

**First-half results 2011:
Excellent operating and financial performance**

- **Revenue: +19.6% at €167.6 million**
- **EBITDA: +37.6% at €62.7 million**
- **Group share net profit: +36.7% at €21.7 million**

- **More than 52 MW commissioned during the half**
- **Reaffirmation of outlook for the financial period**

- **CRE agreement on a 30-year electricity supply contract for the Marie-Galante thermal power station in Guadeloupe**

Séchilienne-Sidec's Board of Directors, in a meeting chaired by Mr. Nordine Hachemi, approved the Group's consolidated accounts for the first six months of 2011.

Key consolidated data (in millions of euros)	1st half 2011	1st half 2010	Change %
Revenue	167.6	140.1	+19.6%
EBITDA excluding tax benefit ¹	48.8	45.6	+7.0%
EBITDA	62.7	45.6	+37.6%
Operating profit	45.3	32.2	+40.8%
Net consolidated profit	25.7	19.4	+32.4%
Net profit (Group share)	21.7	15.9	+36.7%

Commenting on business in the first half of the year, Nordine Hachemi, Chairman and CEO of Séchilienne-Sidec, said: *"Group momentum was very strong during the first half, with over 52 MW commissioned since the beginning of the year, i.e. more than 12% growth in consolidated operating capacity.*

The Thermal sector contributed more than half this total, thanks to the commissioning in early March of the Caraïbes Energie plant in Guadeloupe. With a capacity of 38 MW, it meets the latest environmental requirements in terms of fume and water treatment. In the photovoltaic sector, the Group has commissioned 14.4 MW of power plants since the beginning of the year, including the six remaining tranches of the large Kourou project

¹ EBITDA: Operating profit before amortisation, net provisions, contingencies and expenses

(12 MW, Guyana) in March. We are actively continuing construction of 9.4 MW additional capacity at Matoury in Guyana and Bethlehem in Réunion, connection of which is expected during the third quarter. In the Wind sector, Héninel's 6 MW went on stream on 12 July 2011. This means that nearly 70 MW will be commissioned in 2011, in other words a rise of more than 16% in consolidated operating capacity.

All these developments mean we are extremely confident about the EBITDA growth outlook that we mapped out for the 2011 financial period as a whole and which we now reaffirm.

At the same time, we are still actively working on future short- and medium-term developments. We are currently studying 14 projects representing a total capacity of 670 MW in France, Africa, North America and Asia. These projects capitalize on the historical savoir-faire of the company and the application of its business model. They include the proposed CCG-2 thermal power stations in Martinique and Marie-Galante in Guadeloupe, for which we have just obtained the agreement of the CRE (Commission de Régulation de l'Energie – French energy regulator) on the signing of 30-year electricity supply contracts. Based on this growth potential in our electricity generation capacities, we reaffirm our growth outlook for the Group's EBITDA of 50 to 70% by 2015."

I – Business performance

Business sector (in millions of euros)	1 st half 2011	1 st half 2010	Change %
Thermal	149.6	120.6	+24.1%
Photovoltaic	13.7	5.9	+133.2%
Wind	3.3	3.1	+7.6%
Holding company*	0.9	10.5	-91.2%
TOTAL	167.6	140.1	+19.6%

(*) of which €9.8 million in sales of solar panels in 2010. No sales in 2011.

During the first half of 2011, Séchilienne-Sidec's consolidated revenue totalled €167.6 million, up 19.6% on the first half of 2010.

Total electricity generation (excluding Mauritius power stations, unconsolidated) amounted to 1,107.7 GWh, up 15.8% on the first half of 2010.

- **Thermal: 14.3% rise in electricity generation, availability rate of power stations up nearly 3 points**

During the first half, the Group produced 1,033.9 GWh (up 14.3% compared to the first half of 2010) with installed capacity up from 334 MW at 31 December 2010 to 372 MW in March 2011 following the commissioning of the Caraïbes Energie plant in Guadeloupe. This installed capacity does not include the 195 MW of the Mauritius plants, whose results are consolidated by the equity method.

During the half, the average technical availability of the Group's consolidated plants was 83.9%, nearly 3 points higher than during the first half of 2010, with a very high call rate for CCG in particular. The impact of the social unrest in the first half was limited owing to the strong mobilisation of non-striking personnel. All the plants completed the vast majority of their scheduled annual shutdowns during the first half.

