

RESULTS 2016

1 March 2017 - Paris



ALBIOMA

NOTRE NATURE EST PLEINE D'ÉNERGIE

CONTENTS

1. HIGHLIGHTS	3
2. STRATEGIC POSITIONING	5
3. OPERATIONAL PERFORMANCE - 2016 REVIEW AND OUTLOOK	15
3.1 FRANCE	16
3.2 BRAZIL	26
3.3 MAURITIUS	32
4. 2016 FINANCIAL RESULTS	34
5. OUTLOOK	45
6. APPENDICES	49

1. HIGHLIGHTS

ALBIOMA's HIGHLIGHTS IN 2016

OPERATION



Increased availability of thermal biomass facilities in **France** (+3 pts)



Agreements with EDF regarding IED compliance work and compensation for processing combustion by-products at the Bois-Rouge power plant



Strong operational performance in **Brazil** despite a short bagasse campaign



Fully restructured anaerobic digestion business

DEVELOPMENT



40 MW **combustion turbine** on Reunion Island: **financing** agreement signed (on 18 July 2016) and **construction** work begun



Albioma awarded 5.9 MWp of projects for solar power plants with integrated energy storage



Third project signed on 20 May 2016: **Vale do Paraná** in Brazil (48 MW)

GOVERNANCE

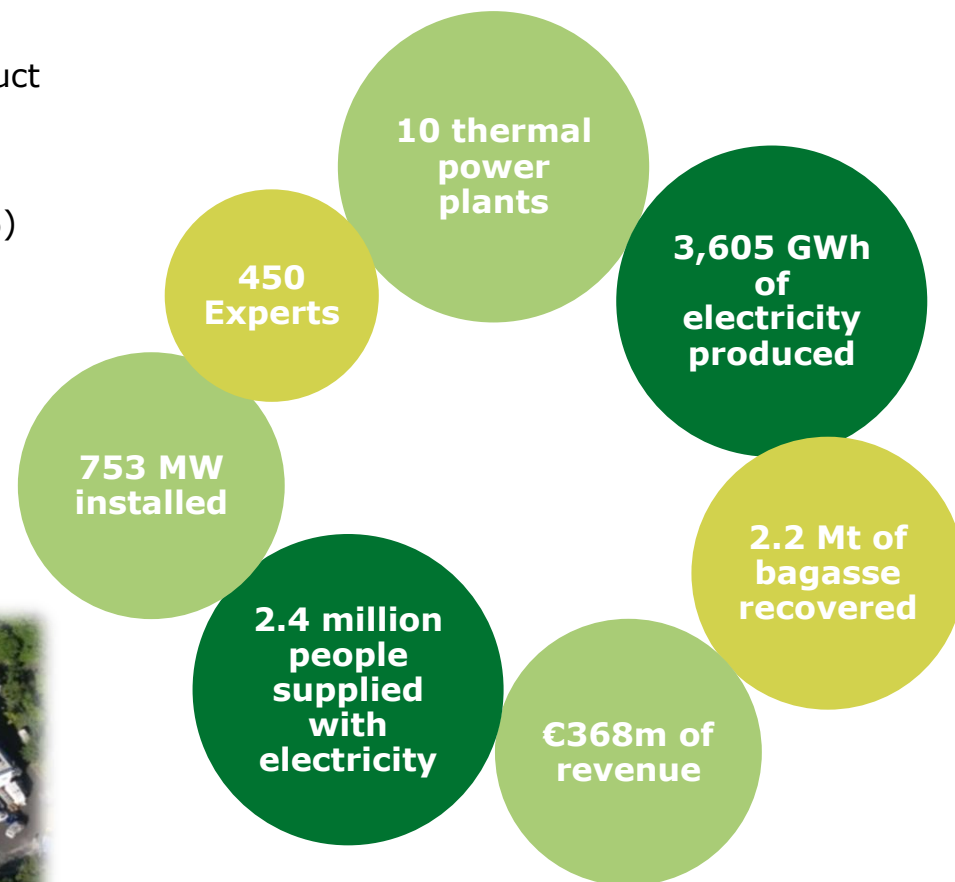


Separation of the offices of **Chairman of the Board of Directors** and **Chief Executive Officer**

2. STRATEGIC POSITIONING

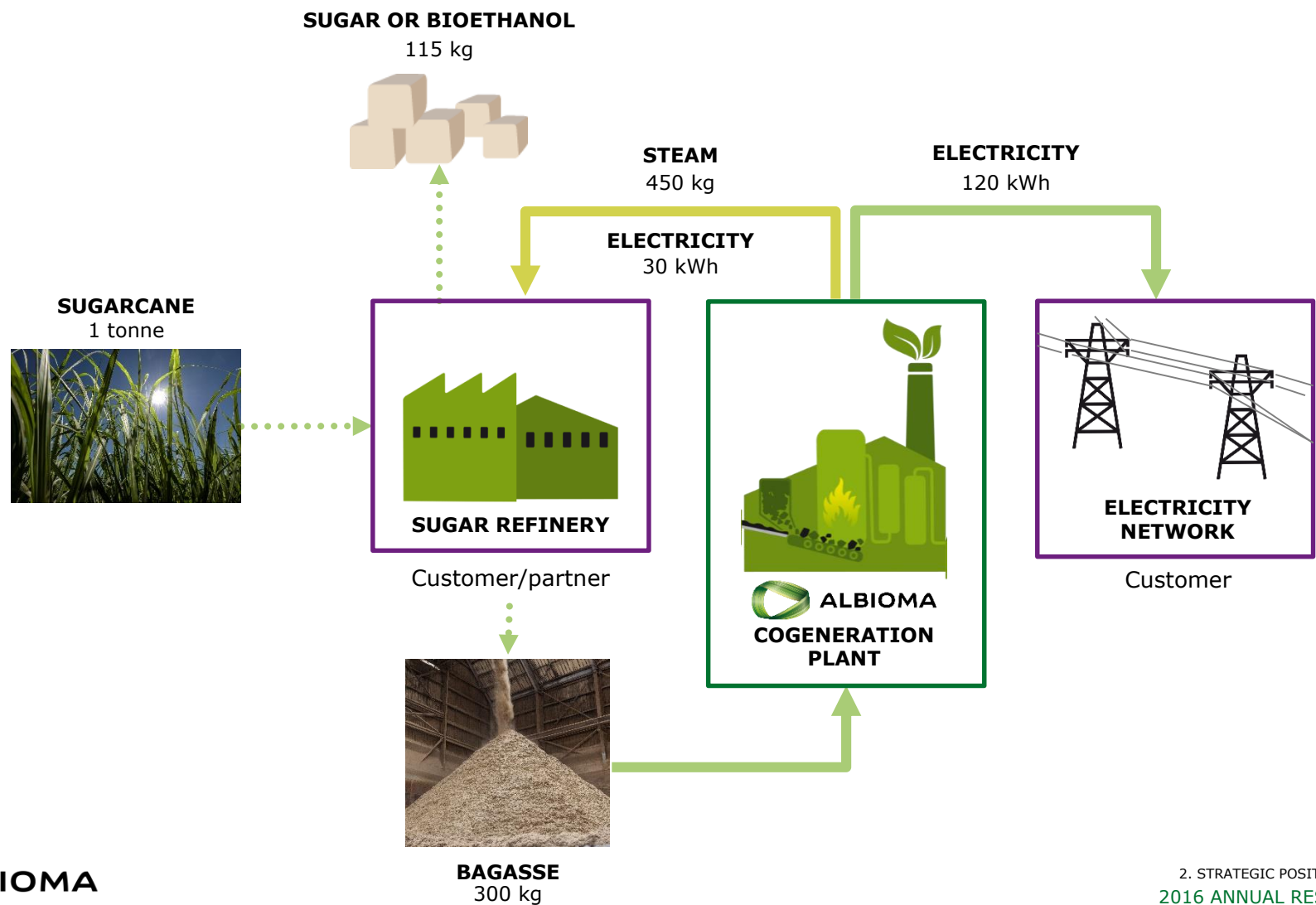
ALBIOMA - INDEPENDENT POWER GENERATOR

- **Renewable base-load electricity producer** (available 24/7)
- **Highly energy-efficient recovery of bagasse** (a by-product of sugar cane grinding):
 - Reliable production of steam and electricity to cover the sugar producer's energy needs (availability rate ~100%)
 - Surplus power exported to the electricity grid (120 kWh per tonne of sugarcane)
- **Key player in the photovoltaic segment** in the French overseas departments



