

FIRST-HALF 2014 RESULTS

22 July 2014 - Paris



ALBIOMA

NOTRE NATURE EST PLEINE D'ÉNERGIE

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- **Excellent start of operations at the thermal biomass plant in Brazil**
- **Albioma wins a contract for a peak power plant project on Reunion Island**
- **Objectives confirmed for 2014 and 2016**

1. INTRODUCTION

ALBIOMA – A WORLD LEADER IN ENERGY RECOVERY FROM BAGASSE

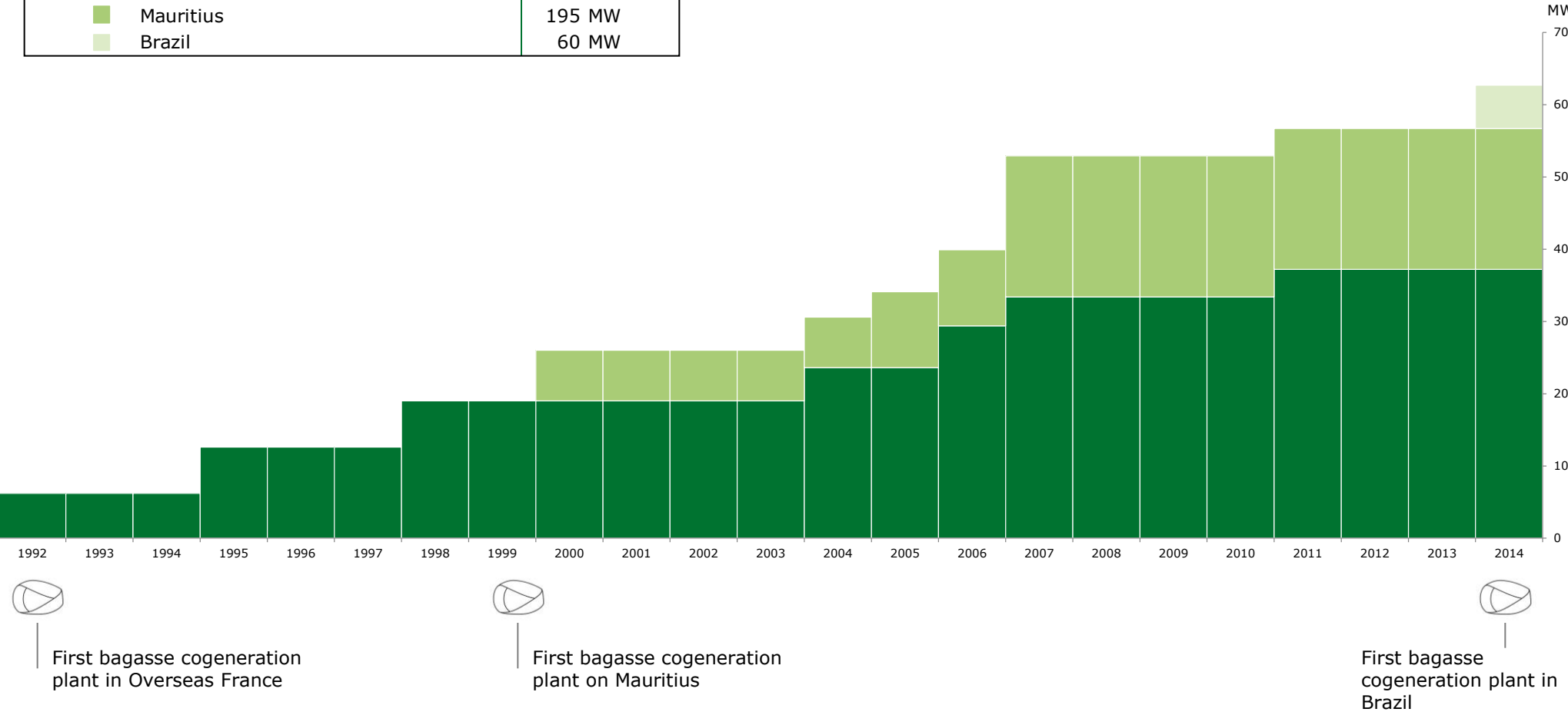


- An independent power producer – 700 MW installed
 - Base load energy production: available on average for over 8,000 hours per year
 - Secured long-term sales contracts: 20 years left to run
- Electricity generated with high efficiency via combustion of anaerobic digestion of biomass without conflict of use
 - Partner of the sugar and ethanol industries for the past 20 years
 - Unique expertise in exploiting bagasse
- Offering enhanced by highly profitable solar projects

- **30% to 60% of energy generated in French overseas territories and Mauritius**
- **Brazil – The Group's international growth priority**

