15 May 2012

Drax Group plc
(“Drax” or the “Group”)

Symbol:DRX

Interim Management Statement

Drax today publishes its interim management statement for the period from 1 January 2012 to date.

Trading Performance

Trading conditions in the commodity markets in which we operate have improved so far this year, except for domestic coal, where some of our suppliers are facing difficult challenges.

We have taken advantage of better dark green spreads to strengthen our contracted position, including additional power sales of 3.3TWh and 4.9TWh for 2012 and 2013 respectively compared to the position reported in our preliminary results announcement in February. We have also continued to deliver good operating performance.

These factors currently underpin our expectations for the full year, which remain unchanged.

Positions Under Contract for 2012, 2013 and 2014

As at 8 May 2012, the positions under contract for 2012, 2013 and 2014 were as follows:

	2012	**2013**	**2014**
Power sales (TWh) comprising:	25.3	14.0	3.7
– Fixed price power sales (TWh)	20.4	11.4	1.1
at an average achieved price (per MWh) (1)	at £52.8	at £52.6	at £56.7
– Fixed margin and structured power sales (TWh) (2)	4.9	2.6	2.6
CO_2 emissions allowances hedged, including UK NAP allocation, market purchases, structured contracts, and benefit of biomass co-firing (TWh equivalent)	25.1	14.2	3.7
Solid fuel at fixed price/hedged, including structured contracts (TWh equivalent)	25.6	16.4	11.2

Notes to Positions Under Contract:

(1) Fixed price power sales include approximately 3.0TWh supplied to Centrica in the period 1 January 2012 to 8 May 2012 under the five and a quarter year 600MW baseload contract which commenced on 1 October 2007 and the five year 300MW baseload contract which commenced on 1 October 2010.

(2) Fixed margin and structured power sales include approximately 4.9TWh in 2012 and 2.6TWh both in 2013 and 2014 in connection with the above contracts. Under these contracts the Group will supply power on terms which include Centrica paying for coal, based on international coal prices, and delivering matching CO_2 emissions allowances amounting in aggregate to approximately 7.2 million tonnes in 2012 and 2.4 million tonnes in each of 2013 and 2014. The contracts provide the Group with a series of fixed dark green spreads, with the spreads in the first contract having been agreed in the first quarter of 2006 and with those in the second contract having been agreed in October 2009.

We will next update the market on the Group's positions under contract on 31 July 2012, when we announce our half year results for the six months ending 30 June 2012.

In 2011, as part of a review of renewables support, the Government announced its intention to maximise the deployment of the cheapest renewable technologies, and so proposed increased support for electricity fuelled by sustainable biomass in existing coal-fired power stations. As previously described, Drax is ready to transform itself into a predominantly biomass fuelled generator, but to do so we need an appropriate level of regulatory support, and to that end we look forward to the timely conclusion of the Government's current review.

Other than as described above, there have been no material events or transactions, nor any material change in the underlying financial position of the Group during the period.

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