan. The Committee will seek to align the remuneration of key senior management, excluding Executive Directors, to the successful delivery of stretching performance targets in support of this plan. The key difference from remuneration across the wider Group will be an increased emphasis on performance related pay.

Statement of consideration of shareholder views

The Remuneration Committee is committed to an ongoing dialogue with shareholders and seeks the views of the Company's largest shareholders when any major changes are being made to remuneration arrangements. The Committee notes that

shareholders may not speak with a single voice but will seek to take into account the views of significant shareholders when formulating and implementing the policy.

When the last major review of remuneration occurred, the Committee consulted with a number of the Company's major institutional shareholders (equating to an aggregate shareholding in excess of 50%) (including those represented on the Board) in relation to the proposed changes. Those consulted were altogether supportive of the proposed changes to the Directors' remuneration arrangements.

At the 2013 AGM, shareholders voted more than 98% in favour of the advisory remuneration vote.

Payments in exceptional circumstances

In truly unforeseen and exceptional circumstances, the remuneration committee retains the discretion to make emergency payments which might not otherwise be covered by this Policy. An example of such an exceptional circumstance could be the untimely death of a director, requiring another director to take on an interim role until a permanent replacement is found. Any such event and the basis for such payments will be announced on a timely basis to shareholders via a regulatory information service announcement and the Company's website.

Statement of implementation of remuneration policy in the 2014 financial year

Components of remuneration – Executive Directors

Effective from 1 February 2014, the base salary for the Chief Executive Officer increased 5% to \$714,000. Retirement and other benefits are in accordance with those stated in the policy table, and are in line with 2013.

There is no change in the maximum percentage opportunity under the annual bonus plan. The Committee determined that the performance measures applicable for the 2014 annual bonus are: 75% financial based (Revenue: 20%, Adjusted EBIT: 20%, Adjusted ROCE: 35%) and 25% qualitative based on strategic performance measures, unchanged from 2013. Targets for 2014 are not disclosed because they are considered to be commercially sensitive.

There is no change in the maximum LTIP opportunity for the Chief Executive Officer and targets remain unchanged from 2013. It is expected that awards will be made following the publication of the Annual Report.

Annualised Adjusted EPS growth	Performance level	Vesting (%)
Maximum	>11%	100%
Threshold	4%	30%
Below threshold	<4%	0%

Awards will vest on a straight line basis between threshold and maximum.

Components of remuneration – Non-Executive Directors

The Non-Executive Director fee schedule for 2014, effective from 1 January 2014, is shown below.

Position	Annual fee (£'000s)
Chairman	130
Non-Executive Director	70
Additional responsibilities	
Senior Independent Director	20
Chairman of a Board Committee	10
Membership of a Board Committee	5

Annual Report on Remuneration

This section provides the details of the actual payments and awards to Directors who served during the year. Information contained in the Annual Report on Remuneration has, where indicated, been audited by the Group's external independent auditors.

Single total figure of remuneration

The following table sets out the single figure of total remuneration for Directors for the financial years ending 31 December 2012 and 2013.

Audited

£'000	Salary / Fees		Benefits ¹		Retirement benefits		Annual bonus		Long-term incentives ^{2, 3}		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Executive Directors												
John Campion	432	166	9	9	7	7	581	179	-	-	1,028	361
Non-Executive Directors												
Mike Fahey	90	90	-	-	-	-	-	-	-	80	90	170
Matthew Allen	70	65	-	-	-	-	-	-	-	-	70	65
Gregory Bowes	70	70	-	-	-	-	-	-	-	-	70	70
Edward Hawkes	70	70	-	-	-	-	-	-	-	-	70	70
Jim Hughes	70	65	-	-	-	-	-	-	-	-	70	65
Denise Kingsmill	70	70	-	-	-	-	-	-	-	80	70	150
Hareesh Jaisinghani	70	65	-	-	-	-	-	-	-	-	70	65
Shonard Jemmett-Page	70	32	-	-	-	-	-	-	-	-	70	32
Vipul Tandon	70	70	-	-	-	-	-	-	-	-	70	70

1 Benefits include private medical insurance and life assurance.

2 Represents the value of long-term incentive plans where the performance period ended within the financial year.

3 As reported in the 2012 Annual Report, Mike Fahey and Denise Kingsmill each subscribed for their remaining 10,000 matching shares during 2012. The share price on the date of vesting was £7.98.

Additional notes to the single total figure of remuneration

Base salary

In 2013, the Chief Executive Officer was entitled to total annual base salary of \$680,000 per annum, inclusive of a fee in respect of membership of the Company's Board. Base salary increased from effective 1 February 2013 reflecting the outcome of the 2012 Remuneration review, which identified that the Chief Executive Officer's base salary was significantly behind those of market peers resulting in an adjustment to reflect median peer salary.

In 2012, the Chief Executive Officer was entitled to total annual basic remuneration of \$450,000, comprising a fee of £70,000 as a member of the Board, and a salary under his employment contract with APR Energy LLC (a subsidiary of the Company) of \$380,000 per annum. In recognition of the challenging financial year and organisational restructuring, the Chief Executive Officer elected to cease to accept his salary resulting in an actual salary of £165,627 being received.

Benefits

The benefits provided to the Chief Executive Officer included private medical insurance and life assurance.

Retirement benefits

The Chief Executive Officer does not receive any pension benefits other than the ability to invest in a standard company Section 401k¹ plan (a US retirement plan made available to US employees generally) subject to the applicable limits based on US law, which reflects the same terms as for other US employees. The level of retirement benefits in 2013 remained unchanged from 2012.

Annual bonus

For 2013, the Chief Executive Officer was eligible for an annual bonus opportunity ranging from 0% to 250% of basic remuneration, dependent on performance with threshold level set at 50% and on-target level set at 125%.

The performance measures were a combination of qualitative, strategic performance targets (25%) and financial targets (75%) which were measured over the period of one year. Financial metrics for the purposes of the annual bonus arrangements for the Chief Executive Officer were Revenue (20%), Adjusted EBIT (20%) and Adjusted ROCE (35%) in 2013.

As highlighted in the Committee Chairman's letter, the Group delivered a strong financial performance in the year, with good growth across financial metrics which led to 109% of the bonus relating to financial measures becoming payable.

John Campion achieved his strategic objectives for 2013 which led to 100% of the bonus relating to strategic measures becoming payable. Notably, achievements against strategic and individual performance measures included the completion of the acquisition of the GE Power Rental Business. Overall, this resulted in the Chief Executive Officer receiving a bonus equal to 107% of target, 53% of the maximum or 134% of salary.

The annual bonus for 2012 was based 80% financial metrics and 20% strategic and individual performance metrics. The Chief Executive Officer achieved below performance for financial and strategic metrics, this resulted in 53% of target, 32% of the maximum or 63% of salary.

The table below sets out performance achieved for the 2013 bonus against targets.

	Weighting (as % of maximum)	Actual ¹ performance
Revenue	20%	Slightly above target
Adjusted EBIT	20%	Above target
Adjusted ROCE	35%	Slightly above target
Strategic objectives	25%	Achieved
Total resulting level of award as % of target		107%
Total resulting level of award as % of maximum		53%

¹ The actual target range has not been disclosed as this is considered by the Board to be commercially sensitive and, therefore, will not be disclosed.

Long-term incentive plans (audited)

Share awards made during the year

In June 2012, the Company adopted the APR Energy Share Award Plan 2012 (the 'PSP'). The PSP allows for the grant of share options and/or contingent share awards. This provides a more effective retention tool with the flexibility to reflect common US practice on equity incentives. It is a long-term incentive plan enabling selected employees to be granted a right to acquire ordinary shares in the Company at a specified price subject to the satisfaction of specified conditions. The number of ordinary shares issued or issuable pursuant to awards granted in any 10-year period is limited to 10 per cent of the issued ordinary shares from time to time.

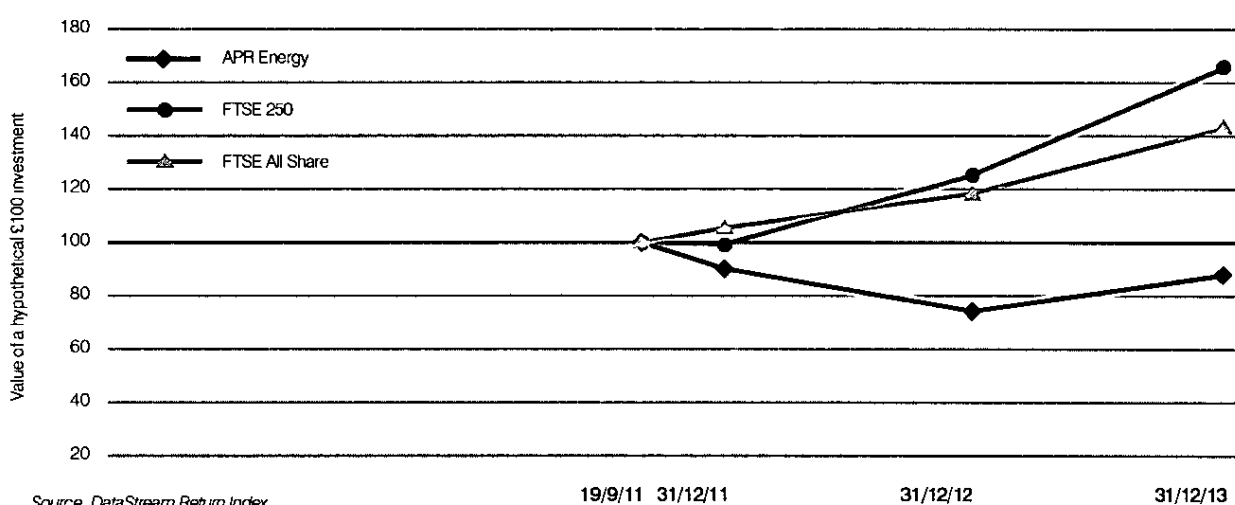
In 2013, 72,957 contingent share awards were granted to the Chief Executive Officer under the PSP. This award reflects the maximum opportunity of 200% of base salary representing a face value of \$1,360,000. The number of shares reflects the closing share price of 1.155p on 28 October 2013, the date of award, based on the prevailing exchange rate, and remain subject to performance conditions. These awards provide for ordinary shares to be delivered (subject to payment of the nominal value of the award shares, if so required) on or after the third anniversary dependent on the achievement of performance conditions determined by reference to the growth of the Group's annualised adjusted earnings per share over the period of three years ending on 31 December 2015, with 30% vesting at a threshold of 4% growth, rising to 100% vesting for growth of 11% or more, with straight-line vesting between each level of performance.

Performance graphs

Chief Executive Officer pay and relative Total Shareholder Return ("TSR") performance

The following graph compares the performance of a £100 investment in APR Energy plc £0.10 Ordinary Shares performance from 19 September 2011, the first day of trading on the London Stock Exchange Main Market to 31 December 2013 measured by TSR compared to that of the same investment in the FTSE All Share Index. The FTSE All Share Index has been selected for this comparison because it is the index which the Committee considers to be the most closely comparable to the Company. The FTSE 250 Index is also included as this also represents a useful comparator.

TSR is the measure of the returns that a company has provided for its shareholders reflecting share price movements and assuming reinvestment of dividends. Spot data is used at the date of Main Market listing and at the end of each financial year. The intermediate points are the values at the Company's financial year ends.



Financial Year Ending	31 December 2011	31 December 2012	31 December 2013
CEO total remuneration (Single figure, £'000s)	82 ¹	361	1,028
Annual variable pay (% of maximum)	34% ²	32%	53%
Long-term variable pay (% vested as % of maximum)	0% ²	0%	0%

1 Calculated on a pro-rata basis for the period from 19 September 2011 to 31 December 2011, as a proportion of the reported 14 month year ended 31 December 2011.

2 For the 14 month period ended 31 December 2011.

Change in remuneration of Chief Executive Officer compared to employees

The table below sets out the percentage change in the remuneration of the Chief Executive Officer compared to that of Group management. This group was selected as the most appropriate comparator group as the Chief Executive Officer is US-based and this group provides a useful local market reference point and is considered to be the most appropriate representation of the Group's employees for this requirement.

Change in remuneration from 2012 to 2013	% change in base salary	% change in benefits	% change in annual bonus
Chief Executive Officer	51%	7%	225%
Group management	20%	16%	109%

The increase in base salary year on year reflects the findings of the 2012 remuneration review which found the Chief Executive Officer's remuneration to be substantially below market peers. The Chief Executive Officer's revised salary became effective 1 January 2013. The Committee expects future changes to the Chief Executive Officer's base salary to be broadly in line with all employees. In 2014, the Chief Executive Officer's salary increased by 5% in line with employee salary increases. The increase in the Chief Executive Officer's annual bonus reflects the increased base salary in 2013, an increase in the maximum annual bonus opportunity as a proportion of base salary, and improved performance against financial and strategic measures.

Relative importance of spend on pay

The table below displays the expenditure and percentage change in overall spend on employee remuneration and shareholder distributions as required by the relevant remuneration regulations.

\$m unless otherwise stated	2013	2012	% change
Overall expenditure on pay ¹	33.4	22.3	49%
Adjusted EBITDA ²	181.2	156.7	16%
Dividend paid in the year ³	12.9	16.4	(21%)

1 Overall expenditure on pay: Total staff costs from Note 10, including wages and salaries, social security costs, pension and share-based payments.

2 Underlying profit: Adjusted EBITDA represents a key performance indicator for the Group.

3 Returns to shareholders: Total dividends paid in the year - as shown in Note 34. Dividends paid in 2012 reflect the Company's inaugural full and final dividend of 10.0 pence per share in respect of the financial year ended 31 December 2011 and a 2012 interim dividend of 3.3 pence per share. In 2013, dividends paid reflect a final dividend of 6.7 pence per share for the financial year ended 31 December 2012 and a 2013 interim dividend of 3.3 pence per share.

