ALBIOMA

PRESS RELEASE
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FIRST-HALF 2015 RESULTS

Results hampered by operating problems in Guadeloupe

Signing of two long-term contracts for the sale of electricity in Brazil

Work begins on construction of the Galion 2 plant

The Board of Directors of Albioma met on 27 July 2015 and approved the Group's consolidated financial statements for the half-year ending 30 June 2015.

Jacques Pétry, Chairman & CEO reports: *"The first half of the year was challenging for the Thermal Biomass business in France. Our teams worked together to get the plants back on track as quickly as possible and to ensure that availability levels are in line with our target of 90%-92% in the coming years. Our development in France and Brazil is taking shape with the launch of construction of the Galion 2 plant in Martinique and the imminent completion of the acquisition of 65% of Codora Energia."*

KEY FIGURES FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Excluding non-recurring items			Reported	
In millions of euros	**H1 2015**	**H1 2014**	***% change***	**H1 2015**	**H1 2014**
Revenue	164.0	166.7	-2 %	164.0	166.7
EBITDA	50.2	60.1	*-16 %*	50.2	64.1
Net income (Group share)	9.5	17.7	*-46 %*	9.5	20.7

Revenue for the first half of 2015 was stable at €164 million, boosted in particular by the excellent performance of the Galion peaking plant.

Consolidated EBITDA for the first half of 2015 stood at €50.2 million, down 16% on the first half of 2014 (€60.1 million excluding non-recurring items).

Net income (Group share) for the period came in at €9.5 million, compared with €17.7 million in the first half of 2014 (excluding non-recurring items).

HIGHLIGHTS FROM THE FIRST HALF OF 2015

FRANCE

Thermal Biomass

Plant availability stood at 82.9%, compared with 87.6% in the first half of 2014. The lower performance was mainly due to the strike in Guadeloupe in the first two months of the year, which decreased plant availability by 3.1%, and to the technical incident at the Le Moule plant in late April, which reduced availability by 3.4%.

The work to rehabilitate the Le Moule plant is ongoing. Operating losses exceeding the excess charge have been covered by the Group's insurance programme since 5 June 2015. Following this incident, the Group is implementing a plan to strengthen its safety procedures, modify some items of equipment and increase its stock of strategic parts.

The B unit of the Le Gol power plant, which experienced an incident on 25 May 2015, has been back in operation since 1 June 2015 (1.9% decrease in availability).

The other plants achieved good performances over the period. In particular, the Galion peaking plant operated with a high call rate of 31.8% during the first half.

Accordingly, EBITDA for the Thermal Biomass France business was €35.5 million, compared with €42 million at the end of the first half of 2014. Power generation for the period came in at 951 GWh, compared with 1,006 GWh in the first half of the previous year.

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Albioma's request for compensatory price adjustments for the extra costs incurred since 2013 and resulting from changes in the regulations applicable to combustion by-products, was submitted by EDF to the French energy regulator (Commission de Régulation de l'Énergie) for approval.

The first tranche (Gol B) of the €200 million programme of modernisation of emission treatment (IED) at the existing Thermal Biomass plants was the subject of an amendment to the agreement with EDF with a view to obtaining compensatory adjustments for building and operating costs. Amendments for other tranches will be negotiated with EDF in the coming months.

Solar Power

Electricity generation from the Solar Power activity held steady during the period at 46 GWh, compared with 47 GWh in the first half of 2014.

Solar Power EBITDA came to €16 million during the period, compared with €15.5 million in the first half of 2014 (excluding non-recurring items).

MAURITIUS: PLANTS PERFORM WELL

The availability rate of Mauritian facilities in the first half of 2015 was 89.6% compared with 91.3% in same period last year. Power generation was down at 554 GWh, compared with 572 GWh in the first half of 2014.

The business recorded EBITDA of €1.2 million (share of income from associates) during the first half of the year, an increase on the previous year's first half figure of €0.8 million.

BRAZIL

Rio Pardo Termoelétrica: increase in generation

EBITDA for the plant was €1.9 million during the period, compared with €4.4 million in the first half of 2014. This difference can be explained as follows:

- power generation since the start of the sugar harvest (26 March 2015) was up at 36 GWh from 28.7 GWh (harvest starting 22 April 2014) in the first half of 2014, despite a lower fibre content than the previous year;

- In the first three months of 2015, Rio Pardo Termoelétrica bore all of the costs of scheduled maintenance in the period between harvests (when no income is produced), which was not the case in the first half of 2014 since the acquisition was completed in April;
- the average selling price of the electricity generated by the plant was exceptionally high in 2014;

Codora Energia: acquisition currently being finalised

The conditions precedent for the acquisition of a 65% stake in Codora Energia, the owner of a 48 MW cogeneration plant in the State of Goiás, are expected to be met soon.

Albioma has been overseeing the operation of the plant since the start of the sugar harvest.

Signing of two long-term contracts for the sale of electricity

The Albioma model, which is based on long-term power contracts, is being gradually implemented in Brazil.

The first half of the year provided Rio Pardo Termoelétrica with an opportunity to secure the long-term sale (20 years) of around 50% of its production (82 GWH per year) at the historically high price of BRL 212/MWh linked to inflation.

