



Consolidated results at 30 June 2014

Europlasma, the French company with a global reach that builds, designs and operates plasma solutions for renewable energy generation and hazardous waste recovery, today published its 2014 half-yearly consolidated financial statements as approved by the Board of Directors on 31 October 2014.

Commenting on the first-half results, CEO Jean-Eric Petit said:

"In the first half of 2014, Europlasma focused its efforts on implementing strategic, financial and operational measures to complete the Group's industrial recovery. These measures are not yet reflected in the figures for the first half, but they do mean that we can embark on the next stages in our development with renewed confidence. The huge success of our last capital increase and the €35.9 million raised mean that Europlasma now has the means necessary to realise its growth potential. We can look forward to the next few years with peace of mind, still with the same ambition of playing a key role in sustainable development and the energy transition."

Activity and results

in thousands of euros (€000)	30/06/2014	30/06/2013	Difference
Revenue	4,754	5,656	-902
EBITDA	-5,280	-2,200	-3,080
Operating income	-7,446	-4,114	-3,332
Financial income	-553	-297	-256
Profit (loss) from discontinued operations	0	-2,684	2,684
Net income for the year	-7,973	-7,358	-615
Net income, Group share	-7,961	-6,014	-1,947
Earnings per share (in euros per share)	-0.37	-0.38	0.01

Source: 2014 half-yearly consolidated financial statements approved by the Board of Directors on 31/10/2014

Activity and Revenue

Revenue in the first half of 2014 was down 16% compared with H1 2013: Torches & Processes and Hazardous Waste both saw a decline in revenue; however revenue for the Renewable Energy sector rose.

Renewable Energy booked revenue of €1,109,000, compared with €692,000 at 30/06/2013, linked to progress on the performance of the EPC contract for the CHO Morcenx plant. Preliminary delivery took place on 13 June 2014 following the agreed performance tests.

Commercially, the development of new plant projects continued: in France, studies were carried out with a view to filing full licence applications for several projects during the second half of 2014. The Canadian developer Fourth State Energy has selected CHO Power technology for its plant projects, especially in Nova Scotia. A preliminary design was submitted to it in early 2014, while the detailed design is expected to follow shortly.

Hazardous Waste destruction was down 17% at 30/06/2014 compared with 30/06/2013, contributing €3,584,000 to consolidated revenue. The volume of treated asbestos waste fell 26%, with 1,785 tonnes treated at 30/06/2014 versus 2,400 tonnes at 30/06/2013. Production in the first half of 2014 was affected by outages on torch rectifiers and by two scheduled shutdowns lasting around five weeks to upgrade the furnace, compared with just one in the first half of 2013.

In a tough economic climate, commercial activity slowed in terms of orders and deliveries (-10%). Conversely, a 33% increase in quotations was recorded, a sign of the interest among waste producers in a final treatment solution.

The Torches & Processes business generated revenue of €61,000, compared with €649,000 at 30/06/2013. H1 2013 revenue was mainly generated under the KNPP (Kozloduy Nuclear Power Plant) contract, temporarily suspended at the customer's request in 2014.

A sales drive in recent months led to three studies being commissioned in the first half of 2014, underscoring the global interest in Europlasma technology in sectors as diverse as the steel industry, biofuel production and waste neutralisation.

Results

Operating loss in the first half of 2014 stood at -€7,446,000, versus -€4,114,000 at 30/06/2013. This was mainly due to operational expenses linked to the start-up in February 2014 and then the ramp-up of the CHO Morcenx plant and related tests: operating losses recorded by the Renewable Energy segment thus amounted to -€3,994,000, against -€2,342,000 at 30/06/2013.

The Hazardous Waste business, impacted by the lower volume of vitrified asbestos waste, recorded an operating loss of -€1,413,000, compared with -€653,000 at 30/06/2013.

The Holding Company, Torches & Processes segment, which bears all Group corporate costs, recorded an operating loss of -€2,015,000, against -€1,019,000 at 30/06/2013, due to the low turnover during the period and the €593,000 impairment loss booked on the KIWI pilot.

