HALF-YEAR FINANCIAL REPORT

First half of the 2014 financial year

ALBIOMA
A FRENCH LIMITED COMPANY WITH A SHARE CAPITAL OF €1,137,160.26
TOUR OPUS[12]
77 ESPLANADE DU GÉNÉRAL DE GAULLE
92081 PARIS LA DÉFENSE, FRANCE
775 667 538 RCS NANTERRE

TABLE OF CONTENTS

1. STATEMENT OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I declare that, to the best of my knowledge, the consolidated financial statements for the past six months have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all its subsidiaries included in the consolidation scope, and that the half-year management report on page 5 presents an accurate view of the major events that occurred in the first six months of the financial year, their influence on the financial statements, of the major transactions between related parties together with a description of the main risks and uncertainties for the remaining six months of the year.

PARIS LA DÉFENSE, 23 JULY 2014.

JACQUES PÉTRY
CHAIRMAN & CHIEF EXECUTIVE OFFICER

2. ACTIVITIES AND RESULTS FOR THE FIRST HALF OF 2014

2.1. KEY FIGURES

2.1.1. FINANCIAL DATA

In millions of euros	**First half 2014**	**First half 2013 restated[1]**
Revenue	166.7	183.5
EBITDA[2]	64.1	75.4
Net income from continuing operations, Group share[2]	20.7	22.6

Notes

1. The income statement for the first half of 2013 has been restated to incorporate the effect of the application of IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" (see note 2.2 "Accounting policies" of the consolidated condensed interim financial statements for the six months ended 30 June 2014 in chapter 4 of this report) as well as the reclassification in operating income of the share of net income of associates (see note 2.3 "Presentation principles for the half-year financial information" of the consolidated condensed interim financial statements for the six months ended 30 June 2014 in chapter 4 of this report).
2. The 2013 results include retroactive items in respect of the years 2010, 2011 and 2012 obtained in connection with the signing of new amendments to EDF long-term contracts, as well as non-recurring items of €13.8 million in terms of EBITDA and €6.3 million in terms of net income from continuing operations, Group share. The 2014 results include non-recurring items of €4.0 million in terms of EBITDA and €3.0 million in terms of net income from continuing operations, Group share.

2.1.2. OPERATIONAL CAPACITY (MW) AND PRODUCTION (GWH)

	H1 2014	**H1 2013**	***Change***	**H1 2014**	**H1 2013**	***Change***
Albioma Bois-Rouge	108	108	-	306.3	350.3	*-44.0*
Albioma Le Gol	122	122	-	398.4	393.5	*4.9*
Albioma Le Moule	64	64	-	167.0	198.7	*-31.7*
Albioma Galion	40	40	-	26.8	60.6	*-33.7*
Albioma Caraïbes	38	38	-	107.4	97.6	*9.8*
Thermal Biomass excl. Mauritius	**372**	**372**	**-**	**1,006.0**	**1,100.7**	***-94.7***
OTEO La Baraque	90	90	-	238.6	234.9	*3.7*
Terragen	70	70	-	209.1	201.5	*7.6*
OTEO Saint-Aubin	35	35	-	124.1	114.2	*9.8*
Thermal Biomass Mauritius	**195**	**195**	**-**	**571.8**	**550.6**	***21.2***
Thermal Biomass Brazil	**60**	**-**	***60.0***	**28.7**	**-**	***28.7***
Thermal Biomass	**627**	**567**	***60.0***	**1,606.5**	**1,651.4**	***-44.8***
French Overseas Departments	58	57	*0.5*	38.5	37.6	*0.9*
Outside France	4	4	-	3.3	3.4	*-0.1*
Mainland France	8	8	-	5.2	5.1	-
Solar Power	**70**	**70**	***0.5***	**46.9**	**46.1**	***0.8***
Tiper Méthanisation	2	-	*2.1*	5.0	-	*5.0*
Cap'ter Méthanisation	1	-	*0.5*	0.4	-	*0.4*
Anaerobic Digestion	**3**	**-**	***2.6***	**5.4**	**-**	***5.4***
Total Group	**700**	**637**	***63.1***	**1,658.8**	**1,697.5**	***-38.7***

2.1.3. AVAILABILITY RATES

	First half 2014	First half 2013
Albioma Bois-Rouge	77.7%	84.3%
Albioma Le Gol	92.5%	89.0%
Albioma Le Moule	84.7%	98.7%
Albioma Caraïbes	97.7%	89.0%
Albioma Galion	94.7%	93.9%
Total French Overseas Departments	**87.6%**	**89.9%**
Terragen	89.6%	86.0%
OTEO Saint-Aubin	97.1%	92.9%
OTEO La Baraque	90.5%	89.0%
Total Mauritius	**91.3%**	**88.6%**
Total Group	**88.8%**	**89.5%**

2.2. HIGHLIGHTS FOR THE FIRST HALF OF FINANCIAL YEAR

The highlights for the first half of 2014 are described below.

2.2.1. FRANCE – THERMAL BIOMASS BUSINESS

2.2.1.1. ACTIVITY PROVES RESILIENT

At 30 June 2014, the installed thermal power capacity in French Overseas Departments was unchanged compared with that at 30 June 2013 at 372MW.

The availability rate declined slightly compared with the first half of 2013 (87.6% vs. 89.9%) due to technical incidents that occurred at the Bois-Rouge power plant on Reunion Island (malfunction of a turbo-alternator unit) and the Moule power plant in Guadeloupe (short circuit of an alternator stator). Due to the unavailability of the Moule power plant, the shutdown of Albioma Caraïbes, initially scheduled for May, was pushed back to the second half of the year.

In Martinique, the call rate at the Galion peaking plant returned to normal levels (16.3% compared with 37.1% in the first half of 2013) after new installations were brought into service by EDF in late 2013.

Thermal Biomass production in France was down 9% compared with that in 2013 for all plants combined, notably due to technical incidents that occurred at the Bois-Rouge and Moule power plants and the return to normal of the call rate at the peak-load power plant.

2.2.1.2. CHANGES IN THE ECONOMIC AND REGULATORY CONTEXT

Coal prices were down 12% compared with the first half of the previous year: for the Group, they fell from an average of €88 per tonne in the first half of 2013 to €77 per tonne in the first half of 2014. Although this movement adversely impacted the Group's revenue (negative impact of €3.8 million), it did not directly affect profit margins as electricity sale prices are contractually indexed to fuel costs.

Concerning carbon emissions, the excess charge for Albioma Caraïbes was removed under the terms of an agreement reached in the first half of 2014 with EDF. The contracts between all the thermal power plants in the French Overseas Departments and EDF thus now provide for the cost of purchasing quotas on the market – excluding any transaction commissions and after retrocession of free quotas acquired in connection with their cogeneration business – to be passed on to EDF via monthly invoices. A Ministerial Decree (*Arrêté Ministériel*) of 24 January 2014 designated the Bois Rouge, Gol and Moule power plants as recipients of free carbon emissions quotas for the period 2013-2020 due to their cogeneration production (including 290,000 tonnes in respect of 2013 and 2014).

Following the new regulatory provisions of 1 July 2012 on sites classified as installations for environmental protection (*Installations Classées pour la Protection de l'Environnement – ICPE*), on 30 June 2014 the Group placed deposits with Caisse des Dépôts et Consignations in respect of financial guarantees intended to cover site safety and the removal and treatment of hazardous products and waste for the five existing thermal power plants for €0.1 million (representing 20% of the cost, the remainder to be established at the rate of 20% per annum in each of the next four years). The amount of these financial guarantees appears in off-balance sheet commitments.

2.2.1.3. PROJECT DEVELOPMENT

The Group is maintaining its growth policy in French Overseas Departments with two innovative projects for base load power plants: Galion 2 in Martinique and Marie-Galante in Guadeloupe. These two plants will in fact be based on a new model as they will use biomass in addition to bagasse and will retain coal only as a back-up. These two projects, which enjoy strong support from local residents and officials, will pave the way for establishing a local biomass industry that will be supplemented by biomass imported from North America and Brazil. The Galion 2 project in Martinique, which represents an investment of €180 million for 38MW installed, has obtained all the necessary operating authorisations and permits and an in-principle agreement has been reached with EDF for conversion of the bagasse/coal agreement to a bagasse/biomass agreement. Approval is currently being sought from the French energy regulator (Commission de Régulation de l'Énergie – CRE), with commissioning scheduled for late 2016. For the Marie-Galante project in Guadeloupe, which represents an investment of €80 million for 13MW installed, requests for permits and authorisations are under way. The unit is scheduled to be brought into service in 2018.

Albioma won the call for tenders launched in late 2013 by EDF for a planned peak-load production facility in the southern part of Reunion Island (40MW) representing an investment of €45 million. This unit, intended to meet the growing needs for electricity in the region, will be 51%-owned by Albioma and 49%-owned by its sugar industry partners. It will be the first French mixed-fuel peak-load plant operating using biomass, with the main biofuel being ethanol distilled from molasses provided by the Group's sugar industry partners in Reunion and Mauritius. Ultimately, it is also expected to use third-generation biofuels derived from the production of microalgae, developed in partnership with the Reunion-based company Bioalgostral. Light fuel oil may also be used as a supplementary fuel. A 25-year contract will be signed with EDF. Approval for this plant is currently being sought from the CRE, with the unit scheduled to be commissioned in the second half of 2016.

Also, in accordance with new environmental standards applicable to all electricity producers, Albioma is set to invest, between now and 2020, around €200 million in its thermal power plants in French overseas territories and will implement high-performance and cost-effective solutions. Negotiations have been initiated with EDF to adjust the contracts for the sale of electricity based on the return on capital employed set by the regulations.

2.2.1.4. LABOUR RELATIONS

Business in the first half was conducted in a climate of good labour relations.

2.2.2. FRANCE AND SOUTHERN EUROPE – SOLAR POWER BUSINESS

2.2.2.1. HIGLY SUCCESSFUL SOLAR POWER BUSINESS

The Solar Power business, located mainly in French Overseas territories, benefits from very long sunshine hours and purchase prices that are higher than those in mainland France.

Photovoltaic power production increased by 2% to 46.9GW. The plants in the Indian Ocean and French Guiana benefited from excellent sunshine and operating conditions.

In Mayotte, a small plant producing 0.1MWc was brought into service in June 2014 (Hyper Discount 2).

Following the fire that occurred on 6 November 2013, technical unit 2 at the Lasalle power plant was brought back into service on 21 February 2014 and the installation is once again fully operational.