Revenue amounted to €149.6 million, up 24.1% compared to the same period in 2010. More than half the €29.0 million increase from one half to the next was due to a rise in electricity generation, with the balance attributable mainly to a coal price effect translating as a rise of €20/tonne in the average buying rate from one half to the next.

- **Photovoltaic: continued growth momentum in capacities, revenue up 133.2%**

The growth in photovoltaic electricity generation is in line with the extremely positive momentum seen in 2010. In the first half of 2011, it rose 132% to 34.4 GWh, with revenue increasing in the same proportion to reach €13.7 million.

This sharp increase reflects not only the full effect of the commissioning of 23.9 MW of new installations during 2010, but also the first contributions of the 14.4 MW commissioned during the first half of 2011, including the six remaining tranches of the Kourou project (12 MW, Guyana) in March. Lastly, sunshine levels were good both in the Indian Ocean and in the Caribbean.

At 30 June 2011, the Group had 60 MW of installed capacity and 9.4 MW of capacity under construction in Matoury (4 MW, Guyana) and Bethlehem (5.4 MW, Réunion), which will bring the Group's installed capacity up to 69.4 MW by the end of the year.

- **Wind: production and revenue up approximately 8%**

Wind-generated electricity amounted to 39.5 GWh, a rise of 7.9% compared to production in the first half 2010. Revenue increased in the same proportion, from €3.1 to 3.3 million. This increase followed the commissioning of the Porte de France wind farm (8 MW) in 2010, although wind conditions were mediocre overall during the half, despite an excellent June.

Production capacity stood at 50.5 MW at the end of June 2011. This figure was increased in July by the 6 MW of the Crêtes d'Heninel wind farm in Pas-de-Calais, taking the wind capacity currently in operation up to 56.5 MW.

II – Other financial statement items

✓ EBITDA and net profit: substantial increase in production growth momentum

EBITDA excluding tax benefits amounted to €48.8 million, a rise of €3.2 million or +7% from one half to the next. Note that EBITDA for the first half only includes just over three months' production from the Caraïbes Energie plant.

An analysis of this increase by business sector is given below:

- EBITDA in the Thermal sector amounted to €39.7 million, compared to €39.4 million in the first half 2010, an increase of 0.8%. This change can be explained mainly by the positive effects of the improved availability of the plants, the high CCG call rate and the commissioning of Caraïbes Energie which were almost entirely offset by the contractual impact of the reduction in fixed premiums of €4.4 million (around €9 million over the financial year as a whole, including a €2.5 million negative net impact on cash) on two of the Group's plants and by a less favourable stock effect caused by the slight decline throughout the first half of 2011 in coal costs denominated in euros, in contrast to their significant rise in the first half of 2010.

- In the Photovoltaic sector, operating EBITDA was €9.6 million compared to €4.5 million in the first half 2010, a rise of 111%. This excellent performance was due to a combination of increased operating capacity, good equipment performance and favourable sun-cover conditions.
- EBITDA in the Wind sector stood at €2.2 million. Despite the increase in size of the installed farms, this was slightly down on the figure of €2.3 million generated for the first half 2010, mainly owing to poor wind conditions during the first five months of the year.
- The Holding Company's contribution to EBITDA was down €2.1 million compared to the first half of 2010, principally due to lower capitalisation of costs relating to development of new projects, particularly international projects, and non-recurrence of sales of photovoltaic panels in the first half of 2011.

EBITDA including tax benefits amounted to €62.7 million, up 37.5% on the first half of 2010. It included €13.9 million of tax benefits. The connection of 11.8 MW of photovoltaic installations before 31 March 2011 made the Group eligible for tax benefits. At the end of the accounting period, the Group had actually collected €2.3 million. A second amount of €11.6 million, placed with investors but not yet collected by the Group, was also recognised in the accounts at 30 June. Additional tax benefits, estimated at €5.1 million, should be recognised during the second half.

In accordance with the Group's announcement last March, depreciation charges on tangible assets rose significantly (€14.6 vs. €11.1 million in the first half 2010), owing to the construction and commissioning of substantial new capacities in 2010 and 2011.