A UNIQUE PORTFOLIO OF BAGASSE-FIRED COGENERATION PLANTS

Thermal Biomass - 2014	
France	372 MW
Mauritius	195 MW
Brazil	60 MW

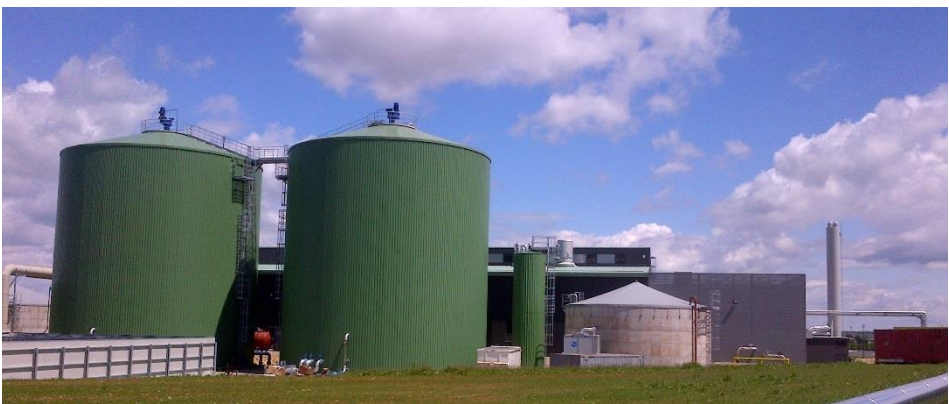


COMPLEMENTARY OFFERS – SOLAR POWER AND ANAEROBIC DIGESTION

SOLAR POWER



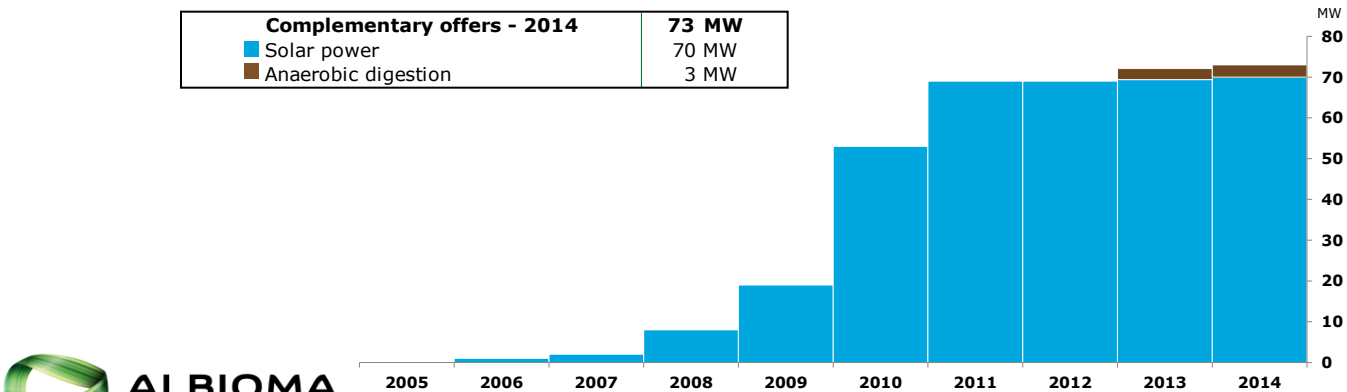
ANAEROBIC DIGESTION



SYNERGY WITH THE GROUP'S THERMAL BIOMASS BUSINESS

- Located in regions with excellent sunshine conditions
- Network of relationships with local authorities
- Energy recovery from:
 - Farming and food processing waste
 - Molasses and sugar refining "vinasses"

Complementary offers - 2014	
 Solar power	73 MW
 Anaerobic digestion	3 MW

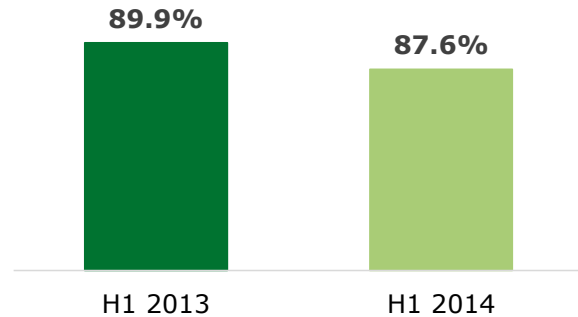


2. FIRST-HALF HIGHLIGHTS

2.1 France

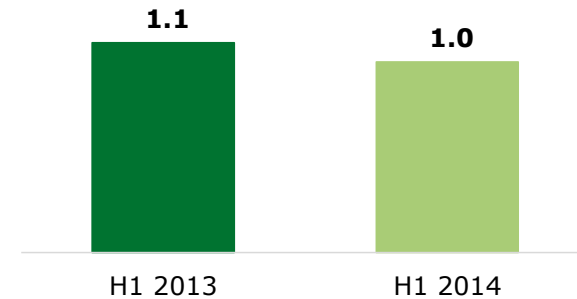
THERMAL BIOMASS FRANCE – ACTIVITY LEVELS HOLD UP WELL

PLANT AVAILABILITY



POWER GENERATION

In TWh



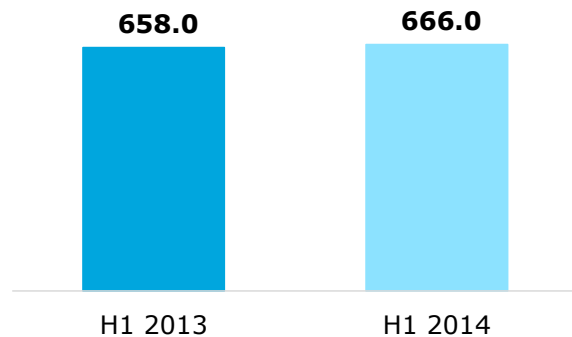
- **Two technical incidents on Reunion Island and in the Antilles region**
 - Annual maintenance stoppage at Albioma Bois-Rouge brought forward following a turbine generator malfunction
 - Unplanned stoppage at Albioma Le Moule due to a short-circuit involving a generator stator
- **Strong performance by the group's other facilities**
- **Return to normal call-out rate (15-20%) at the Le Galion peaking power plant**
- **Annual availability target of 90 – 92% confirmed**

ANAEROBIC DIGESTION – OPTIMISING THE INDUSTRIAL PROCESS

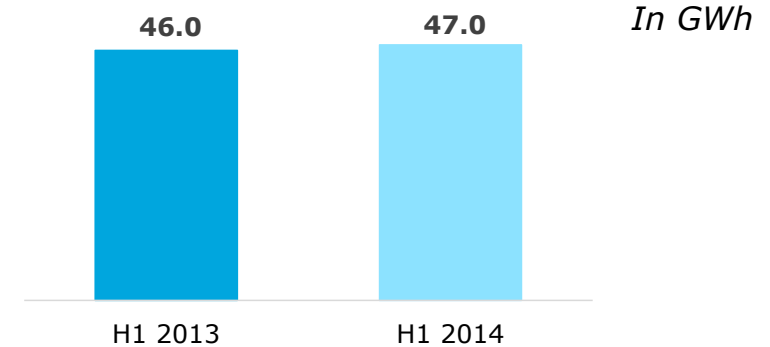
- **Ramp-up phase at the group's first two facilities**
 - TIPER (2 MW) and CAPTER (0.5 MW) will achieve full power during H2 2014
- **Construction of three new plants during the first half**
 - SAINTER (0.5 MW) in Vendée, UMAP (1 MW) in Ardennes + a factory
- **Industrial process optimisation work**
 - Specific constraints relating to anaerobic digestion of agricultural and industrial waste (different to German anaerobic digestion units that operate using maize)
 - Industrial optimisation of the existing facilities
- **New projects to be launched upon confirmation of profitability of the existing plants**