Directors' shareholdings and share interests**Directors' interest in shares**

The beneficial interest of the Directors in shares of the Company as at 31 December 2013 are stated below

Audited	At 31 December 2013		At 31 December 2012	
	No of Ordinary shares	No Founders securities	No of Ordinary shares	No Founders securities
Name of Director				
Mike Fairey (Chairman)	30,000	-	30,000	-
John Campion ^{1 2}	7,030,146	-	8,794,707	-
Matthew Allen ^{3 4}	508,782	11,667	1,072,006	11,667
Gregory Bowes ⁵	38,754	-	38,754	-
Edward Hawkes ^{6 7}	375,888	10,000	792,001	10,000
Jim Hughes	-	-	-	-
Denise Kingsmill	30,000	-	30,000	-
Haresh Jaisinghani	-	-	-	-
Shonaid Jemmett-Page	786	-	786	-
Vipul Tandon ⁸	-	-	-	-

1 As at 12 March 2014 JCLA Cayman owned 6,941,463 ordinary shares

2 These ordinary shares are held by JCLA Cayman which is ultimately owned approximately 59% by John Campion

3 Matthew Allen was also beneficially entitled to 19% of the 360,000 ordinary shares held by Horizon Growth Investment LLP These were transferred to Matthew Allen in 2012

4 Matthew Allen is also beneficially entitled to a further 4,600 Founder securities through his membership of Horizon Growth Investment LLP

5 Gregory Bowes shares are held indirectly – he has interests in the partnership structure which owns ACM which in turn has interests in the Company

6 Edward Hawkes was also beneficially entitled to 25% of the 360 000 ordinary shares held by Horizon Growth Investment LLP These were transferred to Edward Hawkes in 2012 He also has interest in a further 50,000 ordinary shares by being a director and shareholder of Bizy Investments Ltd

7 Edward Hawkes is also beneficially entitled to a further 6,000 Founder securities through his membership of Horizon Growth Investment LLP

8 Vipul Tandon has partnership interests in the partnership structure which owns SSP, which has interests in the Company

Directors' share options and contingent share awards

Audited

	Options ¹			
	With performance	Without performance measures	Vested but unexercised measures	Exercised during the year
Chief Executive Officer				
John Campion	260,757	Nil	-	-

1 There are no share schemes in place for John Campion

2 All awards awarded under the PSP are considered to be 'options' because they reflect a contingent right to acquire/receive shares, subject to meeting performance targets and payment of a nominal value

There is no shareholding requirement in place for Executive Directors. The Committee believes that given the significant shareholding of John Campion, the introduction of such a requirement is not appropriate. The Committee retains the discretion to apply shareholder guidelines for Executive Directors in the future if they believe this to be in the best interests of the Company and shareholders.

Details of the awards made under the Company's Long-Term Incentive Plans are set out below. Details of the performance conditions that have applied to awards are shown on page 85.

Audited

	Plan	Grant date	During 2013				Exercise price	Date from which exercisable/ awards vest	Expiry date
			At 1 January 2013	Granted	Exercised	Lapsed			
John Campion	PSP ¹	2013	-	72,957	-	-	72,957	Nominal	28 Oct '16
	PSP ²	2012	150,000	-	-	-	150,000	Nominal	20 Nov '15
	2011 Plan ³	2011	600,000	-	-	562,200	37,800	£10.00	13 Jun '14 12 Sep '14

1 This award is subject to a performance condition based on the increase in the Company's adjusted earnings per share over the period ending 31 December 2015, with 30% vesting for annualised EPS growth of 4% and 100% vesting for adjusted EPS growth of 11%.

2 Vesting will be delayed until performance outcome has been determined.

3 This award vests in tranches according to adjusted EBITDA (50%) and adjusted net income (50%) as derived from the audited consolidated financial statements for the calendar years ending 31 December 2011, 2012 and 2013. The performance conditions for the tranches based on 31 December 2011 were partially met. The performance conditions for the tranches based on 31 December 2012 and 2013 were not met.

The share options and contingent share awards were granted for nil initial consideration.

Statement of Shareholder voting

The table below sets out the results of the vote on the Remuneration Report at the 2013 AGM.

Voted for		Votes against		Votes cast		Votes withheld	
Number	%	Number	%	Number	%	Number	%
60,223,929	98.5%	931,821	1.5%	61,155,750	100%	1,131	0%

Remuneration Committee Report

Membership and process	<p>The Committee comprise four Non-Executive Directors, the majority of whom are independent Non-Executive Directors. The Chairman of the Company may serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman of the Company.</p>
Chairman and members	<p>The following were members of the Remuneration Committee of the Company during 2013</p> <ul style="list-style-type: none">● Jim Hughes, Chairman● Gregory Bowes● Mike Fahey● Baroness Denise Kingsmill <p>John Campion, Chief Executive Officer stood down from the Committee on 24 July 2013, in line with best practice</p>
Attendance	<p>The Committee met on five occasions in 2013 and the members' attendance record is set out on page 58</p>
Remit	<p>The Committee is responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Chief Executive Officer, Chairman of the Company, the Executive Directors, the Company Secretary and such other members of the Executive Management as it is designated to consider</p> <p>It has specific responsibility for approving remuneration of Chief Executive Officer, President and Chief Operating Officer and Chief Financial Officer and other key members of management</p> <p>The Committee is also responsible for</p> <ul style="list-style-type: none">- reviewing the ongoing appropriateness and relevance of the remuneration policy- approving the design of, and determining targets for, any performance related pay schemes and share incentive plans operated by the Company and approving the total annual payments made under such schemes- determining the policy for and scope of pension arrangements for Executive Directors and other senior executives,- ensuring that contractual terms on termination, and any payments made, are fair to the individual, and the Company that failure is not rewarded and that the duty to mitigate loss is fully recognised- ensuring that all provisions regarding disclosure of remuneration including pensions, are fulfilled, and- establishing the selection criteria selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee <p>No person shall be involved in any discussion or decisions regarding their own remuneration</p> <p>The Committee's Terms of Reference is available on the Company's website</p>
Key activities during the year	<p>The main activities of the Committee during the year were</p> <ul style="list-style-type: none">● Assessing performance of Chief Executive Officer and determined annual bonuses for 2013,● Approving share awards for Chief Executive Officer 2013● Establishing the Chief Executive Officers' salary arrangements for 2014,● Setting bonus targets for the Chief Executive Officer for 2014,● Reviewing remuneration benchmarking and providing recommendations to the Board on fee structure and levels for Chairman and Non-Executive Directors,● Considering remuneration market trends and corporate governance developments● Reviewing the revised remuneration reporting regulations and preparing the Directors' remuneration report, and● Considering a Non-Executive Director share purchase plan and providing recommendation to the Board

External advisors

The Committee takes into account independent advice and appraisals of latest market data when considering incentive levels and remuneration packages against the background of its policy of not paying more than is necessary

Towers Watson was appointed by the Committee as its principal external adviser following a tendering process in 2012. Towers Watson advises on all aspects of the Company and Group's remuneration policy and practice and reviews the Company and Group's remuneration structures against corporate governance best practice. Towers Watson also provides remuneration data to the Group and presented a review of developments in UK corporate governance and remuneration and reporting regulations to keep Committee members up-to-date with new developments and evolving best practice.

Towers Watson is a member of the Remuneration Consultants' Group (which oversees the voluntary code of conduct in relation to executive remuneration consulting in the United Kingdom) and the remuneration committee is satisfied that the advice provided on executive remuneration is objective and independent and that no conflict of interest arises as a result of other services.

During the year Towers Watson was paid fees of £92,700 for services provided to the Committee.

Pinsent Masons LLP has provided advice to the Company on law and regulation in relation to share plans matters. The advice was provided to the Company and made available to the Committee. Pinsent Masons LLP also provides general legal advice to the Company.

All of these advisers were appointed by the Committee, which remains satisfied that the provision of these other services in no way compromises their independence.

Internal input

The following employees provided input to the Committee during the year:

- Chief Executive Officer, John Campion
- Chief Human Resources Officer, Chris Himebauch
- General Counsel and Chief Compliance Officer, Steve List
- Chief Financial Officer, Andrew Martinez, provided updates on the Group's financial performance
- Director of Investor Relations, Karen Menzel, in regard of the disclosures required for the 2013 Annual Report

Jim Hughes
Chairman,
Remuneration Committee

Financial Statements

Independent Auditor's Report to the members of APR Energy plc

Opinion on financial statements of APR Energy plc

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2013 and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union,
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006 and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements Article 4 of the IAS Regulation

The financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related Consolidated notes 1 to 35 and Parent Company notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 3 to the group financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Going concern

We have reviewed the Directors' Statement on page 74 that the Group is a going concern. We confirm that

- we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

- Accounting for GE Power Rental Business acquisition - The valuation and accounting for the assets and contracts acquired from General Electric Company is considered a risk due to the judgemental nature of the valuations and the complexity of the accounting.
- Accounting for incomes taxes - The accounting for incomes taxes is considered a risk due to the diverse geographical nature of the Group and the different tax legislation in place in the jurisdictions in which the Group operates.
- Assessment of goodwill impairment risk - The assessment of the possibility of impairment of goodwill is considered a risk due to uncertainties in the forecast cash flows as a result of the temporary nature of the contracts and the inherent unpredictability of the business.
- Valuation of Founder securities - The valuation of Founder securities is considered a risk due to the judgemental nature of assumptions such as volatility within the valuation as set out in note 25 which have a significant effect on the valuation.
- Revenue recognition at contract commencement - The timing of revenue recognition, particularly at the commencement of contracts, is considered a risk due to the judgemental nature in certain instances of when commercial operation dates have been achieved and hence when revenue recognition should commence and
- Assessment of Libya receivables recovery - The recoverability of the Libya receivables balance is considered a risk due to the length of time outstanding and the amount of the balance at year end.

How the scope of our audit responded to these risks

Accounting for GE Power Rental Business acquisition - We obtained supporting evidence for management's assessment of the acquisition as a business combination in accordance with IFRS 3 Business Combinations. We obtained the valuations of acquired assets and liabilities from management which had been prepared by third-party experts, and engaged and worked with valuation specialists to validate the valuation assumptions used. We tested the accuracy of the acquisition balance sheet to assess whether the purchase price allocation was appropriate and prepared in accordance with IFRS 3 Business Combinations, and we reviewed the disclosures in the financial statements to assess whether they were compliant with IFRS.

Accounting for incomes taxes - We worked with tax specialists to understand the tax legislation governing the Group's contracts and the jurisdictions in which the Group operated during the year. We obtained the Group's taxation computations in respect of current

and deferred tax and assessed the computations for compliance with local tax legislation and IAS 12 Income Taxes. We tested corporation tax payments made and refunds received, and we evaluated judgemental tax exposures and provisions, including the recoverability of deferred tax assets, obtaining supporting evidence for the position taken by management in respect of the probability and amount of potential exposures.

Assessment of goodwill impairment risk - We obtained a copy of the valuation model used to determine the value in use of the business. We checked that forecasts used in the model had been reviewed by the Board of Directors. We evaluated the key assumptions within the model, including the discount rate used and the revenue and cost assumptions relating to existing and forecast contracts, by comparing to external, contractual, historical or other data, and to assess whether assumptions had been determined and applied in accordance with IAS 36 Impairment of Assets. We also tested the mechanical accuracy of the model.

Valuation of Founder securities - We worked with valuation specialists to review the Monte-Carlo model used to value the Founder securities. The specialists tested the valuation and underlying assumptions within the Monte-Carlo model and assessed the accuracy and integrity of the model calculations. We also reviewed the related disclosures in note 25 of the financial statements.

Revenue recognition at contract commencement - We obtained copies of sales contracts, evidence of commercial operation dates and generation reports to assess whether revenue had been recognised in accordance with the terms of each contract and IAS 18 Revenue. We also performed testing of invoices before and after the year end to test whether revenue had been recorded in the appropriate period.

Assessment of Libya receivables recovery - We obtained and reviewed sales contracts and the letter of credit agreements applicable to the Libya contract, validated the terms of the contracts and agreements to determine the billing and payment arrangements, and understood whether the outstanding balance at the year end was covered by the letter of credit agreement. We also obtained a sample of the related sales invoices to assess whether they were appropriately approved and that revenue had been recognised in the appropriate period, tested post year end cash receipts, and assessed whether any provision was required against the outstanding balance.

The Audit Committee's consideration of these risks is set out on page 63.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be \$3.5 million, which is approximately 7% of adjusted pre-tax profit, excluding amortisation of intangible assets arising from the 2011 acquisition, transaction costs relating to the 2013 acquisition, and Founder securities revaluations. These adjustments are made consistently by the Group in their earnings communications with the market and, in the opinion of the Directors, provide a more comparable measure with similar organisations and are consistent with the profit measures that are most relevant to analysts and investors. Materiality is below 1% of equity.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$70,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit planning identified the Group's business to be a single component, and therefore all of the operations of the Group were subject to a full scope audit. During the course of the audit, senior members of the UK audit team supervised the US members of the audit team, and visited the Company and audit team in Jacksonville during the planning and completion stages of the audit.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or

- the Parent Company financial statements are not in agreement with the accounting records and returns

We have nothing to report in respect of these matters

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is

- materially inconsistent with the information in the audited financial statements, or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit, or
- otherwise misleading

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' Statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements

Other matters

Corporate Governance Statement

Although not required to do so, the Directors have voluntarily chosen to make a Corporate Governance Statement detailing the extent of their compliance with the UK Corporate Governance Code. We reviewed the part of the Corporate Governance Statement relating to the company's compliance with nine provisions of the UK Corporate Governance Code. We have nothing to report arising from our review

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International


Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team, strategically focused second partner reviews and independent partner reviews

This report is made solely to the Company's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and/or those further matters we have expressly agreed to report to them on in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



Dean Cook MA FCA

(Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

25 March 2014

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013

\$ million	Note	2013	2012
Revenue	6	308.3	265.7
Cost of sales		(197.3)	(165.0)
Amortisation of intangible assets	15	(8.8)	(58.0)
Gross profit		102.2	42.7
Selling, general and administrative expenses		(33.2)	(33.5)
Operating profit	8	69.0	9.2
Acquisition related costs	29	(14.4)	-
Founder securities revaluation	25	(3.3)	(10.2)
Foreign exchange (loss)/gain		(0.4)	0.4
Finance income		0.2	0.3
Finance costs	11	(23.6)	(4.6)
Profit/(loss) before taxation		27.5	(4.9)
Taxation	12	(7.7)	(10.0)
Profit/(loss) for the year		19.8	(14.9)
Total comprehensive profit/(loss) for the year		19.8	(14.9)
Earnings per share			
Basic earnings per share - cents	13	24.4	(19.1)
Diluted earnings per share - cents	13	24.2	(19.1)

