

**4Energy Invest presents annual results
for the twelve month period ended 31 December 2012**

4Energy Invest, the Belgian renewable energy company that focuses on the valorisation of biomass into energy, announces its annual results for the twelve month period ended 31 December 2012 today.

Financial highlights (in '000 euro)

	31-12-12	31-12-11
Sales	18,836	11,764
Other operating income	750	1,262
Total operating income	19,586	13,026
Operating expenses		
Cost of sales	-11,316	-6,352
Personnel costs	-2,279	-973
Other operating expenses	-1,734	-1,525
Operating cash flow (EBITDA)	4,257	4,176
Depreciation, amortisation and provisions	-6,450	-3,371
Impairment of property, plant and equipment	-24,184	-3,471
Impairment of goodwill	0	0
Operating result (EBIT)	-26,377	-2,665
Financial income	8	7
Financial costs	-4,326	-2,796
Net financial costs	-4,318	-2,789
Result before tax	-30,695	-5,455
Income tax expense	-6,697	1,205
Result of the period	-37,392	-4,249

The start of the Ham cogeneration project exploitation has a major impact on all aspects of the consolidated income statement.

Turnover of the existing projects (Amel 1 and Amel 2) decreased, due to a 5% decrease in the electricity sales price and a 12% decrease in output quantity, caused by a three yearly scheduled major overhaul and by some unexpected outages. But this was compensated by the revenues generated by the Ham site, amounting to 8 mio euro.

Sales are composed of mainly 3 elements:

- Electricity injected into the grid generates 4.4 mio euro;
- Sale of certificates related to renewable energy (green certificates, CO2...): this is the major source of income (almost 14 mio euro);
- Sale of white wood pellets (produced by Amel 3): this component only began in the first half of 2012 and generated about 0.5 mio euro in sales.

Other operating income consists of insurance compensation for damages and delays.

The cost of sales over the year 2012 amounted to € 11.3 million, compared to € 6.4 million in 2011 and consisted of purchases of biomass, operating and maintenance expenses and other expenses. The increase resulted from the operations of the Ham project, but also from the increased operating costs of the Amel 1 and Amel 2 sites. The operating and maintenance expenses increased significantly mainly due to the deterioration in biomass quality.

The personnel costs more than doubled, to € 2.3 million, reflecting the increased workforce hired for the new operations.

The resulting EBITDA margin for the year 2012 equals € 4.3 million (22.6% of sales) which is only marginally higher than the 4.2 million (35.6% of sales) realized over 2011. Half of the 2012 EBITDA is realized by the Amel 1 and Amel 2 operations, and the other half by the Ham-project.

The Amel 1 and Amel 2 EBITDA dropped by half compared to last year. Also here, higher operating and maintenance costs are the cause, as well as reduced turnover.

Property, plant and equipment have been depreciated for € 6.2 million over the year 2012. The increase is due to the new installations that are now for the first time depreciated for a full year.

Provisions were recorded for the remaining rent on the Anderlecht headquarters, which are no longer being used and for a dispute about infrastructure works carried out on the Ham site (€ 0.25 million in total).

The changed market conditions, new insights in the regulatory framework and enhanced comprehension of the side effects of operations (e.g. processing of ashes), resulted in revised business plans for all the installations. The asset values resulting from the discounted expected cash flows from the new business plans, are far lower than the accounting values of the assets. Therefore the Board has decided to adjust

the net book values by recording an impairment of € 22.2 million. This comes on top of the impairment on Amel 3 per 30 June 2012.

The impairment reflects the current understanding and conditions in the market – clearly 4Energy Invest strives to improve the economics of the different installations through its discussions with the regulators and the realization of operational improvements, e.g. through the valorization of by-products. 4Energy Invest considers the impairment in the current circumstances realistic. It cannot be excluded, however, that these impairments may be, in part or in whole, revised (upward or downward), in function of developments of electricity prices, changes in the regulatory environment (prices and volumes of green certificates) and operational, financial or other developments. Amongst others, a recovery of the electricity prices would immediately validate a (partial) reversal of this value reduction.

The resulting EBIT margin equals minus € 26.4 million.

The net financial costs of € 4.3 million reflect two major components:

- Interest expenses and expenses related to the interest rate swaps on the credit facilities structured for Amel I, II, III and Ham for an amount of € 3.6 million. This is much higher than last year, as in 2011 the interests related to the non-operational projects were still capitalized;
- A negative evolution in mark-to-market value for € 0.7 million at 31 December 2012 of the interest rate swaps that have been structured on the credit facilities of Amel I, Amel II and III and the cogeneration project in Ham;

The result before tax amounted to a loss of € 30.7 million over the year 2012.

The Board decided to reverse the deferred tax asset, which only represents a value when it can be offset against taxable profits within a reasonable period of time.

The net result for the period equals minus € 37.4 million, which is entirely due to non-cash items, that represent a total cost of € 37.7 million.