2.2.2.2. CHANGES IN THE ECONOMIC AND REGULATORY CONTEXT

There were no significant changes in France during the first half of 2014.

In Spain, the Royal Decree on photovoltaic electricity tariffs was revised on 10 June 2014. The new law sets a level of revenue per installation in order to provide "reasonable" profitability, depending on the overall size of the installation, the date it was brought into service and its geographic location. In addition, a coefficient was introduced aimed at spreading the shortfall in power production in the Spanish market, and enabling the Spanish State to pay for only a portion of the production received, the rest being paid within a period of six months to two years. This new Decree is expected to have a marginal effect on the profitability of installations based in Spain.

2.2.2.3. PROJECT DEVELOPMENT

Construction of the photovoltaic plant equipped with batteries on Reunion Island (Leclerc – 1MW) has been completed and this unit is set to come into service in August 2014.

Another photovoltaic project with batteries in French Guiana (with storage of 2MW) is in the administrative phase. This unit is expected to be brought into service in 2015.

2.2.3. FRANCE – ANAEROBIC DIGESTION BUSINESS

2.2.3.1. OPTIMISATION OF INDUSTRIAL PROCESSES

Operations at the Tiper Méthanisation power plant (2MW), based in Thouars in the Deux-Sèvres department, and the Cap'ter Méthanisation power plant (1MW) in Saint-Varent, also in Deux-Sèvres, are being ramped up further, the objective being to achieve full power in the second half of 2014.

External work and the fitting out of installations at the Sainter plant (0.5MW) in Saint-Hermine, in the Vendée department, are continuing and construction of the UMAP power plant (1MW in the Ardennes) has begun. Construction of a new unit is expected to begin in the second half.

The industrial processes are currently being optimised and new projects will be initiated when full capacity is achieved at the first installations and once the profitability of the existing plants has been validated.

2.2.4. MAURITIUS

At 30 June 2014, the thermal power of the Mauritian power plants totalled 195MW (the Mauritian plants are equity accounted), stable compared with 2013.

The availability rate increased to 91.3% compared with 88.6% in the first half of 2013, reflecting the good performance of the installations operated by Albioma. Production increased by 4%.

In compliance with the French Financial Markets Authority's (Autorité des Marchés Financiers – AMF) recommendation, the Group decided to present in operating income (EBITDA and EBIT) the net income of companies consolidated using the equity method (the Mauritian entities are 25%-owned by Albioma). So as to ensure comparability between the periods presented, the income statement for the first half of 2013 has been restated in accordance with this new presentation.

2.2.5. BRAZIL

2.2.5.1. ACQUISITION OF RIO PARDO TERMOELÉTRICA

After opening a local office in July 2013, in March 2014 Albioma acquired Rio Pardo Termoelétrica, a company operating a cogeneration plant in the state of São Paulo. The plant, located in an excellent area for growing sugar cane, operates all year round using the bagasse resulting from the nine-month sugar cane harvest. This plant, commissioned in 2009, is fitted with robust equipment and has an installed capacity of 60MW, similar to that of the Group's other plants. It is linked to a sugar refinery that currently processes 2.1 million tonnes of sugar cane per annum, thus providing the plant with a guaranteed supply of bagasse throughout the year. Albioma's unique expertise will enable it to significantly improve the energy efficiency of the existing facility, which will ultimately export 160GWh of electricity to the grid per annum.

The acquisition of 100% of the shares in the cogeneration unit was finalised on 31 March 2014. This operation, financed for 50% by local debt, the rest being equity-funded, positively contributes to both EBITDA and net income, Group share, as from the first half of 2014.

2.2.5.2. EXCELLENT START TO PLANT OPERATIONS

The installation was taken over by Albioma's staff with effect from 31 March and was quickly started up so as to be ready for the start of the sugar harvest, which began on 22 April, as well as the ramping up of the sugar refinery. The start of the harvest proved to be very positive, with the sugar refinery quickly reaching a processing capacity of 12,000 tonnes of cane per day. Helped by a healthy working relationship between the on-site staff, significant progress has been made on the cogeneration installation, which has since operated with a very high availability rate (99.8%).

A straw/cane separation system was brought into service on 29 May in order to optimise the yields, which are in line with the two-year objectives.

Some 28.7GWh of power has been produced since the start of the harvest thanks to good technical command of the equipment, representing average monthly production of around 13GWh. In the first half, the Group sold its electricity production on the spot market, benefiting from particularly high prices (590 Brazilian real per MWh on average).

In order to take advantage of high prices linked to the drought and low levels at hydroelectric reservoirs, contracts were entered into with industrial players at prices established in advance and covering the second half of 2014, along with 2015 and 2016. Around 60% of the expected production has been sold at a fixed price, thus providing lenders with the reassurance sought for the acquisition funding, limiting exposure to the risk of default of supply and making it possible to benefit from spot price levels for the energy not covered by such contracts.

2.2.5.3. PROJECT DEVELOPMENT

Buoyed by its first acquisition, the Group has confirmed the numerous opportunities that exist for the acquisition and construction of cogeneration plants in partnership with Brazil's sugar refinery operators, and plans to undertake one new project every 12 to 18 months.

2.2.6. HOLDING

On 10 March 2014, the Group's head office was transferred from Le Monge tower to Opus[12] tower, located in the main square of La Défense, France.

Following the signing of a settlement agreement, the dispute with a provider over the supply of photovoltaic panels to Albioma Group companies for projects dating back to 2007 is now closed.

Albioma announced the private placement of a Euro PP bond issue for a total amount of €80 million maturing in December 2020, paying an annual coupon of 3.85%. This operation enabled the Group to refinance, under excellent terms and conditions, the existing long-term corporate debt that matures in February 2015, to significantly extend its maturity and to diversify the Group's funding sources supporting the ambitious growth strategy for the coming years. The bonds were issued to European institutional investors. Simultaneously, Albioma renewed its short-term bank funding lines in the form of a €40 million confirmed revolving credit facility.

The General Meeting of shareholders of 27 May 2014 approved the implementation of a new bonus share allotment plan for senior managers and employees from the entire Group.

2.3. COMMENTS ON THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

2.3.1. INCOME STATEMENT

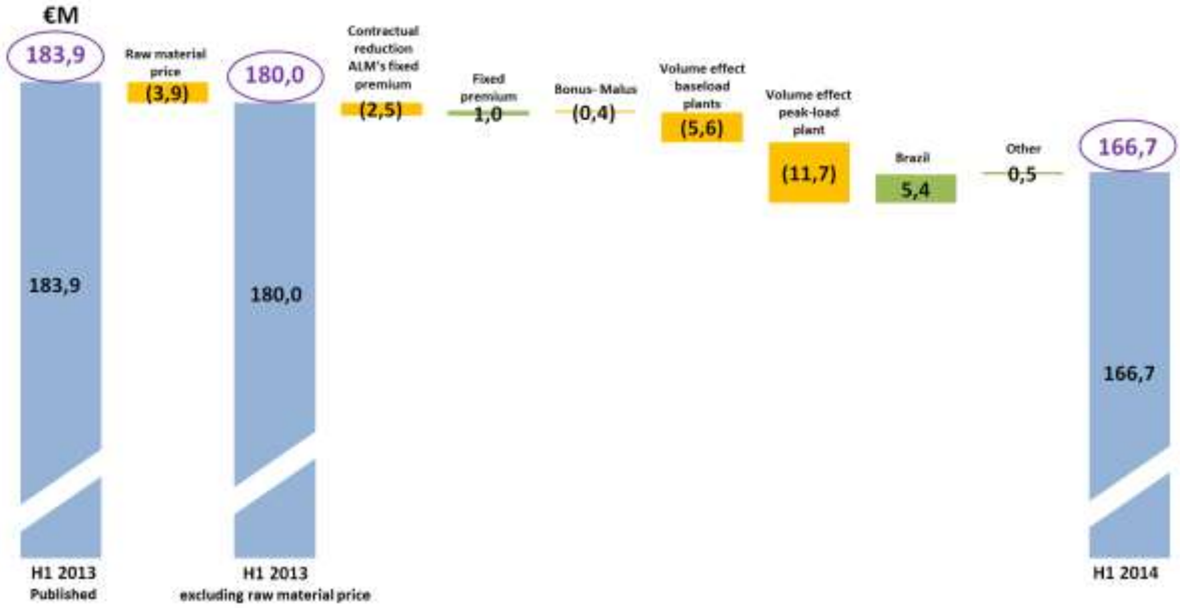
2.3.1.1. REVENUE

In millions of euros	**First half 2014**	**First half 2013 restated[1]**	***Change***
France – Thermal Biomass	140.4	162.9	*-14%*
France et Southern Europe – Solar Power	20.1	18.9	*+6%*
Brazil	5.4	-	-
Holding company and other	0.8	1.6	-
Revenue	**166.7**	**183.5**	***-9%***

Notes

1. The revenue for the first half of 2013 has been restated to incorporate the effect of the application of IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" (see note 2.2 "Accounting policies" of the consolidated condensed interim financial statements for the six months ended 30 June 2014 in chapter 4 of this report) as well as the reclassification in operating income of the share of net income of associates (see note 2.3 "Presentation principles for the half-year financial information" of the consolidated condensed interim financial statements for the six months ended 30 June 2014 in chapter 4 of this report).