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Consolidated Statement of Financial Position
As at 31 December 2013

\$ million	Note	31 December 2013	31 December 2012
Assets			
Non-current assets			
Goodwill	14	622.6	547.1
Intangible assets	15	70.3	39.8
Property, plant and equipment	16	1,194.3	671.5
Deferred tax asset	12	7.6	0.4
Other non-current assets		5.5	5.4
Total non-current assets		1,900.5	1,264.2
Current assets			
Inventories	17	43.0	9.4
Trade and other receivables	18	183.1	53.1
Cash and cash equivalents		33.9	21.0
Income tax receivable		3.9	0.9
Deposits	19	7.3	24.8
Total current assets		271.2	109.2
Total assets		2,171.7	1,373.4
Liabilities			
Current liabilities			
Trade and other payables	20	83.4	28.8
Income tax payable		10.8	4.7
Deferred revenue	21	27.5	9.0
Derivative liability	27	-	0.3
Borrowings	26	50.0	-
Decommissioning provisions	22	18.0	12.2
Total current liabilities		189.7	55.1
Non-current liabilities			
Founder securities	25	18.5	15.2
Deferred tax liability	12	6.5	4.3
Borrowings	26	529.3	199.5
Decommissioning provisions	22	31.1	7.5
Total non-current liabilities		585.4	226.5
Total liabilities		775.1	281.6
Equity			
Share capital	23	15.2	12.6
Share premium		674.9	668.1
Other reserves	24	770.0	485.9
Equity reserves	28	8.9	4.5
Accumulated losses		(70.4)	(79.3)
Total equity		1,396.6	1,091.8
Total liabilities and equity		2,171.7	1,373.4

These financial statements of the Company, registered number 07062201 were approved by the Board of Directors on 25 March 2014

Signed on behalf of the Board of Directors by


John Camplon
 Chief Executive Officer

**Consolidated Statement of Changes in Equity
For the year ended 31 December 2013**

<i>\$ million</i>	Share capital	Share premium	Other reserves	Equity reserves	Accumulated losses	Total equity
Balance at 1 January 2012	12 7	668 1	485 8	1 8	(48 7)	1,119 7
Loss for the year	-	-	-	-	(14 9)	(14 9)
Total comprehensive loss for the year	-	-	-	-	(14 9)	(14 9)
Issued share capital	-	-	-	(0 7)	0 7	-
Redemption of deferred shares	(0 1)	-	0 1	-	-	-
Credit to equity for equity-settled share-based payment expense	-	-	-	3 4	-	3 4
Dividends	-	-	-	-	(16 4)	(16 4)
Balance at 31 December 2012	12 6	668 1	485 9	4 5	(79 3)	1,091 8
Profit for the year	-	-	-	-	19 8	19 8
Total comprehensive profit for the year	-	-	-	-	19 8	19 8
Acquisition of subsidiaries	2 5	-	284 1	-	-	286 6
Exercise of equity-settled share-based payment	0 1	6 8	-	(2 0)	2 0	6 9
Credit to equity for equity-settled share-based payment expense	-	-	-	4 4	-	4 4
Dividends	-	-	-	-	(12 9)	(12 9)
Balance at 31 December 2013	15 2	674 9	770 0	6 9	(70 4)	1,396 6

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**Consolidated Cash Flow Statement
For the year ended 31 December 2013**

\$ million	Note	2013	2012
Cash flows from operating activities			
Profit/(loss) for the year before taxation		27 5	(4 9)
<i>Adjustments for</i>			
Depreciation and amortisation	15,16	107 8	144 3
(Profit)/loss on sale or disposal of fixed assets	16	(2 4)	0 4
Provision for bad debt	18	-	(1 5)
Equity-settled share-based payment expense	28	4 4	3 4
Founder securities revaluation	25	3 3	10 2
(Gain)/loss on derivative financial instruments	27	(0 3)	2 6
Finance income		(0 2)	(0 3)
Finance costs	11	23 6	4 6
<i>Movements in working capital</i>			
Increase in trade and other receivables		(100 3)	(10 9)
Increase in inventories		(26 5)	(7 2)
Increase in other current and non-current assets		(0 4)	(3 6)
Increase in trade and other payables		48 9	0 8
Settlement of decommissioning provisions	22	(10 7)	(9 4)
Increase/(decrease) in other liabilities		9 6	(1 5)
		84 3	127 0
Interest paid		(15 5)	(3 2)
Interest received		0 2	0 3
Income taxes paid		(11 2)	(6 8)
Net cash from operating activities		57 8	117 3
Cash flows from investing activities			
Purchases of property, plant and equipment		(358 4)	(351 0)
Proceeds on sale or disposal of property, plant and equipment		2 8	-
Decrease in deposits		17 9	3 9
Acquisition of subsidiaries	29	(73 1)	-
Net cash used in investing activities		(410 8)	(347 1)
Cash flows from financing activities			
Cash from borrowings		567 8	219 5
Repayment of borrowings		(182 8)	(14 5)
Dividends paid	34	(12 9)	(16 4)
Debt issuance costs		(11 3)	(0 8)
Proceeds from the issue of ordinary shares (net of transaction costs)		5 1	-
Net cash from financing activities		365 9	187 8
Net increase/(decrease) in cash and cash equivalents		12 9	(42 0)
Cash and cash equivalents at beginning of the year		21 0	63 0
Cash and cash equivalents at end of the year		33.9	21 0

Included within cash and cash equivalents at 31 December 2013 is an amount of \$8.9 million which backs letters of credit and as such is classified as restricted cash (2012: \$4.8 million)

Notes

to the Consolidated Financial Statements

For the year ended 31 December 2013

1 General information

APR Energy plc (the "Company" and together with its subsidiaries, APR Energy or the Group) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 132 of this Annual Report. The nature of the Group's operations and its principal activities are set out in the Strategy Review on pages 11 to 33.

These financial statements are presented in US dollars because that is the currency of the primary economic environments in which the Group operates.

2 Adoption of new and revised standards

In 2013, several amended standards and interpretations became effective. These are IAS 1 Presentation of items of other comprehensive income - Amendments to IAS 1, IAS 19 (revised) Employee Benefits, IFRS 7 (amended) Disclosures - offsetting financial assets and liabilities, IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements, IFRS 12 Disclosure of interests in other entities and IFRS 13 Fair value measurement. The adoption of these standards and interpretations has not had a material impact on the financial statements of the Group.

At the date of authorisation of these financial statements, the following standards and relevant interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and some of which were pending endorsement by the European Union):

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – effective for accounting periods beginning on or after 1 January 2014
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective for accounting periods beginning on or after 1 January 2014,
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective for accounting periods beginning on or after 1 January 2014
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective for accounting periods beginning on or after 1 January 2014
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) – effective for accounting periods beginning on or after 1 July 2014
- Annual Improvements 2010-2012 Cycle – effective for accounting periods beginning on or after 1 July 2014, and
- Annual Improvements 2011-2013 Cycle – effective for accounting periods beginning on or after 1 July 2014

Adoption of these standards in future periods is not expected to have a material impact on the financial statements of the Group.

3 Significant Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS regulation. The Group financial statements also comply with IFRS as issued by the IASB.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The Parent Company financial statements are prepared in accordance with IFRSs as adopted by the European Union. The Parent Company financial statements are included on pages 124 to 131 and have been prepared in accordance with section 396 of the Companies Act 2006. Under section 408 of the Companies Act 2006, the Parent Company is exempt from the requirement to present its profit and loss account.

The principal accounting policies adopted and consistently applied are set out below.

Basis for consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition. All intra-group transactions, balances, unrealised gains or losses, income and expenses are eliminated on consolidation.

Use of estimates

The preparation of consolidated financial statements is in conformity with IFRS. IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. The Group's principal debt facilities (totaling \$650.0 million) are provided by a syndicate of banks under a revolving credit facility and a Term Loan, which expire on 28 November 2016 and 1 January 2015 respectively. The Group's forecasts and projections show that the facilities in place currently

are anticipated to be sufficient for meeting the Group's operational requirements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further detail is contained in the Financial Review on page 39.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognised in comprehensive income as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against in the statement of comprehensive income. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS3 (2008) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively,
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment, and
- Assets that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets varies from the sum of the consideration transferred, the excess is recognised immediately in comprehensive income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Revenue

The Group derives revenue from short to medium-term contracts that provide customers with comprehensive power generation services including temporary power solutions that include installation and dismantling services, operations and maintenance of the power generating equipment, operations monitoring, and logistical support.

The Group's contracts generally include fixed and variable-pricing components. The Group earns the fixed portion of revenue on contracts by providing capacity based on a specified number of megawatts (MW) to the customer. The Group's contracts for the periods presented in the consolidated financial statements primarily represent lease contracts, which are accounted for as operating leases. The Group determines lease classification on a contract-specific basis.

The revenue on these contracts is recognised as follows:

Fixed revenues

Due to the fact that the fixed portion of the contract is based on actual capacity available, the payments are considered contingent rent and revenue is recognised when earned as the lesser of the amount billable under the contract or an amount determined by the kilowatt-hours ('KWHs') made available during the period multiplied by the estimated average revenue per KWH over the term of the contract.

Variable revenues

The Group earns the variable portion of revenue based on the actual amount of energy that the Group delivers to the customer, as measured in kilowatt hours (KWHs). The revenue associated with the variable price component of the contract is recognised as earned during the period that energy is produced and delivered.

Segment reporting

An operating segment is a component of an entity whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resource allocation and assess its performance. The Group has identified the chief operating decision maker as its Chief Executive Officer.

The Group continues to identify one operating segment based on the financial information regularly provided to the chief operating decision maker and the methods by which the chief operating decision maker assesses the Group's performance and makes decisions about resource allocation. The Group periodically evaluates this conclusion by considering any changes in facts and circumstances.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in comprehensive income. Rentals payable under operating leases are charged to income on a

straight-line basis over the term of the relevant lease

As lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Provision for income taxes

The Group comprises operations in various jurisdictions and it is likely that if the structure of these operations were to change, there would be an impact to the effective tax rate and tax liability of the Group.

While certain of the Group's operations are not subject to tax, the operations may be subject to income and withholding taxes in other tax jurisdictions. In preparing these financial statements, the Group applies the following accounting policies:

Withholding tax

Withholding taxes are imposed in certain jurisdictions where the Group makes cross-border payments to related parties and where the customer makes cross border payments to the Group. In general, withholding taxes are imposed on payments such as operating leases, variable revenue, rents, royalties, dividend and certain service payments. The paying entity acts as the collecting agent and remits the payments to the taxing authorities. The Group includes its withholding tax expense in the taxation line in the consolidated statement of comprehensive income.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates, generates taxable income and is subject to tax under local country tax law.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Taxable profit differs from net profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are

recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US dollars, which is the functional currency of the material trading entities and the presentational currency for these consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Intangible assets

Intangible assets acquired as part of a business combination are capitalised, separately from goodwill, at fair value at the date of acquisition if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Assets such as customer contracts have a finite useful life and are amortised over their useful economic life being the contract length.

The acquired intangible assets relating to the brand and trademark are being amortised over 25 years and 10 years respectively.

The useful life of intangible assets is reviewed on an annual basis.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and any recognised impairment loss. The cost is the purchase price of the property and equipment including any related shipping costs. Certain purchase contracts allow the Group to hold back a percentage of the purchase price until a warranty period expires. Purchase price retentions are classified as a liability and reported in current or non-current liabilities depending on the anticipated pay-out period.

Costs incurred to mobilise and install power generating equipment pursuant to a contract are also captured in property and equipment and are depreciated over the life of the contract to which the power generating equipment relates, or for contract extensions over the expected contract life at the point at which the contract extension is deemed probable.

The cost of property and equipment also includes, when applicable, a decommissioning cost, which represents the initial fair value of the associated decommissioning liability. A decommissioning liability is established when there is a legal obligation associated with the retirement of a long-lived asset and the amount can be reasonably estimated (see note 22).

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are recorded within the statement of comprehensive income as incurred.

Depreciation is computed using the straight-line method applied to individual items over their estimated useful lives, or for dual-fuel turbines based on machine run hours over their estimated total machine run hours. Management uses judgement in determining the useful lives of its property and equipment considering the following factors: expected usage, expected wear and tear, and technological or commercial obsolescence of the generators. Management reassesses useful lives annually. A summary of the lives used for computing depreciation is as follows:

Office furniture	5-7 years
Machinery and equipment	7-25 years
Mobilisation and installation assets	1-5 years
Vehicles	5 years
Computer and software	3 years
Dual-fuel turbines	18,750 - 100,000 machine run hours

The Group reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable and exceeds fair value.

Impairment***Tangible and intangible assets excluding goodwill***

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates

the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Trade and other receivables are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. The Group assesses its ability to collect receivables that are past due and provides for an adequate allowance for doubtful accounts based on the financial stability, recent payment history of the customer, letters of credit in place and other pertinent factors related to the creditworthiness of the customer. The allowance for doubtful accounts includes specific amounts for those accounts that are deemed likely to be uncollectible. Upon permanent impairment, the trade receivable is written off against the allowance for doubtful accounts.

Financial instruments

The Group classifies its financial assets and financial liabilities into the following categories: fair value through profit or loss and loans and receivables for financial assets and fair value through profit and loss and other financial liabilities for financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Effective interest method

The effective interest method is a method of calculating the finance

income generated by a financial asset and the amortised cost of a financial liability including allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate transaction costs and other premiums or discounts) through the expected life of the financial liability to the net carrying amount on initial recognition.

Loans and receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are recorded as deposits and trade and other receivables in the consolidated statement of financial position.

Trade and other receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments that can be readily converted into cash or that have an original maturity of three months or less.

Borrowings

Borrowings are initially recognised at fair value less transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Under this method, finance costs of borrowings are allocated to periods over the term of the related debt at a constant rate on the carrying amount. Where transaction costs have been incurred but the facility not drawn down at the balance sheet date, these are shown in capitalised finance costs. When the facility is drawn down, these amounts are shown net of borrowings.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade and other payables are recognised initially at fair value and subsequently measured at their amortised cost using the effective interest rate method.