Codora Energia meanwhile has signed a contract for the long-term sale of 54 GWh per year for 20 years from 2020 at the remarkable price of BRL 278/MWh linked to inflation.

ANAEROBIC DIGESTION: IMPROVEMENT OF OPERATING PERFORMANCES IN AN UNFAVOURABLE PRICING FRAMEWORK

The Anaerobic Digestion activity's first two plants, Tiper and Capter, significantly improved their operating performances in the first half of the year. The Sainter plant (0.5 MW) was commissioned in April 2015.

A significant increase in feed-in tariffs is still needed for the industry to be economically viable.

FINANCIAL POSITION: A STRONG BALANCE SHEET

Gross financial debt for the period was down slightly (1%) to €532 million. Project debt decreased by 2% to €451 million at 30 June 2015.

The first six months of the year ended with a cash position of €87 million (including €6 million in security deposits) reflecting a high level of investment over the period, particularly in connection with the construction of Galion 2 in Martinique and the acquisition of 14 photovoltaic plants on Reunion Island with a total power generating capacity of 3 MWc.

At the end of the first half of 2015, net financial debt was up by a slight 3% on 31 December 2014, at €445 million.

THE GALION 2, REUNION ISLAND COMBUSTION TURBINE AND GOL B IED PROJECTS ON TRACK

The first half of 2015 saw concrete progress made in the implementation of the €1 billion 2013-2023 investment plan.

The Group put in place a long-term loan of €120 million on very favourable terms and launched construction of the Galion 2 plant in Martinique. The plant is scheduled to begin operating in the first half of the 2017 financial year.

In January 2015, the Group signed a 25-year contract for the sale to EDF of electricity produced by the future Saint-Pierre combustion turbine plant on Reunion Island. Applications for building permission and a licence to operate the plant are currently being examined and should be granted by the end of the year. The works are expected to last 12 months.

Finally, the Group has started work on bringing unit B of the Gol plant into compliance with the future IED environmental standards.

2015 AND LONG-TERM OUTLOOK

The Group confirms its revised 2015 guidance for EBITDA and net income (Group share) as announced on 27 May 2015, as well as its ambition to double the amount of invested capital during the 2013-2023 period, which is expected to result in the doubling of net income (Group share).

Next on the agenda: release (pre-trading) of third quarter results for the 2015 financial year on 28 October 2015.

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APPENDICES

CONDENSED CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2015

In millions of euros	**H1 2015**	**H1 2014**	**Change**
Revenue	164.0	166.7	-2%
EBITDA[1]	**50.2**	**64.1**	**-22%**
Depreciation/amortisation & provisions	(19.6)	(20.3)	+3%
Operating income[1,2]	30.6	43.8	-30%
Net financial expense	(12.5)	(10.9)	-14%
Tax	(7.3)	(10.1)	+28%
Effective tax rate	*43.2%*	*31.6%*	
Consolidated net income	10.8	22.7	-52%
Income from non-controlling interests	*1.3*	*2.0*	
Net income (Group share)	**9.5**	**20.7**	**-54%**
Net income per share (consolidation scope)	*0.32*	*0.71*	*-55%*

Notes

1. EBITDA is operating income including the share of net income from associates.
2. Operating income includes €0.8 million in non-current income in H1 2015 and €5 million in H1 2014.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2015

In millions of euros	**30/06/2015**	**31/12/2014 reported**
ASSETS		
Goodwill	10.6	10.6
Intangible assets & property, plant and equipment	901.0	880.8
Other non-current assets	40.7	42.9
Total non-current assets	**952.3**	**934.3**
Current assets	117.4	113.3
Cash and cash equivalents	81.5	103.1
Total assets	**1,151.2**	**1,150.8**
EQUITY & LIABILITIES	**117.4**	**113.3**
Equity, group share	335.0	342.9
Non-controlling interests	50.4	52.6
Total equity	**385.3**	**395.5**
Current and non-current financial liabilities	532.3	539.5
Other non-current liabilities	123.1	129.1
Current liabilities	110.4	86.7
Total liabilities	**1,151.2**	**1,150.8**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2015

In millions of euros	**H1 2015**	**H1 2014 reported**
Cash flow from operations	52.4	64.6
Change in working capital requirements	(0.7)	(8.9)
Tax paid	(6.8)	(17.3)
Net cash flow from operating activities	**44.9**	**38.4**
Operating capex	(10.2)	(7.7)
Free cash flow from operations	**34.7**	**30.7**
Development capex	(19.8)	(9.0)
Other/Acquisitions/Disposals	(10.4)	(38.7)
Cash flow from investing activities	**(30.2)**	**(47.7)**
Borrowings (drawn down)	5.4	99.1
Borrowings (repaid)	(17.8)	(72.8)
Cost of debt	(13.0)	(10.9)
Other	0.0	0.0
Net cash (net) from financing activities	**(25.5)**	**15.5**
Currency effect on cash	(0.7)	1.0
Net change in cash and cash equivalents	**(21.6)**	**(0.5)**
Opening cash and cash equivalents	103.1	104.3
Closing cash and cash equivalents	**81.5**	**103.8**