



ALBIOMA

PRESS RELEASE

PARIS LA DÉFENSE, JULY 22, 2014

FIRST-HALF 2014 RESULTS

Excellent start to operations at the Thermal Biomass plant in Brazil
Albioma wins a contract for a 40 MW peak-power plant project on Reunion Island

Albioma's Board of Directors, chaired by Jacques Pétry, met on July 22, 2014 and approved the Group's consolidated financial statements for the half-year ending June 30, 2014.

Jacques Pétry reports:

"We have stepped up our growth-oriented capital investment over the first six months of the year.

We are delighted with the excellent start to operations at our first Thermal Biomass plant in Brazil, which is already having a significant positive impact on our results. We have also won an order to build a new 40 MW peak-power plant on Reunion Island.

These projects are entirely consistent with our strategy of focussing on profitable growth in France and Brazil."

KEY FIGURES FOR THE HALF-YEAR ENDED JUNE 30, 2014

<i>In millions of euros</i>	Excluding retroactively and non-recurring items			Published	
	H1 2014	H1 2013	Var. %	H1 2014	H1 2013
Revenue	166.7	183.9	-9%	166.7	183.9
EBITDA	60.1	61.8	-3%	64.1	75.6
Net income (Group share)	17.7	16.3	+9%	20.7	28.2



Buoyed by excellent results at the Brazilian plant and strong performance in the Solar Power business, the Group has maintained strong profitability despite the decrease in the fixed premium at Albioma Le Moule, a return to a normal (15-20%) call rate at the Le Galion peak-power plant and two technical incidents on Reunion Island and in Guadeloupe, which impacted revenues:

- EBITDA excluding retroactivity and non-recurring items slipped slightly, to €60.1 million (-3%);
- Net income (Group share) excluding retroactivity and non-recurring items increased by 9% to €17.7 million, as a result of improved net financial income and a reduced tax charge.

HIGHLIGHTS FROM THE FIRST HALF OF 2014

BRAZIL

Excellent start to operations at the Brazilian unit

The sugar harvest began on April 22, 2014. Albioma's cogeneration plant has since been operating at a very high level of availability (99.8%) and at high energy efficiency, in line with published objective (28.7 GWh generated).

During the first half-year, the Group sold its electricity production on the spot market, benefiting from exceptional prices resulting in revenue of €5.4 million and EBITDA of €3 million for the half-year ended June 30, 2014, after only two months and six days in operation.

Albioma has sold at a fixed price approximately 60% of its planned electricity sales for the period extending from the second half of 2014 to the end of 2016, locking in high prices caused by the recent drought and low hydroelectric dam levels.

The Group has confirmed its intention to develop a new project in Brazil every 12 to 18 months.

FRANCE

Thermal Biomass activity levels holding up well

The Thermal Biomass business proved resilient in the face of technical incidents that affected plant availability. These incidents affected the Bois-Rouge plant on Reunion Island (where a malfunctioning turbine generator prompted a decision to bring forward the plant's annual maintenance outage) and the Le Moule plant in Guadeloupe (which experienced a short-circuit affecting a generator stator). Overall availability for the first half of 2014 was 87.6%, compared with 89.9% in the first half of 2013.

Power generation by Albioma's French plants thus totalled 1 TWh, also reflecting the decrease in the call rate at the Le Galion peak-power plant in Martinique.

In view of the strong performance by the remaining facilities, and with the necessary repairs now well underway, the Group is able to confirm its full-year thermal plant availability target of 90 to 92% for 2014.



Anaerobic Digestion units - Industrial process optimisation phase

Production ramp-up continues at the Group's first two facilities, Tiper and Capter (in the Deux-Sèvres department), with the aim of reaching full-power operation during the second half of 2014. The go-ahead was also given for the construction of three new 1 MW facilities.

The Group's technical staff are working to optimise the industrial operation of the existing plants.