Deposits

The Group maintains bid or performance bonds (secured by cash deposits) for various contracts to guarantee the Group's obligations under the terms of the contracts. The return of such deposits is subject to performance of the Group during the contract term. Deposits are recorded at cost less any provision for impairment.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual

interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts. Further details of these contracts are disclosed in note 27.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in comprehensive income depends on the nature of the hedge relationship. The Group does not currently designate any derivatives as hedges.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Classification of Founder securities

The Founder securities are classified as liabilities and measured at fair value at each balance sheet date. Further details about the valuation of the Founder securities are disclosed in note 25.

Costs of equity transactions

Incremental costs that are attributable directly to issuing equity instruments of the Company are recognised in equity, net of any tax effects. Other costs not directly attributable to the issuing of equity instruments are recognised in the statement of comprehensive income.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

Decommissioning costs

The Group records a decommissioning provision when there is a legal or constructive obligation whereby, as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation associated with the retirement of a tangible long-lived asset and the liability can be reasonably estimated. The amount recorded represents the present value of the expected costs. An amount equivalent to the discounted provision is capitalised within tangible fixed assets and is depreciated over the life of the contract. The unwinding of the discount is included in finance costs.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Pensions

Payments to a defined contribution pension scheme are charged as an expense as they fall due.

Share-based payments

In accordance with IFRS2 share-based payment arrangements in which the Group receives goods or services as consideration for APR Energy plc equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 28.

The fair value determined at the grant date of the equity-settled share-based payments to employees is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based conditions. The impact of the revision of the original estimates, if any, is recognised in total comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

4 Critical accounting estimates and judgements

In the application of the significant accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Useful lives of property, plant and equipment and intangible assets

Management estimates the useful lives of its property, plant and equipment and intangible assets considering the following factors:

- Expected usage
- Expected wear and tear through normal usage

- Technological or commercial obsolescence

Depending on facts and circumstances, management may weight one of the factors more than another or may consider additional factors not listed above. Changes in estimated useful lives could have a material impact on future depreciation expense.

Fair values of acquired assets and liabilities of the GE Power Rental Business

During 2013, the Group acquired the GE Power Rental Business. Under IFRS 3 Business Combinations, all acquired assets and liabilities must be fair valued at acquisition date. In particular, the fair values of acquired intangible and tangible assets require judgement and use of models with a number of forecasts and inputs. These fair values are considered provisional at 31 December 2013.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations discussed above, that management made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. No impairments were recorded in the periods presented.

Recoverability of trade and other receivables

Management reviews the trade and other receivables balance on a regular basis and assesses its ability to collect receivables that are past due and provides for an adequate allowance for doubtful accounts based on the financial stability, recent payment history of the customer, letters of credit in place and other pertinent factors related to the creditworthiness of the customer. Specifically for the 2013 year end, management focused on the Libya receivables balance and were satisfied that these were recoverable as all invoiced amounts had been received as at the date of this report.

Fair valuation of Founder securities

The fair value of the Founder securities is based on a bespoke Monte Carlo simulation model, which incorporates a binomial tree to value the Founder securities as of the date of the performance condition being achieved within the Monte Carlo simulation. This model simulates the future Company ordinary share price, on a daily basis, using a Geometric Brownian Motion in a risk-neutral framework.

The valuation output of the model described above is then discounted to reflect the lack of marketability of the Founder securities using a protective put option method. This discounted figure is the number which is subsequently booked as the Founder securities liability in the financial statements.

Accounting for taxation

The Group has operations in various global jurisdictions and as such is subject to an inherent risk arising from the geographical mix of revenues and profits and the complex nature of these.

tax arrangements. Management reviews the Group's overall tax position and ensures that any potential exposures are identified and mitigated as necessary.

5 Risk management policies

The Group's activities give rise to a number of financial risks, particularly market risk comprised of foreign exchange and interest rate risk, credit risk, liquidity risk and capital risk management.

Market risk

Market risk includes foreign exchange risk and interest rate risk. The Group seeks to manage these risks to acceptable levels by maintaining appropriate policies and procedures. In its determination to enter into a contract, the Group will carry out a risk assessment and determine the appropriate risk mitigations strategies. Market risk also includes the risk that cash derived from income for services fulfilled under contract terms will become restricted and not available for use in the on-going activities of the business.

Foreign exchange risk

The Group has an exposure to transactional foreign exchange from purchases or sales in currencies other than US dollars. In order to minimise exposure to foreign exchange risk, the Group primarily contracts in US dollars or in contracts with a price based on US dollars at the date of transaction or payment if possible. In some cases, the Group transacts in local currencies when purchasing materials and supplies for project operations.

In limited circumstances, the Group may use derivative instruments to economically hedge against foreign exchange risk. Any hedges are limited in duration and correspond to the applicable contract payments or receipts to which the derivatives are associated. Details of the contracts in place at the balance sheet dates are disclosed in note 27 to these financial statements.

Interest rate risk

The Group is primarily exposed to interest rate risk on its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. When applicable, the Group may elect to hedge interest rate risk associated with debt or borrowings under the credit facility by purchasing derivative instruments. As at the 31 December 2013 and 2012 there were no interest rate hedges in place.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as exposures to outstanding receivables from customers. Due to the nature of the Group's business in emerging markets, management believes the most significant of these to be exposures to outstanding receivables from customers.

To minimise the risk of a significant impact on the business due to a customer defaulting on its commitments, the Group closely monitors trade receivables. In addition, the Group utilises letters of credit, contract insurance policies and up front deposits to mitigate this risk.

Liquidity risk

Liquidity risk results from insufficient funding being available to meet the Group's funding requirements as they arise. The Group manages liquidity risk by maintaining adequate reserves of cash and available committed facilities to meet the Group's short and long-term funding requirements. The Group monitors the short-term

forecast and actual cash flows on a daily basis and medium and long-term requirements in line with the Group's long-term planning processes.

The Group's principal debt facilities (totalling \$650.0 million) are provided by a syndicate of banks under a revolving credit facility and a Term Loan. Further details are disclosed in note 26 to these financial statements.

Trade and other payables are disclosed in note 20 to these financial statements. operating lease commitments are disclosed in note 31 and Founder securities are disclosed in note 25 to these financial statements. The following contractual maturity table includes all borrowings (including interest), foreign exchange forward contracts, trade and other payables, Founder securities and operating lease commitments in the Group's statement of financial position.

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Maturity analysis for derivative and non-derivative financial liabilities

At 31 December 2013	Less than 3 months	Between 3 months and 1 years	Between 1 and 2 years	Over 2 years	Total
<i>\$ million</i>					
Founder securities (note 25)	-	-	-	(18 5)	(18 5)
Trade and other payables (note 20)	(83 4)	-	-	-	(83 4)
Borrowings (note 26)	(18 8)	(54 2)	(215 9)	(355 1)	(644 0)
Operating lease commitments (note 31)	(0 9)	(1 6)	(0 7)	(0 1)	(3 3)
Total	(103 1)	(55 8)	(216 6)	(373 7)	(749 2)

At 31 December 2012	Less than 3 months	Between 3 months and 1 years	Between 1 and 2 years	Over 2 years	Total
<i>\$ million</i>					
Foreign exchange forward contracts (note 27)	(0 1)	(0 2)	-	-	(0 3)
Founder securities (note 25)	-	-	-	(15 2)	(15 2)
Trade and other payables (note 20)	(28 9)	-	-	-	(28 9)
Borrowings (note 26)	(2 2)	(6 5)	(8 7)	(221 7)	(239 1)
Operating lease commitments (note 31)	(0 4)	(0 8)	(0 8)	(0 7)	(2 7)
Total	(31 6)	(7 5)	(9 5)	(237 6)	(286 2)

The Founder securities have been shown in the over 2 years category as the contractual maturity of these instruments is greater than 2 years and the instruments are not currently exercisable

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for its equity holders and to maintain an optimal capital structure to reduce the cost of capital

The Group manages its capital to ensure that it has sufficient liquidity while maximising the return to stakeholders. The Group is funded through a mixture of equity and debt financing. As at 31 December 2013, the Group's gearing ratio was 41% (2012: 18%). The long-term expectation of management would be a gearing ratio of 30%.

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risk associated with each class of capital. The Group is not subject to externally imposed capital requirements.

6 Revenue

The following is an analysis of the Group's revenue from continuing operations from its major products and services

<i>\$ million</i>	2013	2012
Lease revenues	273 1	242 2
Power revenues	8 9	11 4
Fuel revenues	-	5 2
Finance lease revenues (note 18)	14 0	-
Other revenues	12 3	6 9
Total revenues	308 3	265 7

7 Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets (excluding any applicable deferred tax balances) by location of assets is detailed below

Libya, Uruguay and Botswana revenues represent single individual customers which individually form more than 10% of total revenues. Of these revenues, there was \$65.3 million, \$15.4 million and \$1.5 million of trade receivables outstanding at 31 December 2013 (2012: \$nil, \$3.0 million and \$3.1 million).

Revenue by geographic location

\$ million	2013	2012
Libya	78.5	-
Uruguay	66.4	13.8
Botswana	35.6	20.9
Other Africa	31.7	10.8
Other South America	23.5	34.8
Middle East	20.7	7.1
Senegal	16.7	43.4
Caribbean	9.9	18.8
Japan	9.0	106.9
Other Asia Pacific	5.1	-
Other	11.2	9.2
Total revenues	308.3	265.7

Non-current assets by geographic location

\$ million	2013	2012
Libya	376.1	-
Other Asia Pacific	212.9	-
Uruguay	213.1	72.5
Middle East	173.1	50.4
Senegal	69.0	81.1
Other Africa	57.6	60.6
North America	26.7	91.8
Caribbean	26.5	16.4
Central America	25.6	19.2
Other South America	25.0	43.7
Europe	-	114.9
Japan	-	89.9
Corporate and other	687.1	623.3
Total non-current assets	1,892.7	1,263.8

The corporate non-current assets primarily relate to the goodwill and intangible assets that arose on acquisitions

8 Operating profit for the year

Operating profit for the year has been arrived at after charging/(crediting)

\$ million	2013	2012
Amortisation of intangible assets	8.8	58.0
Depreciation of property, plant and equipment	99.0	86.3
Payments under operating leases	2.8	4.4
Staff costs	33.4	22.3
(Gain)/loss on derivative financial instruments	(0.3)	2.6
(Profit)/loss on sale or disposal of fixed assets	(2.4)	0.4
Impairment reversal on trade receivables	-	(1.5)
Founder securities revaluation	3.3	10.2

Depreciation of property, plant and equipment excludes depreciation related to assets for commissioning and mobilisation purposes where the charge is capitalised

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows

\$ million	2013	2012
Fees payable to the Company's auditor and its associates		
Audit of the Company's annual accounts	1 0	0 9
	1 0	0 9
Fees payable to the Company's auditor and its associates for other services to the Company		
Audit related assurance services	0 1	0 4
	1 1	1 3
Taxation compliance and advisory services	0 6	0 4
Corporate finance transaction support services	0 5	-
	1 1	0 4
Total fees payable	2 2	1 7

Fees payable to Deloitte and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis

Details of the Group's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded are set out in the Audit Committee Report on page 65. No services were provided pursuant to contingent fee arrangements. Audit related assurance services relate to work performed on the interim review. Tax compliance and advisory services and corporate finance transaction support services in 2013 primarily related to work associated with the acquisition of the GE Power Rental Business (\$0.8 million) and other tax advice in the ordinary course of business.

10 Staff costs

The average monthly numbers of employees (including Directors) was

	2013	2012
Operations	140	128
Sales	17	16
Administration	61	52
	218	196

Their aggregate remuneration comprised

\$ million	2013	2012
Wages and salaries	25 0	15 6
Tax and social security	1 7	1 8
Other benefits	2 3	1 5
Equity-settled share-based payment expense	4 4	3 4
	33 4	22 3

The Directors' Remuneration Report on pages 75 to 91 of these financial statements provides additional information. Included in other benefits are expenses of \$0.3 million (2012: \$0.1 million) relating to defined contribution pension schemes.

11 Finance costs

\$ million	2013	2012
Interest expense on borrowings	22 7	4 1
Unwinding of discount on decommissioning provisions	0 9	0 5
	23 6	4 6

12 Income and deferred taxes

The Group's tax expenses are summarised in the following tables

\$ million	2013	2012
Current tax		
Current tax expense	14.5	9.3
Capitalisation of 2011 intra-Group lease charges	-	(1.2)
Prior year adjustments	(0.2)	(0.3)
	14.3	7.8
Deferred tax		
Deferred tax expense	(6.6)	2.2
	(6.6)	2.2
Total tax expense	7.7	10.0

The tax expense for the year can be reconciled to the accounting profit/(loss) as follows

\$ million	2013	2012
Profit/(loss) before tax on continuing operations	27.5	(4.9)
Tax at the Cayman Corporation tax rate of 0% (2012: 0%)	-	-
Withholding taxes	3.2	4.8
Effect of different tax rates of subsidiaries operating in other jurisdictions	4.7	6.7
Capitalisation of 2011 intra-Group lease charges	-	(1.2)
Prior year adjustments	(0.2)	(0.3)
	7.7	10.0

The Group is not taxable in certain jurisdictions where either the jurisdictions do not impose an income tax or the entity is treated as a flow-through entity for local country tax purposes. The difference between the statutory rate and the effective tax rate is a result of withholding taxes and taxes in foreign jurisdictions as shown above.

The structure of the Group generally results in each entity or branch operating within only one tax jurisdiction. In general, income tax is imposed on taxable income earned in the applicable tax jurisdiction. Withholding taxes are imposed based upon local country tax laws. In the jurisdictions where the Group operates, these taxes may be imposed on cross border payments to related parties. In general, withholding taxes are imposed on payments such as rents, dividends, and certain service payments or gross receipts from customers.

Deferred income taxes

The deferred tax assets and liabilities as of 31 December 2013 and 2012 respectively and the associated movements were as follows

	31 December 2012	Credit/(charge) to the statement of comprehensive income	Acquisition of subsidiaries (note 29)	31 December 2013
Deferred tax assets				
Decommissioning provisions	0.2	-	-	0.2
Losses recognised	0.2	7.4	-	7.6
	0.4	7.4	-	7.8
Deferred tax liabilities				
Withholding taxes	(4.0)	1.1	-	(2.9)
Other timing differences	-	(0.6)	(1.4)	(2.0)
Capital allowances in excess of depreciation	(0.3)	(1.3)	-	(1.6)
	(4.3)	(0.8)	(1.4)	(6.5)
	(3.9)	6.6	(1.4)	1.3

Losses carried forward that have not been recognised are \$nil (2012: \$13.8 million) due to a lack of future anticipated profits in that jurisdiction. During the year the Group recognised the UK losses due to future anticipated profits in that jurisdiction.

