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Hannon Armstrong Completes \$84 million Sustainable Yield Bond™ Offering with BlackRock Accounts, Moody's Green Bond Assessment and CarbonCount®

Investments in energy efficiency and solar energy in over 90 public schools and across 4 states

ANNAPOLIS, Md., March 27, 2017 /PRNewswire/ -- Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("Hannon Armstrong") (NYSE: HASI) and accounts managed by BlackRock today announced the completion of an \$84 million offering of Sustainable Yield Bonds ("SYBs") by Hannon Armstrong in which BlackRock arranged institutional financing. The SYBs were issued by an indirect subsidiary of Hannon Armstrong and financed efficiency and solar assets in over 90 public schools and over 20 local government properties across four different states. The non-recourse bonds, issued at par, have a 4.35% fixed rate coupon and a 20-year life and have a *CarbonCount* score of 0.27 metric tons of greenhouse gas per \$1,000.



"By issuing SYBs we are able to increase our leverage and the amount of fixed-rate debt, moving us towards our targets of 2.5:1 leverage and 60%-85% fixed-rate debt," said Jeffrey Eckel, President & CEO of Hannon Armstrong. "With a 0.27 *CarbonCount* rating, investors have a quantitative measure of impact. In addition, achieving Moody's highest green bond assessment provides additional investor comfort that while they are making sound financial investments, the investments also have a positive environmental profile."

"As part of BlackRock's commitment to sustainability, we are pleased to partner with Hannon Armstrong on a project with such tangible impact," said Jeetu Balchandani, Head of the North American Infrastructure Debt team at BlackRock. "We are confident that this high-

quality transaction will deliver value for our clients."

Moody's Investors Service assigned the notes a Green Bond Assessment ("GBA") of GB1- its highest GBA grade. "The transaction achieves the highest weighted score corresponding to a GB1 Grade due, in part, to the fact that all of the proceeds from the green bond offering will be allocated to eligible environmentally beneficial projects based on Hannon Armstrong's criteria for selection," said Tiphany Lee-Allen, Assistant Vice President – Analyst, Public Finance Group at Moody's. "Considered by an experienced team benefiting from a long management tenure with a focus on achieving GHG reductions and other environmental benefits, only projects that are net neutral or positive in nature are considered."

"The *CarbonCount* score reflects the energy and environmental benefits of the assets, which are expected to annually offset over 24,000 metric tons of carbon dioxide emissions and save over 34 million gallons of water," said Kateri Callahan, president of the Alliance to Save Energy, which developed and owns the *CarbonCount* scoring tool.

In addition to reducing carbon emissions and saving water, the efficiency upgrades will improve the indoor air quality and learning environments for over 18,000 school children.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, and there shall not be any offer or sale of these securities in any state in which such offer, solicitation or sale would be unlawful.

About Hannon Armstrong

Hannon Armstrong (NYSE: HASI) invests in sustainable infrastructure markets, including energy efficiency and renewable energy. Hannon Armstrong focuses on providing preferred or senior level capital to established sponsors and high credit quality obligors for assets that generate long-term, recurring and predictable cash flows. Hannon Armstrong is based in Annapolis, MD. For additional information, please visit Hannon Armstrong's website at www.hannonarmstrong.com

About BlackRock

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At December 31, 2016, BlackRock's AUM was \$5.1 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. As of December 31, 2016, the firm had approximately 13,000 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit BlackRock's website at www.blackrock.com | Twitter: @blackrock_news | Blog: www.blackrockblog.com | LinkedIn: www.linkedin.com/company/blackrock

About BlackRock Real Assets

BlackRock, the largest investment manager in the world, sits at the intersection of global

capital and Real Asset investing opportunities. With deep industry expertise, demonstrated access to proprietary deals and a purely fiduciary mindset, our experienced investment professionals leverage BlackRock's risk management capabilities, global reach and deep local presence to deliver compelling investment opportunities to meet our clients' needs. BlackRock provides investors with Private Real Estate Debt & Equity, Real Estate Securities and Infrastructure Debt & Equity via funds, co-investments and managed accounts, and currently has over \$30 billion in invested and committed Real Estate and Infrastructure assets and capital as of December 31, 2016. Our team is comprised of over 300 professionals and is based in 23 offices globally.

Forward Looking Statements

Some of the information in this press release contains forward-looking statements and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this press release, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements include those discussed under the caption "Risk Factors" included in Hannon Armstrong's and BlackRock's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which was filed with the U.S. Securities and Exchange Commission ("SEC"), as well as in other reports that filed with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this press release. Hannon Armstrong and BlackRock disclaim any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this press release.

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SOURCE Hannon Armstrong Sustainable Infrastructure Capital, Inc.