As also announced, the commissioning of the new capacities impacted on financial debt costs, which rose from €9.5 million in the first half of 2010 to €12.8 million in the first half of 2011.

Thanks to the excellent performance of the Mauritius power plants, the share of net profit of associates amounted to €1.3 million, against €0.7 million in the first half of 2010.

After a tax liability of €8.7 million, corresponding to an effective tax rate of 26.2%, the net consolidated profit was €25.7 million, up 32.5%, and the Group's share of net profit was €21.7 million, up 36.7%. This represents €0.76/share, against €0.56/share in the first half of 2010.

✓ Cash flow and financial structure as solid as ever

The cash flows generated by operating activity amounted to €32.9 million in the first half 2011, against €30.5 million over the same period in 2010. This increase reflects a sharp rise in cash flow (€65.6 million vs. €48.7 million in the first half of 2010), though the part linked to the contribution provided by tax benefits (€11.6 million) has still to be received.

Net investments amounted to €60.7 million. This figure is testament to the intensive development activity in the Group (completion of the construction of Caraïbes Energie, Kourou and Héninel, projects under construction in Matoury and Bethlehem in particular), and also the ongoing renovation works and strengthening of the technical reliability of the existing thermal power plants.

Closing cash and cash equivalents amounted to €68.8 million, compared to €106.5 million at 31 December 2010.

At 30 June 2011, equity totalled €346.8 million.

Gross financial debt stood at €642.5 million. 84% of this figure comprises long-term project financing debt, covering installations in operation or in the process of construction. Net financial debt totalled €573.7 million.

III – Reaffirmation of EBITDA growth outlook

Business activity in the second half of the year will benefit from the volume effect of the new thermal, photovoltaic and wind installations commissioned since the beginning of the year. It should also benefit from the improved availability of its thermal plants, which completed the vast majority of their technical shutdowns and investments during the first half. The income statement, however, will be affected by movement in the cost of coal and the level of tax relief on investment obtained in the France's overseas territories.

As far as the second half of the year is concerned, the Group is confident with regard to the continued development of the projects in hand, notably Matoury (4 MW, Guyana) and Bethlehem (5.4 MW), the industrial commissioning of which is scheduled for the third quarter 2011.

EBITDA for the second half, excluding tax benefits, is expected to grow at a much higher rate than in the first half.

Under stable economic conditions, Séchilienne-Sidec accordingly reaffirms its growth outlook for the entire financial period of at least 15% of EBITDA, including tax benefits, and 10% of EBITDA excluding tax benefits.

Lastly, the CRE (*Commission de Régulation de l'Energie* – French energy regulator) just given its agreement to the signing of a 30-year contract for electricity supply from the future Marie-Galante plant in Guadeloupe. This agreement follows on from the similar agreement given by the CRE last June for the future CCG-2 power plant in Martinique. These significant moves illustrate the Group's intensive work on its many design-stage projects, which indicate an EBITDA growth outlook of 50 to 70% by 2015.

Finally, following the resignation from his office of director of Claude Rosevègue, a director and partner at Apax Partners, the Board of Directors of Séchilienne-Sidec co-opted Edgard Misrahi, the CEO of Apax Partners in France, to replace him until the end of his term in office, i.e. after the General Meeting of Shareholders to be held in 2015 to approve 2014 fiscal year accounts. After a couple of years with Mc Kinsey &C. In Paris, then in the United States with an US Telco company, Edgard Misrahi joined Apax Partners in 1991 as a managing partner. He was Chairman of AFIC (*Association Française des Investisseurs en Capital* – French Private Equity Association) in 2007-2008. Edgard Misrahi is a former pupil of the Ecole Polytechnique in Paris and a graduate of Harvard Business School. The nomination of M. Misrahi will have to be ratified by the next Ordinary General Meeting of Shareholders.

***Next periodic information publication:
Quarterly information for the third quarter 2011 on 20 October 2011 after the close of the stock market***

About Séchilienne-Sidec (www.sechilienne-sidec.com) - Founded 30 years ago, Séchilienne-Sidec is an independent Group specialising in electricity generation via medium power 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, including in complex environments. ISIN: FR0000060402 – SECH

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