RNS

28 September 2015

Camco Clean Energy plc

("Camco" or the "Company")

Interim Results 2015

Camco Clean Energy plc (AIM: CCE), the clean energy and energy storage company, is pleased to announce its results for the six months to 30 June 2015.

Scott McGregor, CEO of Camco said*: "Our trading results in the first half of 2015, whilst exceeding our expectations, are a clear reflection and vindication of the ongoing strategic focus that has been driven throughout the group in the last three years, shifting away from legacy carbon business, and realigning our efforts on higher margin activity, and the exciting progression within our REDT Energy Storage business.*

REDT Energy Storage business has a clear focus and path towards delivering a commercially and technically ground-breaking solution in the growing energy storage market sector. The initial twelve market seeding units are in production and will provide the platform to achieve volume commercial sales in 2016. The first of these units completes production this week and will shortly be shipped to our development centre in Wokingham where it will be available for customer demonstrations with the other market seeding and Gigha units following thereafter.

As has been the message in recent announcements, we continue to look forward to the future with a high degree of confidence and are very excited about the opportunities available to us, in particular with the ongoing development of REDT Energy. The senior management team are focused on securing and utilising the resources available to the group, in order to continue the positive development and growth of REDT Energy, and ultimately providing benefit to our shareholders."

FINANCIAL HIGHLIGHTS for the period ending 30 June 2015

	Unaudited H1 2015	**Unaudited H1 2014**	**Audited FY 2014**
	€'m	**€'m**	**€'m**
Revenue	8.5	4.8	9.9
Gross Profit/(loss)	4.2	2.5	5.0
Administrative expenses	(3.9)	(3.4)	(7.1)
Results from operating activities	0.4	(0.7)	(1.7)
Total comprehensive income	0.1	(1.0)	(1.9)

- Continued significant improvement in bottom line with a total comprehensive profit of €0.1m posted compared to a loss in the corresponding prior period (H1 2014: €(1.0)m) – ahead of management expectations.
- Revenue earned in the period increased by 77% to €8.5m (H1 2014: €4.8m)
- Gross profit increased by 68% to €4.2m (H1 2014: €2.5m)
- The revenue and gross profit increase reflects US Carbon Credit portfolio sale and increase in US carbon credit sales prior to portfolio sale agreement.

- Cash and cash equivalents remains in line with prior year closing the period at €4.2m (FY 2014: €4.1m)
- Administration expenses across the group increased to €3.9m (H1 2014: €3.4m).
  - This increase is due almost exclusively to the US business; USD / Euro FX impact of €0.25m and additional fees (€0.14m) in connection with ongoing strategic review of US business.
  - The underlying group operating cost base remains in-line with the cost reduction strategy implemented in 2013, maintaining reduction of operational costs.

2015 OPERATIONAL HIGHLIGHTS

- REDT* Energy Storage
  - Production with our manufacturing partners Jabil Circuit Inc., one of the world's leading manufacturing solutions companies, is well underway at their facility in Livingston (Scotland), with twelve customer units being manufactured in parallel for production in 2015. These include; one 1.68 MWh unit, one 240 kWh unit and ten 40 kWh units. The 2015 REDT production is focussed on delivering market seeding units to place at customer locations with a view to demonstrating REDT's vanadium energy storage systems for key market segment applications.
  - The first of the units has finished production and will shortly be shipped to our development centre in Wokingham where it will be available for customer demonstrations.
  - Placement announced for four of the twelve customer market seeding units; Gigha 1.68MWh system for a Scottish wind utility application, Thaba hotel 240kWh for an African diesel weak grid application, Green Acorn 40kWh for a UK PV dairy farm application and one unit will be delivered to the company's development facility in Wokingham to be connected with PV. The remaining eight placements will be announced later this year as they occur.
  - Awarded €400,000 by the Energy Environmental Partnership for Southern and East Africa ("EEP") to develop and install a hybrid energy storage solution in South Africa. REDT will install an innovative hybrid energy system consisting of a solar PV and REDT's patented Energy Storage System at Thaba Eco Hotel which currently has a weak grid connection and a back-up diesel generator.

    REDT Energy awarded prestigious Irish Times innovation award for 'Energy & The Environment

  * Camco Clean Energy plc, on a fully diluted basis, has an economic interest of 49.8% in REDT.

- Africa Clean Energy
  - Focus on securing additional fund advisory opportunities alongside our current mandate to act as joint investment advisors to Green Africa Power LLP ("GAP")
  - Strategic focus remains on securing higher margin opportunities throughout the fund advisory business to complement the REDT activities in the region.
  - Africa presence pivotal in identifying energy storage opportunities for REDT Energy.

