

## First-half results 2010

- **Revenues: +15.5% at €140.1 million**
- **Net consolidated profit: -5.8% at €19.4 million**
- **Priority given to investments in existing thermal power plants**
  
- **High level of activity in terms of creating new capacity and raising new financing**
- **Confirmation of good medium-term prospects**

Séchilienne-Sidec's Board of Directors, in a meeting chaired by Mr. Nordine Hachemi, approved the Group's financial statements for the first six months of 2010.

<b>Key consolidated data (in millions of euros)</b>	<b>1<sup>st</sup> half 2010</b>	<b>1<sup>st</sup> half 2009</b>	<b>Change %</b>
Revenues	140.1	121.3	+15.5%
EBITDA <sup>1</sup>	45.6	48.9	-6.7%
Operating profit	32.2	35.4	-9.0%
Net consolidated profit:	19.4	20.6	-5.8%
Net profit (Group share)	15.9	16.9	-5.9%

Commenting on business in the first half of the year, Nordine Hachemi, Chairman and CEO of Séchilienne-Sidec, said: *"In the first half of the year, the Group was very active in several major projects. In operational terms, we prioritised investment in existing thermal power plants, in order to reinforce the technical reliability of those facilities. Most of the 2010 programme was therefore carried out in the first half of the year. We also fine-tuned the Group's corporate structure: all employees are now participants in the company's economic performance. At the same time, we increased installed capacity to almost 9 MW more than at the end of 2009, primarily by commissioning the photovoltaic firm, Pierrelatte, at the beginning of June.*

*In development terms, the Group has shown itself to be dynamic. At the end of June, around 53 MW were under construction, including 38 MW for the Caraïbes Energie thermal power plant, for which 22 people had already been hired. All of which ideally positions the Group, in terms of its 2012 objectives, to grow its installed capacity by around 120 to 180 MW compared to the end of 2009.*

*The recent agreement whereby the European Investment Bank would contribute €200 million to fund our proposed new photovoltaic capacity facilities in France is testament to the quality of our projects and our ability to achieve our objectives."*

<sup>1</sup> EBITDA: Operating profit before amortisation, net provisions, contingencies and expenses

## Financial elements

Segment (in millions of euros)	1 <sup>st</sup> half 2010	1 <sup>st</sup> half 2009	Change %
Thermal	120.5	111.9	+7.7%
Photovoltaic	15.7	5.8	+170.7%
o/w operation	5.9	3.3	+78.8%
o/w other sales (*)	9.8	2.5	+292.0%
Wind power	3.1	2.8	+10.7%
Holding	0.8	0.8	-
<b>TOTAL</b>	<b>140.1</b>	<b>121.3</b>	<b>+15.5%</b>

(\*) sales of solar panels and turnkey solar installations for third parties

Séchilienne-Sidec's consolidated revenue was €140 million, up 15.5% on 1<sup>st</sup> half 2009. All business reports positive.

- **Thermal:** revenues from thermal business were €120.5 million, up 7.7% on the same period 2009, and represent 86% of total business.

The €8.6 million rise is attributable mainly to a coal-price impact of +€6.7 million, reflecting an increase in the average price of coal of almost €10/tonne from one half year to the next.

The balance shows the slight improvement in the technical availability of the power plants.

These levels of technical availability are clearly well below the Group's usual levels of availability. As a reminder, the level of the first half of 2009 is explained by events such as social unrest or technical incidents. The 2010 level is the result of the decision taken by the Group and announced on 16 March last to launch a three-year programme to renovate and improve the technical facilities. The 2010 tranche of that programme had the most constraints. It was carried out almost entirely during the first half of 2010 and caused extended stoppages, thus reducing the average availability of the units concerned.

- **Photovoltaic:** solar operations accounted for €5.9 million, up 78.8% on 2009. This increase is due to the commissioning of 16.0 MW of new capacity since the end of the 1<sup>st</sup> half of 2009 (8.8 MW on the 1<sup>st</sup> half-year of 2010 including 6.9 MW in mainland France, at Pierrelatte in the Drôme region), raising the photovoltaic installed capacities used as at 30 June 2010 to 28.8 MW. It also reflects the full-flow operations of the facilities commissioned in 2009, in excellent sun-cover conditions. The quantities produced also rose by 107%, from 7.2 GWh to 14.8 GWh. A further €9.8 million worth was also generated by the sale of photovoltaic panels.

