



## PRESS RELEASE

Luxemburg, 21<sup>st</sup> October 2016

### **CANCELLATION OF THE CABUI CONCESSION**

Velcan SA announces that The Brazilian Regulatory Authority (Aneel) has cancelled the Cabui Project concession attributed in 2014 to Velcan.

To keep the concession active, Velcan would have had to give a security deposit of USD 1.7m which would have been lost in case the project is eventually not built or is delayed. The current economic crisis, the recent marked preference of the Brazilian Government preference for Wind and Solar power, the interest rate increases of the government infrastructure bank (BNDES) and the highly variable currency contribute to a difficult planning environment. Given of the above and the current uncertainty of demand in the Brazilian energy market, Velcan does not think it was worth risking such an amount of money.

The cost capitalized on Cabui project, including land acquisition, had already been fully impaired in the past years and this cancellation will not have any negative impact on the net result of the Group.

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Investor Relations Contact

[investor@velcan.lu](mailto:investor@velcan.lu)



**About Velcan:**

Velcan (ALVEL FP) is a company from Luxemburg, developing and operating hydroelectric concessions in emerging countries such as India, Indonesia, and Brazil.

Velcan also operates administrative and financial offices in Singapore, Mauritius and Dubai.

The company was launched more than 10 years ago by its reference shareholder Luxembourg Hydro Power SA, owned by Velcan's management team and Crédit Agricole Capital Investissement & Finance.

Velcan is listed on the Paris Stock Market (Euronext Alternext/Ticker ALVEL/ISIN FR0010245803).

Velcan never performed any Public Offer as understood under Directive 2003/71/CE of the European Parliament and Council.

**Disclaimer**

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*This press release contains prospective information about the potential of the projects in progress and/or of the projects of which the development has begun. This information constitutes objectives attached to projects and shall not be construed as direct or indirect net income forecast of the concerned year. Reader's attention is also drawn on the fact that the performance of these objectives depends on future circumstances and that it could be affected and/or delayed by risks, known or unknown, uncertainties, and various factors of any nature, notably related to economic, commercial or regulatory conjuncture, which occurrence could be likely to have a negative impact on future activity and performances of the Group.*

*This announcement does not constitute a public offering ("offre au public") nor an invitation to the public or to any qualified investor in connection with any offering. This announcement is not an offer of securities in the United States of America or in any other jurisdiction/country.*