- US Clean Energy
  - Deal concluded to assign rights to the future stream of certain California Carbon Offsets ("CCOs") generated between 2015 and 2020 from the majority of Agricultural Methane projects that Camco manages on behalf of its dairy partners. Transaction generated an initial cash payment of $2m, with a potential further deferred and conditional payment of up to $0.9m by 31 December 2015.
  - Both operating biogas facilities (4.5MW Jerome Facility and 2.1MW Twin Falls Facility) continue to provide contributions to the Camco Group.
  - Evaluation of strategic alternatives to realise additional value from the US biogas business activities continues to be ongoing. Target is to provide additional resource to enable further investment in Camco's other activities, namely REDT, its energy storage business.

Outlook

Financially, we have continued the recent trend of year on year improvement, significantly reducing the losses incurred by the group, with the recording of a total comprehensive profit for the period. This was achieved through ongoing tight cost control, the US future carbon sale agreement, continued refocus of the group on securing higher margined activity with the most efficient utilisation of resources available, and favourable FX translation rates for our USD held assets.

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Financial Review

Overall Group result

During H1 2015 the Camco Group continued its recent trend of reducing losses since 2012, and reported a total comprehensive profit of €0.1m compared to a loss of (€1m) in H1 2014. The year on year improvement was principally due to the US Carbon Credit portfolio sale in the period. We also benefited from the positive effect of the approximate 8% depreciated value of the Euro, our reporting currency, against the USD, the currency in which the majority of our net assets are held, which generated €0.3m exchange gain on translation of foreign operations.

Gross Profit reported in the period was €4.2m compared to a gross profit of €2.5m in H1 2014. Gross Profit for US was €3m (H1 2014: €1.2m), Africa €0.6m (H1 2014: €0.5m), REDH (CCE) €0.2m (H1 2014: €0.025m) and Group (Other) €0.3m (H1 2014: €0.7m).

Revenue rose to €8.5m compared to revenue in H1 2014 of €4.8m. Revenue for US was €4.7m (H1 2014: €2.4m), Africa €1.1m (H1 2014: €0.8m), REDH (CCE) €0.2m (H1 2014: €0.025m) and Group (Other) €2.5m (H1 2014: €1.6m).

US business

The US business comprises two areas – US Carbon and Operating Assets (being the Jerome and Twin Falls facilities). The overall US business recorded revenue of €4.7m (H1 2014: €2.4m), gross margin €4.2m (H1 2014: €2.5m) and segmental profit €1.5m (H1 2014: €0.1m)

US Carbon recorded revenues of €3.1m (H1 2014: €0.9m) generating gross profit of €2.3m (H1 2014: €0.4m) as a result of the carbon portfolio sale - revenue and gross profit of €1.6m - and the sale of credits delivered from the agricultural methane projects for which CCOs have been issued under the California Program. As a result of the carbon portfolio sale, there will be a marked reduction in the ongoing carbon activity recognised within the US business.

Operating Assets generated revenues of €1.6m (H1 2014: €1.5m) with a corresponding gross profit of €0.7m (H1 2014: €0.8m). As with prior years, we do continue to expect to see seasonality in the revenue from power generated from both facilities with the second half of the year benefiting from higher power rates set out in the power purchase agreement.

Africa Clean Energy business

The Africa Clean Energy business includes 5 offices in Africa, with the principle locations being Johannesburg (South Africa) and Nairobi (Kenya). The Africa business segment also contains a fund advisory business which commenced working on the GAP mandate in H2 2014 having previously incurred setup costs in H1 2014 (€0.1m). The overall Africa business recorded revenue of €1.1m (H1 2014: €0.8m), gross margin €0.6m (H1 2014: €0.5m) and segmental loss (€0.1m) (H1 2014: (€0.2m)). During the period a decision was made to significantly reduce the activities conducted by the office in Tanzania, resulting in additional cash being incurred in the first eight months of the year, but which is not expected to reoccur.

The Africa business continues to focus efforts on securing higher margin activity. The building of the fund advisory business is critical to the achievement of this. As fund advisory continues to grow, the rate of return and margins achieved should also increase. Currently Camco have the mandate to act as joint investment advisors to Green Africa Power LLP ("GAP"). The network of Camco offices throughout Africa is key to being able to fully service the GAP mandate and also to be positioned to win further similar mandates and build on this success. Camco has already started initial proceedings and ground work to secure a second fund advisory mandate, which will hopefully be announced in H2 2015.

