

Paris La Défense, 30th January 2012

Séchilienne Sidec's growth strategy to focus on energy production coming from biomass

Jacques Petry, Chairman and Chief executive officer of Séchilienne Sidec, has announced today that the group intends to focus its growth strategy on its core business: producing electricity from dual biomass (bagasse) and coal combustion. The group will concentrate its efforts on developing the energy value of biomass, a natural resource of the future, while pursuing its complementary offer in the solar energy activity.

As fossil resources become scarcer and the cost of producing electricity rises, biomass is one of the natural resources that can gradually replace traditional ones to produce electricity 24/24. Rising environmental and social concerns favour the emergence of an industry dedicated to develop biomass.

For the past 20 years, Séchilienne Sidec has developed together with sugar producers, a unique expertise in hybrid biomass combustion and has become n° 2 in France in terms of producing electricity from this energy source. Using strict project funding criteria, the company now intends to export this partnership model to a select number of countries. This deliberate international development will be focused primarily on the sugar industry but also on other agro and food industry players that are significant biomass suppliers.

In addition to its thermal power stations, the group also holds high-quality solar energy assets and is ranked n°3 in France with 70 MW of installed capacity. The group will therefore continue to develop its solar electricity expertise and will benefit from synergies with its core business.

The strength of Séchilienne Sidec's financial and business model, founded on long-term power purchase agreements, generates high recurrent cash flows that are independent of fluctuations in raw-materials prices, putting the group on a secure growth path.

Alongside the security coming from its long term purchase agreements, the company has built a strong industrial base that will enable it to satisfy the energy needs of the areas where the group already plays an important role in providing electricity.

Thanks to its solid and profitable industrial assets, Séchilienne Sidec expects to be able to distribute 50% of its net consolidated income (excluding exceptional items) in the form of dividends and to reduce debt attached to ongoing plants in operation by 30% by 2015.

"Considering the current changes underway in this sector, the development of biomass on an industrial scale is a major opportunity for electricity production. Given its unique expertise, Séchilienne Sidec will be an important player in this growing segment of the power generation industry. Our teams are fully committed to the development of this business and fully embrace the associated economic and environmental challenges" said Jacques Petry, Chairman and CEO of Séchilienne Sidec.

About Séchilienne Sidec

Séchilienne Sidec is an independent energy producer with 25 years' experience of producing electricity through medium-sized power stations that are located in complex environments, and require close co-operation with suppliers of biomass resources. In 2012, Séchilienne Sidec is ranked n° 2 in France in terms of electricity production by hybrid biomass combustion and n° 3 in photovoltaic installations.

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