Adjusting for financial income of -€553,000 and minority interests, the net loss came to -€7,961,000, compared with a loss of -€6,014,000 at 30 June 2013.

Consolidated financial position and cash flow

In thousands of euros (T€)	30/06/2014	31/12/2013	Difference
Non-current assets	29,981	31,597	-1,617
Current assets	13,666	16,693	-3,027
Consolidated equity - Group share	-1,410	2,374	-3,784
Non-controlling interests	487	748	-260
Non-current financial liabilities	8,597	15,935	-7,338
Other non-current liabilities	1,338	1,729	-391
Current financial liabilities	10,979	1,810	9,169
Other current liabilities	23,655	25,694	-2,039
Net debt	18,279	15,767	2,512
Gearing	1.05	0.83	0.22
Operating cash flows	-5,126	-4,282	-844
Net disinvestments/(Investments)	-149	104	-254
Shareholders' equity - Group share, in euros per share	-0.07	0.15	-0.22

Source: 2014 half-yearly consolidated financial statements approved by the Board of Directors on 31 October 2014

The balance sheet total stood at €43,646,000, versus €48,290,000 at 31/12/2013, a decrease of €4,644,000.

For balance-sheet assets, this change is the result of a decrease in non-current assets of €1,617,000 (depreciation, amortisation and impairment of fixed assets for €2,203,000, higher than the asset purchases of €932,000) and a decrease in current assets of €3,027,000 (affecting all items in view of the downtick in business) compared with 31/12/2013.

In balance-sheet liabilities, equity fell by €4,045,000 between 31/12/2013 and 30/06/2014 due to the loss for the period of -€7,974,000, partially offset by the capital increase in February 2014 for €4,146,000, premium included.

Group net debt amounted to €18,279,000 at 30/06/2014, versus net debt of €15,767,000 at 31/12/2013. This increase is mainly due to new short-term funding of €2.8m granted to the Group in April 2014.

Outlook

Renewable energy

At Morcenx, the CHO Power plant reached nominal efficiency. Staff are currently working on implementing the action plan drawn up last June to increase plant capacity ahead of a final delivery of CHO Morcenx in the first quarter of 2015.

At the same time, CHO Power and its partner ENRgy are developing the CHO Tiper project in Thouars (Deux-Sèvres), based on the same technical and economic model as the CHO Morcenx plant. The special

purpose vehicle CHO Tiper SAS, owned equally by CHO Power and ENRgy, was set up and licence applications filed with the prefecture in early October 2014.

In parallel, CHO Power is continuing its sales and marketing efforts. The technology developed by CHO Power has sparked considerable interest among French, European and international players. Qualified business contacts and delegations of various origins have already visited the Morcenx site, the first step towards commercial negotiations.

Hazardous waste

The Group is currently finalising the optimisation plan for its asbestos waste vitrification plant, with an investment expected to be in the region of €1m. With an upgraded furnace combined with powerful auxiliaries, 2015 could be the year when nominal production capacity is reached.

The Group intends to base the development of this activity on its know-how: Inertam is the only facility in the world for the destruction and recovery of asbestos waste, in a market that still enjoys a favourable regulatory environment.

Studies and Engineering, Torches and Processes

The efforts made by Europlasma in terms of communication and marketing, which have already led to three studies being commissioned during the first half of 2014, continue to bear fruit, with a new study commissioned for the steel industry.

Europlasma is actively targeting the nuclear waste market with a short-term goal of launching two separate projects in Europe. In Asia and North America, new business development is picking up and could lead to new contracts being signed sometime in 2015.

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Important notice

This release contains provisional information and statements based on the best estimates of the Management at the date of their publication. This information is, by nature, subject to risks and uncertainties which are difficult to predict and generally outside of the Group's field of action. These risks include the risks listed in the Group's reference document available on its website <http://www.europlasma.com>.