Revenue was down 9% compared with the first half of 2013. The change can be analysed as follows:



Stripping out the negative impact of the change in raw materials prices of €3.9 million (including €3.8 million in respect of coal), mainly due to the decline in coal prices between the first halves of 2013 and 2014, but with no direct effect on the margin due to electricity sales prices being contractually indexed to fuel costs, revenue declined by 7% due to:

- the contractual reduction in the fixed premium for the Moule thermal power plant;
- the increase in penalties of €0.4 million and a negative thermal volume effect for the base-load plants of €5.6 million, notably following technical incidents that occurred at the Bois-Rouge and Moule plants in the first half that resulted in unplanned shutdowns;
- a negative impact of €11.7 million stemming from the return to normal of the call rate at the Galion peak-load plant;

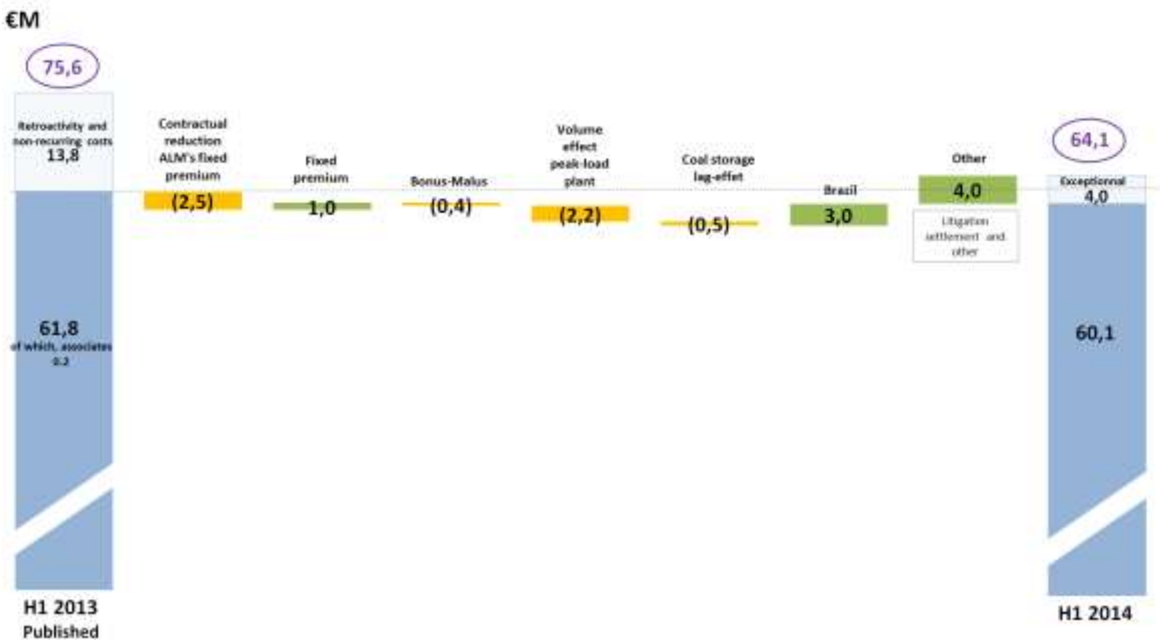
partially offset by:

- the indexation of contracts for the sale of electricity,
- the consolidation of revenue from Brazil, boosted by a good operating performance and high sales prices;
- a 2% increase in photovoltaic power generation.

2.3.1.2. EBITDA

EBITDA in the first half of 2013 included retroactive items and non-recurring charges for an amount of €13.8 million (including €0.2 million in respect of equity-accounted companies). EBITDA in the first of 2014 includes non-recurring items for €4.0 million.

Stripping out these retroactive items and non-recurring charges, EBITDA came to €60.1 million, down just 3% compared with the first half of 2013. This reduction may be explained as follows:



At constant scope (i.e. stripping out retroactive and non-recurring items), EBITDA for the Thermal Biomass France business was down €4.7 million compared with the first half of 2013. This decline was largely due to the contractual reduction of €2.5 million in the fixed premium for the Moule power plant, the impact of technical incidents on the bonus level and the return to normal of the call rate at the Galion peak-load plant.

Thanks to the excellent start-up of the Rio Pardo Termoelétrica plant, activity in Brazil contributed €3.0 million during the first half.

EBITDA for the Solar Power business also increased significantly, reflecting the excellent sunshine hours in all regions. Technical unit 2 at the Lasalle plant, destroyed by a fire in November 2013, was brought back into service in early 2014.

2.3.1.3. CHARGES FOR DEPRECIATION, AMORTISATION AND PROVISIONS, AND FINANCIAL RESULT

The decrease in charges for depreciation, amortisation and provisions to €20.3 million was mainly due to provisions for liabilities and asset impairment recorded in 2013.

The decline in financial charges was essentially attributable to changes in interest rates and the reduction in outstanding debt other than in Brazil following debt repayments made during the period. Repayment of the Brazilian debt took effect only from 23 May 2014.

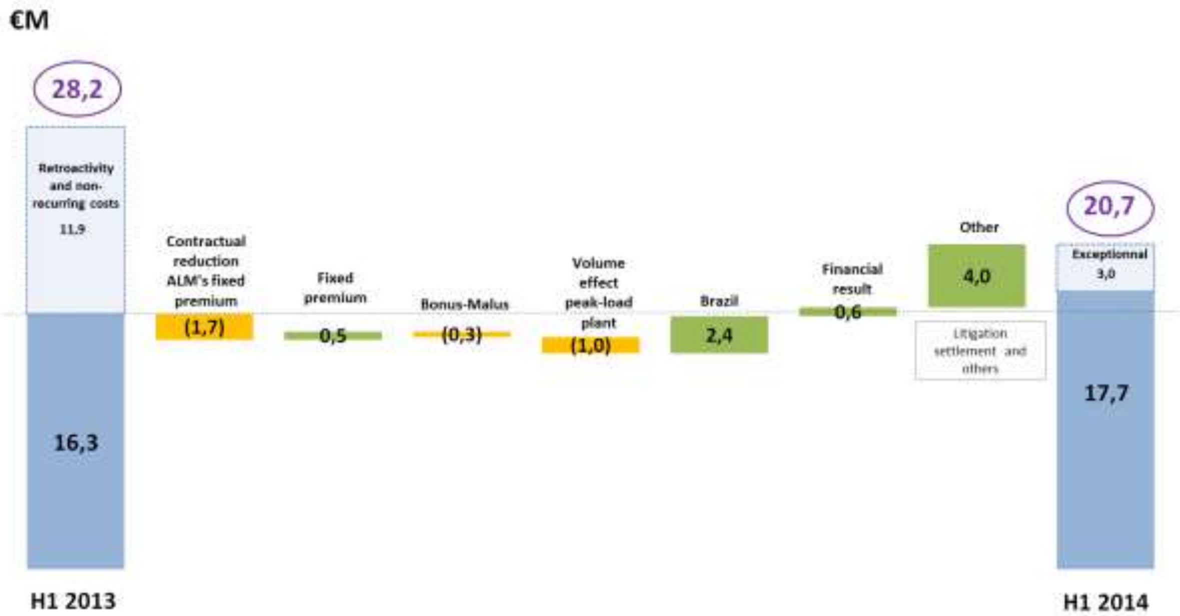
2.3.1.4. TAX CHARGE

The tax charge came to €10.1 million, corresponding to an effective tax rate (excluding share of net income of associates) of 31.6%, compared with a charge of €14.9 million for the six months ended 30 June 2013, corresponding to an effective tax rate of 37.7%. The impact of differences in tax rates stems mainly from the gap between the common law tax rate in France of 33 1/3% and the rate applicable in Brazil. Excluding Brazil, the effective tax rate comes to 33.6%.

2.3.1.5. NET INCOME, GROUP SHARE

In the first half of 2013, published net income, Group share came to €28.2 million, which included the €5.6 million gain on the sale of the Wind Power business in February 2013 as well as retroactive items received in connection with the signing of new riders with EDF and non-recurring charges and provisions for an amount of €6.3 million. Stripping out this gain, and retroactive and non-recurring items, net income, Group share came to €16.3 million.

In the first half of 2014, net income, Group share came to €20.7 million.



2.3.2. STATEMENT OF CASH FLOWS

In millions of euros	**First half 2014**	**First half 2013 restated[1]**
Cash flow from operations	64.6	74.9
Change in the WCR	(8.9)	(6.6)
Tax paid	(17.3)	(10.3)
Net cash flow from operating activities	**38.4**	**58.1**
Maintenance capex	(7.7)	(3.8)
Free cash flow from operating activities	30.7	54.3
Development capex	(9.0)	(9.7)
Other/acquisitions/disposals	(38.7)	18.6
Cash flow from investing activities (excluding maintenance)	**(47.7)**	**8.9**
Dividends paid to Albioma SA shareholders	-	-
Borrowings (increases)	99.1	15.0
Borrowings (repayments)	(72.8)	(59.3)
Cost of financial debt	(10.9)	(11.8)
Other	-	(5.6)
Net cash flow from financing activities	**15.5**	**(61.7)**
Curency effect on cash and cash equivalents, and other	1.0	-
Net change in cash and cash equivalents	**(0.5)**	**1.5**
Opening net cash and cash equivalents	104.3	78.7
Closing net cash and cash equivalents	**103.8**	**80.2**

Notes

1. Cash flow in the first half of 2013 has been restated to incorporate the effect of the application of IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" (see note 2.2 "Accounting policies" of the consolidated condensed interim financial statements for the six months ended 30 June 2014 in chapter 4 of this report) as well as the reclassification in operating income of the share of net income of associates (see note 2.3 "Presentation principles for the half-year financial information" of the consolidated condensed interim financial statements for the six months ended 30 June 2014 in chapter 4 of this report).

2.3.2.1. CASH FLOW FROM OPERATING ACTIVITIES

This item amounted to €38.4 million in the first half of 2014 compared with €58.1 million in the first half of 2013. This increase mainly reflects:

- the €10.3 million decrease in cash flow from operations stemming from the change in EBITDA, which included retroactive items in 2013;
- the negative change in the WCR resulting from the decline in trade payables, the slight increase in inventories and the increase in trade receivables;
- the increase in tax paid relating to the 2013 results.

2.3.2.2. CASH FLOW FROM INVESTING ACTIVITIES

This item comprises:

- operating investment expenses: these comprise investment expenses for power plants in operation, essentially thermal biomass plants, in connection with the servicing, maintenance, repairs, optimisation and modernisation work and investment programme initiated in 2009. These totalled €7.7 million compared with €3.8 million in the first half of 2013, the increase stemming from the deferral to 2014 of part of the maintenance investment programme scheduled for 2013;

- development investment expenses: these totalled €8.9 million compared with €9.7 million in the first half of 2013. They mainly consist of investments in the Anaerobic Digestion power plants, expenses incurred in connection with the Galion 2 project and investments in photo-voltaic installations;
- expenses relating to the acquisition of the Rio Pardo Termoelétrica plant in Brazil.

Free cash flow (cash flow generated by operating activities less operating investments) came to €30.7 million in the first half of 2014 compared with €54.3 million in the same period in 2013 (which included retroactive and non-recurring items).

2.3.2.3. CASH FLOW FROM FINANCING ACTIVITIES

These cash flows amounted to €15.5 million compared with negative cash flow of €61.7 million in the first half of 2013.