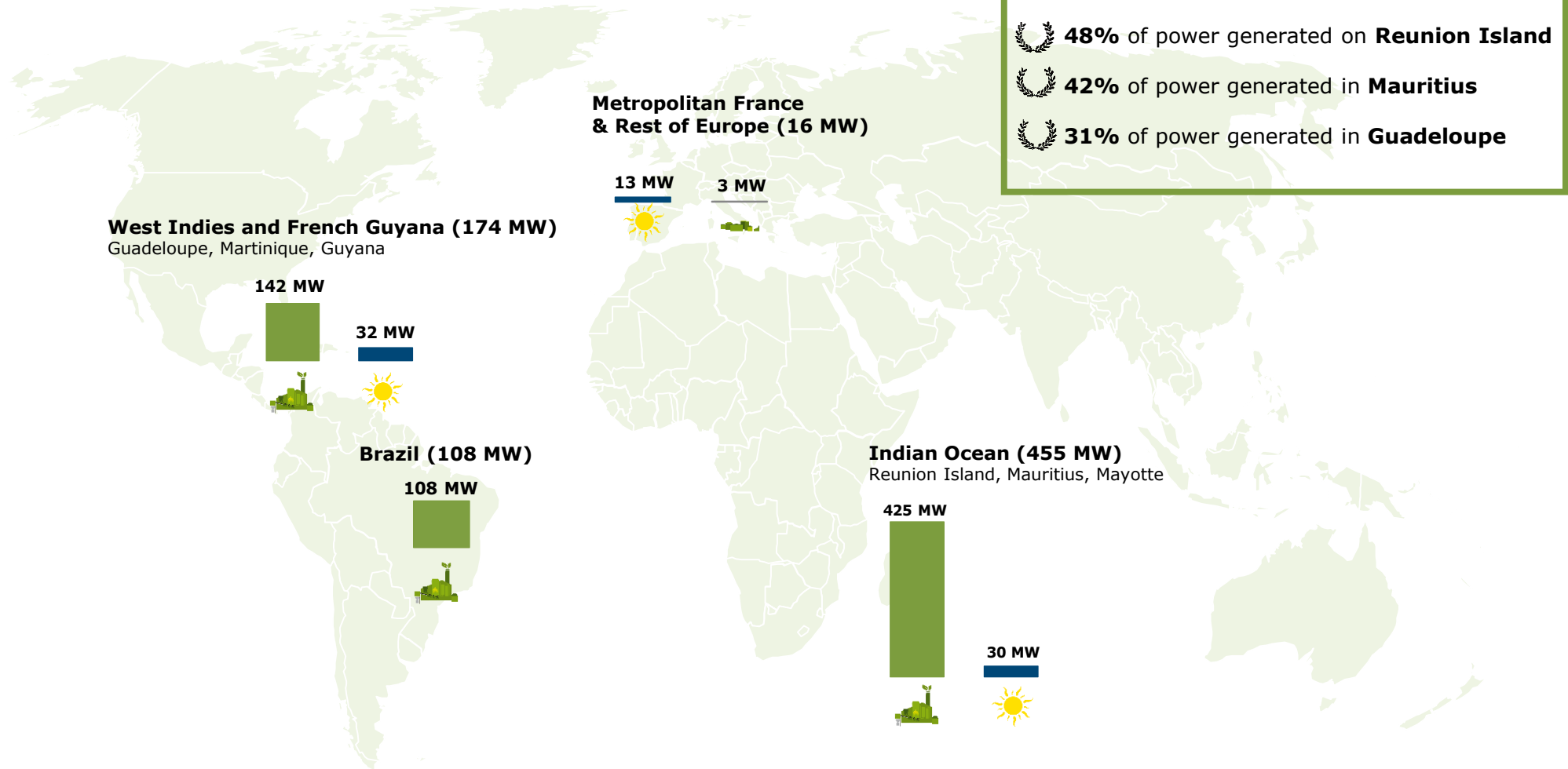
ALBIOMA'S HISTORICAL BUSINESS MODEL

Leading player in the bagasse cogeneration industry



DIVERSIFIED GEOGRAPHICAL FOOTPRINT

753 MW of installed capacity



THREE-PRONGED STRATEGY



Energy transition in the French overseas territories



Expanding the bagasse model abroad



High added-value solar power projects

ALBIOMA, LEADER IN ENERGY TRANSITION IN OVERSEAS FRANCE

Target under the energy transition law: 50% of power in French overseas departments from renewable sources by 2023

- **Coal replaced by sustainable biomass in power plants that currently recover biomass**
 - Priority to locally-sourced biomass (cane straw, green waste, etc.) free from conflicts of use
 - Secondary source: systematically-certified imported biomass
- **Development of new renewable capacity**
 - First all-bagasse/biomass power plant in Martinique
 - First peaking turbine on Reunion Island fuelled mainly by bioethanol
 - Development of solar power projects with integrated energy storage
- **Research in progress concerning the use of solid recovered fuel (SRF) as a substitute for fossil fuel**

EXPANDING THE BAGASSE MODEL ABROAD

Albioma expertise is based on unique know-how recognised internationally



2000

Mauritius

- 45% of power generated on the island
- 3 plants in operation
- 1 project under development

2014

Brazil - Albioma's international priority

- World's number one sugar-producing country (700 Mtc)
- Bagasse recovery: Sector average yield of 40-50 kWh/tc (compared with 120 kWh/tc at Albioma plants)
- Two plants already in operation and a new project agreed in 2016
- 40% of group capital expenditure over a 10-year investment cycle (2013-2023); new project every 12-18 months
- Target: Reach critical mass

Pending

Development

- Geographical strategy: Latin America and Asia
- Customer-oriented strategy: Support existing sugar refining partners

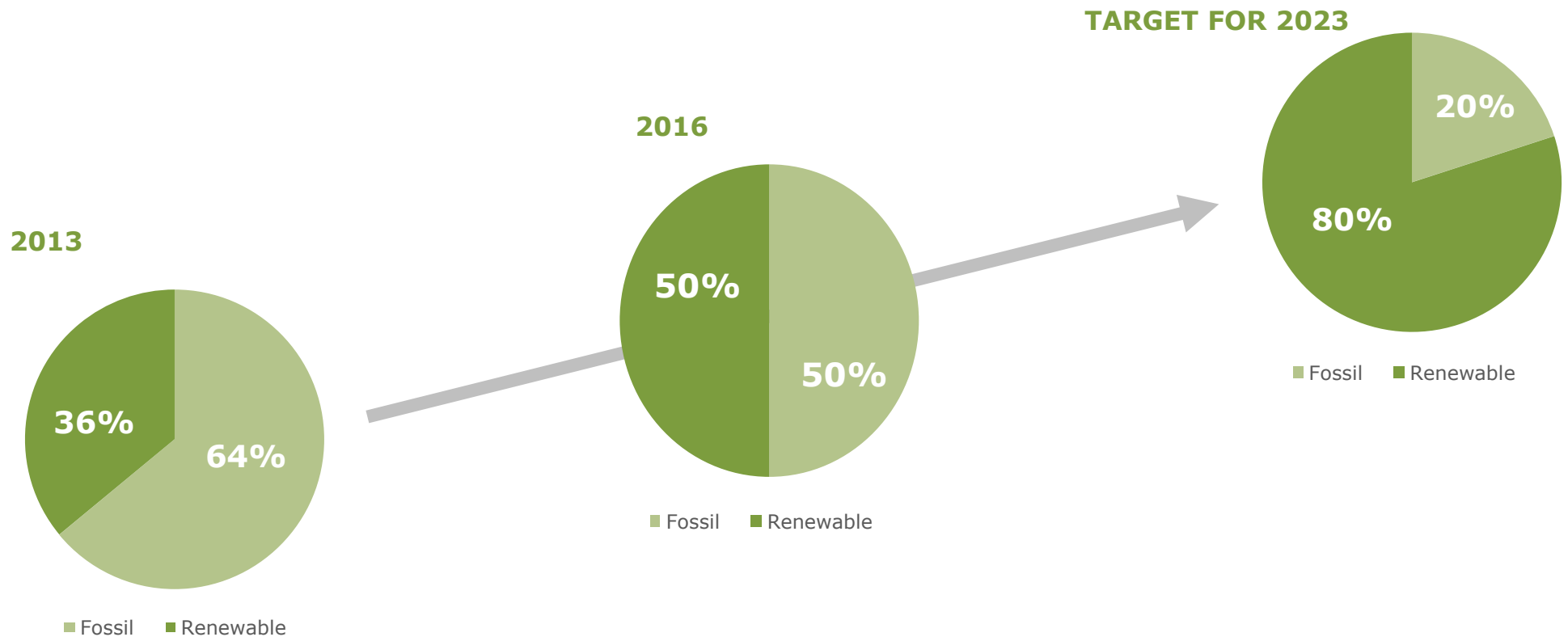
HIGH ADDED-VALUE SOLAR POWER PROJECTS

A decade of performance and innovation

- **Key player** in the **photovoltaic** power market in the **French overseas departments**
 - A pioneer since 2006
 - 17% market share
- **Niche positioning focussed on high-tech projects**
 - Orders for 5.9 MWp won in 2016
 - Projects with integrated storage
- **The world's first multi-site organisation** to achieve **triple QSE certification** in 2016



TARGET: 80% OF ENERGY FROM RENEWABLES BY 2023



- Rapidly changing energy mix, driven by:
 - Conversion to biomass of existing bagasse-coal power plants
 - Construction of all-biomass plants in Overseas France and photovoltaic plants
 - Acquisition and development of all-bagasse plants in Brazil