13 Earnings per share**From continuing operations**

The calculation of the basic and diluted earnings per share is based on the following data

	2013	2012
Profit/(loss) for the purposes of basic and diluted earnings per share being net profit/(loss) attributable to the owners of the Company (\$ million)	19.8	(14.9)
Weighted average number of ordinary shares for the purpose of basic earnings per share (number of shares)	81,044,059	78,229,262
Weighted average number of ordinary shares for the purpose of diluted earnings per share ¹ (number of shares)	81,884,709	78,229,262
Earnings per ordinary share		
Basic earnings per share (cents)	24.4	(19.1)
Diluted earnings per share (cents)	24.2	(19.1)

¹ Founder securities are not considered dilutive for the years ended 31 December 2013 and 2012 as the exercise price was above the year end share price. The Founder securities are also not considered dilutive as the associated performance conditions had not been met at 31 December 2013 or 2012.

14 Goodwill

\$ million	2013	2012
Opening	547.1	547.1
Acquisition of subsidiaries (note 29)	75.5	-
Balance at 31 December	622.6	547.1

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU's) that are expected to benefit from that business combination. The Directors have determined the business to have one CGU and the goodwill is allocated to this unit.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the CGU is determined from a value in use calculation. The key assumptions for the value in use calculation are:

- **Revenue** – Management uses current contract portfolio pricing for the relevant portion of the forecast period and pricing guidelines for expected future contract wins. The timing and size of new contracts is based on historic data and also the sales and opportunities pipeline. The downtime between contracts and contract duration are based on Management's best expectations using historical data, whilst factoring in recent developments in creating our proprietary modular building system.
- **Costs** – Management has a good understanding of historic realised margins and use this to estimate expected future margins achievable, which are used to drive direct costs in the model. Corporate and administrative overheads are then factored in and adjusted for expected future growth. Also included in the model is the forecasted capital expenditure which is based off supplier schedules from contractual arrangements and the growth profile.
- **Growth rate** – Short-term growth rates are based on management's internal forecasts. A terminal cash flow was calculated using a long-term growth rate of 3.0% (2012: 3.0%) which is based on long-term economic growth and industry forecasts.
- **Discount rate** – Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The assumed discount rate used was 14.3% (2012: 14.6%) before tax which in the view of management best reflects the premium the market would require for such cash flows.

The Group has conducted a sensitivity analysis on the impairment test of the CGU carrying value and have determined that there is no reasonably possible change in the key assumptions utilised in the impairment calculations, that would give rise to an impairment.

15 Intangible assets

The intangible assets shown in the table below have arisen through fair value accounting for the GE Power Rental Business in 2013 and the APR Group in 2011

\$ million	Customer contracts	Trademark	Brand	Total
Cost				
At 1 January 2012	106.4	-	38.1	144.5
Additions	-	-	-	-
At 31 December 2012	106.4	-	38.1	144.5
Acquisition of subsidiaries (note 29)	23.2	16.1	-	39.3
At 31 December 2013	129.6	16.1	38.1	183.8
Accumulated amortisation				
At 1 January 2012	45.9	-	0.8	46.7
Charge for the year	56.5	-	1.5	58.0
At 31 December 2012	102.4	-	2.3	104.7
Charge for the year	7.0	0.3	1.5	8.8
At 31 December 2013	109.4	0.3	3.8	113.5
Net book value				
31 December 2013	20.2	15.8	34.3	70.3
31 December 2012	4.0	-	35.8	39.8

Customer contracts are amortised over the contract term. The brand and trademark are amortised over their estimated useful economic lives of 25 years and 10 years respectively.

16 Property, plant and equipment

\$ million	Machinery and equipment	Mobilisation	Demobilisation	Other equipment	Total
Cost					
At 1 January 2012	383.5	37.7	16.9	1.4	439.5
Additions	316.5	27.3	10.5	1.4	355.7
Disposals	(2.6)	(21.6)	(15.2)	-	(39.4)
At 31 December 2012	697.4	43.4	12.2	2.8	755.8
Acquisition of subsidiaries (note 29)	242.3	-	-	-	242.3
Additions	293.9	67.9	31.3	1.7	394.8
Disposals	(25.3)	(24.1)	(8.0)	(0.1)	(57.5)
At 31 December 2013	1,208.3	87.2	35.5	4.4	1,335.4
Accumulated depreciation					
At 1 January 2012	15.4	10.1	11.3	0.2	37.0
Charge for the year	42.2	32.9	10.5	0.7	86.3
Disposals	(2.2)	(21.6)	(15.2)	-	(39.0)
At 31 December 2012	55.4	21.4	6.6	0.9	84.3
Charge for the year	67.3	21.3	10.6	0.7	99.9
Disposals	(11.0)	(24.1)	(8.0)	-	(43.1)
At 31 December 2013	111.7	18.6	9.2	1.6	141.1
Net book value					
At 31 December 2013	1,096.6	68.6	26.3	2.8	1,194.3
At 31 December 2012	642.0	22.0	5.6	1.9	671.5

Depreciation is presented within the cost of sales in the statement of comprehensive income.

17 Inventories

\$ million	31 December 2013	31 December 2012
Spares and consumables	43 0	9 4
	43 0	9 4

The cost of inventories recognised as an expense during the year in respect of continuing operations was \$9 8 million (2012: \$9 6 million). The replacement cost of inventories is not materially different to their carrying value.

18 Trade and other receivables

\$ million	31 December 2013	31 December 2012
Amount receivable under contract	146 0	49 9
Less: allowance for doubtful receivables	(1 5)	(1 8)
Net trade receivables	144 5	48 1
Finance lease receivables	14 0	-
VAT receivables	10 0	1 0
Other receivables	14 6	4 0
	183 1	53 1

During the year the Group recognised a \$14 0 million (2012: \$nil) finance lease receivable associated with the planned disposal of the assets in Botswana. The entire balance is recoverable in 2014 and the Group has assumed that the customer will exercise a \$3 0 million bargain purchase option at the end of the 12 month contract.

Trade receivables

The average credit period on the sales of goods in 2013 was 173 days (2012: 69 days). The average credit period for 2013 is somewhat skewed however due to the increased levels of activity at the year end and the resulting high year end trade receivables balance. No interest is charged on trade receivables. The Group assesses its ability to collect receivables that are past due and provides for an adequate allowance for doubtful accounts based on the financial stability, recent payment history of the customer, letters of credit in place and other pertinent factors related to the creditworthiness of the customer. The allowance for doubtful accounts includes specific amounts for those accounts that are deemed likely to be uncollectible.

The ageing analysis past due but not impaired trade receivables was as follows:

	31 December 2013		31 December 2012	
	Gross	Impaired	Gross	Impaired
Current	80 2	-	36 5	-
30-90 days	46 5	-	9 9	-
More than 90 days	19 3	(1 5)	3 5	(1 8)
	146 0	(1 5)	49 9	(1 8)

The movement in respect of the provision for impairment of trade receivables in the year was as follows:

\$ million	2013	2012
Opening	1 8	3 3
Credit to the statement of comprehensive income	-	(1 5)
Utilised	(0 3)	-
Balance at 31 December	1 5	1 8

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. There is a concentration of credit risk because there are a limited number of customers and as at 31 December 2013 the two individually significant aggregate amounts owed by individual customers were \$65 3 million and \$15 4 million (2012: \$15 8 million and \$9 6 million). The risk associated with individual customers is mitigated by the letters of credit we obtain from customers on commencement of a contract. Management reviews concentration credit risk on a regular basis and ensures that where the net exposure exceeds certain thresholds appropriate actions are taken. This is done on a customer by customer basis and takes account of the billing terms, letters of credit and local customs and practices.

The Directors believe that the carrying value of trade and other receivables approximate their fair value.

19 Deposits

Deposits relate mainly to payments on account made for the purchase of property, plant and equipment which have manufacturing lead-times.

20 Trade and other payables

\$ million	2013	2012
Trade payables	48.4	16.5
Accrued expenses	35.0	12.4
At 31 December	83.4	28.9

The average credit period on operational purchases in 2013 was 134 days (2012: 59 days). The average credit period for 2013 is somewhat skewed however due to the increased levels of activity at the year end and the resulting high year end trade and other payables balance. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

In 2013 \$11.0 million (2012: \$6.9 million) of trade and other payables related to the purchase of property and equipment.

The Directors consider that the carrying amounts of trade and other payables are appropriate to their fair values.

21 Deferred revenue

Deferred revenue relates to upfront mobilisation fees and payments on account from customers. This unearned revenue is recognised over the life of the contract or deducted off future invoices.

22 Decommissioning provisions

\$ million	2013	2012
Opening	19.7	18.1
Acquisition of subsidiaries (note 29)	7.9	-
Additions	31.3	10.5
Utilised	(10.7)	(9.4)
Unwinding of discount	0.9	0.5
Balance at 31 December	49.1	19.7
Current	18.0	12.2
Non-current	31.1	7.5

The Group records a decommissioning provision when there is a legal or constructive obligation whereby, as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation associated with the retirement of a tangible long-lived asset and the liability can be reasonably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The decommissioning provision has been calculated using a discount rate of 3.3% (2012: 3.3%). The costs are generally expected to be incurred approximately 1-5 years in the future.

23 Share capital

	31 December 2013		31 December 2012	
	\$ million	Number	\$ million	Number
Allotted, called up and fully paid				
Ordinary shares of 10p each	15.2	94,251,622	12.6	78,235,164
		Ordinary shares		Deferred shares
		Number		Number
Outstanding shares at 31 December 2011		78,215,164		954,749,920
Share matching awards		20,000		-
Redemption of deferred shares		-		(954,749,920)
Outstanding shares at 31 December 2012		78,235,164		-
Acquisition of subsidiaries (note 29)		15,453,129		-
Exercise of equity-settled share-based payment		563,329		-
Outstanding shares at 31 December 2013		94,251,622		-

Under the Companies Act 2006, the Company's articles of association do not recognise the concept of authorised share capital.

On 28 October 2013, the Group acquired the GE Power Rental Business, comprising Power Rental Op Co One LLC, Power Rental Op Co Australia LLC, Power Rental Asset Co One LLC, Power Rental Asset Co Two LLC, Power Rental Op Co Canada ULC and Power Rental Op Co Bangladesh Limited.

The total consideration for the acquisition was \$361.5 million payable in cash (\$73.1 million) on completion and 15,453,129 ordinary shares allotted and issued credited as fully paid up to the sellers. The fair value of this share issue was \$288.4 million which was equal to the share price on the closing date of the transaction.

24 Other reserves

\$ million	Merger reserve	Capital redemption reserve	Total
At 1 January 2012	485.8	-	485.8
Redemption of deferred shares	-	0.1	0.1
Balance at 31 December 2012	485.8	0.1	485.9
Acquisition of subsidiaries ¹ (note 29)	284.1	-	284.1
Balance at 31 December 2013	769.9	0.1	770.0

1 Includes \$1.8 million of costs associated with the issue of 15,453,129 ordinary shares related to the acquisition of the GE Power Rental Business.

25 Founder securities

\$ million	31 December 2013	31 December 2012
Founder securities	18.5	15.2
	18.5	15.2

Subject to the satisfaction of the performance condition referred to below, the holders of the Founder securities have the right to require the Company to acquire the Founder securities in exchange for the issue to the holders of the Founder securities of such number of ordinary shares as have a value equal to 15% of the difference between (1) the share price at that time multiplied by the number of ordinary shares at the time of transaction 78,215,164 (plus the aggregate value created for those parties with outstanding options or convertible securities (over or in respect of ordinary shares) which have an exercise (or subscription or conversion) price of less than the market price for an ordinary share at that time) and (2) a deemed market capitalisation of the Company which is the product of the number of ordinary shares in issue at the time of the transaction (meaning the Placing Price £10.00 as adjusted appropriately for matters such as any subsequent consolidation, subdivision of the ordinary shares or allotment of ordinary shares or effects of a rights issue or any value paid by the Company to ordinary shareholders).

The performance condition is satisfied:

(a) once the price per ordinary share has reached (for any 20 Business Days out of 30 successive Business Days) a closing price equal to the greater of (i) an equivalent of a compound rate of return from Admission on the Adjusted Issue Price equal to 8.3% per annum accrued daily and compounded quarterly and (ii) an amount equal to a 25% increase in the Adjusted Issue Price (such closing price: the "Threshold Price"). At 31 December 2013 the performance condition was £12.50 (2012: £12.50) or

(b) on the occurrence of a Change of Control in relation to the Company, subject (where the Change of Control results from an offer to holders of the ordinary shares) to that offer being at an equivalent price per ordinary share equal to (or greater than) the Threshold Price.

Following any exercise by a holder of the Founder securities of its exchange rights, the Company will have the option to pay cash equivalent to the holder of such Founder securities, in lieu of issuing ordinary shares. In the event that the performance condition has not been satisfied by the date falling 5 years from the date of the Acquisition (13 June 2011), the Company will be able to acquire all of the Founder securities for nil consideration.

The Founder securities are not exchangeable for a fixed number of ordinary equity shares. The number of ordinary shares issued in respect of these instruments is governed by various factors including the share price at the date of conversion.

The Group continues to value the Founder securities using a bespoke Monte Carlo simulation model which incorporates a binomial tree to value the instruments as of the date of the performance condition being achieved within the Monte Carlo simulation. This model simulates the future Company share price on a daily basis, using a Geometric Brownian Motion in a risk-neutral framework.

The valuation output of the model described above is then discounted to reflect the lack of marketability of the Founder securities using a protective put option method.

In accordance with IAS 32 and IAS 39, the Founder securities were measured at fair value upon recognition and subsequently at each balance sheet date the inputs used were as follows

	31 December 2013	31 December 2012
Balance sheet date share price	\$15.74	\$13.17
Expected volatility	31%	33%
Remaining life	894 days	1,259 days
Lack of marketability period	730 days	730 days
Risk-free rate	1.3%	0.3 - 0.5%
Expected dividend yield	1.2%	1.5%

The charge for the year was \$3.3 million (2012: \$10.2 million). A change in the expected volatility by 1% would have a \$0.7 million (2012: \$0.9 million) impact on the reported fair value.