EXCELLENT PERFORMANCE BY THE SOLAR BUSINESS

NUMBER OF HOURS "FULL-POWER EQUIVALENT"



POWER GENERATION

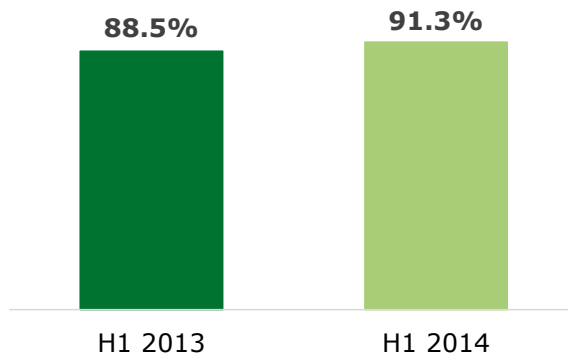


- Production increased by 2% as a result of excellent sunshine conditions in all regions, and on Reunion Island in particular
- **Construction work was completed for the photovoltaic plant with storage facility on Reunion Island (Leclerc – 1MW)**
- **The commissioning of the facility is scheduled in August 2014**

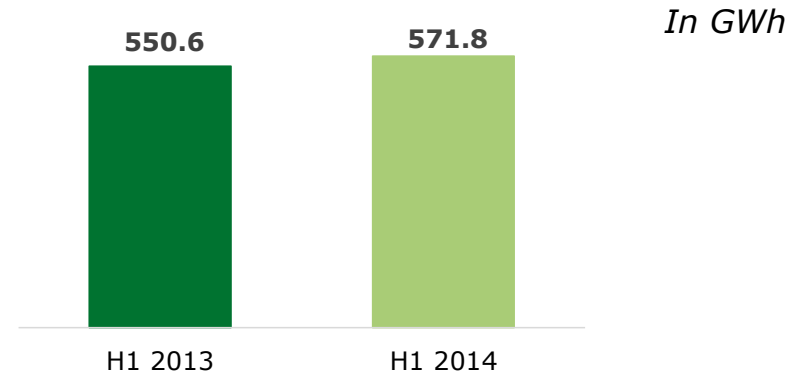
2.2 Mauritius

INCREASED AVAILABILITY AND OUTPUT IN MAURITIUS

PLANT AVAILABILITY



POWER GENERATION



- Strong performance by the facilities operated by Albioma, with production up 4% compared with H1 2013
- In accordance with **AMF recommendation no. 2011-16**, the results of these business units in which Albioma has a 25% participating interest and which are consolidated as equity associates will be included in the **group operating profit (EBITDA and EBIT)**.

2.3 Brazil

SUCCESS OF RIO PARDO TERMOELÉTRICA'S TAKE OVER SINCE 31 MARCH 2014

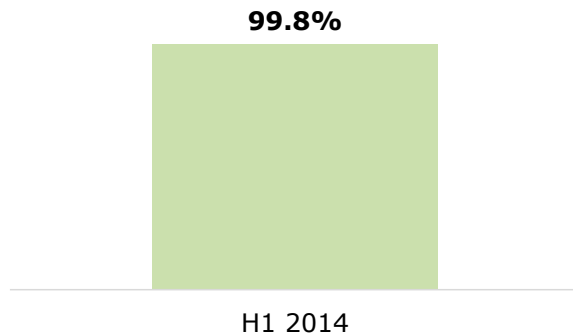
- Strong start to the sugar harvest, with the sugar refinery rapidly ramping up to 12,000 tonnes of cane per day
- Chaff/cane separating system successfully put in operation
- Excellent industrial partnership with the sugar refinery
- Improved plant energy-efficiency, in line with the Group's two-year targets



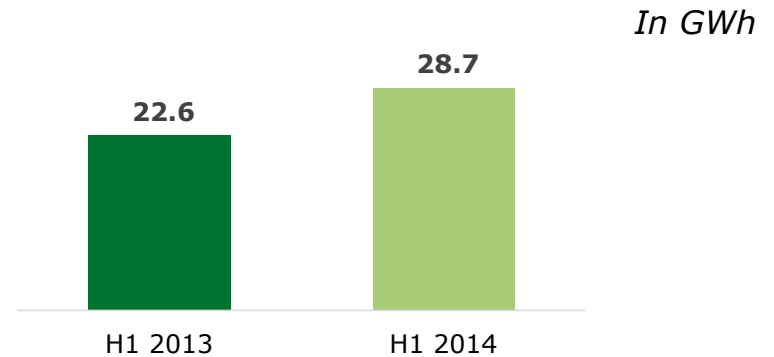
Straw/cane separation system

EXCELLENT OPERATIONAL AND ECONOMIC PERFORMANCE IN BRAZIL

AVAILABILITY (STEAM PRODUCTION)



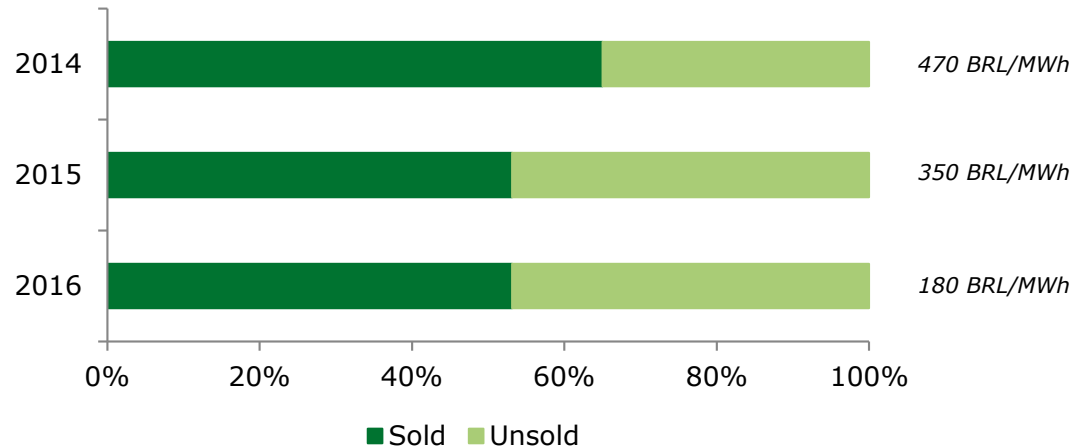
POWER GENERATION



- The 2014 sugar harvest began on 22 April 2014 (In 2013, harvesting began on 1 April 2013)
- Very good power generation results (**28.7 GWh**) achieved through effective technical management of production facilities
- Plant production sold at excellent spot prices (590 BRL/MWh on average)
- Price assumption adopted for project: 130-150 BRL/MWh (cf. analysts' meeting in March 2014)