€99.1 million of new borrowings were issued in 2014, notably in connection with the refinancing of the holding company (Euro PP) and the acquisition of the Rio Pardo Termoelétrica plant, partly funded via the issue of a new borrowing from local banks.

At the same time, repayments of borrowings amounted to €72.8 million compared with €59.3 million in the first half of 2013, including, in connection with the refinancing of the holding company, early repayment of the previous borrowing that was due to mature in February 2015.

2.3.3. FINANCIAL STRUCTURE

At 30 June 2014, total equity stood at €387.0 million compared with €393.6 million at 31 December 2013.

Gross borrowings stood at €560 million, up compared with the €520 million at 31 December 2013. They consisted of project debt of €480 million, up 2% compared with 31 December 2013, notably due to the borrowing entered into for the acquisition of the Rio Pardo Termoelétrica plant. Corporate debt came to €80 million, up 51% following the issue of a Euro PP bond for an amount of €80 million to replace the previous borrowing.

Consolidated net borrowings came to €450 million after taking into account net cash and cash equivalents of €104 million and security deposits (€6 million of deposits at 30 June 2014). They increased from €410 million at 31 December 2013.

With a net debt/EBITDA gearing ratio of 3.7x and consolidated cash and cash equivalents of €110 million (including €6 million of security deposits), following its first acquisition in Brazil, Albioma still has substantial means to pursue its development.

2.4. OUTLOOK AND OBJECTIVES

The excellent start-up of the thermal biomass plant in Brazil and the good growth momentum of its projects enable the Group to confirm its objectives for EBITDA and net income, Group share for 2014 and 2016.

In millions of euros	**2014**	**2016**
EBITDA	123-126	160-163
Net income, Group share	33-35	40-42

3. STATUTORY AUDITORS' REVIEW REPORT ON THE 2014 HALF YEAR FINANCIAL INFORMATION

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Mazars
Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie
France

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Albioma, for the six months ended June 30, 2014;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to:

- the change in the consolidation method applied to certain entities described in Note 2.2 to the condensed interim consolidated financial statements pursuant to the application of IFRS 10 – "Consolidated Financial Statements" and IFRS 11 – "Joint Arrangements";
- the change in the accounting policy set out in Note 2.3 to the condensed interim consolidated financial statements and relating to the reclassification of the share of net income in equity-accounted companies in operating income.

2. Specific verification

We have also verified the information provided in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

NEUILLY-SUR-SEINE AND COURBEVOIE, JULY 23, 2014.

THE STATUTORY AUDITORS,

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
JEAN-CHRISTOPHE GEORGHIOU	MANUELA BAUDOIN-REVERT

4. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2014

A. CONDENSED CONSOLIDATED INCOME STATEMENT

In thousands of euros	Note	First half 2014	First half 2013 restated
Revenue	5	**166,724**	**183,493**
Purchases (including changes in inventories)		(55,675)	(72,038)
Logistics costs		(4,840)	(6,117)
Staff costs	6	(18,623)	(16,743)
Other operating charges	7	(29,441)	(27,979)
Charges to depreciation and amortisation on contracts for the sale of electricity		(2,270)	(2,276)
Charges to depreciation and amortisation		(18,016)	(18,148)
Other operating charges and income		5,038	11,104
Share of net income of associates and joint ventures	15	895	1,172
Operating income		**43,792**	**52,468**
Cost of financial debt	9	(10,858)	(11,827)
Other financial income	10	405	392
Other financial expenses	10	(491)	(357)
Income before tax		**32,848**	**40,676**
Tax charge	11	(10,105)	(14,882)
Net income from continuing operations		**22,743**	**25,794**
Net income from activities held for sale		**-**	**5,617**
Net income		**22,743**	**31,411**
Income from continuing operations attributable to:			
• the shareholders of Albioma	20	**20,713**	22,583
• non-controlling interests	20	**2,030**	3,211
Net income attributable to:			
• the shareholders of Albioma	20	20,713	28,200
• non-controlling interests	20	2,030	3,211
Basic and diluted earnings per share from continuing operations	20	0.712	0.791
Basic and diluted earnings per share	20	0.712	0.987

The notes form an integral part of the condensed financial statements.

The income statement for the first half of 2013 has been restated to incorporate the effect of the application of IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as described in note 2.2 "Accounting policies" as well as the reclassification in operating income of the share of net income of associates, as described in note 2.3 "Presentation principles for the half-year financial information".

B. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income presents the income for the period together with income and expenses for the period that are recognised directly in equity pursuant to IFRS.

In thousands of euros	**First half 2014**	**First half 2013 restated**
Net income	**22,743**	**31,411**
Translation differences	985	(235)
Cash flow hedges	(11,125)	9,483
Deferred tax relating to cash flow hedges	3,828	(3,254)
Actuarial gains and losses relating to post-employment benefits	(901)	-
Deferred tax on actuarial gains and losses relating to post-employment benefits	300	-
Items available for recycling through profit and loss	(6,913)	5,994
Comprehensive income	**15,830**	**37,405**
Attributable to:		
• the shareholders of Albioma	14,066	33,739
• non-controlling interests	1,764	3,666

The income statement for the first half of 2013 has been restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements" as described in note 2.2 "Accounting policies" as well as the reclassification in operating income of the share of net income of associates, as described in note 2.3 "Presentation principles for the half-year financial information".

Besides the change in the income for the period, the change in comprehensive income stems mainly from the impact of the reduction in interest rates on the valuation at fair value of cash flow hedging instruments (interest rate swaps).

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

In thousands of euros	Notes	30 June 2014	31 December 2013 restated
Non-current assets			
Goodwill	12	15,621	11,300
Intangible assets	13	91,689	92,916
Property, plant and equipment	14	804,480	755,925
Non-current financial assets	16	6,156	6,210
Investments in associates and joint ventures	15	23,355	27,045
Deferred tax assets		15,037	14,681
Total non-current assets		**956,339**	**908,077**
Current assets			
Inventories and work-in-progress	18	48,595	46,469
Trade receivables	17	39,105	37,057
Other current operating assets	19	33,310	26,500
Cash and cash equivalents	16	103,935	104,496
Total current assets		**224,944**	**214,522**
Total assets		**1,181,283**	**1,122,599**

The notes form an integral part of the condensed financial statements.

The statement of financial position as at 31 December 2013 has been restated to incorporate the effect of the application of IFRS 10 “Consolidated Financial Statements” and IFRS 11 “Joint Arrangements” as described in note 2.2 “Accounting policies”.

Equity and liabilities

In thousands of euros	Note	30 June 2014	31 December 2013 restated
Shareholders' equity, Group share			
Share capital	20	1,123	1,123
Additional paid-in capital		23,191	23,191
Reserves		287,613	270,131
Translation reserves		(7,028)	(8,013)
Net income for the period		20,713	42,596
Total shareholders' equity, Group share		**325,611**	**329,028**
Non-controlling interests		61,342	64,611
Total shareholders' equity		**386,953**	**393,639**
Non-current liabilities			
Provisions for employee benefits		16,900	14,425
Provisions for liabilities	22	7,068	7,205
Deferred tax liabilities		63,521	66,729
Non-current financial debt	21	519,687	471,544
Non-current derivatives	23	39,348	28,375
Total non-current liabilities		**646,525**	**588,278**
Current liabilities			
Trade payables	24	39,243	43,765
Tax and social security liabilities	26	27,498	28,355
Current financial debt	21	40,308	48,452
Other current operating liabilities	25	40,756	20,111
Total current liabilities		**147,805**	**140,682**
Total equity and liabilities		**1,181,283**	**1,122,599**

The notes form an integral part of the condensed financial statements.

The statement of financial position as at 31 December 2013 has been restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements" as described in note 2.2 "Accounting policies".

D. TABLEAU DE VARIATION DES CAPITAUX PROPRES

In thousands of euros	**Share capital**	**Additional paid-in capital**	**Reserves and re-tained earnings**	**Cash flow hedges**	**Translation differences**	**Shareholders' equity, Group share**	**Non-controlling interets**	**Total share-holders' equity**
Shareholders' equity at 31 December 2012	**1,102**	**16,657**	**302,906**	**(24,053)**	**(7,415)**	**289,197**	**63,654**	**352,850**
Dividends paid	-	-	(16,861)	-	-	(16,861)	(4,962)	(21,823)
Stock options and performance shares	-	-	122	-	-	122	-	122
Impact of changes in consolidation scope and other movements	-	-	(8)	-	-	(8)	130	123
Treasury shares	-	-	(380)	-	-	(380)	-	(380)
Total transactions with shareholders	**-**	**-**	**(17,127)**	**-**	**-**	**(17,127)**	**(4,832)**	**(21,959)**
Change in translation differences	-	-	-	-	(235)	(235)	-	(235)
Change in fair value of hedging derivatives	-	-	-	5,774	-	5,774	455	6,229
Items recognised directly in equity	-	-	-	*5,774*	*(235)*	*5,539*	*455*	*5,994*
Net income for the period	-	-	28,200	-	-	28,200	3,211	31,411
Total comprehensive income for the period	**-**	**-**	**28,200**	**5,774**	**(235)**	**33,739**	**3,666**	**37,405**
Shareholders' equity at 30 June 2013	**1,102**	**16,657**	**313,980**	**(18,279)**	**(7,650)**	**305,809**	**62,487**	**368,296**
Shareholders' equity at 31 December 2013	**1,123**	**23,191**	**329,538**	**(16,811)**	**(8,013)**	**329,028**	**64,611**	**393,638**
Dividends paid[1]	-	-	(17,527)	-	-	(17,527)	(4,898)	(22,425)
Stock options and performance shares	-	-	196	-	-	196	-	196
Transactions between shareholders and other move-ments	-	-	(158)	-	-	(230)	(134)	(364)
Treasury shares	-	-	7	-	-	7	-	7
Total transactions with shareholders	**-**	**-**	**(17,482)**	**-**	**-**	**(17,482)**	**(5,032)**	**(22,514)**
Change in translation differences	-	-	-	-	985	985	-	985
Change in actuarial gains and losses	-	-	(539)	-	-	(539)	(62)	(601)
Change in fair value of hedging derivatives	-	-	-	(7,093)	-	(7,093)	(204)	(7,297)
Items recognised directly in equity	-	-	*(539)*	*(7,093)*	*985*	*(6,647)*	*(266)*	*(6,913)*
Net income for the period	-	-	20,713	-	-	20,713	2,030	22,743
Total comprehensive income for the period	**-**	**-**	**20,174**	**(7,093)**	**985**	**14,066**	**1,764**	**15,830**
Shareholders' equity at 30 June 2014	**1,123**	**23,191**	**332,230**	**(23,904)**	**(7,028)**	**325,612**	**61,342**	**386,954**

Notes

1. The General Meeting of shareholders of Albioma decided to offer each shareholder the option of receiving half the dividend paid (total amount set at €0.60 per share) in either cash or new shares.