The Group therefore has some 45.8 MW installed capacity or being constructed as at 30 June 2010 (compared to 38.6 MW at the end of 2009). 9.9 MW are yet to be connected, around 6 MW of which are due to substantial delays in connection.

- **Wind power:** revenues from wind power were €3.1 million, due to better wind conditions during the first half of 2010.

## Other factors

EBITDA was €45.6 million. The €3.3 million negativespread against the 1st half of 2009 can be analysed as follows:

- **Thermal**

The Thermal sector's EBITDA was €39.4 million, compared to €44.0 million in the first half of 2009. The €4.6 million drop is the result of three major factors:

- Positive effect of €5.1 million linked to increase in the price of coal from one half-year to the next;
- Conversely, a negative effect of €-7.0 million reflects the low rate of availability due to the investment programme to renovate and improve the thermal power plants described above.

In 2009, although availability rate was not satisfactory, stoppages were, for the most part, either paid via the *force majeure* clause in the case of the strike in Guadeloupe, or compensated by the insurance policy in the case of the damage to the alternator in the CTBR-1 plant. Scheduled stoppages were largely postponed until the second half of 2009.

By contrast, in 2010 almost all stoppages scheduled for the year were concentrated in the first half with no compensation.

- The effects of the social policy implemented in the thermal power plants during the first half of the year had an impact of €-1.0 million on the wage bill and covered, in particular, the implementation of profit sharing agreements.

- **Photovoltaic**

The photovoltaic business generated an EBITDA of €4.5 million from operations, sharply up (by €2.4 million) on the first half of 2009 thanks to the increase in average operating capacity as well as to good equipment performance. The EBITDA generated by sales of panels to third parties was €0.4 million, the same as in the first half of 2009.

- **Wind power**

EBITDA from wind power was €2.3 million, in line with the first half of 2009.

- **Holding and others**

The €1.1 million drop in EBITDA is mainly due to the non-recurrence in 2010 of the positive €1.6 million impact on the Linares (Spain) project in the first half of 2009.

The cost of financial debt plus other financial expenses and products was €-8.4 million, compared to €-10.1 in the first half of 2009. This €1.7 million improvement mainly reflects the fall in interest rates.

Associated companies' share of net income was €0.7 million, compared to €1.2 million in the first half of 2009. The €0.5 million decline was primarily the result of a different accounting treatment, from 31 July 2009 onwards, of derivatives incorporated in the electricity sales contracts of Mauritian entities.

Consolidated net income was €19.4 million and the Group's net income share was €15.9 million. This represents €0.56/share based on a diluted weighted average of 28,453,978 shares, compared with €0.61/share in the first half of 2009 (27,811,860 shares).

## Cash flow

Cash flow generated by operating activities was €30.5 million in the first half of 2010, compared to €56.6 million over the same period in 2009. This decline was mainly due to the increase in working capital requirements, reflecting the renegotiation of payment terms for purchases of raw materials, which had a positive impact in 2009, and outflows associated with repair and maintenance work carried out at the end of 2009, on CTM in particular.

Cash flow linked to investment was €-71.9 million. This level demonstrates the intense development activity within the Group (the continuing construction of Caraïbes Energie, numerous photovoltaic projects, including Pierrelatte, brought into service in early June 2010, and in wind power with Porte de France), as well as work to renovate and boost the technical reliability of existing thermal power plants.

The cash position at period-end was €82.2 million, compared to €99.7 million at 31 December 2009 and €62.0 million as at 30 June 2009. The Group also has unused short-term credit in the amount of €10 million, excluding lines dedicated to financing its installed solar panel inventories.

## Financial structure

As at 30 June 2010, equity capital was €315.2 million.

Gross financial debt was €579.8 million. Of this, 84% was for project finance, covering facilities in operation and under construction. Net financial debt was €497.6 million, compared to €459.9 million at the end of December 2009.

During the first half of the year, €87 million of new financing was put in place:

- an additional €10 million to finance Caraïbes Energie;
- €30 million to finance taking up the lease option on CTG-A;
- €16 million for the Lassalle open-country power plant currently under construction in Martinique;
- €28 million to finance the Group's installed photovoltaic panel inventories;
- €11 million for the Porte de France wind power plant currently under construction in Lorraine.