SALE OF APPROXIMATELY 60% OF ELECTRICITY PRODUCTION ANTICIPATED IN H2 2014 + 2015 + 2016

SOLD PRODUCTION

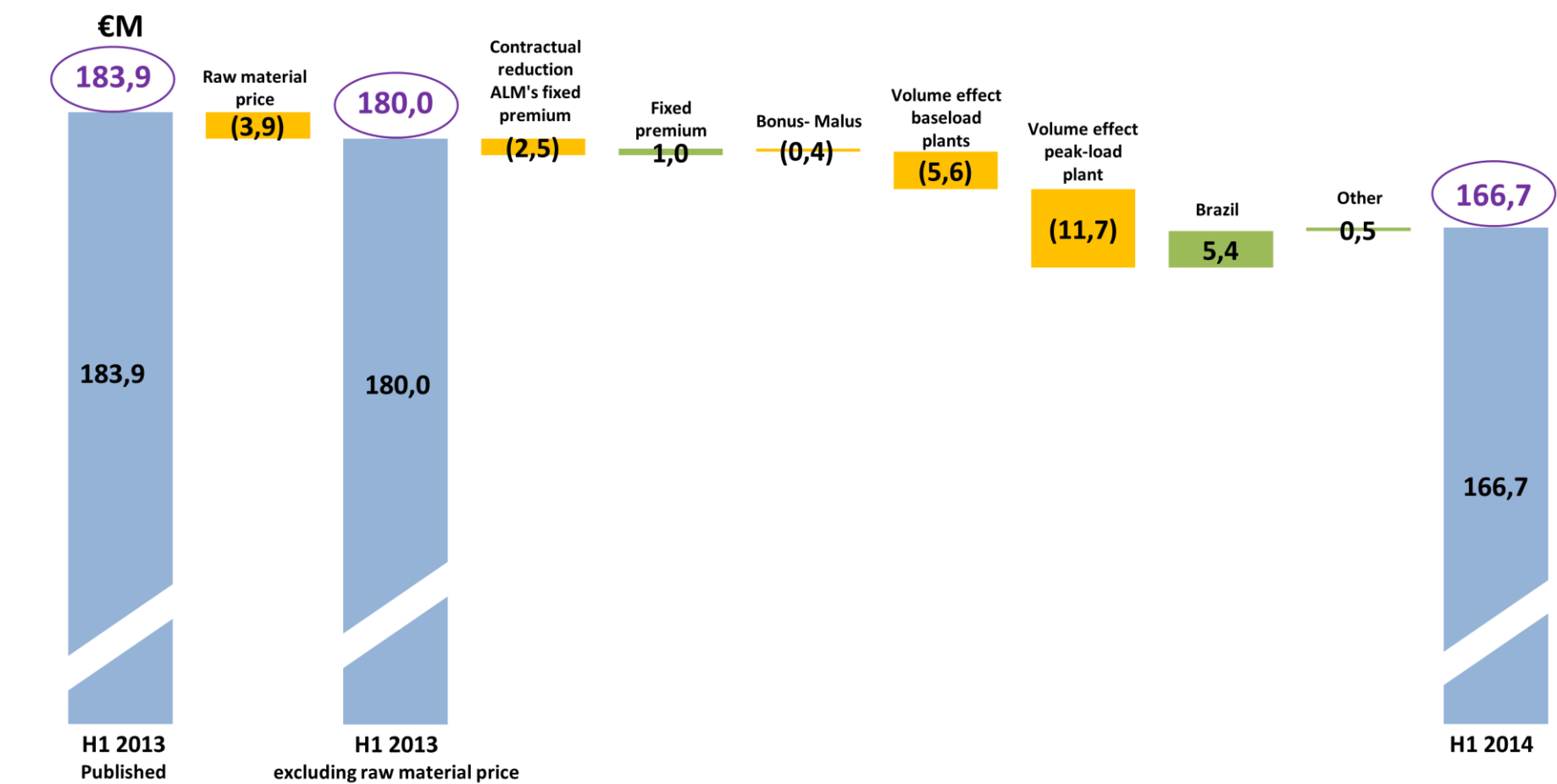


- Contract prices for 2014, 2015 and 2016 are higher than anticipated, due to a rise in spot prices (350 – 800 BRL/MWh) resulting from low water levels in hydroelectric dams
- Long-term prices remain on a rising trend
- In this context, **60%** of the electricity production expected during H2 2014, 2015 and 2016 was sold at fixed price, enabling for:
 - Giving comfort to the lenders financing the acquisition
 - Reducing the exposure to the risk of failure of supply
 - Keeping an access to high spot prices for the unsold share of energy production

