



## Group's business and organisation update

### BUSINESS UPDATE

Since trading on Europlasma shares was suspended Mid April 2013, the Board, the main Shareholder Crédit Suisse Europlasma SPV LLC, the Management and the financial partner (owner of the CHO Morcenx plant), met regularly to find a solution on both the contractual and technical issues as well as on the cash shortage caused by the delayed delivery and the temporary shut down of the CHO Morcenx plant.

Consequently the parties have decided unanimously to replace non performing equipment. The CHO Morcenx plant will restart in winter 2013/2014 at mid power to achieve 6MW and Take Over by the client. Full production is expected in summer 2014.

The new equipment is financed by two loans granted pari passu to CHO Power by CHO Morcenx, owned by 75% by the financial partner, and Crédit Suisse Europlasma SPV LLC. The signed termsheet allows overall €4.5m to be released in three successive tranches. Note that this new funding cancels and replaces the second tranche (€2.7m) of the loans signed in December 2012 with Crédit Suisse Europlasma SPV LLC and CHO Morcenx. The company is still working on securing the further cash needs deriving from the delayed delivery of the plant apart from the replacement of the equipment.

The decision to replace the defective equipment and the relating financing agreements represent post balance sheet 2012 events. The furniture of the equipment being part of the EPC (Engineering, Procurement and Construction) agreement of the CHO Morcenx plant, the overall margin of the EPC contract is already impacted as at 31 December 2012 given that the Group recognises revenues and margins at completion on long term contracts.

### GROUP REORGANISATION AND GOVERNANCE

In the meantime, the Board of Directors has engaged a reorganisation at Group level with the help of specialised consultants. The following decisions have already been taken:

- the sale of the Group's subsidiary Europe Environnement in order to generate significant cash proceeds and refocus on core business . An M&A specialist has been appointed.
- the creation of a new company "CHOPEX", a 100% owned subsidiary of CHO power, in charge of the operations and maintenance (O&M) of the CHO Morcenx plant. The O&M contract, initially awarded to Inertam, will reassigned to CHOPEX with the transfer of the dedicated personnel first recruited by Inertam.
- the board of Directors has decided to put an end to Didier Pineau's executive positions in the Group. He has also resigned from his director's seat at Europlasma. François Marchal, Director at Europlasma's Board, has been appointed as CEO for a six months period.

### RESUMPTION OF TRADING

The trading will restart once the long form agreements are executed by the parties and conditions precedents are fulfilled (early September at the latest). These conditions precedents include recapitalisation operations of CHO Power performed by Europlasma by offset of existing debts and the signature of existing agreements amendments. A press release detailing terms and covenants will be published before the resumption of trading.

### FY2012 ACCOUNTS AND ANNUAL GENERAL MEETING OF SHAREHOLDERS

The publication of the FY2012 consolidated accounts has been delayed because of the current context.

The Board of Directors should authorize the release of FY 2012 accounts in summer 2013 and the shareholders Annual General Meeting should be hold in October 2013 in accordance with the derogatory authorisation granted by the Commercial Court of Mont de Marsan.

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### About Europlasma

Europlasma is a French Group operating in the clean technologies and renewable energy production industries. Founded in 1992 to apply its proprietary plasma torch technology to hazardous waste destruction, it is now built on the following four business units:

- > **Europlasma** is a world-wide supplier of plasma heating systems and related applications
- > **Inertam** is the global specialist in the destruction and recycling of asbestos and hazardous waste
- > **Europe Environnement** is the European expert in industrial ventilation and gas cleaning systems.
- > **CHO Power** is a producer of electricity from waste and biomass gasification.

<http://www.europlasma.com> [Alternext - NYSE Euronext Paris – Mnemo : ALEUP – Isin : FR0000044810]

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