The expected volatility used for 2013 and 2012 was determined by calculating the historical and implied volatilities of the Company and several comparable listed entity share prices over the previous 3 years.

26 Borrowings

\$ million	Revolving credit facility	Term loan	Total
At 1 January 2013	205.0	-	205.0
Cash from borrowings	317.8	250.0	567.8
Repayment of borrowings	(182.8)	-	(182.8)
At 31 December 2013	340.0	250.0	590.0
Capitalised debt issuance costs			(10.7)
			579.3
Current	-	50.0	50.0
Non-current	340.0	200.0	540.0

In 2011, the Group entered into a committed, secured revolving credit facility of \$400 million with a group of international banks with a maturity date of 28 November 2016.

In May 2013, the Group entered into a committed, secured term loan of \$150 million with several of the existing group of international banks involved with the revolving credit facility. This term loan was then subsequently extended in October 2013 by an additional \$100 million to \$250 million with a maturity date of 1 January 2015, with quarterly repayments of \$12.5 million commencing on 31 March 2014.

As of 31 December 2013, \$9.8 million (31 December 2012: \$19.4 million) of letters of credit have been drawn against the revolving credit facility. As of 31 December 2013, the available amount of the undrawn facilities was \$50.2 million (31 December 2012: \$175.6 million).

The facilities provide for funding of capital expenditures, working capital requirements and letters of credit. Key financial covenants include a Total Leverage Ratio (Adjusted EBITDA/Total Indebtedness) at a maximum of 5.00:1 which reduces to 2.50:1 by 30 June 2014, and an Interest Coverage Ratio (Adjusted EBITDA/Net Interest) at a minimum of 4.00:1. The LIBOR spread is LIBOR plus 2.3% - 3.8% dependent on the Total Leverage Ratio.

The revolving credit facility and term loan are secured with the equity and assets of the majority of the Group's subsidiary undertakings. The Directors believe that the carrying value of borrowings approximate their fair value.

If the interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's total comprehensive profit would have increased/decreased by \$1.5 million (2012: \$0.4 million). This is mainly due to the Group's exposure to interest rates on its variable rate borrowings.

Bid/performance bonds

The Group has a need to post bid or performance bonds associated with customer contracts. These bonds are typically issued from the Group's revolving credit facility or backed by a cash deposit. As of 31 December 2013, the Group had \$8.9 million (2012: \$5.1 million) backed by cash deposits and \$nil (2012: \$1.6 million) with other international banks.

27 Financial instruments

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risk relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of these risks

As disclosed in note 5 during operations the Group can be exposed to market risk (including currency risk and interest rate risk), credit risk and liquidity risk

From time to time the Group may seek to manage foreign exchange risk by using derivative instruments to limit these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on foreign exchange risk and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed by the Risk committee on an on-going basis. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purposes

The Group has no externally imposed capital requirements

Capital risk management

The Group manages its capital to ensure that it has sufficient liquidity while maximising the return to stakeholders. The Group is funded through a mixture of equity and debt financing. The capital structure of the Group consists of cash and cash equivalents and equity comprising issued capital, access to committed \$650 million credit facilities and retained profits. The long-term expectation of management would be a gearing ratio of 30%.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies section of these financial statements. Details of the Group's risk management policies are shown in note 5

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows

- Trade and other receivables
- Trade and other payables
- Cash and cash equivalents
- Derivative financial instruments
- Borrowings

Categories of financial instruments

\$ million	31 December 2013	31 December 2012
Financial assets		
<i>Fair value through profit or loss</i>		
Cash and cash equivalents	33.9	21.0
<i>Loans and receivables</i>		
Amount receivable under contract (note 18)	146.0	49.9
Finance lease receivables (note 18)	14.0	-
VAT receivables (note 18)	10.0	1.0
Total financial assets	203.9	71.9
Financial liabilities		
<i>Fair value through profit or loss</i>		
Derivative liabilities	18.5	15.5
<i>Other financial liabilities</i>		
Borrowings (note 26)	579.3	199.5
Trade and other payables (note 20)	83.4	28.9
Total financial liabilities	681.2	243.9

Foreign exchange forward contracts

In limited circumstances, the Group may use derivative instruments to economically hedge against foreign exchange risk. At the year end, the Group had no open foreign exchange contracts. When used these EUR/USD foreign exchange hedges range in value up to \$nil (2012: \$1.0 million) per contract. If the hedged EUR/USD foreign exchange contract rates were to change by 5 cents, the resulting change in contract values was \$nil (2012: \$0.3 million).

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities

\$ million	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Over 2 years	Total
31 December 2013					
Founder securities (note 25)	-	-	-	(18.5)	(18.5)
Total	-	-	-	(18.5)	(18.5)
31 December 2012					
Net settled foreign exchange forward contracts	(0.1)	(0.2)	-	-	(0.3)
Founder securities (note 25)	-	-	-	(15.2)	(15.2)
Total	(0.1)	(0.2)	-	(15.2)	(15.5)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

\$ million	Level 1	Level 2	Level 3	Total
31 December 2013				
Derivative liability	-	-	(18.5)	(18.5)
Total	-	-	(18.5)	(18.5)
31 December 2012				
Derivative liability	-	(0.3)	(15.2)	(15.5)
Total	-	(0.3)	(15.2)	(15.5)

\$ million	Level 3
At 1 January 2012	5.0
Change in fair value	10.2
At 31 December 2012	15.2
Change in fair value	3.3
At 31 December 2013	18.5

There were no transfers between Level 1 and 2 during the current or prior year. The Founder securities revaluation in the current year resulted in a loss of \$3.3 million (2012: \$10.2 million) recognised in the statement of comprehensive income.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as exposures to outstanding receivables from customers.

Due to the nature of the Group's business in emerging markets, management believes the most significant of these to be exposures to outstanding receivables from customers. To minimise the risk of a significant impact on the business due to a customer defaulting on its commitments, the Group closely monitors trade receivables. In addition, the Group utilises letters of credit, contract insurance policies and upfront deposits to mitigate this risk.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The credit risk on liquid funds and derivative financial instruments is limited because the counter-parties are banks with credit-ratings assigned by international credit-rating agencies.

The peak concentration of the Group's credit risk is considered by counterparty, geography and currency. The Group holds its cash on deposit with a number of financial institutions. At 31 December 2013, the concentration of credit risk held with one bank totalled \$10.6 million (2012: two banks totalling \$6.8 million and \$6.1 million respectively) which is primarily denominated in Argentinian Pesos and USD (2012: USD and GBP). See note 18 for details of the trade receivables concentration credit risk.

Maturity of financial assets and financial liabilities

Details of contractual maturities of financial assets and financial liabilities are shown in note 5.

28 Share-based payments

In accordance with IFRS2, Share-based payment arrangements in which the Group receives goods or services as consideration for APR Energy plc equity instruments, are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

In June 2012, the Company adopted the APR Energy Share Award Plan 2012 (the "2012 Plan"). The 2012 Plan allows for the grant of share options and contingent share awards. This provides a more effective retention tool with the flexibility to reflect common US practice on equity incentives. It is a long-term incentive plan enabling selected employees to be granted a right to acquire ordinary shares in the Company at a specified price subject to the satisfaction of specified conditions. The number of ordinary shares issued or issuable pursuant to awards granted in any 10-year period is limited to 10 per cent of the issued ordinary shares from time to time.

In October and November 2013, contingent share awards were granted to all employees over an aggregate of 425,858 ordinary shares under the 2012 Plan. These awards provide for ordinary shares to be delivered (subject to payment of the nominal value of the award shares, if so required) on or after the third anniversary dependent on the achievement of performance conditions determined by reference to the growth of the Group's adjusted earnings per share over the period of three years ending on 31 December 2015, with 30% vesting at a threshold of 4% growth, rising to 100% vesting for growth of 11% or more.

In November 2012, following a review by the Remuneration Committee and ratification by the Board, contingent share awards were granted to three senior employees over an aggregate of 315,000 ordinary shares under the 2012 Plan. These awards provide for ordinary shares to be delivered (subject to payment of the nominal value of the award shares, if so required) on or after the third anniversary dependent on the achievement of performance conditions determined by reference to the growth of the Group's adjusted earnings per share over the period of three years ending on 30 June 2015, with 30% vesting at a threshold of 4% growth, rising to 100% vesting for growth of 11% or more.

In June 2012, share options were granted to selected employees to subscribe for up to a total of 1,770,000 ordinary shares at an exercise price of £6.83 per share under the 2012 Plan. In October 2012, share options were granted to additional employees to subscribe for up to a total of 360,000 ordinary shares at an exercise price of £7.63 per share also under the 2012 Plan. These share options normally vest as to one third on each of the first, second and third anniversaries of the grant and, once vested, remain exercisable until the tenth anniversary of the grant.

In 2012, the original APR Energy Performance Share Plan was re-named the APR Energy Share Option Plan 2011 (the "2011 Plan"). There is a corresponding 2011 Plan under which there were grants made to contractors. Originally, share options were granted under the 2011 Plans to employees and contractors employed by or providing services to the Group and vested in tranches according to adjusted EBITDA (50%) and adjusted net income (50%) as derived from the audited consolidated financial statements for the calendar years ending 31 December 2011, 2012 and 2013 and to be delivered on or after the third anniversary. However, the Directors were concerned that the 2011 share options were not acting as an effective tool for motivating and retaining key staff in the way originally intended. The share options held by certain continuing option holders (over an aggregate of 749,500 ordinary shares) were amended and restated in June 2012 by the Remuneration Committee by replacing the original performance conditions with a vesting schedule more in line with a US workforce, with a third vesting by reference to continued employment or service provisions on each of the first, second and third anniversaries of the original grant on 13 June 2011. At the same time, the exercise period was extended from the three months originally provided until the tenth anniversary of the grant. In each case, the exercise price remains unchanged at £10.00 per ordinary share. No amendments were made to the share options granted under the 2011 Plan to the three most senior employees, which for the two who remain employed, are exercisable subject to the original terms.

2012 Plan

	2013		2012	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Opening	2,065,000	11.31	-	-
Granted during the year	-	-	2,130,000	10.87
Exercised during the year	(414,997)	(10.97)	-	-
Forfeited during the year	(110,002)	(10.97)	(65,000)	(11.29)
Balance at 31 December	1,540,001	11.31	2,065,000	11.31
Exercisable at the end of the year	270,003	11.31	-	-

Inputs to the Black-Scholes model for the 2012 Plan share options awards are as follows. No options were granted in 2013.

	31 December 2013	31 December 2012
Grant date share price	-	\$10.63 - \$12.07
Exercise price	-	\$10.63 - \$12.07
Expected volatility	-	32 - 34%
Expected life	-	2,008 - 2,373 days
Risk-free rate	-	1.0 - 2.0%
Expected dividend yield	-	1.3 - 1.4%

The share-based payment expense for 2013 related to these awards was \$2.6 million (2011: \$1.6 million). The weighted average fair value of the awards issued during the year was \$nil per share option (2012: \$3.10). The weighted average remaining contractual life of these awards at 31 December 2012 was 8.6 years (2011: 9.5 years).

Contingent share awards

	2013		2012	
	Number of share awards	Weighted average exercise price (\$)	Number of share awards	Weighted average exercise price (\$)
Opening	315,000	-	-	-
Granted during the year	425,858	-	315,000	-
Forfeited during the year	(744)	-	-	-
Balance at 31 December	740,114	-	315,000	-
Exercisable at the end of the year	-	-	-	-

Inputs to the Black-Scholes model for the 2012 Plan contingent share awards are as follows:

	31 December 2013	31 December 2012
Grant date share price	\$16.95 - \$18.66	\$11.04
Exercise price	-	-
Expected volatility	31%	32%
Expected life	1,095 days	1,095 days
Risk-free rate	2.0%	2.0%
Expected dividend yield	0.9 - 1.0%	1.4%

The share-based payment expense for 2013 related to these awards was \$0.8 million (2012: \$0.1 million). The weighted average fair value of the awards issued during the year was \$18.15 per contingent share (2012: \$10.57). The weighted average remaining contractual life of these awards at 31 December 2013 was 2.4 years (2012: 2.9 years).

2011 Plans

	2013		2012	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Opening	1,749,500	16.24	2,133,500	16.23
Exercised during the year	(148,332)	(16.06)	-	-
Forfeited during the year	(967,000)	(16.57)	(384,000)	(16.23)
Balance at 31 December	634,168	16.57	1,749,500	16.24
Exercisable at the end of the year	331,335	16.57	249,833	16.24

Inputs to the Black-Scholes model for the 2011 Plans are as follows. No options were granted in 2013 and 2012 related only to modifications of existing awards.

	31 December 2013	31 December 2012
Grant date share price	-	\$10.63
Exercise price	-	\$15.56
Expected volatility	-	34%
Expected life	-	1,643 - 2,008 days
Risk-free rate	-	0.8%
Expected dividend yield	-	1.5%

The share-based payment expense for 2013 related to these awards was \$0.9 million (2012: \$1.7 million). The weighted average fair value of the awards issued during the year was \$nil per share option (2012: \$nil per share option). However, the removal of the performance criteria during 2012 increased the weighted average fair value of the 2011 awards by \$0.95 per share option for those awards not held by the three most senior employees. The weighted average remaining contractual life of these awards at 31 December 2013 was 6.8 years (2012: 5.0 years).

The expected volatility used for all 2013 and 2012 awards was determined by calculating the historical and implied volatilities of the Company and several comparable listed entity share prices over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Share Matching Scheme

	2013		2012	
	Number of share awards	Weighted average exercise price (\$)	Number of share awards	Weighted average exercise price (\$)
Opening	-	-	20,000	0.16
Exercised during the year	-	-	(20,000)	(0.16)
Forfeited during the year	-	-	-	-
Balance at 31 December	-	-	-	-
Exercisable at the end of the year	-	-	-	-

29 Acquisition of subsidiaries

On 28 October 2013, the Group acquired 100% of the issued share capital and obtained control of the following companies (comprising the "GE Power Rental Business"):

- Power Rental Op Co One LLC,
- Power Rental Op Co Australia LLC
- Power Rental Asset Co One LLC,
- Power Rental Asset Co Two LLC,
- Power Rental Op Co Canada ULC, and
- Power Rental Op Co Bangladesh Limited

The acquisition advances APR Energy towards its stated strategic goals: creating the world's leading fast-track mobile turbine fleet of 1.2GW, significantly strengthening and diversifying APR Energy's business, and creating a long term strategic alliance with GE. The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below, and are considered to be provisional due to the use of estimates in valuing the intangible assets.