3. FINANCIAL PERFORMANCE

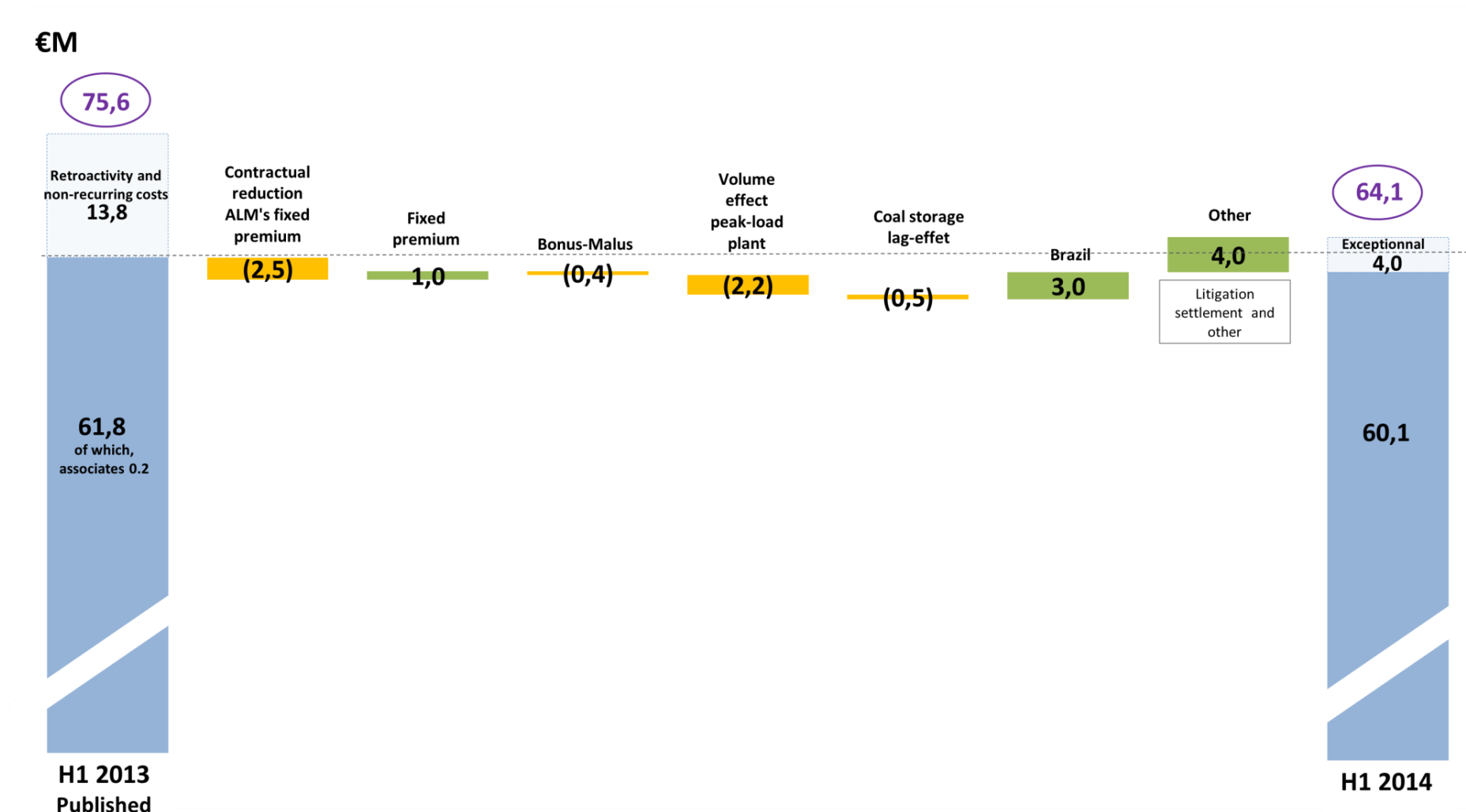
GROUP REVENUES OF €166.7 MILLION

First-half revenues decreased year-on-year, as a result of the reduction in the fixed premium at Albioma La Moule, a return to the normal call rate for the peaking power plant as well as the technical incidents that occurred during the first half.



