



2010 YEAR END RESULTS:

30% turnover increase
Back to profits

The Europlasma Board of Directors met on 27 April 2011 to authorise the issue of the 2010 financial statements

Europlasma, the French clean technology and renewable energy group, reports 2010 results:

- TEUR 40,836 consolidated turnover
- TEUR 458 consolidated operating income
- TEUR 781 consolidated net income (Group share)

2010 consolidated results

Performances across the Group's business segments in 2010 are as follows:

Air and gas cleaning solutions activities (Europe Environnement) accounted for 61% of Group turnover in 2010, i.e. a contribution to 2010 total group turnover of TEUR 24,885, compared with TEUR 20,827 in 2009. There was a marked upturn in business in 2010, notably in industrial markets.

The Group was awarded a EUR 10 million plus contract for the construction of a gas treatment line for the 3Sun solar panel manufacturing plant built in Sicily. The positive impact of this major contract will mainly be reflected in the 2011 accounts.

The Group remains highly active on international markets and has been awarded contracts in Russia and North America.

Total contribution to net income (Group share) stands at TEUR -764, compared with TEUR -1,406 in 2009. The loss shortage results mainly from the turnover increase (+19%) and from the capital gains realized on the sale of Europe Environnement former premises. Profit margins still fall short of pre-crisis averages, as contracts executed in 2010 were concluded in 2009 in the economic crisis context.

Hazardous waste destruction activities (Inertam) accounted for 23% of Group turnover, with TEUR 8,982 recorded in 2010 compared with TEUR 9,669 in 2009. Despite the slight fall in turnover (-7%), this business segment remains at profit with a TEUR 169 net income before goodwill amortization. This performance results from margin optimization measures initiated in 2009 and continued in 2010.

5,472 tons of asbestos waste were treated in 2010 compared with 5,210 tons in 2009, i.e. a 5% increase. The average sale price per ton was down on 2009 due to adverse input waste mix, treatment price being linked to the type of waste treated (fibrocement, PVC slabs, fireproofing, etc.).

Major investments were made in 2009 and 2010 to optimise the feed preparation area, in compliance with legal and environmental requirements, at a total cost of TEUR 1,016.

Renewable energy production activities (CHO Power) generated a turnover of TEUR 6,527, accounting for 16% of consolidated turnover. This first clean energy related income is linked to the construction of the first CHO Power plant in Morcenx. On 1 December 2010, CHO Power began engineering, procurement and construction work on the CHO Morcenx plant in the French department of les Landes, as project owner. The CHO Morcenx Plant, aimed to produce 12MW of electricity from biomass and waste materials, is to be ready for operations on 31 May 2012.

2010 Europlasma group operating income stands at TEUR 458, compared with a loss of TEUR 3,990 in 2009, notably thanks to the increased activity level. Net income (Group share) amounts to TEUR 781, compared with a loss of TEUR 3,641 per financial year 2009. The Group benefitted from significant tax credits for research and development activities for the second consecutive financial year. The share of non-controlling interest in the consolidated net income is a loss of TEUR 381.

CONSOLIDATED INCOME STATEMENT (in TEUR)	31/12/2010	31/12/2009
NET REVENUES	40,836	31,404
Other operating income	3,284	2,658
Purchases and other external charges	(26,893)	(23,171)
Staff costs	(11,925)	(11,430)
Other operating expenses	(780)	(168)
Taxes	(863)	(858)
Net change in depreciation and amortization	(3,201)	(2,425)
OPERATING INCOME	458	(3,990)
Financial income and expenses	(290)	(357)
Extraordinary income and expenses	-	(74)
Corporate income tax	1,088	969
NET INCOME FROM CONSOLIDATED COMPANIES	1,256	(3,451)
Share of (loss)/profit of associates	(59)	(18)
Goodwill amortization	(796)	(874)
CONSOLIDATED NET INCOME	401	(4,343)
Minority interests	381	702
NET INCOME (GROUP SHARE)	781	(3,641)

2010 consolidated accounts audited and discussed by the Board of Directors on 27/04/11

2010 consolidated cash flows

The Group's net cash and cash equivalents stand at TEUR 13,204, compared with TEUR 13,917 as at 31/12/2009. The success of the summer 2010 share capital issue enabled the Group to fund its investments in the CHO Morcenx electricity production plant.

CONSOLIDATED CASH FLOWS (in TEUR)	31/12/2010	31/12/2009
Net cash flow generated by (allocated to) operating activities	(369)	(1,656)
Net cash flow from investing activities	(5,250)	(12,885)
Net cash flow from financing activities	4,869	8,115
Effects of changes in exchange rates	37	(7)
CASH FLOW FLUCTUATION	(713)	(6,433)
Opening net cash & cash equivalent	13,917	20,350
Closing net cash & cash equivalent	13,204	13,917

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Note: the difference between opening and closing net cash & cash equivalent per consolidated cash flow statement and balance sheet figure is made of cash equivalent held for medium- or long term guarantees.

2010 consolidated balance sheet

Changes in the consolidated balance sheet are essentially relating to the growth of energy production activities, a strategic business line for the medium- to long term Group development.

CONSOLIDATED BALANCE SHEET (in TEUR)	31/12/2010	31/12/2009
Intangible assets	2,325	2,376
Goodwill	11,673	12,403
Property, plant and equipment	16,078	19,888
Long term financial investments	8,053	490
Investments in associates	202	-
NON CURRENT ASSETS	38,332	35,157
Inventories and work-in-progress	1,830	1,505
Trade receivables and related accounts	13,014	10,852
Other receivables and prepayments	5,298	3,715
Cash and cash equivalents	14,466	13,923
TOTAL ASSETS	72,940	65,152
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	38,829	31,404
Minority interests	3,865	4,243
Quasi equity	784	-
Provisions	1,029	983
Borrowings and financial liabilities	12,016	15,135
Trade payables and related accounts	6,680	6,162
Other liabilities and deferred income	9,736	7,224
TOTAL EQUITY AND LIABILITIES	72,940	65,152

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2011 Outlook

Air and gas cleaning solutions activities have seen a dynamic start to 2011. The Group intends to take advantage of new opportunities in the photovoltaic sector by promoting itself as a top tier international player. The Group has identified partners, opinion-leaders and potential clients so as to respond as part of a consortium to international calls for tender.

Hazardous waste destruction activities should benefit from the tightening-up of the regulatory framework with the extension of obligations to new types of materials containing asbestos (non-friable materials), only recently found to be harmful, and turnover should rise as a consequence. Moreover, the two consecutive years of profit achieved by the Inertam plant confirm the profitability of the hazardous waste treatment facility and the suitability of the process.

Renewable energy production activity is poised to grow rapidly. The CHO Morcenx electricity from biomass and waste production plant currently under construction in the French department of les Landes is the first plant of a series of sites already identified in Europe and North America.

Financial calendar

4 May 2011: SFAF (French association of financial analysts) meeting (Paris)

21 June 2011: General Meeting of Shareholders (Bordeaux)

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 three business units:

- > **Inertam** is the global specialist in the destruction and recycling of asbestos and hazardous waste.
- > **Europe Environnement** is the European leader 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 – Mmemo : ALEUP – Isin : FR0000044810]

Press and investor contacts

Didier PINEAU, Chief Executive Officer
Estelle MOTHAY, Chief Financial Officer

Tel: +33 5 56 74 73 72
contactbourse@europlasma.com