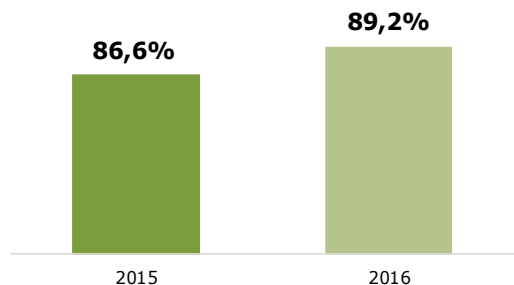
3. OPERATIONAL PERFORMANCE - 2016 REVIEW AND OUTLOOK

3.1 France

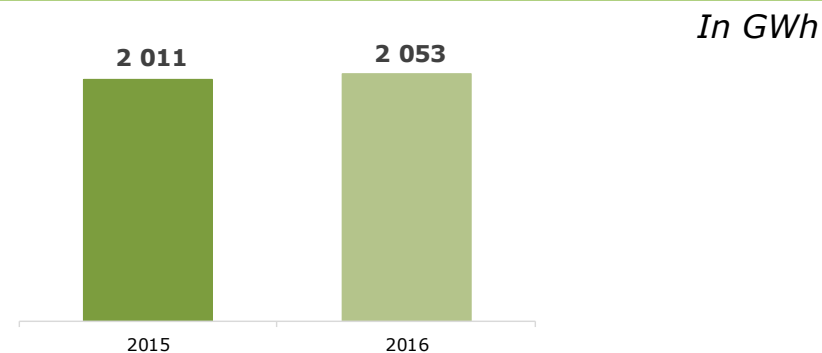
THERMAL BIOMASS - FRANCE: GOOD AVAILABILITY IN 2016

THERMAL

PLANT AVAILABILITY



POWER GENERATION



- Plant availability significantly higher than in 2015
 - Performance restored to normalised levels
 - No outage at Albioma Caraïbes (shutdowns scheduled at 18-month intervals)
- Call rate by EDF
 - Call rates slipped at base-load plants
 - The call rate at the Galion peaking power plant remained high in 2016, at 34.8% (up from 32.9% in 2015)

AMENDMENTS TO ALBIOMA BOIS-ROUGE'S POWER PURCHASE AGREEMENT SIGNED IN 2016

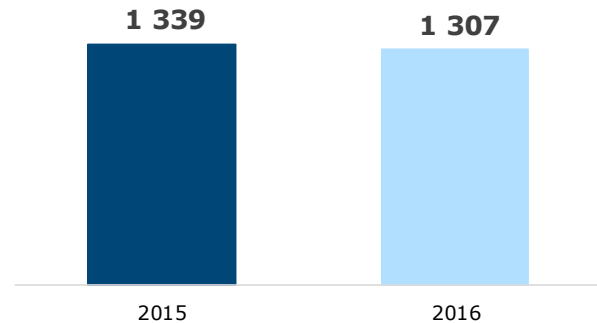
THERMAL POWER

- **Combustion by-product and liquid waste processing**
 - Compensation for the extra costs resulting from management of combustion by-products and liquid waste at the Bois-Rouge plant
- **Treating atmospheric emissions**
 - Reminder: The European industrial emissions directive (IED) will come into force on 1 January 2020 at the latest, imposing cuts in emissions of sulphur dioxide (SOx) and nitrous oxide (NOx)
 - The necessary investments have been approved via an amendment with EDF
- **Similar negotiations are underway in the Caribbean**

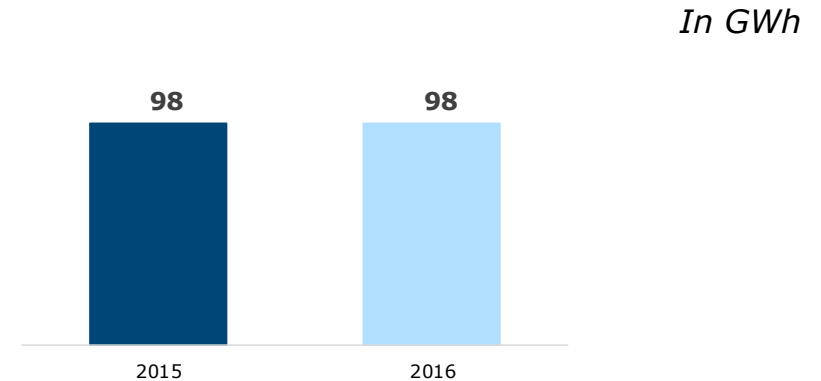
STABLE PERFORMANCE IN THE SOLAR POWER BUSINESS

SOLAR POWER

NUMBER OF EQUIVALENT FULL POWER HOURS



POWER GENERATION

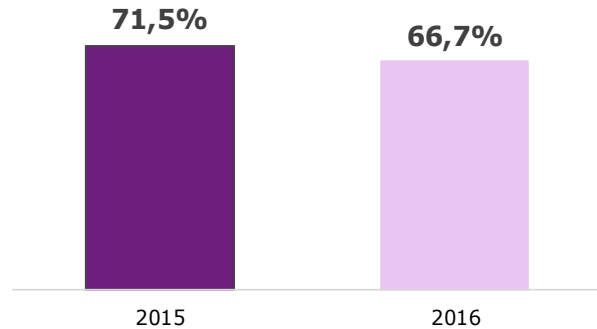


- Less favourable sunshine conditions in the Caribbean and Southern Europe
- Production was stable compared with 2015, with the scope impacted by the acquisition of 3 MWp of new capacity on Reunion Island in April 2015
- Total of €13 million invested in photovoltaic projects with integrated storage (5.9 MWp)

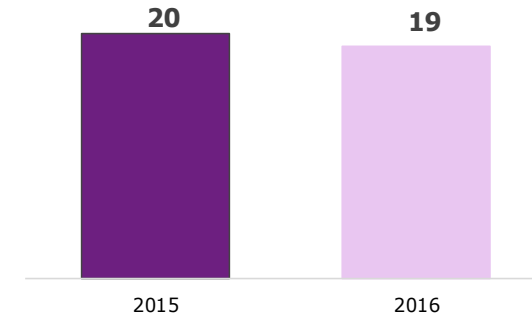
RESTRUCTURING OF THE ANAEROBIC DIGESTION BUSINESS (3 MW)

ANAEROBIC DIGESTION

AVAILABILITY



POWER GENERATION



- Decision made to retain the three plants already in operation within the Albioma Group
 - Industrial reorganisation and restructuring of the anaerobic digestion business in late 2016
 - Power purchase agreement extended from 15 to 20 years

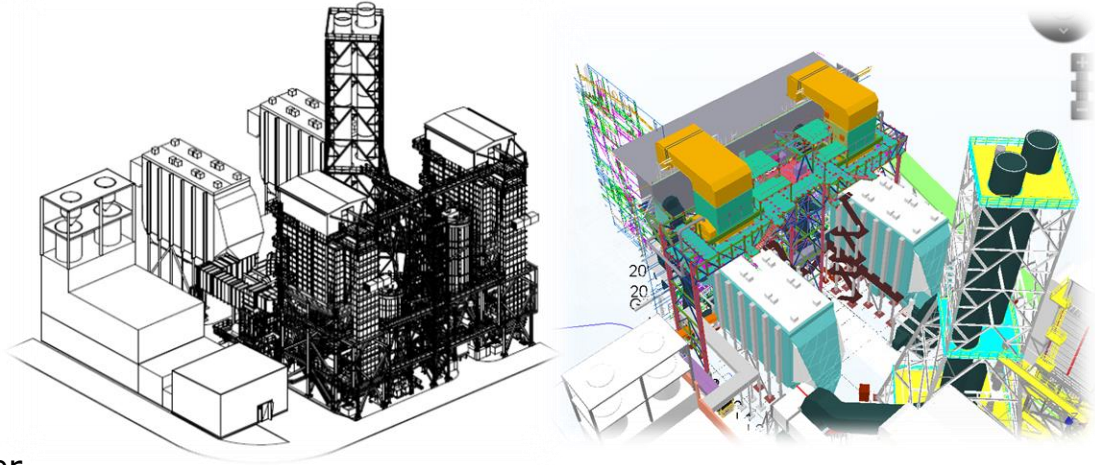
Outlook in French Overseas

THREE PROJECTS UNDER DEVELOPMENT

- 1 **Modernisation** work on existing plants (fume treatment)
- 2 The **Galion 2** plant under construction in Martinique will be the first **bagasse-biomass powered plant** in the French overseas departments
- 3 **The combustion turbine in Saint-Pierre** (Reunion Island) will be the world's first bioethanol-fuelled power plant
- 4 Three **photovoltaic plants with integrated storage** are being developed, following a competitive bidding process organised by the French energy regulator, CRE

MODERNISATION WORK ON EXISTING PLANTS

- Work in progress at the Albioma Le Gol and Albioma Bois-Rouge plants
 - Installation of denitrification catalytic fume filters
 - Installation of desulphurisation filters with lime injection
- €191 million of capital expenditure on the 2 power plants on Reunion Island
- Similar work to start on the Guadeloupe power points following the signing of riders to the EDF contracts



