ALBIOMA

PRESS RELEASE
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FIRST-HALF 2016 RESULTS

Performance of French thermal power plants back to solid levels

Good half year in Brazil

Net income, Group share up 53%

Albioma's Board of Directors, which met on 26 July 2016 chaired by Jacques Pétry, approved the Group's consolidated financial statements for the half year ended 30 June 2016.

Frédéric Moyne, Chief Executive Officer, reports: "*The good performances achieved by our entire fleet of power plants, both in France and Brazil, are reflected in sound results for the first half of 2016. We confirm our guidance for EBITDA and net income (Group share) for the 2016 financial year.*

We are continuing with the construction of our Galion 2 bagasse/biomass plant in Martinique and have begun construction of the Saint-Pierre combustion turbine on Reunion Island, having secured finance on excellent terms. In Brazil, the signing of our third project demonstrates the relevance of our positioning. Lastly, with the awarding of the projects to build photovoltaic plants with integrated storage (5.9 MWp) under the terms of the latest call for tenders launched by the French Energy Regulatory Commission, we have strengthened our position as a leading player in energy transition in the areas in which we operate."

KEY FIGURES FOR THE HALF YEAR ENDED 30 JUNE 2016

In millions of euros	**H1 2016**	**H1 2015**	**Change**
Revenue	177.1	164.0	8%
EBITDA	65.4	50.2	30%
Net income (Group share)	14.5	9.5	53%

Due to the French thermal power plants once again delivering solid performances, the riders to the electricity purchase contracts signed with EDF and a good first half year in Brazil, revenue for the period totalled €177.1 million, up by 8% compared with the first half of 2015 (up 14% excluding the effect of raw material prices). EBITDA grew strongly, totalling €65.4 million, which was 30% higher than the €50.2 million for the first half of 2015. Net income (Group share) rose by more than 50% to €14.5 million, compared with €9.5 million in the first half of 2015.

HIGHLIGHTS FROM THE FIRST HALF OF 2016

FRANCE

Thermal Biomass business achieves solid performances

The plants' availability increased significantly during the first half of 2016 to 91.1% compared with 82.9% in the first half of 2015. Availability was adversely affected in the first half of 2015 by a strike in Guadeloupe and technical incidents that occurred at the Le Gol plant on Reunion Island and the Le Moule plant in Guadeloupe.

The availability rate at the Galion peaking power plant, highly sought after by EDF, remained high at 31.5% (compared with 31.8% for the same period last year) despite a 1-month shutdown for scheduled maintenance.

The electricity generated by the thermal power plants in Overseas France thus came to 1,047 GWh compared with 951 GWh in the first half of 2015.

This business' results benefitted also from the effect of the riders to the electricity purchase contracts signed with EDF in respect of the Albioma Le Gol and Albioma Bois-Rouge power plants, which enabled Albioma to be compensated for the costs of managing combustion by-products and processing liquid waste.

Therefore, in the first half of 2016, this business' EBITDA totalled €49.8 million (including €4.4 million in respect of the compensation, since 2013, for the extra costs borne by the Bois-Rouge power plant, as detailed above). This represents an increase of 40% compared with the first half of 2015 (€35.5 million).

Significant advances in the development of biomass projects in Overseas France

Construction of the Galion 2 bagasse/biomasse power plant (40 MW, €185 million investment) is continuing in Martinique. Completion of the civil engineering work on the boiler has enabled work to start on assembling the facilities. Commissioning of the plant is scheduled for the summer of 2017.

In early July 2016, Albioma Saint-Pierre, which is 51%-owned by Albioma, raised bank borrowing totalling €45 million on favourable terms, with a 22-year term, to finance construction of the Saint-Pierre combustion turbine plant on Reunion Island (41 MW, €60 million investment). Construction work has begun and commissioning of the plant is scheduled for late 2017.

Work has begun on bringing the Le Gol plant into compliance with the Industrial Emissions Directive (IED: €80 million investment). Finance totalling €135 million was raised during the half year with a view to financing the work and refinancing the plant's existing debt on very favourable terms.

Albioma achieves stable performance at its photovoltaic power plants and wins three projects for plants with integrated storage in a call for tenders launched by the French Energy Regulatory Commission

The Solar business' performance remained stable during the period, despite less favourable sunshine conditions than in the first half of 2015 in the West Indies, French Guyana and Europe.