E. STATEMENT OF CONSOLIDATED CASH FLOWS

In thousands of euros	**First half 2014**	**First half 2013 restated**
Operating activities:		
Net income from continuing operations	20,713	22,583
Non-controlling interests	2,030	3,211
Adjustments		
• Charges to depreciation, amortisation and provisions	20,640	22,742
• Change in deferred tax	(695)	(271)
• Share of net income of associates net of dividends received	297	1,001
• Gains and losses on disposal	(278)	(13)
• Other non-cash items	196	116
• Capitalised financial income	-	(169)
• Cost of financial debt	10,858	11,837
• Current tax charge for the period	10,800	13,892
Cash flow from operating activities	***64,561***	***74,929***
Impact of change in working capital requirement	(8,894)	(6,596)
Tax paid	(17,290)	(10,276)
Net cash from operating activities	**38,377**	**58,057**
Investing activities:		
Acquisition of non-current assets	(16,590)	(13,487)
Increase in long-term investments	(82)	-
Sale proceeds from disposals and reductions in financial assets	48	445
Acquisitions and disposals of subsidiaries less any cash acquired or sold	(38,781)	18,189
Net cash from/(used by) investing activities	**(55,405)**	**5,147**
Financing activities:		
Change in treasury shares	-	(498)
Borrowings and financial debt issued or subscribed	99,118	14,978
Cost of financial debt	(10,858)	(11,837)
Borrowings and financial debt repaid	(72,790)	(59,294)
Other	-	(5,076)
Net cash from/(used by) financing activities	**15,470**	**(61,727)**
Impact of currency movements on cash and other changes	1,044	-
Net change in cash and cash equivalents	**(514)**	**1,477**
Opening cash and cash equivalents	104,349	78,714
Closing cash and cash equivalents	103,835	80,191
Change in cash and cash equivalents	**(514)**	**1,477**
Cash	33,092	45,835
Cash equivalents	70,843	34,390
Total cash and cash equivalents	*103,935*	*80,224*
Bank overdrafts	(100)	(34)
Net cash and cash equivalents	103,835	80,191

The notes form an integral part of the condensed financial statements. The statement of financial position as at 31 December 2013 has been restated to incorporate the effect of the application of IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as described in note 2.2 “Accounting policies”.

F. NOTES TO THE FINANCIAL STATEMENTS

Drawing on its unique expertise developed based on bagasse (a by-product of sugar cane), Albioma produces electric energy from all forms of biomass by means of cogeneration.

In addition, Albioma develops and operates solar power and anaerobic digestion projects.

Albioma SA is registered on the Nanterre trade and companies registry under number 775 667 538. Its registered office is located at Tour Opus 12, 77 esplanade du Général de Gaulle, 92081 Paris La Défense, France.

Albioma's consolidated half-year financial statements (condensed) are presented in thousands of euros and were approved by the Board of Directors on 22 July 2014.

1. HIGHLIGHTS FOR THE FIRST HALF OF 2014

1.1. FRANCE – THERMAL BIOMASS BUSINESS

Plant operating conditions

The availability rate weakened slightly compared with the first half of 2013 (87.6% compared with 89.9%) due to technical incidents that occurred at units 2 of the Bois-Rouge and Moule power plants. Due to the unavailability of the Moule power plant, the shutdown of Albioma Caraïbes, initially scheduled for May, was pushed back to the second half.

In Martinique, the call-out rate at the Galion peaking plant returned to normal levels (16.3% compared with 37.1% in the first half of 2013) after new installations were brought into service by EDF in late 2013.

Changes in the economic and regulatory context

Coal prices were down 12% compared with the first half of the previous year: for the Group, they fell from an average of €88 per tonne in the first half of 2013 to €77 per tonne in the first half of 2014. Although this movement adversely impacted the Group's revenue (negative impact of €3.8 million), it did not directly affect profit margins as electricity sale prices are contractually indexed to fuel costs.

Concerning carbon emissions, the excess charge for Albioma Caraïbes was removed under the terms of an agreement reached in the first half of 2014 with EDF. The contracts between all the thermal power plants in the French overseas departments and EDF thus now provide for the cost of purchasing quotas on the market – excluding any transaction commissions and after retrocession of free quotas acquired in connection with their cogeneration business – to be passed on to EDF via monthly invoices. A ministerial decree of 24 January 2014 designated the Bois Rouge, Gol and Moule power plants as recipients of free carbon emissions quotas for the period 2013-2020 due to their cogeneration production (including 290,000 tonnes in respect of 2013 and 2014).

Following the new regulatory provisions of 1 July 2012 on sites classified as installations for environmental protection (*Installations Classées pour la Protection de l'Environnement* – ICPE), on 30 June 2014 the Group placed deposits with Caisse des Dépôts et Consignations in respect of financial guarantees intended to cover site safety and the removal and treatment of hazardous products and waste for the five existing thermal power plants for €0.1 million (representing 20% of the cost, the remainder to be established at the rate of 20% per annum in each of the next four years). The amount of these financial guarantees appears in off-balance sheet commitments.

1.2. FRANCE AND SOUTHERN EUROPE – SOLAR POWER BUSINESS

Plant operating conditions

Photovoltaic electricity production increased by 2% to 46.9GW. The plants located in the Indian Ocean and French Guiana benefited from excellent sunshine and operating conditions.

Following the fire on 6 November 2013, the Lasalle technical unit 2 was brought back into service on 21 February 2014 and is now fully operational again.

Changes in the economic and regulatory context

In Spain, the Royal Decree on photovoltaic electricity tariffs was revised on 10 June 2014. The new law sets a level of revenue per installation in order to deliver a "reasonable" profitability, based on the installation's overall size, the date on which it is brought into service and its geographic location. In addition, a coefficient has been introduced with the aim of spreading the shortfall in electricity production in the Spanish market, and enabling the Spanish State to pay for only a portion of the production received, the balance being paid within a period of six months to two years. This new decree is expected to have a marginal effect on the profitability of the installations based in Spain.

1.3. FRANCE – ANAEROBIC DIGESTION BUSINESS

The Tiper Méthanisation plant, located in Thouars in the French department of Deux-Sèvres, and the Cap'ter Méthanisation plant in Saint-Varent, also in Deux-Sèvres, are continuing to ramp up production, with an objective of achieving full capacity in the second half of 2014.

1.4. BRAZIL

Acquisition of Rio Pardo Termoelétrica

In March 2014, Albioma acquired Rio Pardo Termoelétrica, a company operating a cogeneration plant in the state of São Paulo. The plant, located in an excellent area for growing sugar cane, operates all year round using the bagasse resulting from the nine-month sugar cane harvest. This plant, commissioned in 2009, is fitted with robust equipment and has an installed capacity of 60MW, similar to that of the Group's other plants. It is linked to a sugar refinery that currently processes 2.1 million tonnes of sugar cane per annum, thus providing the plant with a guaranteed supply of bagasse throughout the year. Albioma's unique expertise will enable it to significantly improve the energy efficiency of the existing facility, which will ultimately export 160GWh of electricity to the grid per annum.

The acquisition of 100% of the shares in the cogeneration unit was finalised on 31 March 2014. This operation, financed for 50% by local debt, the rest being equity-funded, positively contributes to both EBITDA and net income, Group share, as from the first half of 2014.

Plant operating conditions

The installation was taken over by Albioma's staff with effect from 31 March and was quickly started up so as to be ready for the start of the sugar harvest, which began on 23 April, as well as the ramping up of the sugar refinery.

In order to lock in part of the plant's revenue, contracts have been entered into with industrial players at prices established in advance for the second half of 2014 and for 2015 and 2016.

1.5. HOLDING COMPANY

Following the signing of a settlement agreement, the dispute with a provider over the supply of solar panels to Albioma Group companies for projects dating back to 2007 is now closed.

Albioma announced the private placement of a Euro PP bond issue for a total amount of €80 million maturing in December 2020, paying an annual coupon of 3.85%. This operation enabled the Group to refinance, under excellent terms and conditions, the existing long-term corporate debt that matures in February 2015, to significantly extend its maturity and to diversify the Group's funding sources supporting the ambitious growth strategy for the coming years. The bonds were issued to European institutional investors. Simultaneously, Albioma renewed its short-term bank funding lines in the form of a €40 million confirmed revolving credit facility.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The consolidated financial statements (condensed) for the six months ended 30 June 2014 have been prepared in accordance with IAS 34 "Interim financial reporting", which does not require all explanatory notes to be published. As these are condensed financial statements, they do not include all the information required by IFRS and must therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2013 prepared in accordance with IFRS.

2.2. ACCOUNTING POLICIES

The consolidated half-year financial statements have been prepared in accordance with the framework of International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union on 30 June 2014, which are available on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The accounting principles used for preparation of the consolidated financial statements (condensed) for the six months ended 30 June 2014 are identical to those used for preparation of the consolidated financial statements for the year ended 31 December 2013 and set out in the consolidated financial statements published for that period. There have been no changes to the accounting policies used for the consolidated financial statements (condensed) for the six months ended 30 June 2014 other than those described below.

The following new standards and amendments are subject to mandatory application with effect from financial years beginning on or after 1 January 2014:

- IFRS 10 "Consolidated financial statements";
- IFRS 11 "Joint arrangements";
- IFRS 12 "Disclosure of interests in other entities";
- Amendments to IAS 27 "Consolidated and separate financial statements", and IAS 28 "Investments in associates and joint ventures";
- Amendments to IFRS 10, IFRS 11 and IFRS 12 on transitional provisions;
- Amendments to IAS 36 "Impairment of assets";
- Amendments to IAS 39 "Financial instruments", and IAS 32 "Financial instruments – Presentation".

The implementation of IFRS 11 "Joint arrangements" and IFRS 10 "Consolidated financial statements" led to a change of the method used to consolidate the Albioma entities Power Alliance and Quantum Caraïbes. These entities, previously consolidated using the proportional method, fall within the definition of joint ventures within the meaning of IFRS 11 and must therefore be consolidated using the equity method. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the comparative financial statements have been restated. A reconciliation between the published financial statements and the restated financial statements is presented in note 31 of these financial statements (condensed).