GALION 2 PROJECT - FIRST ALL-BAGASSE/BIOMASS POWER PLANT IN THE FRENCH OVERSEAS DEPARTMENTS

Construction work began in 2015 in Martinique

- **40 MW** installed capacity
- **Fuel:** Bagasse, local and imported biomass (pellets)
- **30-year** contract
- **€185 million** investment
 - Project debt: €120 million over 20 years
- **80%** of equity owned by Albioma
- **Scheduled commissioning date:** Q4 2017
- **Albioma is appealing against the decision to cancel the operating license**



COMBUSTION TURBINE IN SAINT-PIERRE ON REUNION ISLAND

Financing agreement signed on 18 July 2016 and construction work begun

- **41 MW** installed capacity
 - **Technology:** General Electric turbine; peaking operation
 - **Fuels:** mainly bioethanol (and light fuel oil in addition)
 - **25-year** PPA
 - **€60 million** investment
- Project debt: €45 million over 24 years
- **51%** of equity owned by Albioma
 - **Scheduled commissioning date:** late Q4 2017

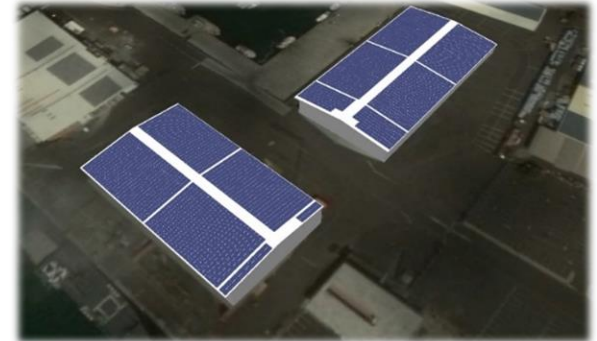


NEW SOLAR POWER PLANTS WITH INTEGRATED STORAGE

Following a competitive bidding process, the French energy regulator, CRE has chosen Albioma to build three photovoltaic plants with integrated storage

- Three projects with a total installed capacity of **5.9 MWp**
- **Technology:** Two rooftop plants on Reunion Island (2.6 MWp) and one ground-based plant in Guadeloupe (3.3 MWp)
- Total investment of **around €13 million**
- **Scheduled commissioning date:** 2018/2019
- Albioma intends to respond to forthcoming CRE bidding processes relating to non-interconnected areas (ZNI)

Le Port
Reunion Island



Stade de l'est
Saint-Denis de La Réunion



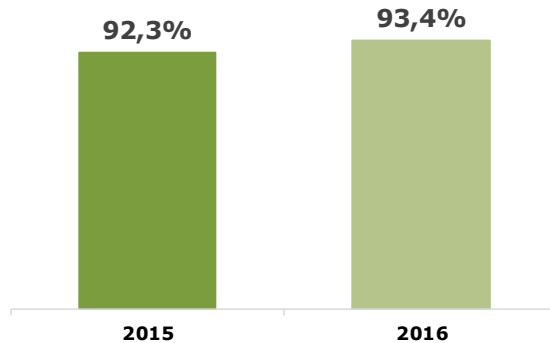
Sainte-Rose
Guadeloupe



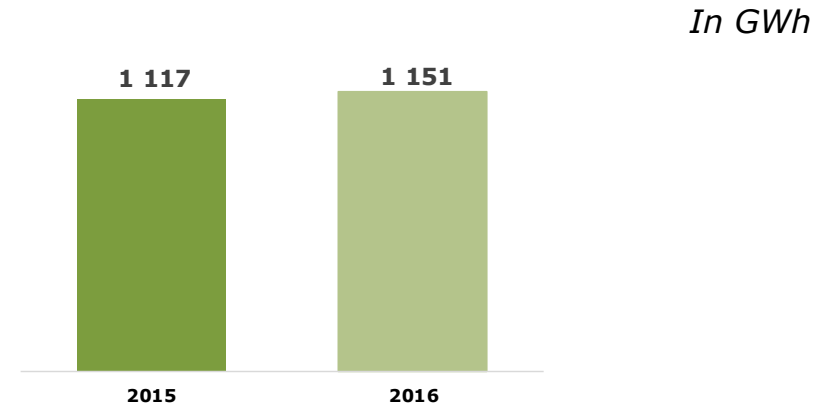
3.3 Mauritius

EXCELLENT PERFORMANCE OF PLANTS IN MAURITIUS

PLANT AVAILABILITY

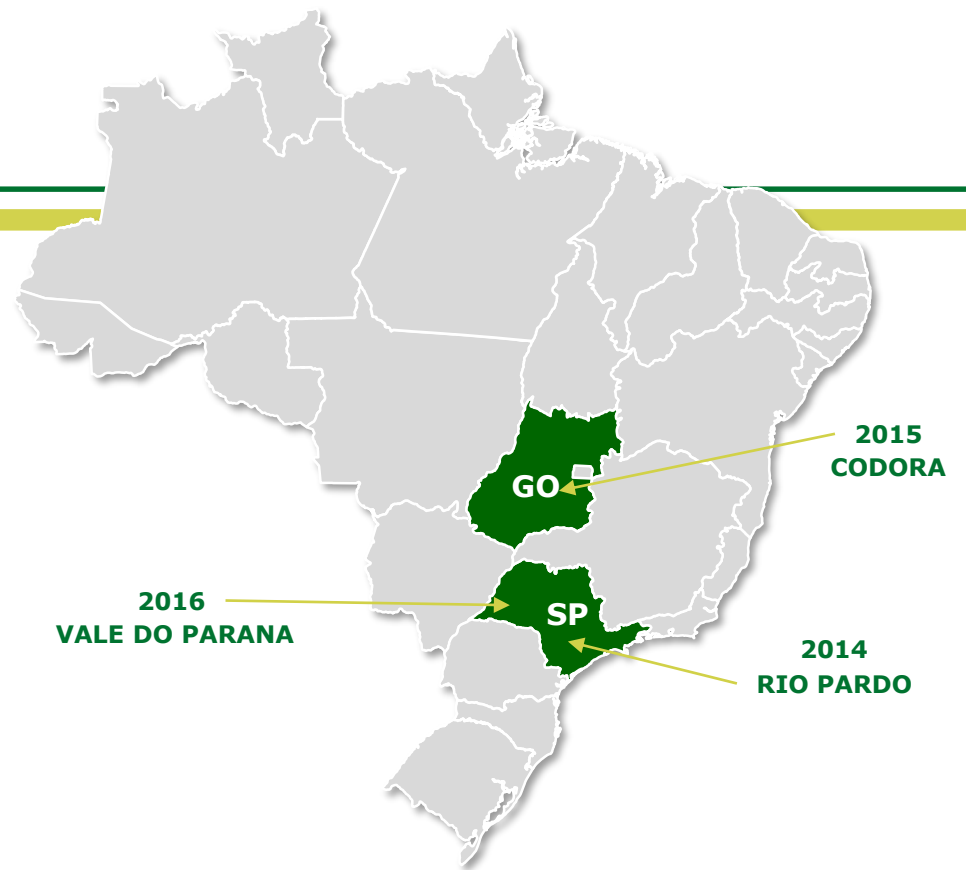


POWER GENERATION

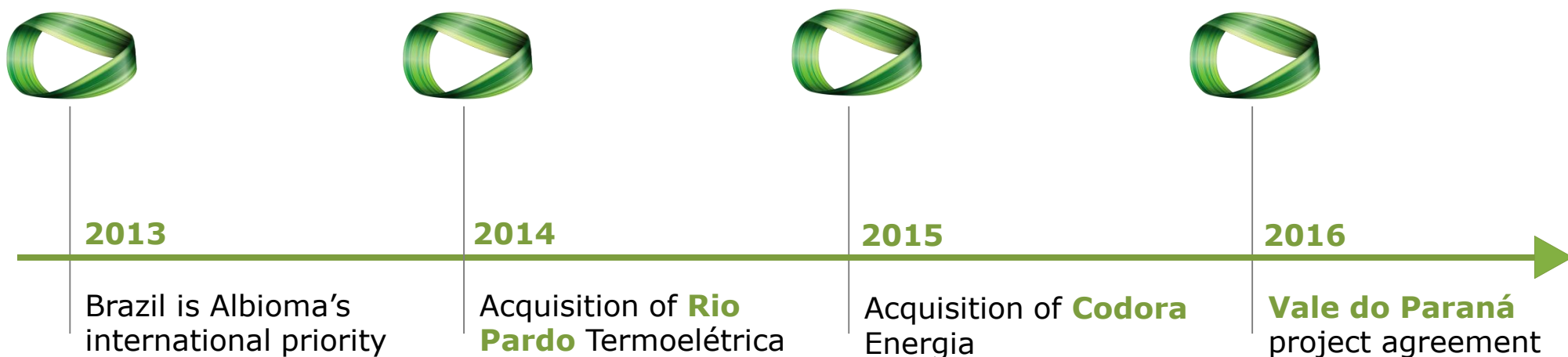


- The plants operated by Albioma performed very well, with a particularly high duty rate at the Terragen plant
- The share of net income from these consolidated entities has been integrated using the equity method since 2014 in the Group's operating income (EBITDA and EBIT)