<i>\$ million</i>	Provisional fair value
Property, plant and equipment	242.3
Intangible assets	39.3
Trade and other receivables	15.8
Inventory	7.2
Trade and other payables	(0.3)
Deferred tax liability	(1.4)
Decommissioning provisions	(7.9)
Deferred revenue	(9.0)
Total identifiable assets and liabilities	286.0
Goodwill	75.5
Total consideration	361.5
Satisfied by	
Cash	73.1
Equity instruments (15,453,129 ordinary shares of the Company)	288.4
Total consideration	361.5

The total consideration for the acquisition was \$361.5 million payable in cash (\$73.1 million) on completion and 15,453,129 ordinary shares allotted and issued credited as fully paid up to the sellers.

The fair value of this share issue was \$288.4 million which was equal to the share price on the closing date of the transaction multiplied by the number of shares issued. Acquisition related costs amounted to \$14.4 million (2012: \$nil) and were primarily related to legal and professional fees and early termination fees and were charged to the Statement of Comprehensive Income.

The goodwill of \$75.5 million arising from the acquisition is reflective of the expected strong growth prospects of the GE Power Rental Business. None of the goodwill is expected to be deductible for income tax purposes.

The GE Power Rental Business contributed \$9.2 million revenue and \$2.4 million to the Group's profit for the period between the date of acquisition and the 31 December 2013. If the acquisition of the GE Power Rental Business had been completed on the first day of the financial year, Group revenues for the period to 31 December 2013 would have been \$376.6 million and profit would have been \$45.1 million.

30 Contingent liabilities

Impact of operating in First, Second and Third-Tier countries

At 31 December 2013, the Group had operations in various countries across several continents. Operating in these countries subjects the Group to the inherent risk of changes in law, regulations, and governmental policy and stability. The Group has utilised insurance and letters of credit to help mitigate these risks and no provision has been recorded.

Legal and environmental

From time to time, the Group is subject to litigation or environmental claims. The Group uses various means to limit its exposure to such contingencies including risk management strategies and insurance coverage. These claims can involve highly complex issues, actual damages, and other matters. These issues are subject to substantial uncertainties and therefore the probability of loss and an estimation of damages are difficult to ascertain. Management's assessments can involve complex judgements about future events and can rely heavily on estimates and assumptions. The Group's assessments are based on estimates and assumptions that have been deemed reasonable by management. The Group recognises a liability for contingencies when it is more likely than not that the Group will sustain a loss and the amount can be estimated.

As of 31 December 2013, the Group was not subject to any substantive legal or environmental claims and it has not recorded any contingent obligations in the consolidated financial statements.

Purchase commitments

As of 31 December 2013, the Group's commitments related to the purchase of property, plant and equipment were \$16.6 million (2012: \$117.5 million).

31 Operating lease arrangements**As Lessee**

<i>\$ million</i>	2013	2012
Minimum lease payments under operating leases recognised as an expense in the year	2.8	4.4

The Group had various operating lease agreements for office and warehouse space, land and office equipment during the year. The lease terms on these arrangements are typically two years. Lease commitments over two years relate to corporate headquarters. The fair value of the Group's lease obligations is approximately equal to their carrying amount.

<i>\$ million</i>	2013	2012
<i>Commitments under non-cancellable operating leases falling due</i>		
Within one year	2.5	1.2
Greater than one year but less than two years	0.7	0.8
Within two to five years	0.1	0.7
Total commitments over the next five years	3.3	2.7

As a lessor

Lease income is contingent on plant availability and accordingly the minimum lease income under non-cancellable operating leases is nil.

32 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

JCLA Holdings LLC is a related party due to its owners being the CEO and COO of APR Energy plc. Consulting services from JCLA Holdings LLC (and its subsidiaries) were incurred by the Group during the year. These consulting services were made at an arm's length market price. The total expense for the year was \$0.4 million (2012: \$0.3 million). The services rendered were all paid in cash. No guarantees have been given or received.

CJJ LLC is a related party due to its owner being the CEO of APR Energy plc. CJJ LLC provides travel arrangement services to the Group. These services were made at an arm's length market price. The total expense for the year was \$0.3 million (2012: \$nil). The services rendered were all paid in cash. No guarantees have been given or received.

JCLA Development II LLC is a company related by common control by the CEO and COO. JCLA Development II LLC rents office space to the Group. These rental services were made at an arm's length market price. The total expense for the year was \$nil (2012: \$0.1 million). The services rendered were all paid in cash. No guarantees have been given or received.

Remuneration of key management personnel

The remuneration of key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*. Further information about the remuneration of certain key management personnel is provided in the audited part of the Directors' Remuneration Report on pages 75 to 91.

<i>\$ million</i>	2013	2012
Remuneration	7.0	2.5
Post-employment benefits	-	-
Other long-term benefits	0.1	0.1
Termination benefits	-	0.9
Equity-settled share-based payment expense	2.8	0.8
	9.9	4.3

The group of individuals designated as key management personnel has been expanded from 5 to 9 individuals in the current year.

33 Significant investments

The principal subsidiary undertakings of the Group at the year end, and the main countries in which they operate are shown below. All companies are wholly owned.

Name	Principal activity	Country of operation	Country of registration
APR Energy Holdings Limited	Holding company	UK	England and Wales
APR Energy Cayman Limited	Holding company	United States	Cayman Islands
APR International LLC	Holding company	United States	United States
APR Energy LLC	Supply of temporary power	United States	United States
APR LLC	Supply of temporary power	United States	United States
APR Energy SRL	Supply of temporary power	Argentina	Argentina
APR Energy II LLC	Holding company	United States	United States
APR Energy Panama SRL	Distribution centre	Panama	Panama
Falconbridge Services LLC	Service company	United States	United States
APR Energy Spain SLU	Supply of temporary power	Spain	Spain
APR Energy (Cyprus) Limited	Supply of temporary power	Cyprus	Cyprus
APR Energy Germany GmbH	Supply of temporary power	Germany	Germany
Power Rental Op Co LLC	Supply of temporary power	Iraq, Bangladesh, US VI	United States
Power Rental Op Co Australia LLC	Supply of temporary power	Australia	United States
Power Rental Asset Co LLC	Holding company	United States	United States
Power Rental Asset Co One LLC	Supply of temporary power	United States	United States
Power Rental Asset Co Two LLC	Supply of temporary power	United States	United States
Power Rental Op Co Canada ULC	Supply of temporary power	Canada	Canada
Power Rental Op Co Bangladesh Limited	Supply of temporary power	UK	England and Wales
APR Energy FZE	Distribution centre	Dubai	Dubai
APR Energy Uruguay SA	Supply of temporary power	Uruguay	Uruguay
PT APR Indonesia	Supply of temporary power	Indonesia	Indonesia
Alaska Bussines Group SA	Supply of temporary power	Guatemala	Guatemala
APR Energy (Singapore) Private	Distribution centre	Malaysia	Singapore

34 Dividends

\$ million	2013	2012
<i>Declared and paid during the year</i>		
Final dividend for 2012 67 pence (2011 100 pence) per ordinary share	7.9	12.5
Interim dividend for 2013 33 pence (2012 33 pence) per ordinary share	5.0	3.9
Dividends paid	12.9	16.4
<i>Proposed for approval by the shareholders at the AGM</i>		
Final dividend for 2013 67 pence (2012 67 pence) per ordinary share	9.9	8.5

The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements

35 Events after the balance sheet date

On 10 January 2014 the Group announced the extension of its 200MW diesel power module project in Libya on the same terms as the original contract

On 12 February 2014, the Group announced the signing of a large-scale, turnkey power contract in Myanmar. The facility will provide the Myanmar Electric Power Enterprise (MEPE) with a guaranteed minimum of 82MW of power generation

As part of the acquisition of the GE Power Rentals Business, the Group acquired a number of contracts as well as additional fleet. As disclosed at the time, some of those contracts are held with corporate, not sovereign, counterparties. We have been informed that one of those parties in Australia, Forge Group Limited, filed for protection from its creditors post year end. As such, the assets allocated to that project are tied up in the receivership process. Although it is still in the early stages, the Group is working with the administrators/receivers of Forge Group Limited regarding possession of those assets.

On 26 March 2014 the Group announced the signing of a mobile turbine contract to provide fast-track power to an industrial customer in the South Pacific. The plant will comprise mobile turbines producing a guaranteed 60MW and will power the customer's mining operations.

Company Financial Statements

Statement of Financial Position As at 31 December 2013

\$ million	Note	31 December 2013	31 December 2012
Assets			
Non-current assets			
Investments	6	1,204.5	1,204.5
Trade and other receivables	7	289.2	283.9
Total non-current assets		1,473.7	1,488.4
Current assets			
Trade and other receivables	7	0.4	0.2
Cash and cash equivalents		-	1.8
Total current assets		0.4	2.0
Total assets		1,474.1	1,490.4
Liabilities			
Current liabilities			
Trade and other payables	8	1.1	318.3
Total current liabilities		1.1	318.3
Total liabilities		1.1	318.3
Equity			
Share capital	9	15.2	12.6
Share premium		674.9	668.1
Other reserves	10	770.0	485.8
Equity reserves	11	8.9	4.5
Retained earnings		6.0	1.0
Total equity		1,473.0	1,172.1
Total liabilities and equity		1,474.1	1,490.4

These financial statements of the Company registered number 07062201 were approved by the Board of Directors on 25 March 2014

Signed on behalf of the Board of Directors by:


John Campton
Chief Executive Officer

Statement of Changes in Equity
For the year ended 31 December 2013

<i>\$ million</i>	Share capital	Share premium	Other reserves	Equity reserves	Retained earnings	Total equity
Balance at 1 January 2012	12 7	668 1	485 8	1 8	3 7	1,172 1
Profit for the year	-	-	-	-	13 0	13 0
Total comprehensive profit for the year	-	-	-	-	13 0	13 0
Issued share capital	-	-	-	(0 7)	0 7	-
Redemption of deferred shares	(0 1)	-	0 1	-	-	-
Credit to equity for equity-settled share-based payment expense	-	-	-	3 4	-	3 4
Dividends	-	-	-	-	(16 4)	(16 4)
Balance at 31 December 2012	12 6	668 1	485 9	4 5	1 0	1,172 1
Profit for the year	-	-	-	-	15 9	15 9
Total comprehensive profit for the year	-	-	-	-	15 9	15 9
Acquisition of subsidiaries	2 5	-	284 1	-	-	286 6
Exercise of equity-settled share-based payment	0 1	6 8	-	(2 0)	2 0	6 9
Credit to equity for equity-settled share-based payment expense	-	-	-	4 4	-	4 4
Dividends	-	-	-	-	(12 9)	(12 9)
Balance at 31 December 2013	15 2	674 9	770 0	6 9	6 0	1,473 0

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Cash Flow Statement
For the year ended 31 December 2013

<i>\$ million</i>	<i>Note</i>	2013	2012
Cash flows from operating activities			
Profit for the year before taxation		15.9	13.0
<i>Adjustments for</i>			
Equity-settled share-based payment expense	11	0.4	(0.2)
<i>Movements in working capital</i>			
Decrease/(increase) in trade and other receivables		18.5	(11.5)
(Decrease)/increase in trade and other payables		(28.8)	3.9
Net cash from operating activities		6.0	5.2
Cash flows from financing activities			
Dividends paid	14	(12.9)	(16.4)
Proceeds from the issue of ordinary shares		5.1	-
Net cash used in financing activities		(7.8)	(16.4)
Net decrease in cash and cash equivalents		(1.8)	(11.2)
Cash and cash equivalents at beginning of the year		1.8	13.0
Cash and cash equivalents at end of the year		-	1.8

Notes

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For the year ended 31 December 2013

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1 General information

APR Energy plc (the Company), is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 132 of this Annual Report. The nature of the Company's operations and its principal activities are set out in the Strategy Review on pages 11 to 33.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Company operates.

2 Adoption of new and revised standards

In 2013 several amended standards and interpretations became effective. These are IAS 1 Presentation of items of other comprehensive income - Amendments to IAS 1, IAS 19 (revised) Employee Benefits, IFRS 7 (amended) Disclosures - offsetting financial assets and liabilities, IFRS 11 Joint arrangements, IFRS 12 Disclosure of interests in other entities and IFRS 13 Fair value measurement. The adoption of these standards and interpretations has not had a material impact on the financial statements of the Company.

At the date of authorisation of these financial statements, the following standards and relevant interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and some of which were pending endorsement by the European Union):

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – effective for accounting periods beginning on or after 1 January 2014,
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective for accounting periods beginning on or after 1 January 2014,
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective for accounting periods beginning on or after 1 January 2014,
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective for accounting periods beginning on or after 1 January 2014,
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) – effective for accounting periods beginning on or after 1 July 2014,
- Annual Improvements 2010-2012 Cycle – effective for accounting periods beginning on or after 1 July 2014, and
- Annual Improvements 2011-2013 Cycle – effective for accounting periods beginning on or after 1 July 2014.

Adoption of these standards in future periods is not expected to have a material impact on the financial statements of the Company.

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs

adopted by the European Union and therefore the financial statements comply with Article 4 of the EU IAS regulation.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit for the year ended 31 December 2013 of the Company was \$15.9 million (2012: \$13.0 million). These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Company operates.

Use of estimates

The preparation of financial statements is in conformity with IFRS. IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Financial Review on page 39.

Provision for income taxes

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the UK where the Company operates, generates taxable income and is subject to tax under local country tax law.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Taxable profit differs from net profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred

income tax asset is realised or the deferred income tax liability is settled. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income in which case the deferred tax is also dealt with in other comprehensive income.

Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which it operates (its functional currency).

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Impairment

Financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Trade and other receivables are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. The Company assesses its ability to collect receivables that are past due and provides for an adequate allowance for doubtful accounts based on the financial stability, recent payment history of the customer, letters of credit in place and other pertinent factors related to the creditworthiness of the customer. The allowance for doubtful accounts includes specific amounts for those accounts that are deemed likely to be uncollectible. Upon permanent impairment, the trade receivable is written off against the allowance for doubtful accounts.