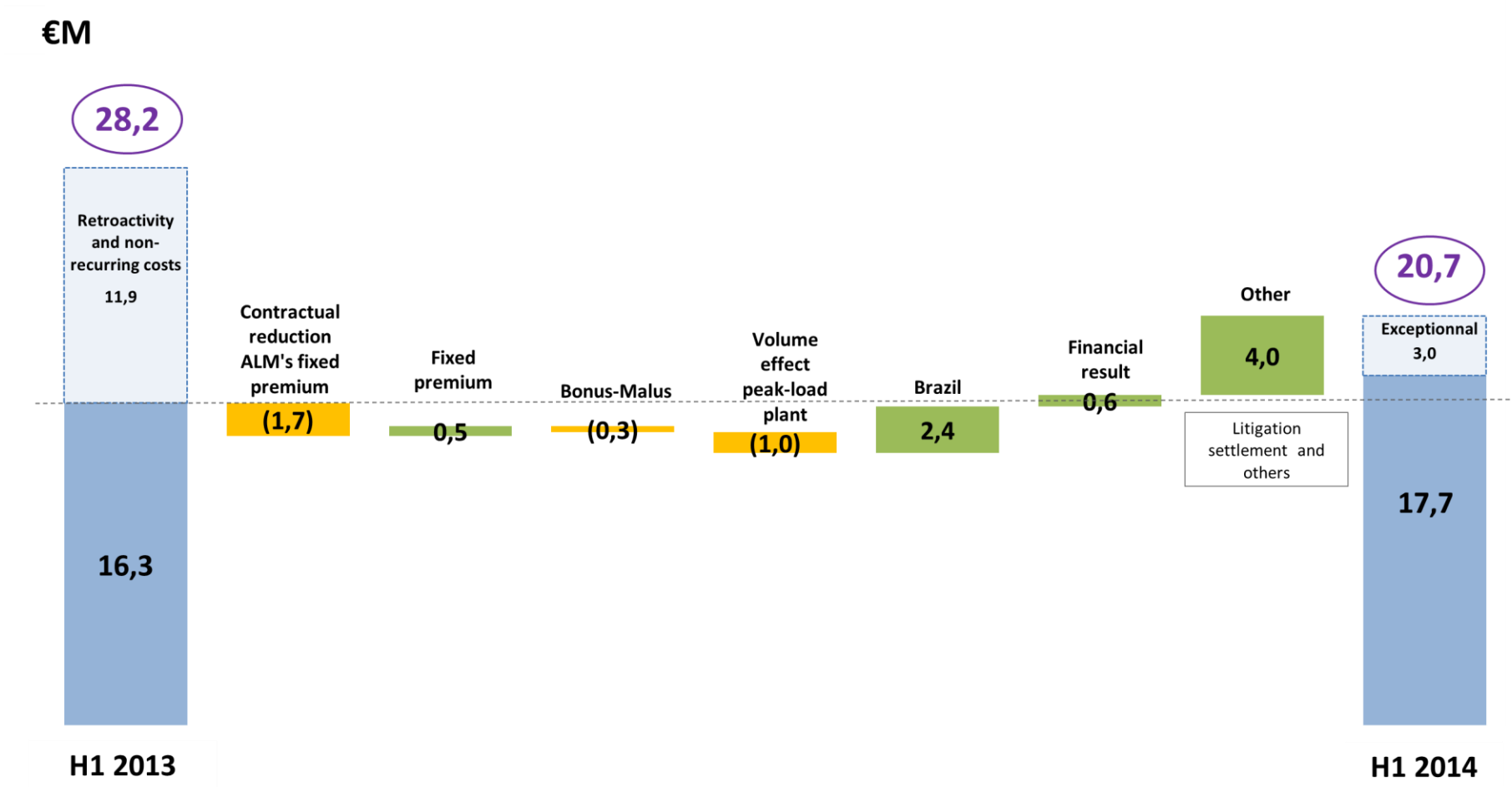
EBITDA OF €64.1 MILLION

An excellent start to Albioma's Brazilian operations



NET PROFIT GROUP SHARE OF €20.7 MILLION

Net profit group share driven in particular by Brazil, lower financial costs

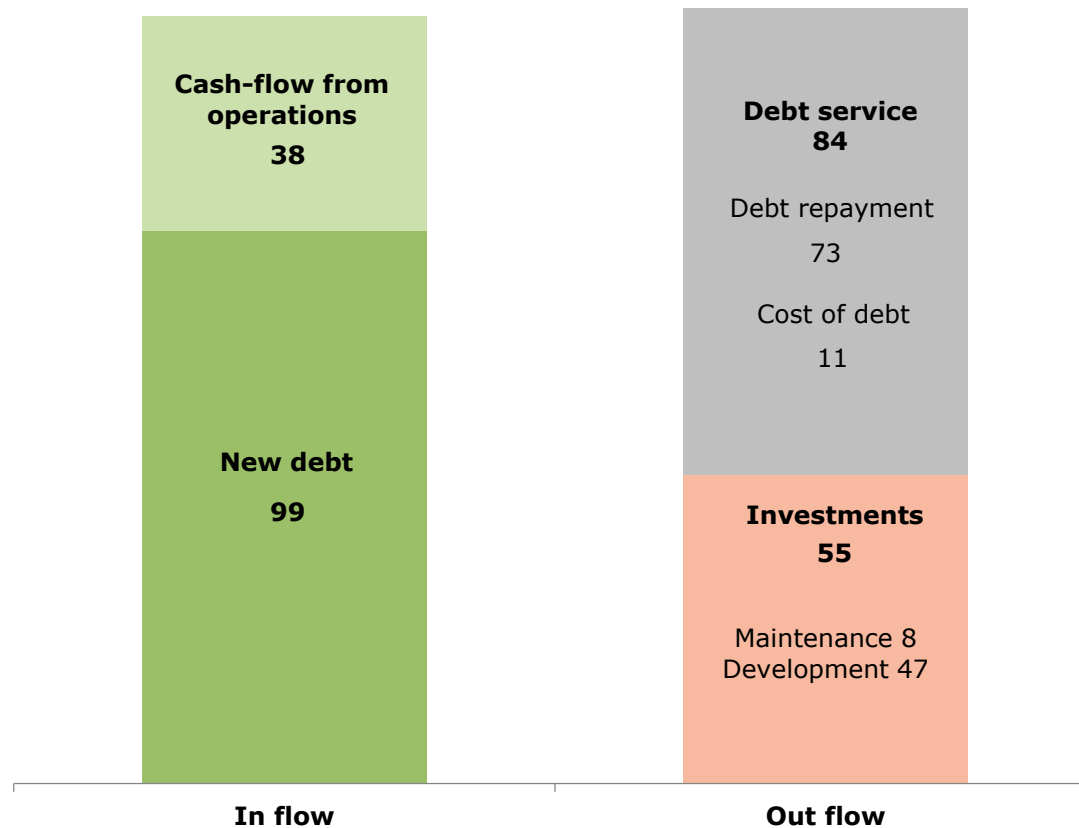


SIGNIFICANT UPTURN IN GROWTH-ORIENTED CAPITAL INVESTMENT

- Group cash and cash equivalents: €104 million as at 30 June 2014

In € millions

Cash-flow H1 2014



CORPORATE DEBT REFINANCED ON EXCELLENT TERMS

- A **EURO PP (private placement) bond issue** was arranged to refinance the existing corporate debt due to mature in February 2015
 - Amount: **€80 million**
 - Maturity: **6.5 years**
 - Coupon: **3.85%**
- The benefits of this issue, which generated strong demand from investors, include:
 - Significantly extended debt maturity
 - Diversified funding sources for the group
 - Additional resources available to support the growth plan
- At the same time, the existing short-term bank credit lines were renewed in the form of a **5-year** revolving credit facility for **€40 million** (not drawn down as at 30 June 2014)

STRONG FINANCIAL POSITION

- Residual term: 10 years
- Average interest rate on consolidated debt (excluding Brazil): 4.4%
- 87% of debt is fixed-rate or hedged

<i>(In € millions)</i>	30/06/2014	31/12/2013	Change
Project debt	480	471	2 %
Corporate debt	80	53	51 %
Total gross debt	560	524	7 %
Cash and cash equivalents	(104)	(105)	-1 %
Deposit guarantees and equivalent	(6)	(5)	11 %
Total net debt	450	414	9 %
Net debt/EBITDA	3.7 x	3.1 x	0.6x
Gearing*	116%	105 %	