3.2 Brazil



ALBIOMA'S DEVELOPMENT IN BRAZIL

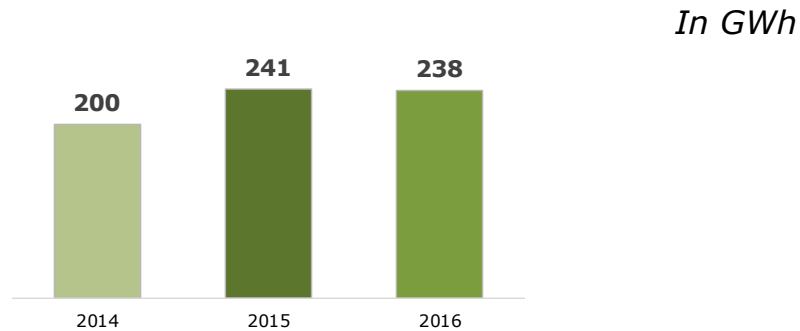


ENCOURAGING MACROECONOMIC INDICATORS

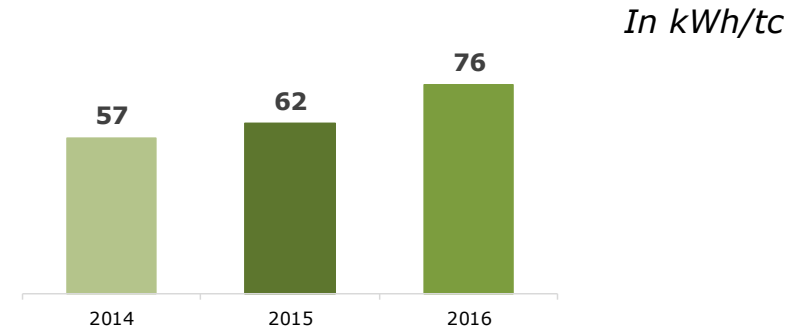
-  Strengthening of Brazilian Real compared to Euro: BRL/EUR 3.5 end of 2016 vs BRL/EUR 4,2 end of 2015
-  Decrease in Brazilian inflation rate: 6.7% end 2016 vs 10.7% end 2015
-  Interest rates in Brazil starting to fall down: CDI rate down from 14.1% at the end of 2015 to 13.6% 12 months later
-  Increase in the average electricity price on the spot market: BRL 133/MWh in late-February 2017 vs BRL 30/MWh in early 2016
-  Rise in the average sugar price: \$0.195/pound at the end of 2016 vs \$0.152/pound at the end of 2015

RIO PARDO AND CODORA PLANTS ACHIEVE GOOD PERFORMANCE

POWER GENERATION



ENERGY YIELD



- The volume of cane crushed by our partners has a 20% decrease as a consequence of unfavourable meteorological conditions
- Strong operational performance resulting in high availability to the sugar refinery at both plants (98% at Rio Pardo and 97% at Codora) as well as a 23% higher energy yields

STRATEGY TO SECURE SALES CONTINUED

Reminder: 2 electricity sales methods in Brazil

- **Regulated market:** long-term power purchase agreements awarded following competitive bidding processes organised by the regulator
- **Open market:** short-term agreements with industrial customers or sale at spot rates

RIO PARDO & CODORA

- **Average power sale price**

2015: Average price of BRL 292 per MWh (Codora consolidated from August 2015)

2016: Average price of BRL 205 per MWh over the year, down 30% compared with 2015

- **2017-2019: ~ 75% of energy sold under contract at BRL 245 per MWh***



On track to meet the target of securing 70-80% of sales (on the open or regulated market) via long-term PPAs

**Average based on annual price inflation of 4.7%*

THIRD PROJECT SIGNED ON 20 MAY 2016: VALE DO PARANA

A new investment fulfilling all our selection criteria

- Creation of a company jointly owned by Vale do Paraná (60%) and Albioma (40%)
 - Extension to the existing cogeneration unit (48 MW planned additional capacity)
 - Electricity sales secured over 25 years as from 1 January 2021 at a price of BRL 243 per MWh (2016 basis - 120 GWh)
 - Investment of around BRL 100 million (2016 basis) mostly financed by a BNDES loan
 - Scheduled commissioning date: 2021
 - **Network connection license granted in February 2017 as planned**



4. 2016 FINANCIAL RESULTS

INCOME STATEMENT BY REGION/BUSINESS

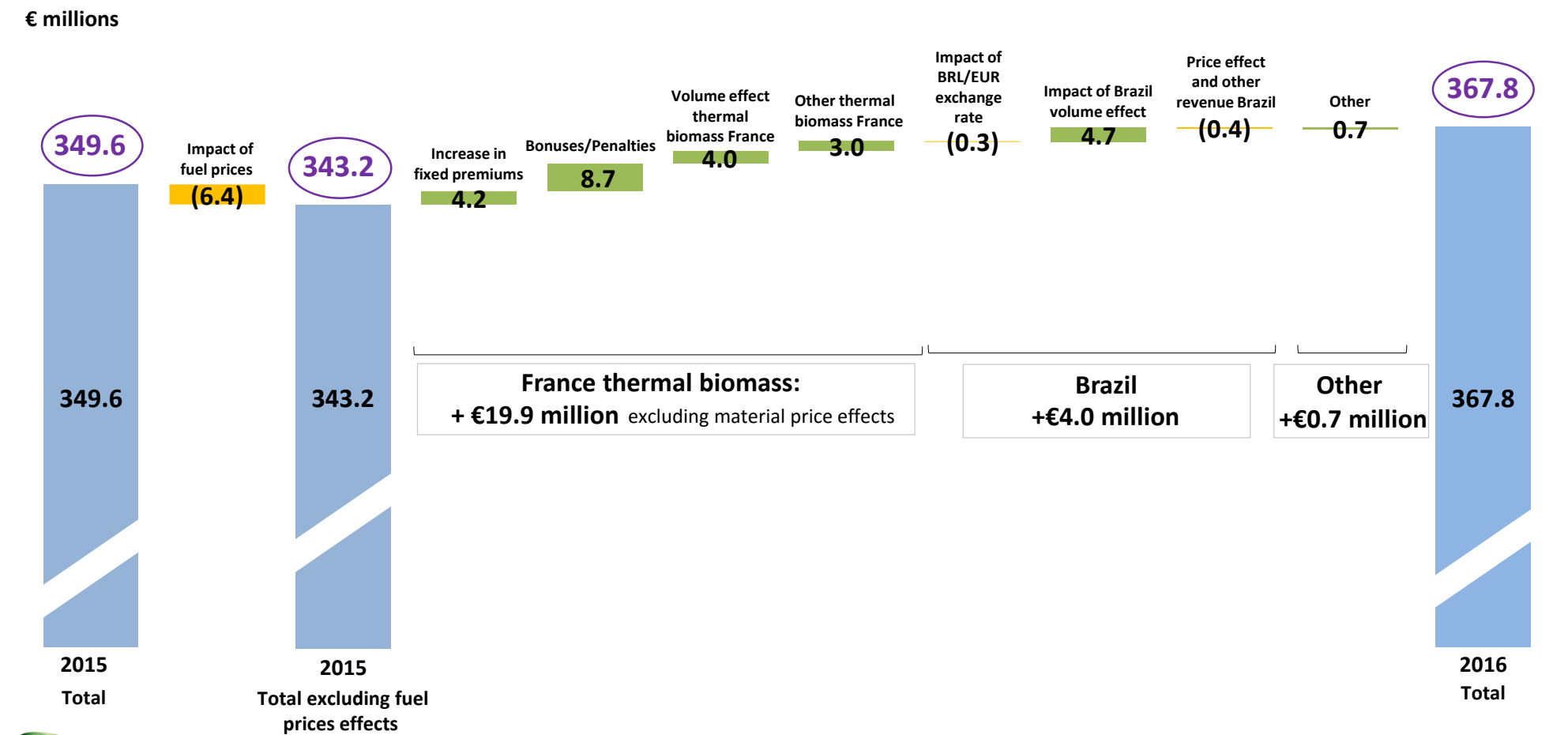
(€ millions)	2016	2015	Chg 16/15
France - Thermal Biomass	301.5	288.1	+5%
France - Solar Power ⁽²⁾	42.7	42.6	+0%
Brazil	17.7	13.7	+29%
Holding & Other	5.9	5.3	+11%
Revenues	367.8	349.6	+5%
France - Thermal Biomass	96.0	83.9	+14%
France - Solar Power ⁽²⁾	31.4	32.6	-4%
Mauritius (MEE)	3.2	3.1	+5%
Brazil	7.2	4.6	+57%
Holding & Other	(6.3)	(4.3)	N/A
EBITDA	131.4	119.9	+10%
Net income (Group share)	33.0	30.2	+9%

(2) Including Spain and Italy

- High availability at the French thermal power plants, and new amendments to the Bois Rouge power purchase agreement
- Solar Power stays even
- Strong operational performance in Brazil despite a short bagasse campaign and the consolidation scope effect

