



ALBIOMA

PRESS RELEASE

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ANNUAL RESULTS

Sharp rise in EBITDA and net income (Group share)

High availability rate of the thermal power plants

Good operational performance in Brazil

Albioma's Board of Directors, chaired by Jacques Pétry, met on 28 February 2017 and approved the Group's consolidated financial statements for the 2016 financial year.

Frédéric Moyne, Chief Executive Officer, said, "Albioma has published sound results for 2016, reflecting the strength and durability of its economic model. The various plants currently under construction – in Martinique and Reunion Island – as well as new photovoltaic projects with integrated energy storage, consolidate our position as leader in energy transition in the French overseas departments. In Brazil, the signing of a third contract confirms the recognition of our expertise and the development of our company abroad."

CONSOLIDATED KEY FIGURES FOR 2016

<i>In millions of euros¹</i>	2016	2015	% change
Revenue	367.8	349.6	+5%
EBITDA	131.4	119.9	+10%
Net income	42.1	32.3	+30%
Net income (Group share)	33.0	30.2	+9%

1. Audited data.

Revenue was up 5% to €367.8 million (7% stripping out the impact of changes in fuel prices), thanks to the very good performance of the thermal power plants, the tariff increases resulting from the signing of amendments by the plants on Reunion Island and in Brazil, the improved productivity and the full-year contribution of the Codora plant, acquired in 2015.

EBITDA consequently increased by 10% in 2016, to €131.4 million, and net income (Group share) by 9% to €33.0 million.

FRANCE

Good performance of thermal power plants overseas

The availability rate of the thermal power plants in France was 89.2% in 2016 (versus 86.6% in 2015), despite the exceptional shutdown of the Le Gol plant due to work to bring the plant into compliance with the Industrial Emissions Directive (IED) standards, for which they were compensated under the terms of the relevant contracts.



The EDF call rate at the Galion peaking power plant in Martinique was at a high level of 34.8% in 2016, compared with 32.9% in 2015. The EDF call rate of the Group's base-load power plants was down slightly.

Total electricity production of the French overseas thermal power plants remained stable (2,053 GWh in 2016 compared with 2,011 GWh in 2015). EBITDA for the business reached €96.0 million in 2016, up 14% on 2015 (€83.9 million).

Signing of amendments to the contract with EDF for the Bois-Rouge plant

Amendments to the contract for the purchase of electricity for the Albioma Bois-Rouge plant were signed with EDF in 2016. These concerned:

- the compensation for the extra costs incurred as a result of the management of combustion by-products and liquid effluents;
- the validation of the necessary investment for work to make the fume treatment systems compliant with new IED standards.

Similar negotiations are underway in the West Indies.

Continued development of thermal projects in the French overseas territories

After the authorisation to operate the future Galion 2 power plant was annulled by the Administrative Court of Fort-de-France, the appeal process announced by the Group on 7 October 2016 is underway.

Construction of the 40 MW unit – the first 100% bagasse/biomass power plant in the French overseas territories – is ongoing. Commissioning of the plant is scheduled for the third quarter of 2017.

In early July 2016, Albioma Saint-Pierre, which is 51%-owned by Albioma, raised project debt totalling €45 million on favourable terms, with a 24-year term, to finance construction of the Saint-Pierre combustion turbine plant on Reunion Island (41 MW). Construction work has begun and commissioning of the plant is scheduled for late 2017.

Satisfactory performance of the Solar business, winning three projects for plants with integrated storage

With less favourable sunshine conditions in the Caribbean and in southern Europe, production was identical to that of 2015 (98 GWh), underpinned by the full-year contribution of the plants acquired on Reunion Island in April 2015, with an installed capacity of 3 MWp.

EBITDA for the Solar business amounted to €31.4 million in 2016, very slightly down from 2015 (€32.6 million).

In 2016, Albioma won three projects for photovoltaic plants with integrated storage (5.9 MWp): two rooftop projects on Reunion Island (overall power generating capacity of 2.6 MWp) and a ground-based project for a non-hazardous waste storage facility in Guadeloupe (power generating capacity of 3.3 MWp). The development of the three projects represents an overall investment of some €13 million. Commissioning of the projects is scheduled for 2018/2019.

On 7 September 2016, Albioma announced it had obtained triple QSE (Quality/Safety/Environment) certification for its entire Solar Power business. This is the first multi-site organisation in France to receive certification in respect of the three standards simultaneously.



Albioma has thus confirmed its position as the leading generator of photovoltaic power in Overseas France and its intention to continue investing in projects with a high technology content.

Complete restructuring of the Anaerobic Digestion business

Albioma decided to keep its three power plants in operation (Tiper Méthanisation, Cap'ter Méthanisation and Sain'ter Méthanisation) within the Group: 2016 was a transitional year, marked by a complete restructuring of the business. The Group is aiming for the three plants to return to profitability in 2017.

The ministerial order of 13 December 2016, setting the buy-back tariffs for electricity produced by facilities using biogas by anaerobic digestion, allowed the purchase contracts to be extended from 15 to 20 years.

Total production of the Anaerobic Digestion business remained stable, at 19 GWh.

MAURITIUS

Very high-performance facilities

Facilities in Mauritius reported a high availability rate of 93.4%, compared with 92.3% in 2015. Electricity generation rose from 1,117 GWh in 2015 to 1,151 GWh in 2016.