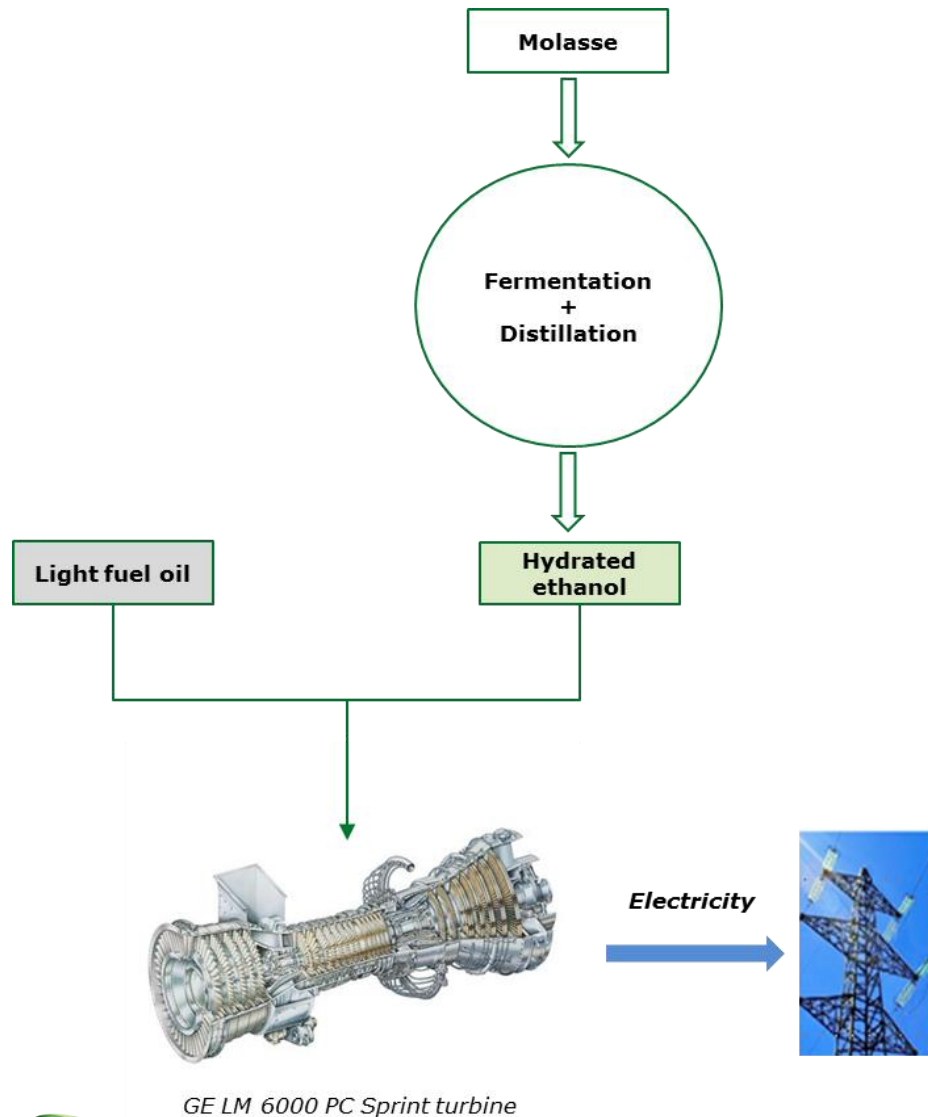
* Net debt/Equity

4. CONCLUSION & OBJECTIVES

MAJOR ADVANCES ON TWO PROJECTS IN OVERSEAS FRANCE

- **New combustion turbine plant on Reunion island (40 MW)**
 - Albioma **won the competitive bidding process** initiated by EDF in late 2013, concerning a project to build a peaking power plant in southern Reunion
- **Galion 2 (38 MW)**
 - EDF has submitted the proposed bagasse/biomass amendment to the French energy regulation commission (CRE)
- **Next steps for these projects:**
 - CRE approval of the electricity supply contracts expected during **H2 2014**
 - Target date for start of industrial operation by the two facilities: **H2 2016**