STRONG REVENUE GROWTH

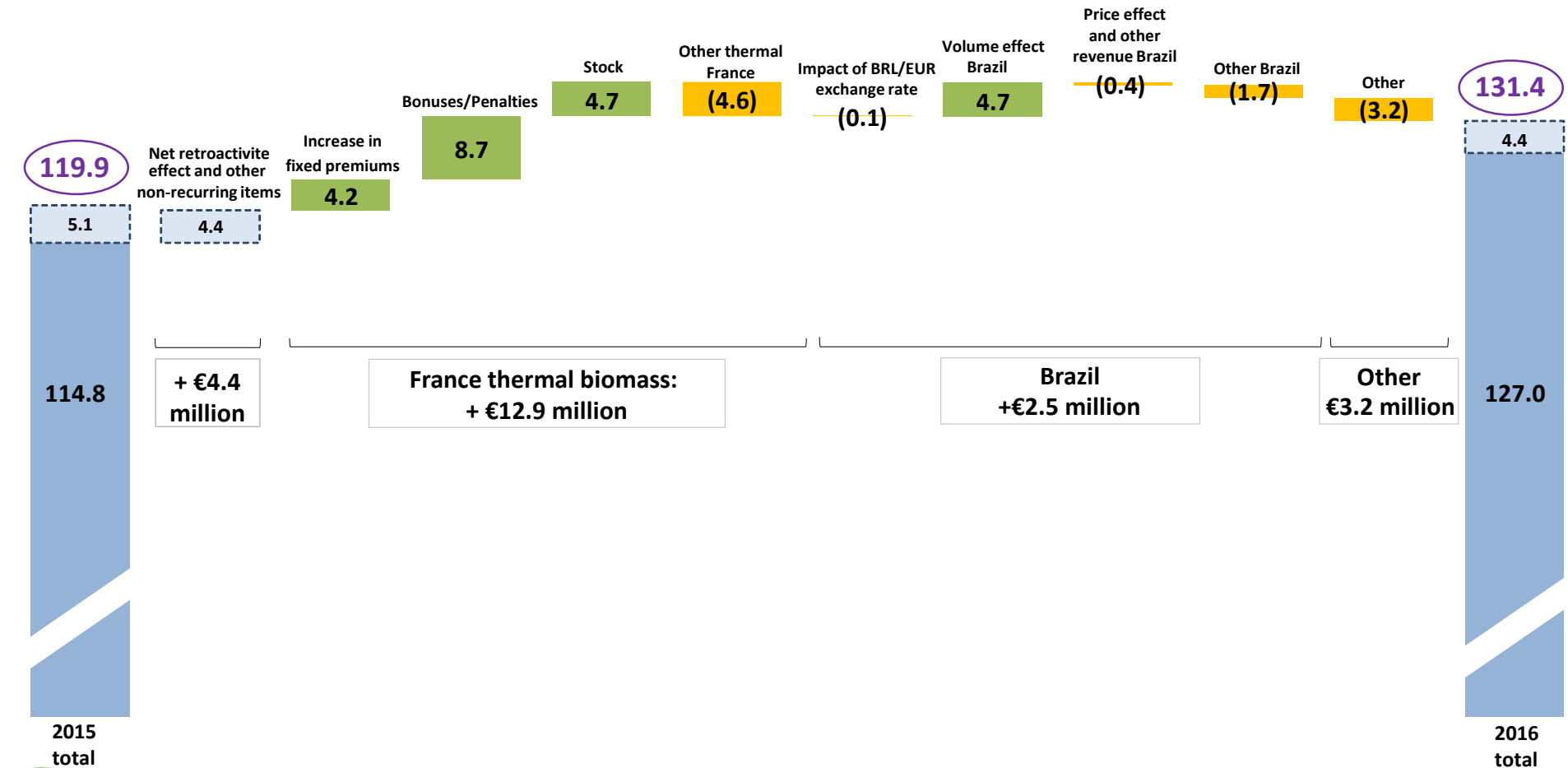
Excluding fuel pricing effects, revenue increased by 7% compared with 2015, driven by a combination of strong operational performance at Albioma’s thermal biomass plants in France, renegotiated prices with EDF and a full-year contribution by Codora in Brazil (acquired in August 2015)



EBITDA UP SIGNIFICANTLY AT €131.4 MILLION

EBITDA rose significantly year-on-year, mainly due to: (i) Strong operational performance at biomass-fuelled thermal power plants in France; (ii) Retroactive application of new amendments agreed with EDF; (iii) a favourable year-end stock effect (iv); the effect of the change in scope in Brazil