Power generation totalled 47 GWh in the first half of 2016 compared with 46 GWh in the first half of 2015. This slight increase was due to the contribution throughout the first half of 2016 of the 14 power plants (3 MWp) acquired in April 2015 on Reunion Island.

EBITDA for this business came to €15.6 million in the first half of 2016 compared with €16.0 million in the first half of 2015.

Albioma was, in June 2016, selected as one of the winners in the call for tenders launched by the French Energy Regulatory Commission (*Commission de Régulation de l'Énergie*) on 18 May 2015 in areas that are not interconnected, for the construction of three projects for photovoltaic plants with integrated storage (5.9 MWp, investment of around €13 million) on Reunion Island (two rooftop projects with overall power generating capacity of 2.6 MWp) and in Guadeloupe (a ground-based project for a non-hazardous waste storage facility with power generating capacity of 3.3 MWp). Commissioning of the projects is scheduled for 2018/2019.

Albioma has thus confirmed its position as the leading generator of photovoltaic power in Overseas France.

Continuing strategic review of the Anaerobic Digestion business

Power generated by the three power plants in operation (10 GWh) remained stable over the period.

The business is not profitable and the strategic review announced during the first half of 2016 is still underway with a decision expected in the second half of 2016.

BRAZIL

A good first half 2016 for the two installations currently in operation and strategy to secure long-term sales continued

During the first half of 2016, the Albioma Rio Pardo Termoelétrica power plant achieved excellent technical performances, with a shutdown between harvests reduced to 40 days – a first in Brazil. The plant exported 56 GWh to the Brazilian power grid compared with 36 GWh in the first half of 2015.

The plant's revenue was affected, in the first half, by the return to normal, after two exceptional years, of the average selling price for exported electricity (BRL 210/MWh expected in 2016 compared with BRL 354/MWh in 2015). For the 2017 to 2019 period, the sale of 60% of the power generated by the plant has already been secured at a price of BRL 213/MWh (2016 base) indexed to inflation.

Codora Energia has experienced its first period between sugar harvests since it was acquired by Albioma in August 2015. The improvement in the plant's operating conditions resulted in a significant increase in generation during the first half year, with 52 GWh of electricity exported during the period compared with 37 GWh during the first half of 2015.

The plant's revenue was affected by the fall in the spot price in 2016, due to the non-secured portion (20%) of the plant's electricity sales. For the 2017-2019 period, the plant has currently secured the sale of 65% of its production at an average price of BRL 214/MWh (2016 base) indexed to inflation.

In order to reduce the future sensitivity of its revenue to the volatility of the spot price, the Group is continuing to implement its strategy of securing the sale of 70% to 80% of its plants' production on the free market or on the regulated market.

The business thus generated EBITDA of €1.4 million over the period, compared with a loss of €0.2 million in the first half of 2015.

A new investment fulfilling all the Group's selection criteria

The Group has announced the signing of a joint-venture agreement with Vale do Paraná, a mill in the State of São Paulo with the capacity to crush 2 million tonnes of sugar cane, with the aim of operating its cogeneration plant and building an extension increasing the generating capacity from 16 MW to 48 MW, 30 MW of which will be exported to the power grid. The Group will set up a dedicated company, which will be 40%-owned by the Group, to be responsible for this third project.

The sale of 80% of the production of this plant, which is scheduled to be commissioned in 2021, is already secured for 25 years, at an historically-high price of BRL 245/MWh (2016 base) indexed to inflation, thereby guaranteeing the profitability of the project. The investment in respect of this project, completion of which is subject to the lifting of precedent conditions, is estimated to be BRL 100 million (2016 base).

MAURITIUS

Power plants generate excellent performances

The Mauritian power pants generated excellent performances during the period, with an availability of 91.4%, which was higher than in the first half of 2015 (89.6%). Power generation increased to 590 GWh compared with 552 GWh in the first half of 2015.

EBITDA for this business, which is consolidated using the equity method, came to €1.3 million as against €1.2 million for the first half of 2015.