REDH (CCE)

The REDH (CCE) segment comprises aspects of the Group's overheads allocated to the management and development of the REDT energy storage business.

Revenue in the year is reflective of the recovery of an apportionment of costs incurred and passed directly to the REDH business; €0.2m (H1 2014: €0.02). Taking into consideration the allocated Administrative expenses incurred on behalf of REDH, the segmental result reported a loss of (€0.1m) (H1 2014: (€0.4m)).

This segment also includes the Group's JV interest in REDH (53.8% holding; 49.8% on a fully diluted basis) from which H1 2015 yielded a share of loss of (€0.3m) (H1 2014: €0.04m).

Group (Other)

Group (Other) comprises the remaining Group costs as well as the legacy carbon business from which to date we have still been able to generate income and cash flow to help offset overhead expenditure.

This segment recorded revenue of €2.5m (H1 2014: €1.6m) and positive gross margin €0.3m (H1 2014: €0.7m). This reflects activity from legacy carbon trades, however as set out at length previously, the nature of the wider carbon market means that revenue and margin achieved is of an ad hoc nature and is not reflective of future performance, with Camco not expecting meaningful revenues to be repeated beyond the short term.

Administration expenses relating to the remaining group costs, not allocated out to other business segments, were €1.1m (H1 2014: €0.9m).

Group operating expenses

Overall administration expenses were marginally increased year on year, but with the underlying operating cost base in line with and maintaining the cost reduction strategy implemented in 2013 in order to reduce operational costs, providing Camco Group with a lean operating cost base to focus on its core business segments. Administration expenses incurred in H1 2015 were €3.9m, an increase of €0.46m from H1 2014 (€3.4m). The increase in Administration expenses were almost exclusively linked to the US business:

- devaluing of Euro against USD [average FX 1.37 (H1 2014) / 1.12 (H1 2015)] resulted in additional retranslated group consolidated charges of c€0.25m
- additional professional fees of €0.14m in connection with the ongoing strategic review of the US business

The Camco Group remains centred on maintaining tight expenditure control whilst achieving greater customer focus from the re-aligned cost base in supporting the strategic business segments.

Cash and cash equivalents

At 30 June 2015, the Group held cash and cash equivalents of €4.2m (H1 2014: €4.1m), inclusive of cash held in debt reserve in relation to the Jerome Facility of (€0.7m) (H1 2014: (€1.175m)) which is not available to the Group for general working capital purposes.

Camco Group has two secured loan facilities; existing loans secured against Jerome (€12.4m – 2019 maturity) and Twin Falls (€0.6m – 2020 maturity). There are no un-secured loans held (H1 2014: Nil).

The key movements in cash during 2014 were: capital repayment of borrowings (€0.2m); interest paid (€0.5m); cash generated from operations €0.6m and other cash inflows €0.2m.

Consolidated Statement of Financial Position
at 30 June 2015

	Note	**H1 2015 (unaudited) €'000**	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Non-current assets				
Property, plant and equipment		**17,523**	15,327	16,613
Intangible assets – carbon in specie		**-**	-	-
Investments in associates and joint ventures		**2,388**	2,636	2,533
Other investments		**-**	-	-
Deferred tax assets		**120**	27	109
		20,031	17,990	19,255
Current assets				
Prepayments and accrued income	4	**1,842**	1,842	1,896
Trade and other receivables	5	**1,610**	880	1,591
Cash and cash equivalents	6	**4,192**	2,999	4,057
		7,644	5,721	7,544
Total assets		**27,675**	23,711	26,799
Current liabilities				
Loans and borrowings	7	**(566)**	(327)	(384)
Trade and other payables	8	**(3,391)**	(3,493)	(3,711)
Deferred Income	9	**(353)**	(423)	(357)
Tax payable		**(179)**	(180)	(186)
		(4,489)	(4,423)	(4,638)
Non-current liabilities				
Loans and borrowings	7	**(12,436)**	(10,057)	(11,747)
Deferred Income	9	**(4,450)**	(3,929)	(4,251)
		(16,886)	(13,986)	(15,998)
Total liabilities		**(21,375)**	(18,409)	(20,636)
Net assets		**6,300**	5,302	6,163

Consolidated Statement of Financial Position (continued)

at 30 June 2015

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Equity attributable to equity holders of the parent			
Share capital	**2,531**	2,081	2,461
Share premium	**76,917**	75,640	76,917
Share-based payment reserve	**756**	701	756
Retained earnings	**(74,791)**	(73,337)	(74,513)
Translation reserve	**887**	217	542
Own shares	**-**	-	-
Total equity	**6,300**	5,302	6,163