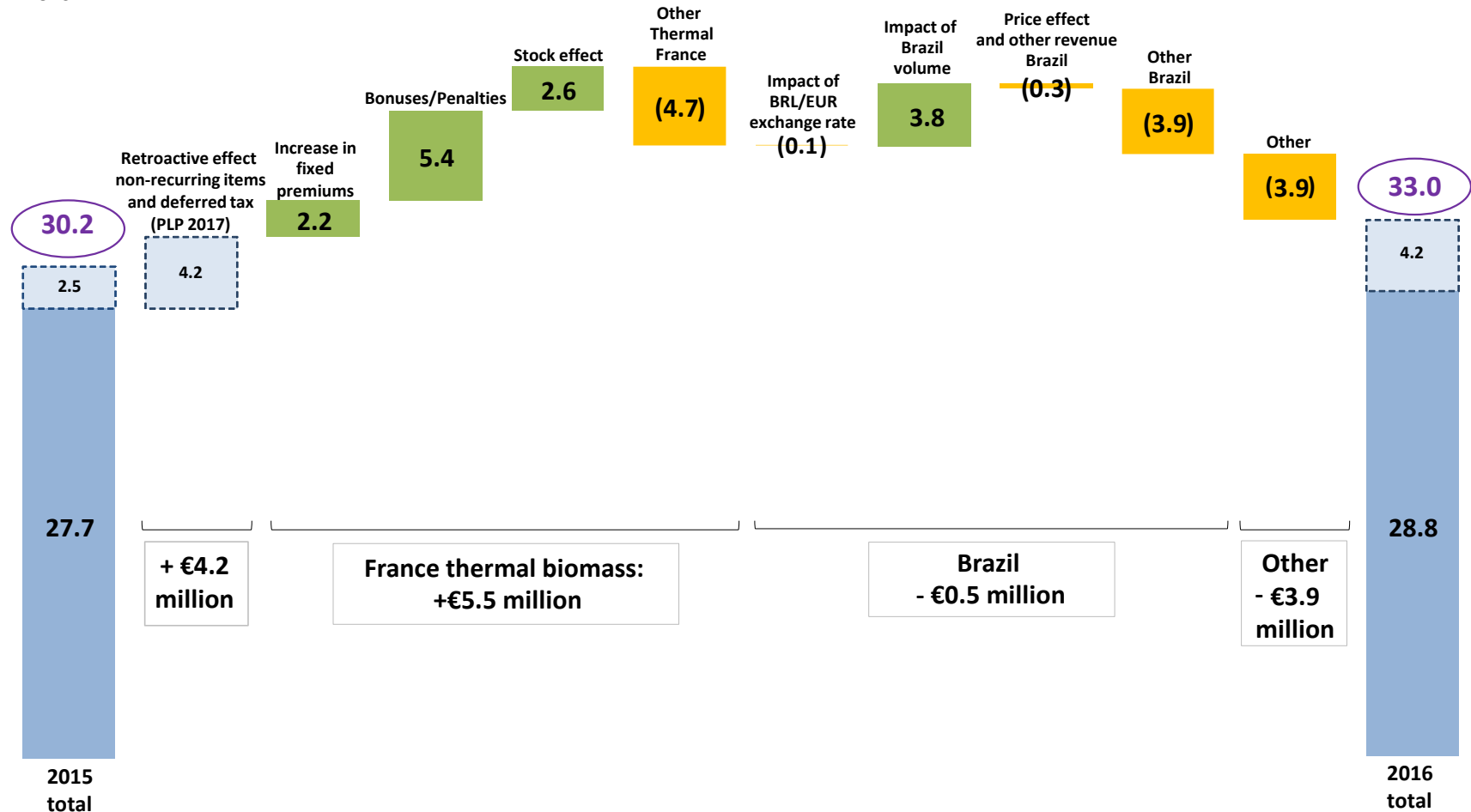
€ millions



NET INCOME (GROUP SHARE) UP BY MORE THAN 9%

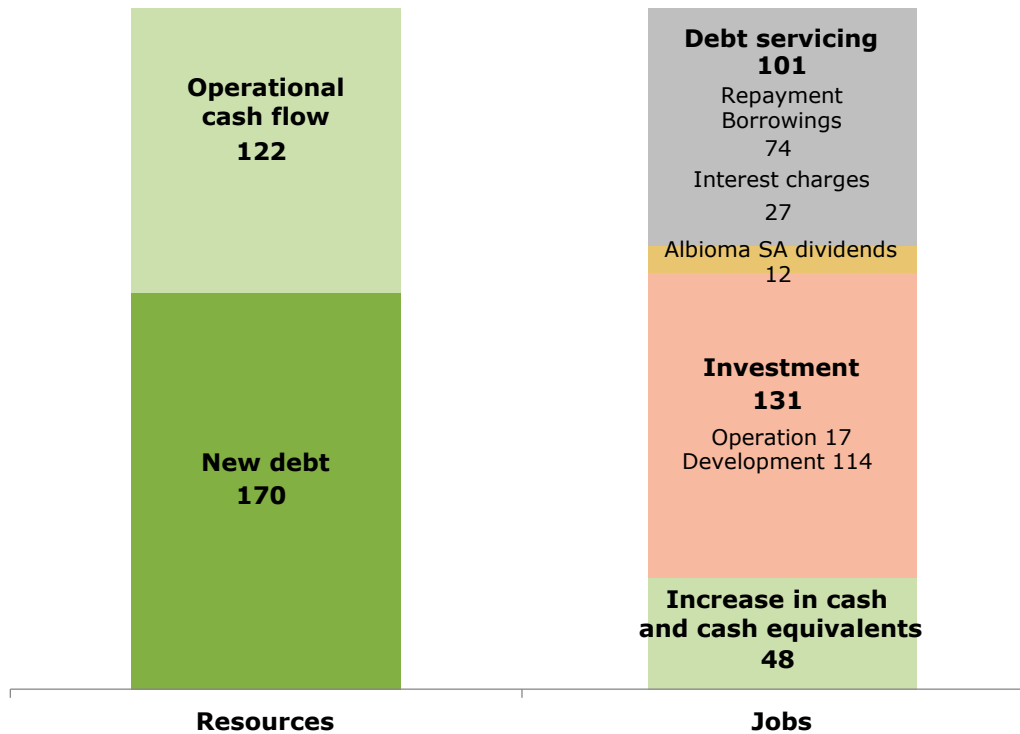
Net income (Group share) includes the effects of (i) retroactive effect and non-recurring items and (ii) the change in consolidation scope in Brazil (financial expenses and depreciation for the full year)

€ millions

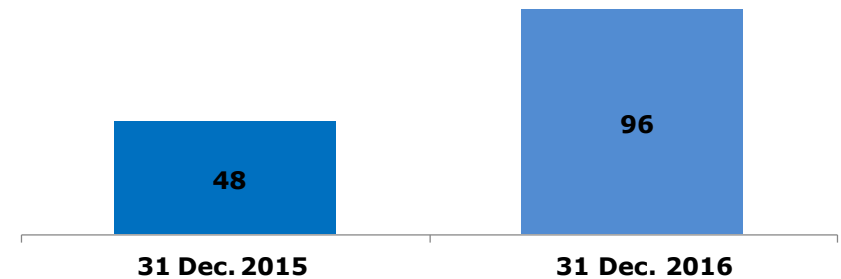


MARKED IMPROVEMENT IN CASH AT €96 MILLION

Cash-flow 2016



Group cash position



NEW FINANCING DEALS IN 2016

- Existing debts and IED compliance works refinanced
 - On 1 July, a €135 million, 12-year package was agreed, refinancing existing debt as well as investment in a fume treatment system for the Le Gol plant
 - On 30 December, a €144 million, 16-year package was agreed, refinancing existing debt as well as investment in a fume treatment system for the Bois-Rouge plant
- Finance for new projects
 - On 27 July, a €45 million, 24-year loan was agreed, financing construction of the combustion turbine in Saint-Pierre

A STRONG BALANCE SHEET TO FINANCE GROWTH

- Residual life extended from 9 to 11 years
- Group average interest rate of 4.4% (of which France 3.8% and Brazil 16.4%)
- 93% of debt hedged or at fixed rates
- Non-recourse project debt except Brazil debt (around €32 million) and projects under construction

<i>(€ millions)</i>	31-Dec-16	31-Dec-15	<i>Change</i>
Project debt	563	476	18%
Corporate debt	85	80	6%
Total gross debt	648	556	17%
Cash and cash equivalents	(96)	(48)	100%
Guarantee deposits and equivalents	(3)	(6)	-50%
Total net debt	549	502	9%
Net debt/EBITDA over rolling 12-month period	4.2x	4.2x	
Net debt excluding projects under construction/EBITDA over rolling 12-month period	3.6x	4.0x	
Gearing*	125%	123%	

* Net debt/Equity

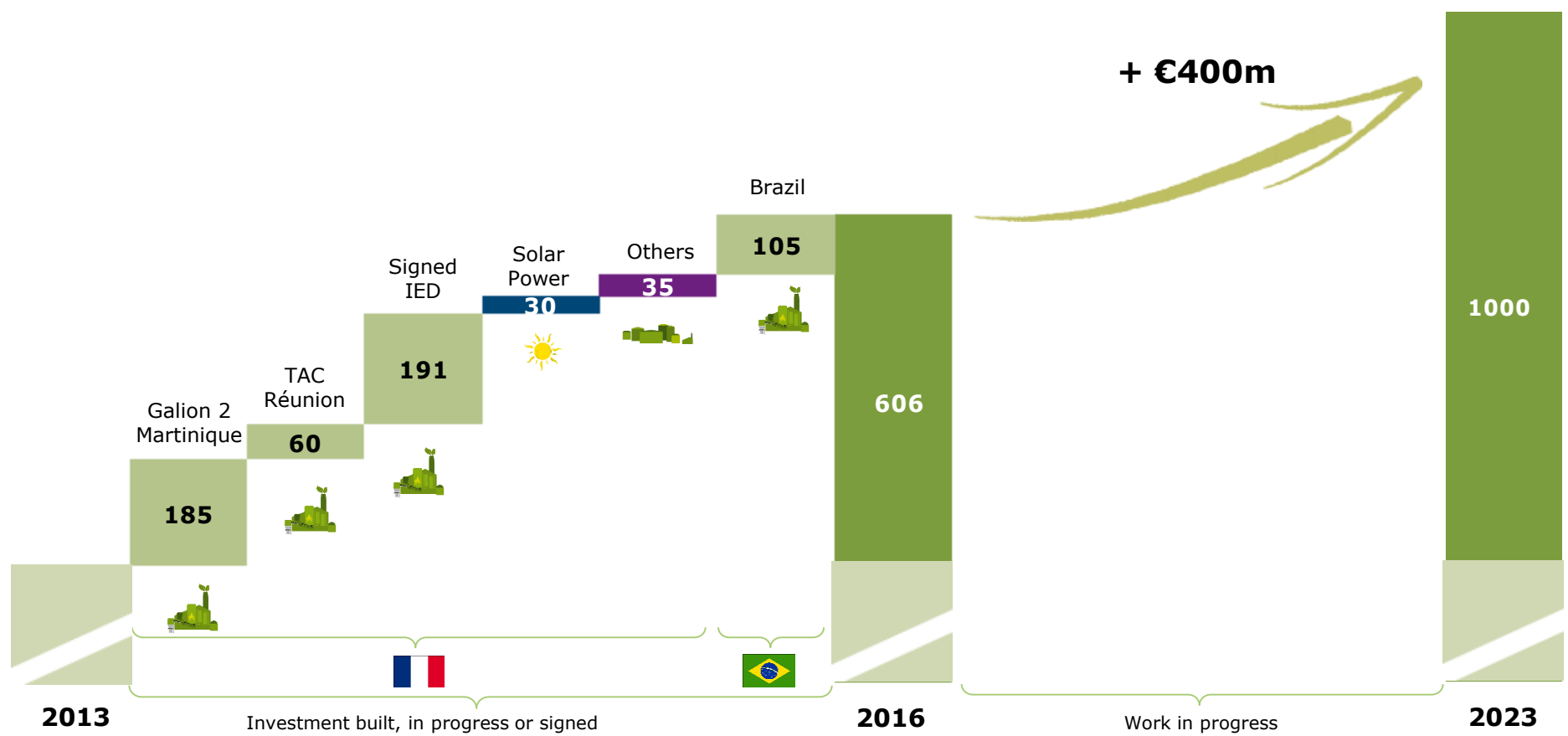
2017 OUTLOOK

	2016		2017
<i>€ millions</i>	Published	Recurring	
EBITDA	131	127	130-138
Net Income (Group share)	33	29	30-35

5. OUTLOOK

2013-2023 GROWTH PLAN

INVESTMENT PROGRAM – 1 BILLION EUROS IN 10 YEARS



Figures in € millions

ALBIOMA - A HYBRID GROWTH AND INCOME STOCK

- ▶ 60% of the growth plan already secured which should result in substantial growth in 2018
- ▶ Aiming at doubling net income (Group share) over 10-year period (as from 2013)
- ▶ Confirmation of the dividend distribution policy: 50% of net income (Group share), excluding non-recurring items

Proposed dividend payment for 2016: €0.57 per share

- Payable 100% in cash or 50% in cash and 50% in Albioma shares

6. APPENDICES

INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2016

(€ millions)	2016	2015	Chg 16/15
Revenue	367.8	349.6	+5%
EBITDA	131.4	119.9	+10%
Depreciation, amortisation, provisions & misc.	(53.6)	(43.8)	-22%
Operating income	77.8	76.1	+2%
Net financial contribution	(26.8)	(26.0)	-3%
Tax	(8.9)	(17.8)	+50%
Effective tax rate ¹	18.6%	38.0%	
Consolidated net income	42.1	32.3	+30%
Net income (Group share)	33.0	30.2	+9%
Weighted average number of shares	29,902,275	29,594,962	
Net income per share (consolidation scope)	1.10	1.02	