Albioma intends to commit to additional new projects, subject to confirmation of the profitability of the initial plants already in operation.

Very strong performance by the Solar Power business

Photovoltaic electricity generation increased by 2% to 47 GWh in the first half of 2014, as a result of excellent sunshine conditions in all regions, and in particular on Reunion Island.

Albioma will commission its first photovoltaic power plant with storage facilities, with an installed capacity of 1 MW on Reunion Island in August 2014.

MAURITIUS

Solid performance by the Thermal Biomass plants

The overall availability rate for the thermal power plants in Mauritius increased to 91.3% in the first half of 2014. Power generation also increased by 4% to 572 GWh.

In accordance with AMF Recommendation no. 2011-16, the share of net profit generated by the Mauritian units, previously consolidated using the equity method, is henceforth included in the Group's consolidated operating income (EBITDA and EBIT).

A STRONG BALANCE SHEET TO SUPPORT GROWTH

The Group strengthened its balance sheet in June 2014 via a "Euro PP" private bond issue for a total amount of €80 million, which will mature in December 2020. The annual yield is 3.85%. Through this operation, the Group's existing long-term corporate debt – due to mature in February 2015 – was refinanced on very favourable terms, significantly extending its maturity and diversifying the Group's funding sources. At the same time, Albioma renewed its short-term banking credit lines by setting up a €40 million revolving credit facility (not drawn down as of June 30, 2014).

For the first time in three years, Albioma significantly stepped up its growth-oriented capital investment, which totalled €47.7 million in the first half of 2014. The Group reported consolidated net debt of €450 million, slightly higher than the figure for December 31, 2013 as a result of investment in Brazil. At €104 million, the Group's cash position remained stable compared to December 31, 2013.

SIGNIFICANT PROGRESS ON TWO PROJECTS IN OVERSEAS FRANCE

Albioma submitted the winning bid for a project to build and operate a new 40 MW innovative peak-power plant on Reunion Island

This project, featuring a 40 MW combustion turbine, represents an investment of €45 million. Albioma will have a 51% interest in the plant, alongside the 49% interest of its sugar refining partners.



The new facility will address growing energy requirements by the southern part of the island. It is scheduled to begin operating in the second half of 2016. A long-term (25-year) electricity supply contract will be agreed with EDF.

This unit will be the first French peaking power plant to operate essentially using biomass, burning second-generation biofuel (ethanol from a molasses distillery) supplied by the Group's sugar refining partners on Reunion Island and Mauritius.

The French energy regulation commission (*Commission de Régulation de l'Énergie - CRE*) is expected to issue its approval of the electricity supply contract during the second half of 2014.

Galion 2: EDF submits the draft bagasse/biomass amendment to the French energy regulation commission (CRE)

The draft amendment to the supply contract originally concerning bagasse/coal-based operation by the Galion 2 plant has been submitted to the French energy regulation commission (*CRE*) by EDF. The commission (*CRE*) is expected to approve the contract during the second half of 2014 and the plant is scheduled to begin operating in the second half of 2016.

CONFIRMED OUTLOOK AND EARNINGS OBJECTIVES

Albioma is able to confirm its earnings objectives for the 2014 and 2016 financial years.

<i>In millions of euros</i>	2014	2016
EBITDA	123-126	160-63
Net income (Group share)	33-35	40-42

Next on the agenda: release (post-trading) of revenue figures for the third quarter of the 2014 financial year on October 28, 2014.

ABOUT ALBIOMA

Using its unique expertise in exploiting bagasse (a by-product of sugar cane), Albioma is able to produce electric energy from every type of biomass through a cogeneration process. The Group is also a pioneer of agricultural anaerobic digestion in France. Its ambition is to be recognized as agri-businesses' partner of choice for turning biomass into a highly-effective source of energy without conflict over use. In addition, Albioma develops and operates high-margin solar projects.

For further information, please visit www.albioma.com

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