Consolidated Statement of Comprehensive Income

for the 6 months to 30 June 2015

Continuing operations	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Revenue	**8,518**	4,843	9,948
Cost of sales	**(4,368)**	(2,351)	(4,908)
Gross profit	**4,150**	2,492	5,040
Other income	**-**	84	84
Other income – government grant income	**169**	139	289
Administration expenses	**(3,903)**	(3,356)	(7,099)
Impairment of Investment in associates and joint ventures	**-**	-	-
Restructuring charges	**-**	-	-
Impairment of Development costs	**-**	-	-
Impairment of receivables	**-**	(85)	-
Results from operating activities	**416**	(726)	(1,686)
Financial income	**9**	8	26
Financial expenses	**(461)**	(371)	(771)
Foreign exchange movement	**23**	-	250
Net financing income	**(429)**	(363)	(495)
Share of profit/(loss) of equity accounted investees	**(263)**	36	(126)
(Loss)/ profit before tax	**(276)**	(1,053)	(2,307)
Income tax	**(2)**	46	124
(Loss)/ profit from continuing operations	**(278)**	(1,007)	(2,183)
Discontinued operations			
(Loss)/ profit from discontinued operation (net of tax)	**-**	-	-
(Loss)/profit for the period	**(278)**	(1,007)	(2,183)
Other comprehensive income			
Exchange differences on translation of foreign operations	**345**	8	333
Total comprehensive income for the period	**67**	(999)	(1,850)
Loss/ profit for the period attributable to:			
Equity holders of the parent	**(278)**	(1,007)	(2,183)
(Loss)/profit for the period	**(278)**	(1,007)	(2,183)
Total comprehensive income attributable to:			
Equity holders of the parent	**67**	(999)	(1,850)
Total comprehensive income for the period	**67**	(999)	(1,850)

Consolidated Statement of Comprehensive Income (continued)
for the 6 months to 30 June 2015

	Note			
Basic (loss)/ profit per share in € cents				
From continuing operations	2	**(0.11)**	(0.48)	(0.97)
From continuing and discontinued operations	2	**(0.11)**	(0.48)	(0.97)
Diluted (loss) / profit per share in € cents				
From continuing operations	2	**(0.11)**	(0.48)	(0.97)
From continuing and discontinued operations	2	**(0.11)**	(0.48)	(0.97)

Consolidated Statement of Changes in Equity

for the 6 months to 30 June 2015

	Share Capital €'000	Share premium €'000	Share-based payment reserve €'000	Retained Earnings €'000	Translation reserve €'000	Own shares €'000	Total parent equity €'000	Total equity €'000
Balance at 1 January 2015	**2,461**	**76,917**	**756**	**(74,513)**	**542**	**-**	**6,163**	**6,163**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**(278)**	**-**	**-**	**(278)**	**(278)**
Other comprehensive income								
Foreign currency translation differences	**-**	**-**	**-**	**-**	**345**	**-**	**345**	**345**
Total comprehensive income for the period	**-**	**-**	**-**	**(278)**	**345**	**-**	**67**	**67**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issuance of shares	**70**	**-**	**-**	**-**	**-**	**-**	**70**	**70**
Own shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total contributions by and distributions to owners	**70**	**-**	**-**	**-**	**-**	**-**	**70**	**70**
Balance at 30 June 2015	**2,531**	**76,917**	**756**	**(74,791)**	**887**	**-**	**6,300**	**6,300**

Consolidated Statement of Changes in Equity (continued)

for the 6 months to 30 June 2014

	Share Capital €'000	Share premium €'000	Share-based payment reserve €'000	Retained Earnings €'000	Translation reserve €'000	Own shares €'000	Total parent equity €'000	Total equity €'000
Balance at 1 January 2014	**2,081**	**75,640**	**646**	**(72,330)**	**209**	**-**	**6,246**	**6,246**
Total comprehensive income for the period								
Profit for the period	-	-	-	(1,007)	-	-	(1,007)	(1,007)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	8	-	8	8
Total comprehensive income for the period	-	-	-	(1,007)	8	-	(999)	(999)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issuance of shares	-	-	55	-	-	-	55	55
Own shares	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	55	-	-	-	55	55
Total transaction with owners	-	-	55	-	-	-	55	55
Balance at 30 June 2014	**2,081**	**75,640**	**701**	**(73,337)**	**217**	**-**	**5,302**	**5,302**

