



Additional information concerning the financial impact of the development of CHO-Power® plants

Following the announcement made on June 15th 2010, the company is publishing the following information on the financial impact of the construction of the CHO-Power plants and specifically the first unit, CHO Morcenx.

Interest in CHO Morcenx SAS

The construction of the plant requires a total of €36 million over 18 months; the financial partner will contribute €22.8 million and Europlasma €3 million in equity. A €4 million vendor loan and a €6.2 million mortgage for the construction of the buildings complete the financing.

Europlasma's initial capital interest in the CHO Morcenx SAS structure (25%) will be three times higher than its cash contribution thanks to the valuation of the license agreements negotiated for this project and the share-based repayment of the project development costs covered by the Group until now. The performance incentive mechanism under which Europlasma may increase its capital interest in CHO Morcenx SAS up to 45% is tied to the following criteria: 10% for achieving the project's expected Internal Rate of Return and 10% for the project being brought into service on time.

The balance of the resources contributed by Europlasma (€12.7 million - €3 million = €9.7 million) can be broken down as follows: a €1.2 million bank guarantee for raising the mortgage, and a €7.5 million performance guarantee negotiated with the partner fund for a 30 months period, in addition to €1 million cash contribution linked to the project.

The agreement with the financial partner is granted provided that the company could issue the bank guarantees described above, which are subject to the increases in capital proposed to shareholders.

Interest in other CHO POWER plants

Overall, the financing process negotiated with the partner fund will be focused on building CHO-Power electricity production units up to a total capacity of 54 MWe over three years, with the option to extend this financing to cover the building of additional plants representing a total of 200 MWe over five years. In this way, the financial partner will be able to contribute €50 million for the first 54 MWe. The capital interest mechanisms planned for the various companies in CHO-Power projects are similar to those applied for the first Morcenx plant.

CHO-Power plants will generate local electricity from biomass and wastes produced locally; in this way, each plant – including CHO Morcenx – generates approximately 12 MWe, a limited capacity related to the waste input capacity, for an investment of about €3 million per MWe produced. The funding agreement negotiated with the financial partner includes the construction of 4 new plants in 3 years (4 plants x €3m x ~12 MWe = ~€144m investment) with a possible extension to 16 new plants over 5 years (16 plants x €3m x ~12 MWe = ~€576m investment), in which Europlasma will have equity.

Financial impact

In connection with CHO Morcenx, Europlasma is able to benefit from the €36 million construction contract (EPC), which will be spread over 18 months. On account of the method in force for recognizing revenues, and based on an effective launch in July 2010, more than €15 million in revenues will be able to be recognized in 2010, with the balance recognized in 2011.

In addition, INERTAM (100% subsidiary of Europlasma) will be awarded the operation and maintenance contract (O & M) over a period of 15 years, for a combined turnover of € 75 million, starting in 2012.

For reference, Europlasma recorded €31.4 million in revenues over 2009. On this basis, the Group details its forecasts for 2010: Europlasma expects to generate profitable growth over 2010, with revenues increasing by more than 50%, with 90% of this growth due to the launch of CHO Morcenx and the remainder reflecting the expected growth for Europe Environnement and Inertam. Alongside this, the improvement in the profitability of the Group and its companies, following on from the actions deployed in 2009, will make a major contribution towards achieving a largely positive net income.

Information on the potential dilution further to the planned capital increases

Europlasma was looking to finance its contributions thanks to the increase in equity capital brought about by the exercising of 1.7 million existing equity warrants, which were available for exercising at €2.32 per share before May 31st, 2010, for a total of €4 million. Faced with a difficult market environment, very few equity warrants were exercised.

In this context, the capital increases planned (first capital increase for €2 million open to all shareholders, and a second capital increase for €4 million reserved for qualified investors) are expected to result in only a limited level of further dilution compared with the level which was known and brought about by the exercising of equity warrants as indicated above. The resulting dilution is linked to the price determined for the new shares issued in connection with the capital increases, and will correspond to at least 90% of the weighted average price based on volumes for the 30 calendar days prior to the operation. Moreover, the capital increase reserved for qualified investors is subject to approval by shareholders at the general meeting on June 30th, 2010.

Backing from Europlasma's main shareholders

Europlasma's main institutional shareholders (Crédit Suisse and AEK) reiterated their support for the contemplated capital increases, i.e. the Private Placement reserved for qualified investors and the share capital increase open to all the Company's shareholders, both of which they are in favor of. Subject to the usual terms and the review of the Offering Memorandum, which will be available for all potential investors, Crédit Suisse and AEK notably expressed their interest in principle in participating, along with other investors, in the Private Placement through the issuance of preferred shares devised to improve the company's governance and to preserve its stability.

About Europlasma

Founded in 1992, Europlasma is a French Group specialized in clean technologies and renewable energy production. The Europlasma Group is made up of four main units and 260 employees who are all firmly committed to sustainable development and experts in waste processing and reclamation.

- > **Europlasma** develops, produces and markets waste processing and energy production solutions based on its proprietary plasma torch technology.
- > **Inertam** is the global specialist for the destruction and reclamation of asbestos and hazardous waste.
- > **CHO Power** is a waste gasification power producer (Efw - Electricity from Waste).
- > **Europe Environnement** is the European market leader for ventilation and air depollution systems for industry.

[www.europlasma.com]

[Alternext - NYSE Euronext Paris – Ticker: ALEUP – ISIN: FR0000044810]

Press and investor contacts

Europlasma

Didier Pineau / Anne Bordères
contactbourse@europlasma.com
 Tel: +33 5 56 74 73 72

Atout Capital Finance

Eric Parent / Mélanie Bonanno
melanie.bonanno@atoutcapital.com
 Tel: +33 1 56 69 61 81

Calyptus

Marie Ein / Alexis Breton
europlasma@calyptus.net
 Tel: +33 1 53 65 68 68