Consequently, the future performance of the Group may differ significantly from the provisional data communicated and the Group can make no commitment to the achievement of these provisional elements.

APPENDICES

1. GLOSSARY

CHO Morcenx : Simplify joint-stock company (Société par Actions Simplifiée), owner of the waste and biomass-to-energy power plant in Morcenx (France), 25% owned by Europlasma Group, through its sub CHO Power.

EBITDA : This is the net consolidated revenue, including companies' fiscal expenses, net financial expenses and net appropriations to depreciation and provisions.

EPC : Engineering, Procurement and Construction contract. This is a contract of engineering, supply and construction.

Gearing : Net debt / (net debt + equity ratio)

KIWI : Kobelco Eco Solution (KES) Industrial CHO PoWer GasIfication is a R&D program that aims to test the combination of a new type of gasifier developed by KES and the Turboplasma[®] (syngas cleaning process by plasma) developed by Europlasma, for the production of energy from waste and biomass.

KNPP : Kozloduy Nuclear Power Plant is a contract for the supply of a plasma furnace to reduce and immobilize radioactive waste in Bulgaria.

Net debt : Financial debt less liquid assets and short term investment securities.

O&M : Operations and Maintenance Contract.

Take Over Date : provisional technical delivery of the power plant in Morcenx within the EPC contract.

2. SEGMENT INFORMATION

30/06/2014	Holding Company, R&D, Engineering and Torches	Hazardous waste	Renewable Energies	Air and Gas	Total
Goodwill	0	2,615	0	8	2,624
Other intangible assets	927	29	335	0	1,292
Property, plant and equipment	9,384	5,092	68	0	14,544
Other non-current assets	1,264	735	8,946	576	11,521
Cash and cash equivalent	820	207	125	144	1,297
Total assets	15,127	12,113	15,362	1,044	43,646
Financial liabilities	10,357	2,711	6,507	0	19,576
Revenue	61	3,584	1,109	0	4,754
Operating income	-2,015	-1,413	-3,994	-23	-7,446
EBITDA	-940	-186	-4,131	-23	-5,280
Net increase in depreciation, amortisation, and impairment	-1,075	-1,228	100	0	-2,203

31/12/2013	Holding Company, R&D, Engineering and Torches	Hazardous waste	Renewable Energies	Air and Gas	Total
Goodwill	0	2,615	0	8	2,624
Other intangible assets	920	21	497	0	1,438
Property, plant and equipment	10,336	5,530	71	0	15,937
Other non-current assets	1,288	732	9,003	576	11,599
Cash and cash equivalent	311	880	742	45	1,978
Total assets	16,512	13,739	16,326	1,713	48,290
Financial liabilities	7,386	2,698	7,661	0	17,746
Revenue	1,613	9,175	1,784	0	12,572
Operating income	-1,950	-767	-6,402	-17	-9,135
EBITDA	-441	1,545	-6,331	-113	-5,341
Net increase in depreciation, amortisation, and impairment	-1,509	-2,311	-422	96	-4,146

30/06/2013	Holding Company, R&D, Engineering and Torches	Hazardous waste	Renewable Energies	Air and Gas	Total
Goodwill	0	2,615	0	0	2,615
Other intangible assets	695	17	649	0	1,361
Property, plant and equipment	10,988	4,931	2	0	15,920
Other non-current assets	1,290	737	9,246	0	11,273
Cash and cash equivalent	233	309	2	0	545
Total assets*	16,976	13,925	16,466	20,325	67,692
Financial liabilities	9,464	2,686	1,097	0	13,247
Revenue	649	4,315	692	0	5,656
Operating income	-1,119	-653	-2,342	0	-4,114
EBITDA	-486	585	-2,299	0	-2,200
Net increase in depreciation, amortisation, and impairment	-633	-1,238	-279	0	-2,150

* The distribution of total assets by sector has been revised since the segment information disclosed in the 2013 half-yearly financial statements.

Source: 2014 half-yearly consolidated financial statements approved by the Board of Directors on 31/10/2014