

Company profile

Drax is a power generation business operating principally in the commodity markets of power, coal, biomass and carbon.









We purchase coal, biomass and carbon allowances from both UK and international suppliers.

We currently generate around 7% of the UK's electricity and trade power in the electricity wholesale market of Great Britain.

Through the effective alignment of our trading, production and investment strategies we manage our exposure to commodity price risks, operate and maintain our generating facilities and pursue economic carbon abatement, all to deliver shareholder value.

We are embarking on a growth strategy for the business, with the intention of developing 900MW of dedicated biomass-fired power generating capacity and to add to the value of the business in future years.

Principal performance indicators and summary of operational achievements during 2008

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| <p>Total revenue</p> <p>£1,753 million (2007: £1,247 million)</p> <p> Read more: Page 12</p> | <p>Average achieved price of electricity</p> <p>£58.3 per MWh (2007: £45.3 per MWh)</p> <p> Read more: Page 16</p> |
| <p>Net sales</p> <p>25.4TWh (2007: 24.9TWh)</p> <p> Read more: Page 12</p> | <p>Gross profit⁽¹⁾</p> <p>£683 million (2007: £701 million)</p> <p> Read more: Page 12</p> |
| <p>EBITDA⁽²⁾</p> <p>£454 million (2007: £506 million)</p> <p> Read more: Page 13</p> | <p>Health and safety (lost time injury rate)</p> <p>0.10 (2007: 0.34)</p> <p> Read more: Page 31</p> |
| <p>Plant availability⁽³⁾</p> <p>86% (2007: 86%)</p> <p> Read more: Page 16</p> | <p>Load factor</p> <p>76% (2007: 75%)</p> <p> Read more: Page 17</p> |

Notes:

(1) Gross profit is defined as total revenues less total fuel costs of £1,070 million (2007: £546 million).

(2) EBITDA is profit before interest, tax, depreciation and amortisation, exceptional items and unrealised gains on derivative contracts.

(3) In both 2007 and 2008, two units underwent major planned outages.