Assets	31-12-12	31-12-11
Non current assets	50,362	83,086
Current assets	6,160	6,217
Cash and cash equivalents	1,646	710
Total	56,522	89,303
Equity and liabilities	31-12-12	31-12-11
Equity	-14,869	22,509
Non current liabilities	28,504	54,333
Current liabilities	42,887	12,462
Total	56,522	89,303

The net decrease in non-current assets reflects the impairment recorded on the installations, reflecting the asset valuation based on discounted expected cash flows under the current market conditions.

Equity has turned negative as a result of the (non-cash) exceptional items (impairment, reversal of deferred tax asset) included in the 2012-result.

The decrease in non-current liabilities results from the shift of the 4HamCogen long term debt towards the bank consortium ING/KBC and LRM, that has become a short term liability as there is presently a breach of the financing agreements and the current standstill only runs until August 2013.

Main events during the year 2012

2012 has been a year with significant changes for 4EnergyInvest:

- Two additional projects have been launched into commercial operation. With no more projects under development (for the time being), the group is now fully focusing on its operations.
- This shift in strategy resulted in:
 - Enhanced insights in the operational parameters and challenges of wood biomass fired cogeneration plants;
 - Altering needs with respect to the group's leadership and management – this resulted in changes both at management and director level;
 - A different cost structure and business model.
- Operations generated disappointing results.
- Combined with updated information on market evolutions (mainly with respect to electricity) and the specific regulatory framework, all this caused a drastic change to the business plans for the respective installations.
- This resulted in a conditional (and currently abandoned) project for the refinancing of the group.

Main events after December 31 2012

- A commercial settlement was reached with EON with respect to the Ham cogeneration project.
- Low electricity prices, higher operating costs and unexpected outages had an immediate negative impact on cash flows and liquidity in early 2013 and reduced expectations for the remainder of the year.
- Additional information received from the VREG on the WKK system for the Ham project revealed that the potential benefits are substantially below expectations – if this algorithm is confirmed, it will impact the financials of the Ham project drastically.
- As a consequence of the above the conditions for the financial restructuring agreement of December 21st were no longer met and the share capital increase could no longer take place.
- To allow the group to revise its financing strategy, the financial partners (ING, KBC and LRM) have granted the group a new standstill until August 2013.

Outlook for 2013

4Energy Invest's annual results 2013 are expected to be influenced by:

- Further optimization of operations in Ham and Amel

This will include amongst others putting in place an action plan to decrease important cost parameters (like processing cost of ashes, purchase price of biomass etc). Such an action plan might require investments and/or improvements to the current equipment and needs to take into account the requirements imposed by the environmental regulation.

- Evolution of electricity prices

Electricity prices currently experienced in the wholesale power market for the output of the cogeneration facilities remain very depressed. Revenues will be impacted immediately when the electricity markets recover. It is impossible to predict whether, when and to what extent this will happen.

- Regulatory environment for renewable energy

The regulatory environment with respect to green certificates is critical for the economics of the projects. Changes hereto will have a critical impact (positive or negative) on the financials of the group.

- Outcome of the ongoing debt restructuring

4EnergyInvest confirms that it needs a further important restructuring of its existing credit facilities at both Renogen/Amelbio and 4HamCogen level in order to be able to fulfill the financial obligations over 2013 and beyond.

The outcome of the ongoing discussions on debt restructuring with the financial partners of 4EnergyInvest will have a major impact on the viability of the group. If no satisfactory solution can be agreed upon by the end of the standstill period (31 August 2013) continuity is at stake.

Auditor's statement

The auditor is in the process of finalizing his audit work and will, based on the information currently available issue a disclaimer of opinion given the uncertainty with respect to obtaining a further restructuring of the existing credit facilities at both Renogen and 4HamCogen level and the need to strengthen the capital structure of the group. If no satisfactory restructuring of the existing credit facilities will be achieved, or if no additional funds will be found, the going concern of the group can no longer be guaranteed. This uncertainty significantly affects the relevance of the financial information included in this press release as additional impairments may be required in order to reflect a possible discontinuity of the group.

This press release is made available in English and Dutch through our corporate website www.4energyinvest.com

About 4Energy Invest

4Energy Invest is a Belgian based renewable energy company that aims at creating and managing a portfolio of small to midsize locally embedded projects that valorize biomass, directly or indirectly, into energy. 4Energy Invest identifies potential biomass projects, performs a feasibility study and eventually takes responsibility for developing, financing, constructing and operating the project, in close cooperation with carefully selected suppliers and partners.

4Energy Invest (through its fully owned subsidiary Renogen) has two cogeneration projects, located in Amel (Wallonia, Belgium), that are fully operational.

4Energy Invest (through its fully owned subsidiary Renogen) has taken into commercial operation a large scale pellets production facility to produce dried wood chips and white wood pellets in Amel (Wallonia, Belgium).

4Energy Invest (through its fully owned subsidiary 4HamCogen) has taken into commercial operation a 9.5 MW biomass fired cogeneration unit in Ham (Flanders, Belgium).

4Energy Invest is listed on Euronext Brussels under symbol ENIN.

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