EBITDA for the business reached €3.2 million (corresponding to the share of net income of equity-accounted companies) in 2016, compared with €3.1 million in 2015.

BRAZIL

Good performance of Rio Pardo and Codora plants

The unfavourable weather conditions cut short the sugar harvest, leading to a drop in the volume of sugar cane crushed.

However, the Rio Pardo and Codora plants achieved very good operational performances, resulting in a high availability rate for their respective sugar refining partners (98% on average) and an improvement in the power generation efficiency rate of some 23% (76 kWh/tonne of cane in 2016 vs 62 kWh/tonne of cane in 2015).

Total production for the Thermal Biomass business in Brazil is stable at 238 GWh (compared with 241 GWh in 2015). EBITDA saw strong growth to €7.2 million in 2016 (compared with €4.6 million in 2015) due to the consolidation scope effect (full-year contribution of the Codora plant), the improved power generation efficiency rates and good control of operating costs.

Continued development

On 20 May 2016, the Group 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 from 2021. The investment is estimated at BRL 100 million (2016 basis) and should be predominantly financed by a BNDES loan. The grid connection permit was granted in February 2017.

Albioma confirms its ambition of one project every 12 to 18 months, meeting the Group's selection criteria.



A SOUND BALANCE SHEET TO FINANCE GROWTH

A substantial amount of project debt was raised in 2016, allowing the Group to finance its current investments under excellent conditions, contributing to extending the average residual life of its consolidated debt from 9 to 11 years:

- project debt of €135 million on 1 July to refinance the existing debt and investments for fume treatment systems for the Albioma Le Gol plant, with a maturity of 12 years;
- project debt of €144 million on 30 December to refinance the existing debt and investments for fume treatment systems for the Albioma Bois-Rouge plant, with a maturity of 16 years;
- project debt of €45 million on 27 July to finance the construction of the Saint-Pierre combustion turbine plant, with a maturity of 24 years.

As a result of this financing being raised, consolidated gross financial debt amounted to €648 million at end-2016, compared with €556 million at end-2015. Project debt totalled €563 million, compared with €476 million at end-2015.

At the end of 2016, the Group's cash position, including security deposits, came in at €99 million, compared with €54 million as at 31 December 2015. Consolidated net financial debt was €549 million, compared with €502 million at end-2015.

The Group has the appropriate financial leeway to implement its ambitious investment plan for the period ending 2023.

DIVIDENDS

The Board of Directors will submit to the Shareholders' Meeting a proposal to distribute a dividend of €0.57 per share, with an option for 50% of this dividend to be paid in new shares.

OUTLOOK

For 2017, the Group announced its targets for EBITDA of €130 million to €138 million and net income (Group share) of €30 million to €35 million.

Next on the agenda: Q1 2017 revenues, on 26 April 2017 before trading

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. 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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APPENDICES

CONDENSED CONSOLIDATED INCOME STATEMENT

<i>In millions of euros</i>	2016	2015	Change
Revenue	367.8	349.6	+5%
EBITDA	131.4	119.9	+10%
Depreciations, amortizations and others	(53.6)	(43.8)	-22%
Operating income	77.8	76.1	+2%
Financial income	(26.8)	(26.0)	-3%
Tax	(8.9)	(17.8)	+50%
<i>Effective tax rate¹</i>	<i>18.6%</i>	<i>38.0%</i>	
Net income	42.1	32.3	+30%
Net income, Group share	33.0	30.2	+9%
Net earnings per share, consolidated Group	1.10	1.02	

1. The normalized tax rate is 38.3% (effective tax rate restated from non-deductible depreciations, excluding both Brazil and the effects of the change in tax rate starting from 2019).



CONDENSED STATEMENT OF FINANCIAL POSITION

<i>In millions of euros</i>	31/12/2016	31/12/2015
Assets		
Goodwill	12	13
Intangible assets and property, plant and equipment	1,048	958
Other non-current assets	36	42
Total non-current assets	1,096	1,013
Current assets	136	136
Cash and cash equivalents	96	48
Total assets	1,329	1,198
Liabilities		
Equity, Group share	365	348
Non-controlling interests	74	61
Total equity	438	409
Current and non-current financial debt	648	556
Other non-current liabilities	124	123
Current liabilities	118	110
Total liabilities	1,329	1,198



CONDENSED CASH-FLOW STATEMENT

<i>In millions of euros</i>	2016	2015
Cash-flow from operations	132.7	120.9
Change in WCR	8.1	(8.2)
Tax paid	(19.2)	(10.8)
Net cash-flow from operating activities	121.5	102.0
Maintenance capex	(17.3)	(17.0)
Free cash-flow from operating activities	104.2	85.0
Development capex	(117.5)	(59.5)
Other / Acquisitions / Disposals	4.0	(38.6)
Cash-flow from investing activities	(113.5)	(98.1)
Dividends paid to Albioma's shareholders	(11.6)	(18.2)
Borrowings (drawn down)	169.5	49.6
Borrowings (repaid)	(74.4)	(41.6)
Cost of debt	(27.1)	(23.9)
Other	(0.8)	(5.7)
Cash-flow (net) from financing activities	55.7	(39.8)
Currency effect on cash	1.4	(2.0)
Net change in cash and cash equivalent	47.8	(55.0)
Opening cash and cash equivalents	48.2	103.1
Closing cash and cash equivalents	96.0	48.2