In addition, the project "Séchilienne Sidec Energie Renouvelable" was approved by the European Investment Bank (EIB) Board of Directors on 23 July 2010. EIB will refinance up to €200 million with a pool of banks which is currently under constitution. Eligible projects to the refinancing are photovoltaic power projects in France.

## Outlook

Business activity in the second half of the year should benefit from the better availability of its thermal power plants, which saw virtually all stoppages for technical and investment reasons carried out in the first half. It will also benefit from the volume effect of the new photovoltaic facilities brought into service.

On the second half of 2010, the Group anticipates much better results from operations compared to the second half of 2009.

For the second part of the year, the Group is confident that current projects will continue, in particular the work on the Caraïbes Energie power plant, for which the Group has recruited 22 staff and which is planned to go into industrial service in the first quarter of 2011.

In the photovoltaic field, 7.1 MW were under construction as at 30 June 2010, on the mainland, on Réunion and in the Caribbean.

An 8 MW Porte de France wind farm in Lorraine also went into construction during this half of the year.

In addition, the Group launched in July 2010 the construction of a 12 MW photovoltaic park in Kourou in Guyana.

This allows the Group to confirm its medium-term outlook, namely, a growth in its installed capacity by about 120 to 180 MW by 2012 compared to the installed capacity at the end of 2009.

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**Next financial publication:**  
**3<sup>rd</sup> quarter 2010 revenues on 21 October 2010 after trading hours**

**About Séchilienne-Sidec ([www.sechilienne-sidec.com](http://www.sechilienne-sidec.com))**

*Founded 30 years ago, Sechilienne-Sidec is an independent energy producer specialising in electricity generation in medium-sized coal/biomass, photovoltaic and wind power plants. With its technical expertise, its project management experience and the quality of its teams of engineers, the Group manages all stages of a power plant's life cycle: design, finance, construction and operation, all over the world and more specifically in complex environments. ISIN: FR0000060402 - SECH*

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## Consolidated income statement

<i>(000 euros)</i>	<b>1<sup>st</sup> half 2010</b>	<b>1<sup>st</sup> half 2009</b>
<b>Income from ordinary activities</b>	<b>140,076</b>	<b>121,263</b>
Cost of goods (including stock variation)	(58,038)	(44,240)
Logistics expense	(2,881)	(2,672)
Personnel expense	(11,361)	(9,767)
Other operating income (expense)	(22,897)	(15,939)
Depreciation, amortisation and provisions amortissements et provisions	(12,815)	(13,852)
Other income (expense) from operations	155	589
<b>Operating income</b>	<b>32,239</b>	<b>35,382</b>
Cost of debt	(9,471)	(10,993)
Other financial income (expense)	1,100	915
Share of net income of associates	695	1,202
<b>Income before tax</b>	<b>24,563</b>	<b>26,506</b>
Tax expense	(5,178)	(5,920)
<b>Net income for the period</b>	<b>19,385</b>	<b>20,586</b>
<i><b>Attributable to equity holders of Séchilienne</b></i>	<i><b>15,939</b></i>	<i><b>16,921</b></i>
<i>Minority interests</i>	<i>3,446</i>	<i>3,665</i>
Earnings per share (€)	0.56 €/a	0.61 €/a
Fully-diluted earnings per share (€)	0.56 €/a	0.61 €/a