¹The normative tax rate is 38.3% (effective tax rate restated from the effects of non-deductible depreciations, excluding Brazil and the effect of the change in the tax rate as from 2019)

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2016

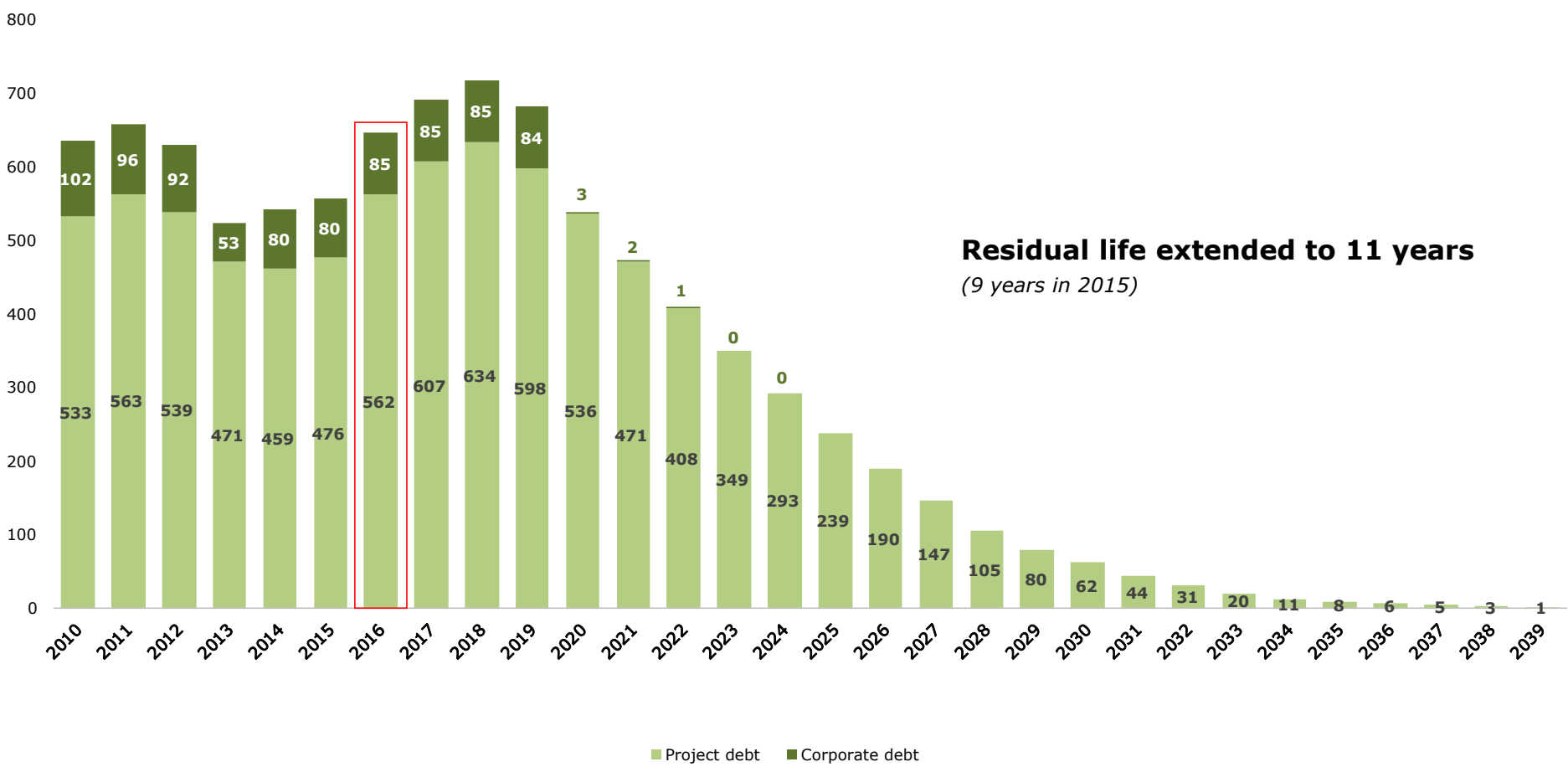
<i>(€ millions)</i>	2016	2015
Cash flow from operations	132.7	120.9
Change in working capital requirements	8.1	(8.2)
Tax paid	(19.2)	(10.8)
Net cash flow from operating activities	121.5	102.0
Operating capex	(17.3)	(17.0)
Free cash flow from operations	104.2	85.0
Development capex	(117.5)	(59.5)
Other/Acquisitions/Disposals	4.0	(38.6)
Cash flow from investing activities	(113.5)	(98.1)
Dividends paid to Albioma SA 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 equivalents	47.8	(55.0)
Opening cash and cash equivalents	48.2	103.1
Closing cash and cash equivalents	96.0	48.2

BALANCE SHEET AT 31 DECEMBER 2016

ASSETS (<i>€ millions</i>)	31-Dec-16	31-Dec-15
Goodwill	12	13
Intangible assets & 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
EQUITY & LIABILITIES (<i>€ millions</i>)	31-Dec-16	31-Dec-15
Equity (Group share)	365	348
Non-controlling interests	74	61
Total equity	438	409
Current and non-current financial liabilities	648	556
Other non-current liabilities	124	123
Current liabilities	118	110
Total EQUITY & LIABILITIES	1,329	1,198

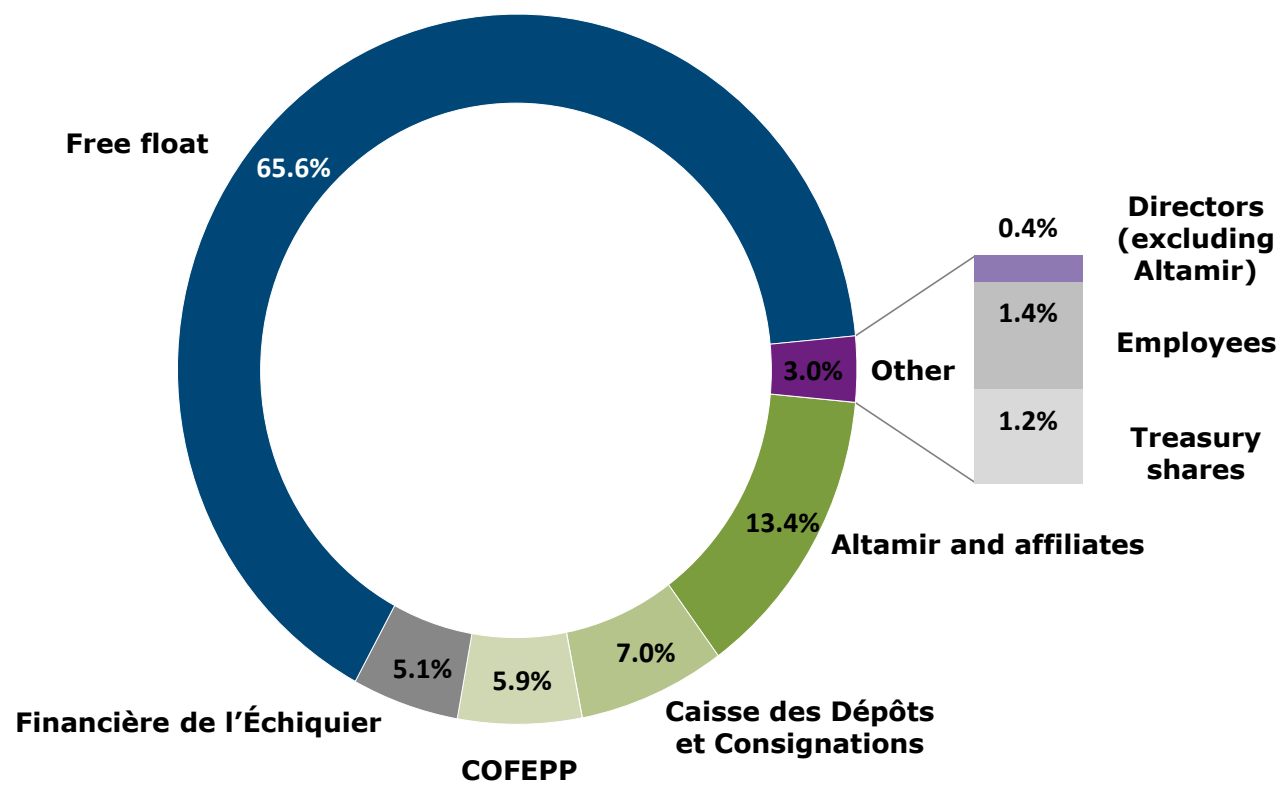
LONG-TERM DEBT MATCHED TO BUSINESS PROFILE

EXISTING DEBT REPAYMENT PROFILE



GRADUAL REORGANISATION OF THE SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE AT 9 FEBRUARY 2017



THANK YOU FOR YOUR ATTENTION

