



2013 turnover shows a recovery in Vergnet's traditional activities

Memorandum of understanding signed with Osun state, Nigeria

Ormes, 27 February 2014

In €m	2013*	2012
Wind Turbine division	44.2	103.1
<i>Of which Ashegoda</i>	20.5	89.2
Water and Solar division	13.3	14.8
TOTAL turnover	57.5	117.9
First half	34.5	73.4
Second half	23	44.5

*Unaudited numbers

Activity in 2013

The Vergnet Group reports consolidated turnover of €57.5m in 2013.

The Wind Turbine division posted a fall in turnover to €44.2m in 2013 compared with €103.1m in 2012 linked to the completion of the Ashegoda project in Ethiopia. This project alone accounted for turnover of €20.5m in 2013 compared with €89.2m in 2012.

Excluding exceptional projects, 2013 saw a return to growth on Vergnet's traditional markets (medium power turbines - MP), via Proxwind and Farwind, which generated turnover of €23.7m in 2013 compared with €13.9m in 2012.

The growth in the Group's traditional activity is due to new MP projects in Europe (Italy, Northern Ireland, Great Britain and Lithuania) and the Group's first project in the United States. Farwind saw continued strong activity with 11 MP turbines sold in French overseas territories and departments, and 1 turbine sold in Japan.

The Water and Solar division recorded turnover of €13.3m in a tough market on which major international clients regularly postpone their project launches. A slight resumption was noted in the Water activity during the second half of the year.

Outlook for 2014

The Wind Turbine division is likely to pursue development in the MP market via Proxwind in its traditional countries (the UK, Italy, Northern Ireland, Lithuania) as well as Russia or via Farwind with projects in Sub-Saharan Africa and the Pacific (Samoa and Fiji).

We expect the **Water and Solar division** to see a contraction of activity in 2014 primarily due to a fall in solar activity by Photalia, which is refocusing on its historical appliances market (solar vaccine refrigerators, solar GSM/telecommunication kits, solar chlorinators, inverters for solar pumps) and leaving major solar energy production projects to Vergnet SA. We expect a continued slow recovery in the water activity, and new project launches.

Overall, 2014 should see continued activity redeployment via the wind turbine division, with the development of new business lines and products helping to underpin a return to profitability over the year.

Vergnet has signed a memorandum of understanding with Osun state (Federal Republic of Nigeria) to build a 12.8 MW solar power farm

At the close of the Franco-Nigerian economic forum in Abuja (Nigeria) on 27 February 2014, the Vergnet Group CEO, Mr. Jérôme Douat, of which Bpifrance (Public investment bank) is the main shareholder, signed an agreement with the state of Osun for the construction of a 12.8 MW photovoltaic plant, the financing for which will be provided by the Réserve des Pays Emergents (RPE - emerging markets reserve). The agreement has been signed in the company of France's President, Mr. François Hollande, and the Federal Republic of Nigeria's President, Mr. Goodluck Jonathan.

Based on the contractual technical and commercial terms of the agreement, the parties have four months to sign each detail of the project.

With more than 4 million inhabitants, the state of Osun aims to pursue its economic development through the development of clean energy. This memorandum of understanding positions Vergnet as a privileged partner alongside Nigeria in the development of renewable energies, both solar and wind-powered (the Katsina plant, the first wind turbine farm in West Africa, is scheduled to come into service in 2014).

Through its global wind, solar and/or hybrid renewable energy infrastructure development offering, the Vergnet Group is establishing itself as a strategic partner in access to clean energy on the African continent.

Upcoming events:

28 March 2014: Publication of audited 2013 annual results

22 May 2014: AGM

About Vergnet SA

The VERGNET Group is currently the leading specialist in renewable energies in challenging environments and an industry benchmark in its three core businesses: the design and production of wind turbines for the PROXWIND® and FARWIND® markets, water supply equipment in Africa and photovoltaic solar energy and hybrid plants worldwide. On the back of signal patented technologies, the Group has already installed 900 wind turbines, and supplies water to over 50 million people worldwide. The FARWIND® market covers over 130 countries in which electricity is mainly produced from oil and where the infrastructure and limited logistical resources rule out the installation of conventional wind turbines. The Group has 11 facilities worldwide (France, the Caribbean, the Pacific and Indian Oceans, Africa) and some 341 employees. The VERGNET Group has been listed on the Alternext market since 12 June 2007 (FR0004155240 – ALVER).

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