The other texts do not apply to the Group or have no material impact on the Group's consolidated financial statements for the six months ended 30 June 2014.

The impact on the financial statements of texts published by the IASB as at 30 June 2014 and not yet endorsed by the European Union is currently being analysed.

2.3. PRESENTATION PRINCIPLES FOR THE HALF-YEAR FINANCIAL INFORMATION

Revised presentation of the profits of equity-accounted companies

Alongside the application of IFRS 10 and IFRS 11, as presented above and in compliance with the French Financial Markets Auithority's (*Autorité des Marchés Financiers – AMF*) recommendation, the Group took the decision to present in operating income the net income of equity-accounted companies. These entities are active in the operation of thermal power plants in Mauritius and in the field of solar power.

In order to ensure comparability between the periods presented, the income statement for the first half of 2013 has been restated in accordance with this new presentation. A reconciliation between the published financial statements and the restated financial statements is presented in note 31.

Specific valuation principles applicable to interim financial statements

The specific valuation principles applied to the interim financial statements are as follows:

- tax on earnings: the tax charge is calculated on the basis of income before tax broken down by tax jurisdiction, to which is applied the estimated tax rates for the full financial year;
- employee benefits: the net cost in relation to these benefits is recognised pro rata to the projected full-year charge derived from actuarial valuations compiled at the end of the previous financial year. The valuation of net commitments is adjusted in the event of a material change in market conditions compared with the end of the previous financial year, including reductions, liquidations and other non-recurring material events.

2.4. MANAGEMENT ESTIMATES

Estimates made by management in relation to the preparation of the half-year consolidated financial statements (condensed) are identical to those described in the consolidated financial statements for the year ended 31 December 2013. In the Group's opinion, there are no material changes in the description of the fair value levels as presented in note 31 of the consolidated financial statements published in the 2013 Registration Document.

3. CHANGES IN THE CONSOLIDATION SCOPE

3.1. ACQUISITION OF RIO PARDO TERMOELÉTRICA

As explained in the highlights for the period, Albioma acquired all the shares making up the share capital of Rio Pardo Termoelétrica, a company operating a cogeneration plant in the state of São Paulo in Brazil. The plant, located in an excellent area for growing sugar cane, operates all year round using the bagasse resulting from the nine-month sugar cane harvest.

This operation, financed for 50% by local debt, the rest being equity-funded, has a positive impact on Albioma's profitability as from 2014.

The sugar refinery plans to ultimately increase its crushing capacity to 3 million tonnes of sugar cane per annum. In this connection, the sugar refinery has an extension option that can be exercised, subject notably to a profitability condition. Albioma will thus have the opportunity to build a 15MW extension to the cogeneration plant to recover energy from the additional bagasse. The additional investment to be made by Albioma would be in the region of 95 million Brazilian reals.

The impact of this operation on the consolidated financial statements on the date from which the company forms part of the consolidation scope is as follows:

	In thousands of reals	In thousands of euros
Plant	127,480	41,256
Inventories and work-in-progress	138	45
Other operating assets	1	-
Operating liabilities	(946)	(306)
Net assets acquired	**126,673**	40,994
Fair value of the consideration paid	**140,284**	45,399
Goodwill	**13,611**	**4,405**

Of the acquisition price, €38 million had been paid at 30 June 2014, with the balance to be settled by means of the transfer of a Brazilian national development bank (BNDES) debt that is currently borne by the seller.

Acquisition costs of €0.6 million were expensed in the period.

As part of this operation, Albioma granted call options to the sugar refinery covering 40% of the shares making up the share capital of Rio Pardo Termoelétrica for a period of five years with effect from 31 March 2014.

During the first three years, the exercise price of these options is determined based on a reference price that takes into account changes in Rio Pardo Termoelétrica's shareholders' equity, an inflation index and shareholder remuneration.

After the third year, the exercise price is determined based on a multiple of the company's EBITDA and net debt on the option exercise date.

These options meet the definition of financial instruments within the meaning of IAS 39 "Financial Instruments" and must be recognised in the Group's statement of financial position at their fair value. At 30 June 2014, the value of these options does not differ from their market value and they thus have an immaterial value.

The sugar refinery also benefits from a call option on the shares in the event of a 15MW extension to the cogeneration plant carried by a new entity created for this purpose.

In connection with the operational conduct of the business and the management of flows between the sugar refinery and Albioma Rio Pardo Termoelétrica, a consortium has been created bringing together the later and the sugar refinery. This consortium is under Group control. In addition, the sugar refinery has an option to purchase Rio Pardo Termoelétrica's installations or securities for a price of one real at the end of a period of 20 years.

3.2. ACQUISITIONI OF SHARES IN ALBIOMA POWER ALLIANCE

On 16 April 2014, Albioma acquired 50% of the shares in Albioma Power Alliance, thus acquiring exclusive control over this company. Albioma Power Alliance was previously under joint control.

This operation resulted in the acquisition of control of a stake previously owned within the meaning of IFRS 3, amended "Business combinations".

In this case, this standard provides for a two-step treatment:

- simulation of the sale of securities previously owned based on the market value;
- and acquisition of 100% of the securities with the acquisition price being allocated to the fair value of the target's assets and liabilities.

This treatment generated income of €0.3 million in net profit for the period and goodwill of €0.5 million allocated to the company's contracts for the sale of electricity for €0.8 million and to associated deferred tax for negative €0.3 million.

4. OPERATING SEGMENTS

Segment information is presented based on the internal organisation and reporting structures used by Group management, which reflect the various levels of risks and profitability to which the Group is exposed.

Inter-segment transactions are realised on an arm's length basis.

30 June 2014

In thousands of euros	Thermal Biomass France	Thermal Biomass Brazil	Thermal Biomass Mauritius	Solar Power and Southern Europe	Holding company, Ahaerobic Digestion and other	Elimitations	Total
Income statement							
Revenue from ordinary activities	140,387	5,443	-	20,052	842	-	166,724
Inter-segment	-	-	-	-	5,051	(5,051)	-
Revenue from ordinary activities	140,387	5,443	-	20,052	5,893	(5,051)	166,724
Share of net income of associates	-	-	839	56	-	-	895
EBITDA[1]	**42,046**	**3,002**	**839**	**17,277**	**917**	**-**	**64,081**
Operating income	30,118	1,902	839	10,386	547	-	43,792
Net financial income	-	-	-	-	-	-	(10,944)
Tax charge	-	-	-	-	-	-	(10,105)
Net income for the period	-	-	-	-	-	-	**22,743**
Other information							
Investments in property, plant and equipment and intangible assets	8,145	136	-	3,219	4,329	-	15,829
Charges to depreciation and amortisation	(11,903)	(519)	-	(6,888)	(243)	-	(19,553)

30 June 2013

	Thermal Biomass France	Thermal Biomass Mauritus	Solar Power and Southern Europe	Holding company, Anaerobic Digestion and other	Eliminations	Total
Income statement						
Revenue from ordinary activities	162,984	-	18,877	1,632	-	183,493
Inter-segment	-	-	-	5,480	(5,480)	-
Revenue from ordinary activities	162,984	-	18,877	7,112	(5,480)	183,493
Share of net income of associates	-	1,060	112	-	-	1,172
EBITDA[1]	**62,652**	**1,060**	**14,796**	**(3,125)**	**-**	**75,383**
Operating income	49,234	1,060	6,556	(4,381)	-	52,468
Net financial income	-	-	-	-	-	(11,792)
Tax charge	-	-	-	-	-	(14,882)
Net income for the period from continuing operations	-	-	-	-	-	**25,794**
Net income from discontinued operations – Wind Power	-	-	-	-	-	5,617
Net income for the period	-	-	-	-	-	**31,411**
Other information						
Investments in property, plant and equipment and intangible assets	3,721	-	896	3,633	-	8,250
Charges to depreciation and amortisation	(12,328)	-	(8,032)	(172)	-	(20,532)

Notes

1. EBITDA : earnings (including share of net income of associates and joint ventures) before interest, tax, depreciation and amortisation (net of reversals).

5. REVENUE FROM ORDINARY ACTIVITIES

The breakdown of consolidated revenue from ordinary activities is as follows:

In thousands of euros	First half 2014	First half 2013 restated
Sale of electricity and steam	165,889	182,306
Services	835	1,632
Revenue from ordinary activities	**166,724**	**183,937**

6. STAFF COSTS

Staff costs for the first half of 2014 include the non-recurring social security contributions payable following the conditional allotment of bonus shares for €0.9 million as described in note 30 to these financial statements (condensed). This contribution is borne during the initial allotment of bonus shares and independently of the performance conditions actually being met. As such, it cannot be spread over the period in which the performance conditions are met.

7. OPERATING EXPENSES

Logistics costs

Logistics and handling costs for the first half of 2014 included the additional cost relating to the handling of combustion by-products following the ministerial decree of 28 October 2010 on inert waste and talks with the French Department of the Environment, Planning and Housing (Direction de l'Environnement, de l'Aménagement et du Logement - DEAL).

Other operating expenses

Other operating expenses include all costs other than purchases, logistics costs and staff costs. They also include income and expenses relating to carbon emissions quotas.

The change in other operating expenses in the first half of 2014 compared with the first half of 2013 stems mainly from additional costs relating to the technical incidents that occurred at the Bois-Rouge and Moule power plants.

8. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

In thousands of euros	**First half 2014**	**First half 2013 restated**
Other income	5,895	19,777
Other operating income	5,895	19,777
Impairment of projects and assets	-	(1,500)
Provisions for litigation	-	(1,000)
Other expenses	(857)	(6,173)
Other operating expenses	(857)	(8,673)
Total other operating income and expenses	**5,038**	**11,104**

In the first half of 2014, other income essentially comprises compensation received from suppliers in connection with settlement of a dispute.

For the period ended 30 June 2013, other income includes in particular retroactive compensation for three years as provided for in the agreements concluded with EDF. Other expenses relate mainly to effects deriving from these adjustments and retroactive transaction compensation. This item also includes costs in relation to the Group's change of name.