Financial instruments

The Company classifies its financial assets and financial liabilities into the following categories: fair value through profit or loss and loans and receivables for financial assets and fair value through profit and loss and other financial liabilities for financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Effective interest method

The effective interest method is a method of calculating the finance income generated by a financial asset and the amortised cost of a financial liability including allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the net carrying amount on initial recognition.

Loans and receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables are recorded as deposits and trade and other receivables in the statement of financial position.

Trade and other receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments that can be readily converted into cash or that have an original maturity of three months or less.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade and other payables are recognised initially at fair value and subsequently measured at their amortised cost using the effective interest rate method.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Costs of equity transactions

Incremental costs that are attributable directly to issuing equity instruments of the Company are recognised in equity, net of any tax effects. Other costs not directly attributable to the issuing of equity

instruments are recognised in the statement of comprehensive income

Share-based payments

In accordance with IFRS2 *share-based payment arrangements* in which the Company receives goods or services as consideration for APR Energy plc equity instruments are accounted for as equity-settled share-based payment transactions regardless of how the equity instruments are obtained by the Company

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 11

The fair value determined at the grant date of the equity-settled share-based payments to employees is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based conditions. The impact of the revision of the original estimates if any is recognised in total comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves

Share-based payments incurred on behalf of Group companies are recharged accordingly

Investments

Investments in subsidiary undertakings are stated in the balance sheet of the Company at cost or nominal value of the shares issued as consideration as applicable, less any provision for any impairment in value

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders

4 Critical accounting estimates and judgements

In the application of the significant accounting policies, which are described in note 3 management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

Critical accounting estimates and assumptions

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations discussed above, that management made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements

Impairment of investment asset

Determining whether the investment asset is impaired requires an estimation of the value in use of the underlying investments. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investments and a suitable discount rate in order to calculate present value. No impairments were recorded in the periods presented

5 Risk management policies

The Company's activities give rise to a number of financial risks, particularly market risk comprised of foreign exchange, credit risk, liquidity risk, and capital risk management

Market risk

Market risk includes foreign exchange risk. The Company seeks to manage these risks to acceptable levels by maintaining appropriate policies and procedures

Foreign exchange risk

The Company has an exposure to transactional foreign exchange from purchases or sales in currencies other than US dollars. In order to minimise exposure to foreign exchange risk the Company primarily contracts in US dollars or in contracts with a price based on US dollars at the date of transaction or payment if possible

Credit risk

Credit risk arises from cash and cash equivalents deposits with banks and financial institutions, as well as exposures to outstanding receivables from external parties. Due to the nature of the Company's business management do not believe there is a significant credit risk to the Company

Liquidity risk

Liquidity risk results from insufficient funding being available to meet the Company's funding requirements as they arise. The Company manages liquidity risk by maintaining adequate reserves of cash and available committed facilities in subsidiaries for short and long-term funding requirements. The Company monitors the short-term forecast and actual cash flows on a daily basis and medium and long-term requirements in line with the Company's long term planning processes

Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for its equity holders and to maintain an optimal capital structure to reduce the cost of capital

The Company is funded through a mixture of equity and debt financing through subsidiaries

The Company reviews the capital structure on a semi-annual basis. As part of this review, the Company considers the cost of capital and the risk associated with each class of capital

6 Investments

<i>\$ million</i>	2013	2012
Opening	1,204.5	1,204.5
Balance at 31 December	1,204.5	1,204.5

Details of the Company's principal subsidiary undertakings are set out in note 33 to the consolidated financial statements

7 Trade and other receivables

<i>\$ million</i>	31 December 2013	31 December 2012
Non-current		
Amounts due from subsidiaries	269.2	283.9
Current		
Other debtors	0.4	0.2
	269.6	284.1

In determining the recoverability of trade and other receivables the Company considers any change in the credit quality of the trade receivable from the date credit was granted up to the reporting date. Credit risk is limited due to substantially all the balance being amounts due from subsidiaries. Accordingly the Directors believe there is no credit provision required, and no classes of receivable contain impaired assets.

Amounts due from subsidiaries are repayable on demand and are interest free. These amounts are shown as non-current as these balances are not expected to be repaid within twelve months of the balance sheet date. The carrying value of receivables is considered to represent their fair value.

8 Trade and other payables

<i>\$ million</i>	31 December 2013	31 December 2012
Amounts due to subsidiaries	-	316.7
Trade payables	0.5	0.6
Accrued expenses	0.6	1.0
	1.1	318.3

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs, as well as amounts due to subsidiaries. Amounts due to subsidiaries are repayable on demand and are interest free.

The Directors consider that the carrying amounts of trade and other payables are approximate to their fair values.

9 Share capital

	31 December 2013		31 December 2012	
	<i>\$ million</i>	<i>Number</i>	<i>\$ million</i>	<i>Number</i>
Allotted, called up and fully paid				
Ordinary shares of 10p each	15.2	94,251,622	12.6	78,235,164
		Ordinary shares		Deferred shares
		<i>Number</i>		<i>Number</i>
Outstanding shares at 31 December 2011		78,215,164		954,749,920
Share matching awards		20,000		-
Redemption of deferred shares		-		(954,749,920)
Outstanding shares at 31 December 2012		78,235,164		-
Acquisition of subsidiaries		15,453,129		-
Exercise of equity-settled share-based payment		563,329		-
Outstanding shares at 31 December 2013		94,251,622		-

Under the Companies Act 2006, the Company's articles of association do not recognise the concept of authorised share capital.

On 28 October 2013, the Group acquired the GE Power Rental Business, comprising Power Rental Op Co One LLC, Power Rental Op Co Australia LLC, Power Rental Asset Co One LLC, Power Rental Asset Co Two LLC, Power Rental Op Co Canada ULC and Power Rental Op Co Bangladesh Limited

The total consideration for the acquisition was \$361.5 million payable in cash (\$73.1 million) on completion and 15,453,129 ordinary shares allotted and issued credited as fully paid up to the sellers. The fair value of this share issue was \$288.4 million which was equal to the share price on the closing date of the transaction.

10 Other reserves

\$ million	Merger reserve	Capital redemption reserve	Total
At 1 January 2012	485.8	-	485.8
Redemption of deferred shares	-	0.1	0.1
Balance at 31 December 2012	485.8	0.1	485.9
Acquisition of subsidiaries ¹	284.1	-	284.1
Balance at 31 December 2013	769.9	0.1	770.0

1 Includes \$1.8 million of costs associated with the issue of 15,453,129 ordinary shares related to the acquisition of the GE Power Rental Business.

11 Share-based payments

Details of the Company's share-based payments plans are set out in note 28 to the consolidated financial statements.

12 Related party disclosures

There have been no transactions with related parties during either period besides the intercompany transactions, which are detailed in notes 7 and 8. See note 32 in the consolidated financial statements for further details of related party transactions.

13 Auditor's remuneration

Auditor's remuneration is disclosed in note 9 to the consolidated financial statements.

14 Dividends

\$ million	2013	2012
<i>Declared and paid during the year</i>		
Final dividend for 2012: 6.7 pence (2011: 10.0 pence) per ordinary share	7.9	12.5
Interim dividend for 2013: 3.3 pence (2012: 3.3 pence) per ordinary share	5.0	3.9
Dividends paid	12.9	16.4
<i>Proposed for approval by the shareholders at the AGM</i>		
Final dividend for 2013: 6.7 pence (2012: 6.7 pence) per ordinary share	9.9	8.5

The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Shareholders' information

Company Secretary	Andrew Bradshaw
Registered Office	APR Energy plc 54 Baker Street, London W1U 7BU
Auditor	Deloitte LLP London Chartered Accountants
Registrar	Capita Asset Services, The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Tel 0871 664 0300 Overseas +44 20 8639 3399 Email SSD@capita.co.uk
Financial Advisers	Numis Securities Ltd, London JP Morgan Cazenove, London

Annual General Meeting

Notice is hereby given that the Annual General Meeting of APR Energy plc will be held at 10 00am on 20 May 2014 at the offices of JP Morgan Cazenove Holborn Bars, 138-142 Holborn, London EC1N 2NQ

Dividend

Full details on the dividend amount per share can be found on page 39 of this report. Set out below is the relevant information for the proposed final dividend for the year ended 31 December 2013

Ex-dividend date	2 April 2014
Dividend record date	4 April 2014
Dividend payment date	3 June 2014

Dividends will be paid via cheque or shareholders can arrange for payment to be made by mandate directly to their bank or building society account. Any shareholder wishing dividends to be paid directly into a bank or building society account should contact Capita Asset Services' helpline on 0871 664 0300, from within the UK, or +44 208 639 3399 from outside the UK. Calls to the 0871 number cost 10 pence per minute plus your service provider's network extras, lines are open Monday to Friday 8 30 a.m. to 5 30 p.m. Alternatively a form may be downloaded from capitaassetservices.com where you can also set up a dividend mandate online. Dividends paid by mandate will be paid through the Bankers Automated Clearing System (BACS).

Financial calendar

Full Year results announced

26 March 2014

Annual Report posted

April 2014

Annual General Meeting

20 May 2014

Q1 Interim Management Statement

20 May 2014

Interim results announced

27 August 2014

Glossary

\$

United States Dollars (unless otherwise noted)

Adjusted EBITDA

Operating profit adjusted to add back depreciation of property, plant and equipment equity-settled share-based payment expense, amortisation of intangible assets and exceptional items. Exceptional items are those items believed to be exceptional in nature by virtue of size and/or incidence.

Adjusted EBITDA margin

Adjusted EBITDA divided by revenue

Adjusted earnings per share

Adjusted net income divided by the weighted average number of ordinary shares. The weighted average number of ordinary shares used to calculate the 2013 adjusted basic earnings per share was 81 044,059.

Adjusted Issue Price

The placing price of the issue of 40 514,700 ordinary shares pursuant to a placing on behalf of the Company on 9 February 2010 as adjusted appropriately for matters such as any subsequent consolidation or subdivision of the ordinary shares or allotment of ordinary shares by capitalising the Company's profits or reserves and as reduced by the Value Return (if any) and by the Discount Value (if any), as such terms are defined in the Readmission Prospectus.

Adjusted net income

Adjusted net income is net income adjusted to add back amortisation of intangible assets and exceptional items. Exceptional items are those items believed to be exceptional in nature by virtue of size and/or incidence.

Adjusted ROCE (return on capital employed)

Operating profit for the previous twelve months adjusted to add back amortisation of intangible assets and exceptional items divided by the average of the net operating assets at the previous three balance sheet dates (for 31 December 2013 this comprises the 31 December 2013, 30 June 2013 and

31 December 2012 and for 31 December 2012 this comprises the 31 December 2012, 30 June 2012 and 31 December 2011). "Net operating assets" is defined as total equity adjusted to exclude goodwill, intangible assets, borrowings, Founder securities, deferred tax assets and liabilities and current tax assets and liabilities.

AERMOD (Atmospheric dispersion modelling)

Used for modelling, analysing and visualising emissions dispersion.

Annual General Meeting (AGM)

Meeting of shareholders of the Company held each year to consider ordinary and special business as provided in the Notice of AGM.

APR Energy plc

APR Energy plc, a limited liability company incorporated in the United Kingdom with registered number 7062201. APR Energy plc (the "Company" and together with its subsidiaries, "APR Energy" or the "Group").

APR Group

APR Cayman Limited, an exempted company incorporated with limited liability under the Laws of the Cayman Islands and Falconbridge Services, LLC, a Florida limited liability company (providing certain management and other services to Group companies) together with their respective subsidiaries.

Articles of Association or Articles

The articles of association of the Company in force from time to time.

Board

The board of directors of the Company.

Capacity or Fleet Capacity

"Capacity" represents the aggregate megawatt capacity that the APR Group's power generating equipment, including both owned and leased equipment, would be capable of delivering when operating at 100 per cent of their power output. The Directors consider committed capacity to be an important indicator of the APR Group's revenue generating capability.

CO₂

Carbon Dioxide

Code

2010 edition of the UK Corporate Governance Code (followed voluntarily).

Companies Act or Act

The Companies Act 2006, as amended.

Contracted utilisation

Contracted utilisation represents the proportion of the Group's fleet capacity subject to contract at a given point in time.

Deferred shares

The deferred shares of 1 pence each in the capital of the Company, subsequently purchased by the Company in 2012 for a total consideration of 1 pence.

EIA

US Energy Information Administration.

Falconbridge Acquisition Agreement

The agreement between the Company, the Subsidiary and JCLA Holdings, LLC dated 13 June 2011 relating to the acquisition of the entire issued share capital of Falconbridge.

Founder securities

The C ordinary shares of 99 pence each in the capital of APR Energy Holdings Limited.

FCA

UK Financial Conduct Authority.

FSMA

The Financial Services and Markets Act 2000 of the UK, as amended.

g/kWh

Emissions in grammes per kilowatt hour.

GEPM

Gas engine power module.

Hub

Service centre with large items of equipment for storage, service and deployment.

Hz

Hertz – a unit of frequency

IEA

The International Energy Agency

IFRS

International Financial Reporting Standards

kVA

A thousand volt amperes

KwH

Kilowatt hours

Listing Rules

The listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time

MVAR

Mega Volt Ampere Reactive

MW

Megawatt – a million watts of electricity

MW-Month

Megawatt months

NO_x

Nitrogen oxides Pollutants created through combustion at high temperatures
Comprises nitric oxide and nitrogen dioxide

Official List

The official list maintained by the UK Listing Authority

O&M

Operation and maintenance

OPEC

Organisation of Petroleum Exporting Countries

Operating Board

Board of directors of APR Energy Holdings Limited

Order book

Contracted future orders expressed as MW-Months

Ordinary shares

The ordinary shares of 10p each in the capital of the Company

Peak shaving

Reduction of the amount of electricity drawn from a power utility in designated peak time periods

PP&E

Property, plant, and equipment

Premium Listing

A premium listing under Chapter 6 of the Listing Rules

Readmission Prospectus

The prospectus dated 15 September 2011 for the admission and readmission of the Company's Ordinary Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities

Regional Hub

Service distribution and commercial centre located in strategic global regions that handles large items of equipment for storage, service and deployment

RFP

A request for proposal – used to secure bids for the provision of specified services

Securities Act

US Securities Act of 1933, as amended

Standard Listing

A standard listing under Chapter 14 of the London Stock Exchange Listing Rules

Notes

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[illegible]



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