A SOLID BALANCE SHEET TO FINANCE GROWTH

Consolidated gross financial debt increased at the end of the first half of 2016 due to the effect of the financing raised for the projects currently under construction (Galion 2 and IED compliance). It totalled €611 million at 30 June 2016 (including 86% of long-term project debt, without recourse to the shareholder, with the exception of the Brazilian debt and the finance granted during the construction period) compared with €556 million at 31 December 2015.

The Group had cash totalling €103 million (including €6 million of guarantee deposits) at 30 June 2016, compared with €54 million (including €6 million of guarantee deposits) at 31 December 2015.

Consolidated net financial debt thus came to €508 million at 30 June 2016, compared with €502 million at 31 December 2015.

GUIDANCE CONFIRMED

The Group confirms its 2016 guidance for EBITDA of €122 million to €130 million and of net income (Group share) of €25 million to €30 million.

Next on the agenda: revenue for the third quarter of the 2016 financial year, on 26 October 2016 (before trading)

APPENDICES

CONDENSED CONSOLIDATED INCOME STATEMENT AS AT 30 JUNE 2016

In millions of euros	**H1 2016**	**H1 2015**	***Var. %***
Revenue	177.1	164.0	*+8%*
EBITDA	**65.4**	**50.2**	***+30%***
Depreciation/amortization	(24.8)	(19.6)	*-27%*
Operating income	40.5	30.6	*+33%*
Financial income	(13.6)	(12.5)	*-9%*
Tax	(11.3)	(7.3)	*-55%*
Effective tax rate	*44.1%*	*43.2%*	
Net income	15.7	10.8	*+45%*
Net income, Group share	**14.5**	**9.5**	***+53%***
Net earnings per share, consolidated Group	0.49	0.32	

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

In millions of euros	**30/06/2016**	**31/12/2015**
Assets		
Goodwill	13	13
Intangible assets and property, plant and equipments	995	958
Other non current assets	42	42
Total non current assets	**1,051**	**1,013**
Current assets	116	136
Cash and cash equivalents	98	48
Total assets	**1,265**	**1,198**
Liabilities		
Equity, Group share	337	348
Non controlling interests	65	61
Total equity	**402**	**409**
Current and non current financial debt	611	556
Other non current liabilities	136	123
Current liabilities	116	110
Total liabilities	**1,265**	**1,198**

CONDENSED CASH-FLOW STATEMENT AS AT 30 JUNE 2016

In millions of euros	**H1 2016**	**H1 2015**
Cash-flow from operations	67.4	52.4
Change in WCR	7.5	(0.7)
Tax paid	(16.9)	(6.8)
Net cash-flow from operating activities	**58.0**	**44.9**
Maintenance capex	(5.6)	(10.2)
Free cash-flow from operating activities	**52.4**	**34.7**
Development capex	(38.2)	(19.8)
Other / Acquisitions / Disposals	(0.2)	(10.4)
Cash-flow from investing activities	**(38.4)**	**(30.2)**
Dividends paid to Albioma SA shareholders	-	-
Borrowings (drawn down)	67.5	5.4
Borrowings (repaid)	(18.5)	(17.8)
Cost of debt	(13.8)	(13.0)
Other	(1.3)	-
Cash-flow (net) from financing activities	**33.9**	**(25.5)**
Currency effect on cash	0.8	(0.7)
Net change in cash and cash equivalent	**48.8**	**(21.6)**
Opening cash and cash equivalents	48.2	103.1
Closing cash and cash equivalents	**97.0**	**81.5**

ABOUT ALBIOMA

Albioma is an independent energy producer and world leader in the conversion of biomass into a highly-effective source of energy, in collaboration with its agri-business partners. For more than 20 years, Albioma has operated power plants recovering bagasse, a fibrous by-product of sugar cane, replaced by coal outside the sugar cane harvest. Its unique expertise has enabled Albioma to establish itself as an indispensable partner in the sugar and ethanol industry in the French overseas territories and Mauritius. Albioma is now developing power plants using only biomass, which recover, in addition to bagasse, green waste and wood industry residue. The Group also operates a highly-efficient photovoltaic installation and agricultural anaerobic digestion units. In 2014, the Group, which already had a presence in mainland France, the French overseas territories and Mauritius, began operating in Brazil, the world's leading sugar cane producer.

For further information, please visit www.albioma.com

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