9. COST OF FINANCIAL DEBT

Cost of financial debt comprises the following items:

In thousands of euros	**First half 2014**	**First half 2013 restated**
Financial expenses on financial debt	(6,651)	(6,669)
Financial expenses on leases	(4,207)	(5,158)
Cost of financial debt	**(10,858)**	**(11,827)**

The change in financial expenses relates primarily to the reduction in outstanding debt and to the fall in interest rates for unhedged variable rate loans. The amount of interest expense recognised in respect of swaps came to €3.9 million in the first half of 2014 compared with €4.1 million in the first half of 2013.

10. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income essentially comprises income from the placement of cash and income on deposits. Other financial expenses mainly comprise the charge relating to the discounting of employee benefits for an amount of €0.2 million for the periods presented.

11. TAX CHARGE

The corporation tax charge is as follows:

In thousands of euros	**First half 2014**	**First half 2013**
Current tax charge	(9,410)	(14,621)
Deferred tax	(695)	(261)
Total corporation tax	**(10,105)**	**(14,882)**

Tax charge analysis

The effective tax rate is calculated as follows:

In thousands of euros		**First half 2014**	**First half 2013 restated**
Operating income		43,792	52,468
Share of net income of associates		(895)	(1,172)
Cost of financial debt		(10,858)	(11,827)
Other financial income and expenses		(86)	35
Income before tax and share of net income of associates	(A)	31,953	39,504
Tax charge	(B)	(10,105)	(14,882)
Effective tax rate (B) / (A)		***31.62%***	***37.67%***

A reconciliation between the actual tax charge and the theoretical tax charge, excluding any additional contribution, is shown below:

	First half 2014			**First half 2013 restated**		
	Base (in thousands of euros)	Rate	Tax (in thousands of euros)	Base (in thousands of euros)	Rate	Tax (in thousands of euros)
Theoretical tax charge	31.953	-33.33%	(10.650)	39.504	-33.3%	(13.167)
Share of fees and expenses on dividends	-	-0.8%	(241)	-	-0.4%	(156)
Non-taxable income	-	2.5%	796	-	0.9%	354
Tax allowance	-	0.8%	263	-	-	-
Tax on dividends paid	-	-2.7%	(847)	-	-2.7%	(1.058)
Non-deductible interest	-	-1.1%	(350)	-	-1.0%	(381)
Impact of differences in tax rates and other permanent differences	-	2.9%	924	-	-1.2%	(474)
Tax charge recognised	**31.953**	**-31.62%**	**(10.105)**	**39.504**	**-37.67%**	**(14.882)**

The effects of differences in tax rates essentially relate to the gap between the common law tax rate applicable to Albioma SA of $33^{1/3}$% and the tax rate applicable in Brazil as well as the additional contribution applicable to certain French entities included in the consolidation scope.

Stripping out the impact of the differential in tax rates for the Brazilian activities, the effective tax rate in the first half of 2014 would be 33.8% compared with 37.67% in the first half of 2013.

12. GOODWILL

The change in goodwill can be analysed as follows:

In thousands of euros	**Net amount**
At 31 December 2013	**11,300**
Acquisitions	4,405
Translation effect	(84)
At 30 June 2014	**15,621**

The increase in goodwill stems from the first-time consolidation of Rio Pardo Termoelétrica as described in note 3 "Changes in the consolidation scope" to these financial statements.

The Group has no indication of any impairment in the value of goodwill at 30 June 2014.

13. INTANGIBLE ASSETS

In thousands of euros	**Agreements for the supply of electricity and steam**	**Other intangible assets**	**Total intangible assets**
At 31 December 2013 restated	**91,615**	**1,301**	**92,916**
Amortisation charge for the period	(2,270)	(147)	(2,417)
Increases	-	273	273
Impact of change in consolidation scope	833	-	833
Reclassifications	-	84	84
At 30 June 2014	**90,178**	**1,511**	**91,689**

The change in intangible assets relates mainly to amortisation for acquired agreements for the sale of electricity and to the recognition of Albioma Power Alliance's agreements for the sale of electricity following acquisition of control of this entity.

14. PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	**Installations in service**	**Work-in-progress**	**Total**
At 31 December 2013 restated	**718,319**	**37,606**	**755,925**
Acquisitions	2,534	13,021	15,555
Depreciation charge for the period	(17,136)	-	(17,136)
Reversal of depreciation	-	452	452
Reclassifications	15,024	(15,048)	(24)
Translation differences	2,000	-	2,000
Changes in consolidation scope	47,708	-	47,708
At 30 June 2014	**768,449**	**36,031**	**804,480**

Increases in property, plant and equipment in the first half relate mainly to expenditure for improvements to thermal power plants and for the development of anaerobic digestion projects.

Reclassifications mainly comprise the impact of the Tiper and Capter Anaerobic Digestion installations being brought into service in late June 2014.

"Changes in consolidation scope" include the impact of the first-time consolidation of Rio Pardo Termoelétrica and the acquisition of control of Albioma Power Alliance.

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The change in investments in associates and joint ventures is as follows:

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Amount at the start of the period restated	**27,045**	**26,661**
Dividends paid	(2,547)	(2,011)
Share of net income of associates	895	3,020
Impact of changes in consolidation scope	(1,662)	-
Translation differences on the Mauritian investments	(376)	(625)
Amount at the end of the period	**23,355**	**27,045**

16. FINANCIAL ASSETS

Non-current financial assets

The term deposit generates interest that is capitalised.

In thousands of euros	**Note**	**30 June 2014**	**31 December 2013 restated**
Term deposits		5,458	5,246
Non-consolidated investments		246	258
Loans due in more than one year		327	435
Financial instruments	22	125	277
Total		**6,156**	**6,216**

Cash and cash equivalents

Gross cash comprises the following:

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Investment securities	70,843	66,367
Cash	33,092	38,129
Total	**103,935**	**104,496**

Cash equivalents consist of term deposits and immediately available money market mutual funds (SICAV), for which changes in fair value are recognised in profit or loss.

17. TRADE RECEIVABLES

At 30 June 2014, trade receivables came to €39.1 million compared with €37.1 million at 31 December 2013.

18. INVENTORIES

The breakdown of inventories is as follows:

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Inventories – gross amount		
Raw materials/fuels	16,219	15,368
Non-strategic spare parts	33,033	31,948
Other inventories in progress	930	786
Total inventories – gross amount	**50,182**	**48,102**
Impairment of inventories		
Non-strategic spare parts	(1,587)	(1,587)
Total impairment of inventories	**(1,587)**	**(1,587)**
Inventories – net amount		
Raw materials/fuels	16,219	15,368
Non-strategic spare parts	31,446	30,361
Other inventories in progress	930	786
Total inventories – net amount	**48,595**	**46,515**

19. OTHER CURRENT ASSETS

Other current assets comprise the following:

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Tax and social security receivables	15,577	16,082
Current tax receivables	6,323	2,210
Prepayments	2,903	469
Other debtors	8,507	7,739
Total	**33,310**	**26,500**

20. SHARE CAPITAL AND POTENTIAL SHARES

20.1. SHARE CAPITAL

No options were exercised during the first half of 2014. Albioma holds 59,516 treasury shares as part of the liquidity contract.

20.2. BONUS SHARES PLANS AND STOCK OPTIONS

The amount charged to net income for existing plans at 30 June 2014 was €193,000.

On 27 May 2014, the Board of Directors allotted bonus shares with the following features:

- The "Management Committee" plan for 430,000 shares split into two tranches: Tranche A representing one third of the shares, and tranche B representing the remaining two thirds:
    - Allotment conditions based on changes in the share price (reference price: six-month moving average) and presence on the allotment date:
        - Tranche A: 20% change in the reference share price at any time during the reference period;
        - Tranche B: more than 20% change in the reference share price during the vesting period. Consequently, if the change is less than 60%, the number of shares definitively vested shall be determined by linear interpolation. If the change is at least 60%, the tranche B shares will be definitively vested in full.
    - Vesting period: 2014-2017, split into two sub-periods, i.e. 2014-2016 and 2016-2017;
    - Lock-in period of two years and extended lock-in for 25% of the shares allotted to the Chief Executive Officer or Chairman and Chief Executive Officer up to the date of termination or expiry of position/office;
- Employee plan for 256,000 shares split into two tranches, A and B, of 128,000 shares each. Definitive allotment is subject to performance conditions within the Group as well as presence on the definitive allotment date:
    - Tranche A: availability rate of more than 91.5% over the period 2014-2016;
    - Tranche B: 2016 consolidated EBITDA achieves a level strictly greater than €153.5 million, the number of shares allotted being determined by linear interpolation based on the actual level of 2016 consolidated EBITDA within a range for 2016 consolidated EBITDA of €153.5 million to €169.5 million;
    - Vesting period: 2014-2016.

Pursuant to IFRS 2 "Share-based payment", the fair value of this plan has been estimated at €3.2 million based on the following assumptions:

Life of the conditional allotment	2.8 years to 3 years
Volatility	26%
Stock lending/borrowing rate	7.5%
Dividends	Expected dividend yield estimated using a forward-looking approach, based on the distribution policy announced by the Group

The IFRS 2 charge recognised in the first half of 2014 in respect of this plan is immaterial. Contributions due on the initial allotment date amounting to €0.9 million have been recorded in staff costs for the period.

20.3. NUMBER OF SHARES

At 30 June 2014, the share capital consisted of 29,167,899 fully paid-up shares with a nominal value of €0.0385 per share.

Calculation of the dilution

Shares whose acquisition is conditional have not been included in the calculation of diluted earnings per share for the first half of 2013 or 2014, as the vesting conditions for these shares were not fulfilled at the end of the periods under consideration.

	30 June 2014	30 June 2013
Weighted average number of shares	**29,109,045**	**28,563,147**
Dilution	-	-
Diluted weighted average number of shares	**29,109,045**	**28,563,147**
Group total		
Net income, Group share, before and after dilution (in thousands of euros)	20,713	28,200
Basic earnings per share (in euros)	**0.712**	**0.987**
Diluted earnings per share (in euros)	**0.712**	**0.987**
Continuing operations		
Net income, Group share, before and after dilution (in thousands of euros)	20,713	22,583
Basic earnings per share (in euros)	**0.712**	**0.791**
Diluted earnings per share (in euros)	**0.712**	**0.791**
Discontinued operations		
Net income, Group share, before and after dilution (in thousands of euros)	n/a	5,617
Basic earnings per share (in euros)	**n/a**	**0.197**
Diluted earnings per share (in euros)	**n/a**	**0.197**

20.4. DIVIDENDS

On 27 May 2014, the Ordinary and Extraordinary General Shareholders' Meeting of Albioma decided to offer each shareholder the option to receive half the dividend paid (total dividend set at €0.60 per share) in either cash or new shares in accordance with the conditions described below.

