

GLOBAL ECOPOWER is now also operating in the wind energy sector

GEP closed the fiscal year 2011* with €16.1 m revenue and €1.3 m Ebitda in the photovoltaic area and has organized its redeployment in the wind energy sector since beginning 2012.

1. Turnover

GEP achieved a turnover of €16,126k in 2011 compared to €108k in 2010.

This 2011 turnover is split into:

- A “Turnkey Construction” activity which amounted to €14,110k thanks to the completion of a roof top photovoltaic project in Bourgneuf en Mauges.

This project in Maine and Loire (France) involved the construction by GEP, on behalf of the German group Leonidas Associates, of 55 000 m² of photovoltaic greenhouses with an installed capacity of 3.49 MWp.

The plant was connected to the public network of ERDF on October 25th 2011 and produces about 4 GWh per year, corresponding to the electricity consumption of 2,700 inhabitants. Inside the greenhouses, a farmer grows strawberries and raspberries.

- A “Management and Assistance” activity attributed to the project owner which amounted to €2,016k due to the completion of a ground photovoltaic project located in Veules les Roses.

This project in Seine Maritime (France) consisted of the construction of a ground photovoltaic plant with an installed capacity of 5.03 MWp , operational since October 7th 2011.

GEP has developed the project and helped the German group Leonidas Associates in the capacity of project manager assistant.

2. Results

The activity for the fiscal year 2011 released a significant operating profit of €1,307k against a negative contribution of €1,047k in 2010, year in which GEP had only concentrated on the development of its photovoltaic projects.

** 2011 accounts approved and audited.*

An impairment test on the value of Solar EcoPower (SEP) shares has been conducted. The valuation methodology consisted in multiplying the total potential installed capacity of the portfolio by an average gross margin per MWp.

The gross margin average reflects the nature of the projects and the financial contribution of the two projects sold in 2011.

The tariff moratorium in 2010, and the current draconian conditions for tender offers in the photovoltaic sector in France led to two major implications for the valuation of SEP shares:

- First, SEP has abandoned the development of the less mature projects. Thus, SEP's portfolio consists, per 31/12/2011, of three projects for a total installed capacity of 63 MWp.
- Secondly, given the uncertainties of the tender offers, the success rate was reduced to 20% in 2011, compared to 50% in 2010.

GEP's management decided to depreciate the goodwill related to solar development in its subsidiary Solar EcoPower (SEP). This depreciation, amounting to €36,737k, derives from the French government's decision to end the incentive rates that were set up in the photovoltaic industry. This depreciation does not affect the cash position of the group, nor its profitability.

The financial result thus amounts to - €36,951k.

Exceptional results amounting to €517k are attributable to the losses on those projects whose development was abandoned in 2011.

Net result shows a loss of €36,162k, compared to a loss of €1,211k in 2010.

(Euros k)	Year 2011	Year 2010
Revenues	16 126	108
Net sales	15 680	931
Operating expenses	14 373	1 978
Operating results	1 307	- 1 047
Depreciation and provisions recovery	9	14
EBITDA	1 316	- 1 033
Financial results	- 36 951	- 163
Exceptional results	- 517	- 1
Net result	- 36 162	- 1 211

3. Balance sheet structure

Equity amounts to €50k at 31 December 2011, against €36,212k at 31 December 2010.

There is no bank debt existing per 31 December 2011.

Cash amounts to €716k per 31 December 2011 against €87k per 31 December 2010.

(€uros k)	YEAR 2011	YEAR 2010
Fixed Assets	4 143	40 989
Current assets	3 219	4 934
<i>Including Cash</i>	<i>716</i>	<i>87</i>
Equity	50	36 212
Liabilities	7 312	9 711
<i>Including shareholder's loans</i>	<i>3 701</i>	<i>4 061</i>
Total assets	7 363	45 923

4. Operational outlook

France

- Solar

Three solar projects have been kept in SEP's portfolio and will continue to be developed.

- ✓ **Operation 1** (Aude): 67 hectares of PV greenhouses for an installed capacity of 47.5 MWp on roof top.
- ✓ **Operation 2** (Ardèche): Ground PV project for an installed capacity of 10 MWp.
- ✓ **Operation 3** (Var): Ground PV project for an installed capacity of 5.5 MWp.

- Wind

Since January 2012, Global EcoPower, released from the non-compete clause of its founders, which expired on October 1st 2011, is developing a wind energy business and will offer its investors several projects in France.

A first project of 20 MWp installed capacity will be built in Normandy in the second half of 2012 and sold to the German Group Leonidas Associates. GEP will be responsible for the turnkey construction of this project.

Romania

Several wind projects are under study and analysis by Global EcoPower.

Philippe Perret, Executive Vice President of GEP, said:

"In 2011, GEP has demonstrated its ability to generate a profitable build and sell activity, despite an unfavorable regulatory framework in the photovoltaic sector in France. Following this successful experience, the management of GEP is confident in its ability to replicate this model in its core competence sector of wind energy".