

## PRESS RELEASE

### 2012 ANNUAL RESULTS AND GROWTH STRATEGY

**Excellent operational performance**

**Sale of wind-power business**

**Group enters the bio-methanization market**

**Brazil: a priority for the group's international expansion**

At its meeting of March 18, 2013, Séchilienne Sidec's board of directors, under the chairmanship of Mr. Jacques Pétry, approved the parent company and consolidated accounts for financial year 2012.

#### Consolidated key figures

M€	2012	2011	Change
<b>Revenues</b>	<b>383.3</b>	<b>361.6</b>	<b>+ 6%</b>
<b>EBITDA</b> excluding tax incentives in French overseas territories	<b>127.2</b>	<b>111.0</b>	<b>+15%</b>
<b>Net Income (group share)</b>	<b>33.5</b>	<b>32.2</b>	<b>+ 4%</b>
<b>Net Income (group share)</b> excluding tax incentives in French overseas territories	<b>33.5</b>	<b>24.6</b>	<b>+ 36%</b>

*"In 2012, the group decided to refocus its activities on producing electricity from biomass. The significant rise in the group's profitability demonstrates the solidity of a business model built on the strong technical know-how of our staff and robust long-term contracts. We have chosen to develop new markets such as bio-methanization and Brazil to complement our growth in French overseas territories,"* said CEO Jacques Pétry.

#### Notes:

-EBITDA: earnings before interest, taxes, depreciation, and amortization.

-Tax incentives in French overseas territories: the end of the one-third rebate on taxable profits and of tax incentives for solar-power installations in French overseas territories means that Séchilienne-Sidec figures do not encompass tax arrangements in these territories from 2012 on.

- IFRS: Figures include 2012 results for the group's wind-power business. Note that in accordance with IFRS 5, the consolidated accounts and annexes in the reference document will be retreated of this business.

## **Strong growth in EBITDA and group net profit**

While installed capacity remained stable at 693 MW, the S chilienne Sidec group generated 3,580 GWh of electricity in 2012, 4% more than in 2011. The Cara ibes-Energie plant and solar-power installations connected in 2011 were operational for a full year for the first time in 2012.

Consolidated revenues were 383.3 M  (including wind power), 6% higher than in 2011. EBITDA, excluding tax incentives in French overseas territories, rose by 15% to reach 127.2 M  in 2012. Net profits (group share), excluding tax incentives in French overseas territories, rose to 33.5 M  in 2012, 36% higher than a year earlier.

## **Very good operational performance of the thermal biomass business**

Including plants in Mauritius, thermal capacity installed remained stable at 567 MW in 2012. The thermal-power plants operated by the group functioned well in 2012, enabling the group to raise the availability rate from 89.4% in 2011 to 91.9% a year later. Credit for this remarkable performance in raising the availability rate goes to the strong motivation of our teams and good labor relations. Thermal biomass's strong operating performance meant that this business line's EBITDA rose by 8% to 92.3 M  (73% of total group EBITDA).

Moreover, the S chilienne Sidec group informed the markets in July 2012 that discussions were ongoing with EDF to take into account unforeseen or external events as well as changing circumstances of recent years at the CTM plant in Guadeloupe, focusing in particular on the issues raised by the end of the one-third tax rebate that applied to lease-purchase agreements on the island. These discussions led to the signing of an agreement in early 2013 concerning the CTM plant, allowing the group to claim the extra costs incurred and to revise its annual fees upwards.

## **Strong increase in solar power generation**

S chilienne Sidec generated 97.2 GWh of solar power for an installed capacity of 69 MW. Of the group's solar-power facilities, 75% are in French overseas territories. They benefit from high levels of sunshine and from solar-power prices that are higher than on mainland France. EBITDA for solar power rose by 23% in 2012, to 31.9 M , thus accounting for 25% of group EBITDA.

## **Wind-power business sold in February 2013**

In 2012, the group's 56.5 MW of installed wind power capacity benefited from favorable climate conditions, with power generated rising to 106.1 GWh, 18% higher than a year before. The sale of this business line to EDF Energies Nouvelles in February 2013 (for 59 M  plus an earn-out for projects under development) was part of the group's policy to rotate out of non-strategic assets. A 5.6 M  capital gain, to be included in the 2013 accounts, illustrates the quality of the assets sold.

## **A strong financial position**

On the back of limited investments in 2012 of 27 M , the group's net debt fell by 34 M , to 528 M  at the end of the year (not including proceeds from the sale of wind-power assets). Of this debt load, 81% was at a fixed rate or hedged. Project debt was 539 M  at the end of 2012. The average maturity of this debt was 10 years. Corporate debt fell slightly in 2012, to 92 M . The group had a positive cash position of 82 M  at Dec. 31, 2012, not including 21 M  in security deposits. Sale of the group's wind-power activity will result in a further 40 M  reduction in project debt.

## **Growth strategy for biomass**

### **1- Very healthy growth prospects in French overseas territories**

Séchilienne Sidec continues to pursue growth policies in French overseas territories through the development of either base load energy production or peak load production. Construction of the Galion 2 project in Martinique (38 MW) should start in 2013. This project involves an important change from the traditional bagasse-coal model. Biomass will constitute a very high share of the energy input along with bagasse, with coal being used as a back-up. In addition, the group will continue its policy of making profitable, long-term investments by adapting existing facilities to new environmental norms. Séchilienne Sidec also intends to use the widely recognized expertise it has built up at its CCG plant in Martinique to build further peak turbines that combine hydrocarbon energy and bio-carburant.

### **2- The market for agricultural bio-methanization in France looks very promising**

The group's May 2012 acquisition of 60% of Methaneo—a pioneer in the realm of bio-methanization from agricultural sources in France—enables Séchilienne Sidec to position itself in this fast-growing sector, which uses agricultural waste to produce energy. Methaneo has 22 projects under way. The first two of these will come on stream in 2013 and a further four in 2014. The company aims to become the market leader in France for bio-methanization from agricultural sources.

### **3- Brazil: a priority for the group's international expansion**

As the largest producer of sugar cane in the world, Brazil fits all the group's criteria for international growth. The group has built up huge experience of exploiting bagasse for highly-efficient energy production over the past 20 years. It will allow itself three years to find profitable cogeneration projects in which to invest in partnership with the sugar industry in Brazil.

### **4- Investment and growth**

The group confirms that it targets 100 M€ per year on average self-financed investments in line with historical levels. The group's investment priorities are Brazil, French overseas territories and bio-methanization. In the years 2013-2014-2015, most investment spending will focus on CCG2, on Methaneo, and on remunerated capital expenditures at existing facilities.

## 2013 and 2016 guidance

En M€	2012 <sup>(1)</sup>	2013	2016
EBITDA	120.4	124	160
Net income (group share)	32.1	34.5 <sup>(2)</sup>	40

(1) excluding wind activities

(2) excluding proceeds from the sale of wind-power assets

## Proposed dividend

In keeping with the policy outlined in 2012, the board of directors proposes to pay shareholders a dividend of 0.59 € per share (either 100% in cash or in the form of a 50-50 split between shares and cash). This proposal will be put before the General Assembly on May 30, 2013.

## About Séchilienne-Sidec

Séchilienne-Sidec has built up a unique expertise in the production of electrical energy using bagasse (a sugar byproduct). The group has progressively extended its expertise to the cogeneration of energy using all other forms of biomass. Its ambition is to be recognised as a key partner of agri-business in efficiently exploiting biomass without conflict of use. In addition, the group hopes to continue to further develop highly-profitable solar-power ventures

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