DUAL-FUEL COMBUSTION TURBINE ON REUNION ISLAND – AN INNOVATIVE AND COMPETITIVE SOLUTION

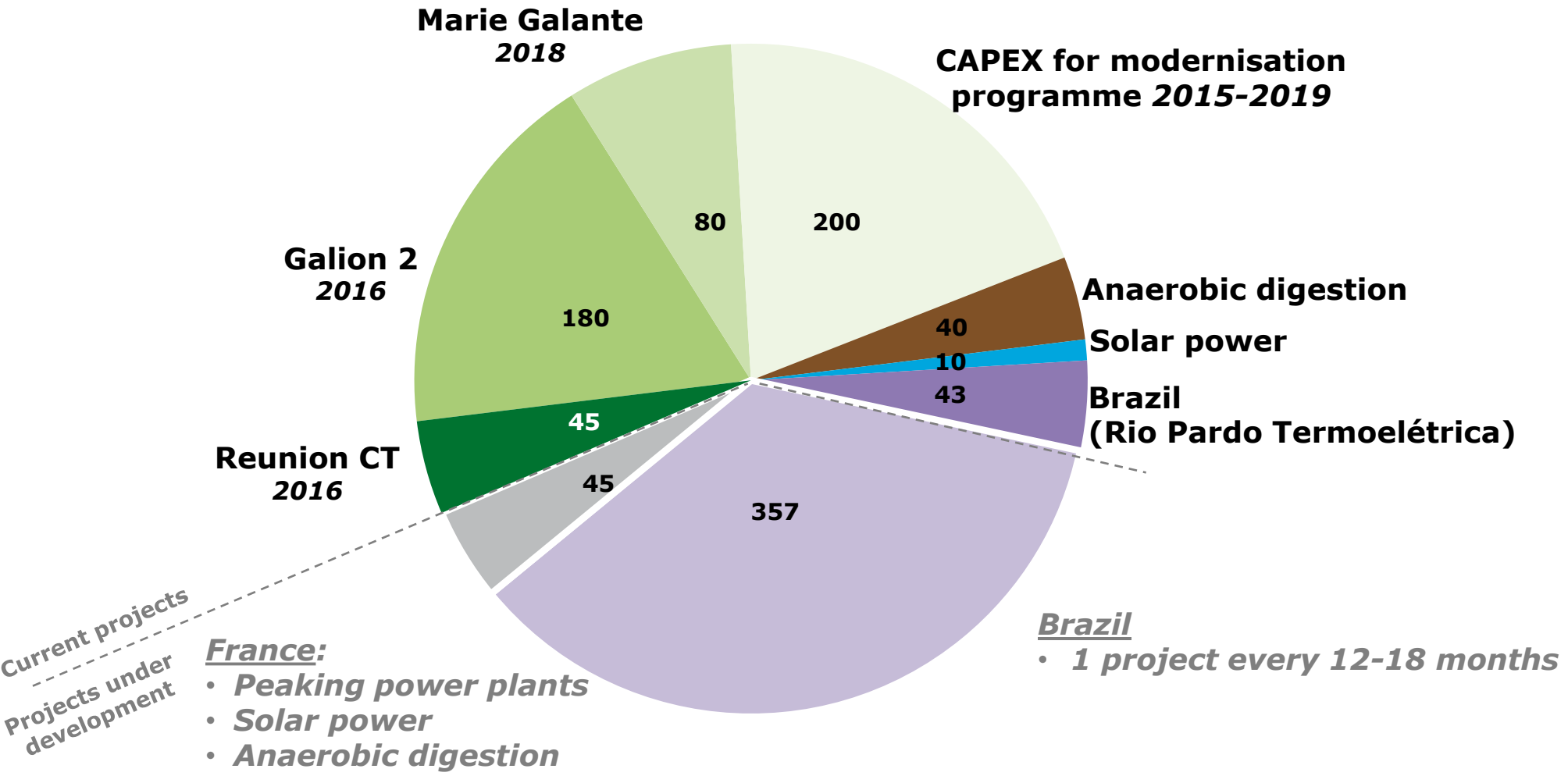


GE LM 6000 PC Sprint turbine

- **40 MW plant located in southern Reunion Island**
 - The facility, in which **the Group will hold a 51% interest** (the remaining stake to be held by the Group's sugar partner), will address the island's growing need for peaking electricity production
- **Investment: €45 million**
- **25-year electricity supply contract**
- **First French dual-fuel peaking power plant to operate using biomass:**
 - Main biofuel: **ethanol obtained by distilling molasses**, supplied by the group's sugar refining partners on Reunion Island and Mauritius
 - Designed to support future use of third-generation **micro-algae** biofuels being developed in partnership with the Reunion-based company Bioalgostral
 - Auxiliary fuel: light fuel oil

ONGOING EFFORTS TO SECURE THE PROJECT PORTFOLIO 2013-2023

In € millions



OBJECTIVES CONFIRMED FOR 2014 – 2016

- Very successful startup at the thermal biomass plant in Brazil
- Winning bid for the contract to build and operate a peaking power plant on Reunion Island
- Increase in net income (Group share) (excluding retroactivity and non-recurring items)
- Confirmation of objectives for 2014 and 2016

	2014	2016
EBITDA (€ millions)	123 – 126	160 – 163
Net income (€ millions)	33 – 35	40 – 42

ALBIOMA

=

THERMAL BIOMASS

+

ANAEROBIC DIGESTION & SOLAR POWER

RENEWABLE BASE-LOAD POWER

QUALITY ASSET BASE GENERATING SIGNIFICANT RECURRING CASH-FLOWS

= STRENGTH

BIOMASS RECOVERY – HARNESSING A RESOURCE WITH A BRIGHT FUTURE

= GROWTH

ROBUST INDUSTRIAL AND FINANCIAL MODEL

= PROFITABILITY

5. APPENDIX

INCOME STATEMENT

<i>(€ millions)</i>	H1 2014	H1 2013	<i>Change 14/13</i>
Revenue	166.7	183.9	-9%
EBITDA	64.1	75.6	-15%
Depreciation/amortization	(20.3)	(23.1)	+12%
EBIT	43.8	52.5	-17%
Net financial income	(10.9)	(11.8)	+7%
Taxes	(10.1)	(14.9)	+32%
<i>Effective tax rate</i>	31.6%	37.7%	
Consolidated net income	22.7	25.8	-12%
Net income (Group share) from ongoing activities	20.7	22.6	-8%
Gain on disposal of wind power business		5.6	
Net income (Group share)	20.7	28.2	-27%
<i>Net income per share (consolidation scope)</i>	<i>0.71</i>	<i>0.99</i>	
<i>Net income per share (ongoing activities)</i>	<i>0.71</i>	<i>0.79</i>	

CASH FLOWS

<i>(€ millions)</i>	H1 2014	H1 2013
Cash-flow from operations	64,6	75,0
Change in working capital requirements	(8,9)	(6,3)
Taxes paid out	(17,3)	(10,3)
Net cash flow from operating activities	38,4	58,4
Maintenance capex	(7,7)	(3,8)
Free cash flow from operating activities	30,7	54,6
Development capex	(9,0)	(9,2)
Other acquisitions/disposals	(38,7)	18,2
Cash flow from investing activities	(47,7)	9,0
Borrowings (drawn down)	99,1	15,0
Borrowings (repaid)	(72,8)	(59,4)
Cost of debt	(10,9)	(11,9)
Miscellaneous	-	(5,6)
Cash flow (net) from financing activities	15,5	(61,9)
Reclassification of cash and cash equivalents in businesses held for disposal	1,0	-
Net change in cash and cash equivalents	(0,5)	1,6
Opening cash and cash equivalents	104,3	79,2
Closing cash and cash equivalents	103,8	80,8

BALANCE SHEET

ASSETS (€ millions)	30/06/2014	31/12/2013 Restated
Goodwill	16	11
Intangible assets	92	93
Property, plant and equipment	805	756
Non-current financial assets	6	6
Participating interests in associates and joint ventures	23	27
Deferred tax assets	15	15
Total non-current assets	956	908
Inventories and work in progress	49	47
Trade receivables	40	37
Other current operating assets	33	27
Cash and cash equivalents	104	105
Total current assets	225	215
Total ASSETS	1,181	1,123

EQUITY & LIABILITIES (€ millions)	30/06/2014	31/12/2013 Restated
Equity, group share	326	329
Non-controlling interests	61	65
Total equity	387	394
Employee benefits	17	14
Provisions for risk	7	7
Deferred tax liabilities	64	67
Non-current financial liabilities	520	472
Non-current derivative instruments	39	28
Total non-current liabilities	647	588
Trade receivables	39	44
Tax and social security liabilities	28	28
Current financial liabilities	40	49
Other non-current operating liabilities	41	20
Total current liabilities	148	141
Total EQUITY & LIABILITIES	1,181	1,123