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# Encouraging results for the first semester 2011

**For the first financial year of production and during the International crisis, the Global Eco Power group, based in Aix en Provence, recorded encouraging results for the period to June 30th 2011, with a turnover of Euro 13 million and EBITDA of more than Euro 2 million. GEP constructed turnkey PV greenhouses representing 3.5 MWp and assisted a German group to construct a power ground-mounted station of 5 MWp. As an intermediary of growth, and taking into account changes recently introduced in the French solar industry, GEP is evaluating whether its plans should include the export of its know-how.**
(*) EBITDA= Operating income + depreciation

**Jean Marie Santander, CEO of GEP:** "The results of the first semester 2011 illustrate the founders' competences and know-how. I am proud of the job fulfilled by our small, cohesive and competent team. The financial year 2011 is already successful in term of turnover and the operational result, and we are preparing for the following financial year. Based on our strong past experience, we are going to follow an ambitious but logical development, and we are confident about the growth perspectives, in spite of a very current disadvantageous French regulatory environment in the photovoltaic sector."

## 1. Interesting first half result

Global EcoPower (GEP) sales amounted to Euros 12.95 million for the first half of 2011 compared to 0.11 million Euros for the full year 2010.

- The turnkey construction activity contributed Euros 11.04 million thanks to construction progress of the project located in Bourgneuf en Mauges on June 30th, 2011.

This project in Maine and Loire consists in construction by GEP on behalf of the German group Leonidas Associates of 55 000 $m^2$ of PV greenhouses for an installed capacity of 3.49 MWp. The plant is already connected to ERDF grid and will start producing in late October.

- Development and Project assistance activities contributed sales of Euros 1.9 million, thanks to progress on the project located in Veules les Roses. This project in Seine-Maritime comprised construction of a ground-mounted photovoltaic plant to generate an installed capacity of 5.03 MWp, and the plant started operating on October 7th.

GEP has developed the project and signed with the German group Leonidas Associates a contract for management and assistance during the construction phase. In order to meet the strict deadlines required by the moratorium, GEP has awarded the turnkey construction contract to the company Martifer Solar.

The progress in the construction of these two projects can be found on the company blog at the following address http://www.global-ecopower.com/gepblog.

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## 2. Strong profitability in the first significant year*

With 2011, being the first financial year , EBITDA rose sharply and amounted to Euros 2.14 million in the first half of 2011 compared to a negative contribution of Euros 1.03 million over the full year 2010, when GEP was exclusively focused on the development of its projects.
Net profit amounted to Euros 2.07 million in the first half, compared to a loss of Euros 1.21 million over the full year 2010.

*Unaudited 2011 key performance data is:

| (Thousands of Euros) | June 30th 2011 (first half) | December 31th 2010 (full year) |
|---|---|---|
| Turnover | 12 955 | 107 |
| EBITDA (*) | 2140 | (1033) |
| Operating income | 2135 | (1047) |
| Financial result | (60) | (162) |
| Net result | 2073 | (1210) |

(*) EBITDA= Operating income + depreciation

Shareholders' equity amounted to Euros 39.36 million on June 30th 2011. As a reminder, an impairment test was conducted in 2009 and 2010 to give a value of Solar EcoPower (SEP), at December 2010 of Euros 40.8 million. The valuation methodology of the portfolio expressed in MWp the average gross margin per MWp. As per June 30th 2011, no further impairment test was conducted, but there are indications of loss of value, resulting from implementation of the moratorium in late 2010, and the discouraging conditions of the tender offers in the photovoltaic sector in France, which put at risk the sustainability of the projects under development. Many of these projects could be dropped which might lead to a significant provision for the value of SEP at year end. In this event, there would be a zero cash impact on the group. A meeting of the Board of Directors will nevertheless be convened in order to decide which projects under development will be continued.

## 3. Outlook

Considering actual uncertainties in the French solar industry in France, GEP is already prospecting the Romanian market for new solar projects and is considering other growth drivers in this sector.