Each shareholder could therefore choose between:

- payment of 50% of the dividend (i.e. €0.30 per share) in new shares, the remaining 50% (i.e. €0.30 per share) being paid in cash; or
- payment of the full dividend in cash (i.e. €0.60 per share).

The issuance price of the new shares delivered as payment under this scheme was set at €17.44. The subscription period closed on 20 June 2014.

At the end of this period, 74% of the rights had been exercised in favour of payment in shares.

The option for payment of the dividend in shares thus resulted in the creation of 368,731 new shares, representing 1.2% of the share capital and voting rights in Albioma based on the number of shares in issue at 30 June 2014 including these newly created shares.

The new shares were delivered and admitted for trading on the regulated market of NYSE Euronext in Paris on 2 July 2014. The cash dividend payment was made on the same date.

21. FINANCIAL DEBT

At 30 June 2014, the Group had the following financial debt:

In thousands of euros	**Project debt**	**Corporate debt net of issuance costs and other**	**Total**
Amounts due to credit institutions	311,419	81,739	393,158
Lease liabilities	166,837	-	166,837
Total	**478,256**	**81,739**	**559,995**
Non-current portion	-	-	519,687
Current portion	-	-	40,308

Project debt has a maturity of between 15 and 25 years according to the type of business and the length of the contract for electricity supply.

The change in financial debt during the period is shown below:

In thousands of euros	**Lease liabilities**	**Bank borrowings and other**	**Total**
31 December 2013 restated	**175,494**	**344,503**	**519,997**
Borrowing issued	-	106,800	106,800
Repayments	(5,423)	(67,367)	(72,790)
Translation effects	-	1,154	1,154
Other movements	(3,234)	3,234	-
Impact of changes in consolidation scope	-	4,858	4,858
Net change	-	(24)	(24)
30 June 2014	**166,837**	**393,158**	**559,995**

For the period ended 30 June 2014, borrowings issued relate mainly to the refinancing of Albioma's corporate debt in the amount of €80 million, financing of the acquisition of shares in Rio Pardo Termoelétrica for €24 million and the financing of anaerobic digestion projects.

The ITAU debt issued for the acquisition of shares in Rio Pardo Termoelétrica has a three-year maturity, with a five-year extension option available to Albioma provided that certain covenants are met. This debt, denominated in Brazilian reals, is at a variable rate and is subject to compliance with covenants. These covenants mainly concern compliance with a minimum ratio of 1.2 for the debt service coverage ratio. Albioma has granted a parent company guarantee to the lender in connection with the issuance of this debt.

Repayments during the period include repayment of Albioma's former corporate debt for €53 million and current repayments of project debt.

In addition, at 30 June 2014, Albioma had undrawn credit lines amounting to €40 million.

In thousands of euros	**Lease liabilities**	**Bank borrowings and other**	**Total**
31 December 2012	**276 073**	**306 681**	**582 754**
Borrwing issued	-	14 978	14 978
Repayments	(9 861)	(49 568)	(59 429)
Other movements	(53 967)	53 967	-
Reclassifications	1 862	-	1 862
Net change	-	(175)	(175)
30 June 2013	**214 107**	**325 883**	**539 990**

Other movements include the impact of the option exercise and refinancing of the Albioma Le Gol-B tranche.

For the period ended 30 June 2013, borrowings issued related mainly to the financing of anaerobic digestion projects in the amount of €3.4 million, the VAT credit in respect of Albioma Le Gol following exercise of the Albioma Le Gol-B option in the amount of €5.1 million and the issue of an additional corporate debt by Albioma for an amount of €6.5 million.

In addition, at 30 June 2013 Albioma had undrawn credit lines of €43.5 million.

22. PROVISIONS

The change in provisions for liabilities for the period ended 30 June 2014 breaks down as follows:

In thousands of euros	**Provisions for industrial and other risks**	**Other provisions**	**Total non-current provisions**
Provisions at 31 December 2013 restated	**3,125**	**4,080**	**7,205**
Additions	581	-	581
Reversals (utilisations)	-	(619)	(619)
Reclassifications	-	(133)	(133)
Translation effect	34	-	34
Provisions at 30 June 2014	**3,740**	**3,328**	**7,068**

Additions during the period relate mainly to claims and litigation.

23. FINANCIAL DERIVATIVES

			Fair values in the statement of financial position				Recognition of changes in 2014	
			31 December 2013		30 June 2014			
In thousands of euros	**Maturity**	**Notional in millions of euros**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Profit or loss**	**Suspense account in equity**
Hedging of variable rate debt by interest rate swaps	2014 to 2029	300	277	(28,375)	125	(39,348)	-	(11,125)
Total cash flow hedging derivatives		**300**	**277**	**(28,375)**	**125**	**(39,348)**	**-**	**(11,125)**

24. TRADE PAYABLES

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Trade payables	36,872	35,393
Amounts due to suppliers of non-current assets	2,359	8,372
Total	**39,243**	**43,765**

The reduction in amounts due to suppliers of non-current assets includes the impact of the agreement entered into with a supplier as settlement of a dispute.

25. OTHER CURRENT LIABILITIES

Other current liabilities break down as follows:

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Deferred income	8,439	8,329
Dividends payable	22,402	-
Other creditors	9,915	11,782
Total	**40,756**	**20,111**

The liabilities in respect of dividends payable include the dividends paid by Albioma to its shareholders and by consolidated companies to non-Group shareholders.

26. TAX AND SOCIAL SECURITY LIABILITIES

These liabilities break down as follows:

In thousands of euros	**30 June 2014**	**31 December 2013 restated**
Current tax libilities	3,236	5,587
Other tax and social security liabilities	24,263	22,826
Total	**27,498**	**28,413**

27. OFF-BALANCE SHEET COMMITMENTS

Commitments given

At 30 June 2014, off-balance sheet commitments given amounted to €34.4 million compared with €37.6 million at 31 December 2013.

This change of €3.2 million stems mainly from the extinction on 8 February 2014 of a €3 million liabilities guarantee issued in connection with the sale of the wind power business to EDF Énergies Nouvelles on 11 February 2013.

Commitments given in connection with the acquisition of Rio Pardo Termoelétrica are presented in note 3.1, while commitments given in connection with the ITAU financing in Brazil are disclosed in note 21 of these financial statements (condensed).

Commitments received

The amount of off-balance sheet commitments received did not change significantly during the first half of 2014: it stood at €50.9 million compared with €51.5 million at 31 December 2013.

28. RISK AND CAPITAL MANAGEMENT

The risks to which the Group is exposed are presented in the notes to the financial statements for the year ended 31 December 2013.

Due to the expansion of its activities in Brazil and investments made during the first half of 2014, the Group has exposure to the euro/real exchange rate. At 30 June 2014, the Group's exposure was estimated at around €27 million, corresponding to the Group's equity investment and to the Brazilian entities' net income for the period. The Group has not identified any other material changes in the risks described in the registration document for the year ended 31 December 2013 or in the risk management policies implemented.

29. RELATED PARTIES

There have been no material changes in transactions with related parties in the first half of 2014.

30. EVENTS AFTER THE REPORTING DATE

On 2 July 2014, Albioma created and delivered 368,731 new shares, issued at a price of €17.44 per share to fulfil shareholders' subscriptions for new shares as part of the dividend payment choice offered.

31. RECONCILIATION BETWEEN THE PUBLISHED AND RE-STATED FINANCIAL STATEMENTS

31.1. RECONCILIATION BETWEEN THE PUBLISHED AND RESTATED INCOME STATEMENTS FOR THE FIRST HALF OF 2013

In thousands of euros	**First half 2013 published**	**Equity consolidation of Albioma Power Alliance and Quantum Caraïbes**	**Reclassification of the share of net income of associates in operating income**	**First half 2013 restated**
Revenue	**183,937**	**(445)**	**-**	**183,493**
Operating income	**51,494**	**(86)**	**1,060**	**52,668**
Financial income and expenses	(11,812)	20	-	(11,792)
Share of net income of associates	1,060	-	(1,060)	-
Résultat avant impôt	**40,742**	**(66)**	**-**	**40,676**
Charge d'impôt	(14,948)	66	-	(14,882)
Résultat net de l'exercice	**25,795**	**-**	**-**	**25,795**

31.2. RECONCILIATION BETWEEN THE PUBLISHED AND RESTATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013

Assets

In thousands of euros	31 December 2013 published	Equity consolida-tion of Albioma Power Alliance and Quantum Caraïbes	31 December 2013 restated
Non-current assets			
Goodwill	11,300	-	11,300
Intangible assets	92,916	-	92,916
Property, plant and equipment	761,299	(5,374)	755,925
Non-current financial assets	6,216	(6)	6,210
Investments in associates	24,138	2,907	27,045
Deferred tax assets	14,681	-	14,681
Total non-current assets	**910,549**	**(2,472)**	**908,077**
Current assets			
Inventories and work-in-progress	46,515	(46)	46,469
Trade receivables	37,205	(148)	37,057
Other current operating assets	26,653	(153)	26,500
Cash and cash equivalents	105,062	(566)	104,496
Total current assets	**215,434**	**(912)**	**214,522**
Total assets	**1,125,983**	**(3,384)**	**1,122,599**

Equity and liabilities

In thousands of euros	31 December 2013 published	Equity consolida-tion of Albioma Power Alliance and Quantum Caraïbes	31 December 2013 restated
Total shareholders' equity, Group share	**329,028**	**-**	**329,028**
Non-controlling interests	64,611	-	64,611
Total shareholders' equity	**393,639**	**-**	**393,639**
Non-current liabilities			
Provisions for employees benefits	14,425	-	14,425
Provisions for liabilities	7,205	-	7,205
Deferred tax liabilities	67,405	(676)	66,729
Non-current financial debt	474,883	(3,339)	471,544
Non-current derivatives	28,375	-	28,375
Total non-current liabilities	**592,293**	**(4,015)**	**588,278**
Passifs courants			
Trade payables	43,837	(72)	43,765
Tax and social security liabilities	28,413	(58)	28,355
Current financial debt	48,737	(285)	48,452
Other current operating liabilities	19,066	1,045	20,111
Total current liabilities	**140,052**	**631**	**140,682**
Total equity and liabilities	**1,125,983**	**(3,384)**	**1,122,599**