## Consolidated cash flow statement

<i>(000 euros)</i>	<b>1<sup>st</sup> half 2010</b>	<b>1<sup>st</sup> half 2009</b>
<b>Net income for the period</b>	<b>19,385</b>	<b>20,586</b>
Adjustments		
Depreciation and provision expense	13,418	13,547
Movement in deferred tax	2,042	1,294
Net income of associates net of dividends received	1,152	(417)
Gain or loss on disposal	25	-
Other non-cash items	277	(666)
Capitalised financial income	(172)	(287)
Cost of debt	9,471	10,993
Current tax expense for the period	3,135	4,626
<b>Cash flow</b>	<b>48,733</b>	<b>49,676</b>
Change in working capital requirement	(13,416)	6,533
Tax paid	(4,828)	367
<b>Net cash flow from operating activities</b>	<b>30,489</b>	<b>56,576</b>
Acquisition of tangible and intangible assets	(71,329)	(50,412)
Acquisition of financial assets	(31)	(256)
Disposal of tangible and intangible assets	17	199
Disposal and decrease in financial assets	104	236
Cash impact of change in perimeter	(243)	-
Change in current accounts of affiliates	(414)	71
<b>Net cash flow from investing activities</b>	<b>(71,896)</b>	<b>(50,162)</b>
Capital increase	105	-
Capital increase for minorities	-	-
Séchillienne-Sidec dividends paid	-	-
Dividends paid to minorities	-	-
Cost of debt	(9,471)	(10,993)
Financing facilities	11,701	9,181
New debt and loans	36,846	12,058
Repayment of debt and loans	(15,267)	(21,518)
<b>Net cash flow from financing activities</b>	<b>23,914</b>	<b>(11,272)</b>
Exchange rate effect on cash	(1)	4
<b>Net movement in cash</b>	<b>(17,494)</b>	<b>(4,854)</b>
Opening net cash	99,708	66,811
<b>Closing net cash</b>	<b>82,214</b>	<b>61,957</b>
Movement in cash	(17,494)	(4,854)

## Consolidated balance sheet

<b>ASSETS</b>		
<i>(000 euros)</i>	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
Goodwill	950	950
Intangible assets	107,483	109,758
Tangible assets	733,615	683,249
Non-current financial assets	22,766	22,848
Investments in associates	24,865	24,661
Non-current derivative financial instruments	7,009	4,919
Deferred tax assets	2,481	2,633
<b>Total non-current assets</b>	<b>899,169</b>	<b>849,018</b>
Inventory and work in progress	33,464	38,774
Accounts receivable	36,476	20,551
Other current assets	33,581	20,254
Current derivative financial instruments	-	-
Current financial assets	20,922	20,922
Investments in securities	63,254	91,444
Bank accounts	18,974	11,408
<b>Total current assets</b>	<b>206,671</b>	<b>203,353</b>
<b>Total assets</b>	<b>1,105,840</b>	<b>1,052,371</b>
<b>EQUITY &amp; LIABILITIES</b>		
<i>(000 euros)</i>	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
Share capital	1,095	1,095
Additional paid-up capital	14,922	14,817
Reserves	228,610	209,930
Translation reserves	(5,540)	(5,925)
Net income for the period	15,939	40,830
<b>Total group equity</b>	<b>255,026</b>	<b>260,747</b>
Minority interests	60,200	60,818
<b>Total equity</b>	<b>315,226</b>	<b>321,565</b>
Staff benefits	7,503	6,847
Contingency provisions	1,303	1,490
Deferred tax liabilities	46,186	45,212
Non-current debt	483,923	481,745
Non-current derivative financial instruments	18,648	12,309
<b>Total non-current liabilities</b>	<b>557,563</b>	<b>547,603</b>
Accounts payable	59,183	58,813
Tax	12,501	16,422
Current derivative financial instruments	-	-
Current debt	95,931	81,033
Other current liabilities	65,436	26,935
<b>Total current liabilities</b>	<b>233,051</b>	<b>183,203</b>
<b>Total equity &amp; liabilities</b>	<b>1,105,840</b>	<b>1,052,371</b>



## Production capacities (MW, gross)

	As at 30 June 2010	As at 30 June 2009
<b>Thermal</b>		
CTBR 1 and 2	108.0	108.0
CTG A and B	122.0	122.0
CTM	64.0	64.0
CCG	40.0	40.0
<b>Thermal (excl. Mauritius)</b>	<b>334.0</b>	<b>334.0</b>
CTBV	70.0	70.0
CTDS	35.0	35.0
CTSAV 1 and 2	90.0	90.0
<b>Thermal Mauritius</b>	<b>195.0</b>	<b>195.0</b>
<b>s/total Thermal</b>	<b>529.0</b>	<b>529.0</b>
<b>Photovoltaic</b>		
DOM	19.5	10.4
Outside France	2.4	2.4
France Metropole	6.9	-
<b>s/total photovoltaic</b>	<b>28.8</b>	<b>12.8</b>
<b>Wind</b>		
Vanault le Chatel	8.5	8.5
Bambesch	12.0	12.0
Niedervisse	12.0	12.0
Clamanges et Villeseneux	10.0	10.0
<b>s/total Wind</b>	<b>42.5</b>	<b>42.5</b>
<b>Total Group</b>	<b>600.3</b>	<b>584.3</b>