Consolidated Statement of Changes in Equity (continued)

for the year ended 31 December 2014

	Share capital €'000	Share premium €'000	Share-based payment reserve €'000	Retained earnings €'000	Translation reserve €'000	Own shares €'000	Total parent equity €'000	Total equity €'000
Balance at 1 January 2014	2,081	75,640	646	(72,330)	209	-	6,246	6,246
Total comprehensive income for the year								
Loss for the year	-	-	-	(2,183)	-	-	(2,183)	(2,183)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	333	-	333	333
Total comprehensive income for the year	-	-	-	(2,183)	333	-	(1,850)	(1,850)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payments	-	-	110	-	-	-	110	110
Issuance of shares	380	1,277	-	-	-	-	1,657	1,657
Own shares	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	380	1,277	110	-	-	-	1,767	1,767
Balance at 31 December 2014	2,461	76,917	756	(74,513)	542	-	6,163	6,163

Consolidated Statement of Cash Flow
for the 6 months to 30 June 2015

Continuing and discontinued operations

	Note	**H1 2015 (unaudited) €'000**	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Cash flows from operating activities				
Cash generated by operations	*(a)*	**618**	(1,104)	(1,780)
Income tax paid		**-**	-	-
Net cash from operating activities		**618**	(1,104)	(1,780)
Cash flows from investing activities				
Disposal of discontinued operations, net of cash disposed		**-**	-	-
Proceed from sales of investments		**-**	-	-
Loan to joint venture		**-**	-	-
Acquisition of property, plant & equipment		**(35)**	-	(31)
Disposal of property, plant & equipment		**-**	84	84
Net cash from investing activities		**(35)**	84	53
Cash flows from financing activities				
Proceeds from the issue of share capital		**70**	-	1,657
Proceeds from new loan		**-**	-	625
Repayment of borrowings		**(184)**	(105)	(260)
Interest received		**9**	9	26
Interest paid		**(460)**	(369)	(771)
Net cash from financing activities		**(565)**	(465)	1,277
Net increase in cash and cash equivalents		**17**	(1,485)	(450)
Cash and cash equivalents at 1 January		**4,058**	4,472	4,472
Effect of exchange rate fluctuations on cash held		**117**	12	36
Cash and cash equivalents held*		**4,192**	2,999	4,058

Notes to the Consolidated Statement of Cash Flow

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
(a) Cash flows from operating activities			
Loss for the period	**(278)**	(1,007)	(2,183)
Adjustments for:			
Depreciation	**618**	504	1,063
Gain on sale of fixed assets	**-**	(84)	(84)
Amortisation of deferred income	**(169)**	(139)	(313)
Impairment of investments in associates and joint ventures	**-**	-	-
CDC accruals and CDC accrued income	**-**	-	-
Non CDC accrued income	**-**	-	-
Impairment of receivables	**-**	85	60
Share of (profit)/ loss of equity accounted investees	**263**	(36)	126
Loss on sale of discontinued operation, net of tax	**-**	-	-
Gain on sale of investment	**-**	-	-
Gain on sale of subsidiary	**-**	-	-
Share based payment transaction	**-**	55	110
Income tax expense	**-**	(55)	(124)
Finance cost	**452**	360	745
Foreign exchange loss/(gain) on translation	**(23)**	(118)	113
Restructuring costs	**-**	-	-
Impairment loss on development costs	**-**	-	-
Impairment of project plant and equipment	**-**	-	-
Operating cash flows before movements in working capital	**863**	(435)	(487)
Changes in working capital			
(Increase)/decrease in intangible assets	**-**	-	-
(Increase)/decrease in prepayments	**(136)**	(185)	(302)
Decrease/(increase) in trade and other receivables	**20**	402	(284)
Change in CDC accruals and CDC accrued income	**(29)**	(385)	(514)
(Increase)/decrease in accrued income – Non CDC	**111**	(218)	(274)
Decrease/(increase) in trade and other payables	**(211)**	(283)	81
(Increase) in financial assets	**-**	-	-
Cash generated by operations	**618**	(1,104)	(1,780)

Notes

Significant accounting policies

Camco Clean Energy plc (the "Company") is a public company incorporated in Jersey under Companies (Jersey) Law 1991. The address of its registered office is 3rd floor, Standard Bank House, 47-49 La Motte Street, St Helier, Jersey, JE2 4SZ. The consolidated interim financial report of the Company for the period from 1 January 2015 to 30 June 2015 comprises of the Company and its subsidiaries (together the "Group").

Basis of preparation

The annual financial statements of the Group for the year ended 31 December 2014 have been prepared in accordance with IFRSs as adopted by the EU ("Adopted IFRSs"). The interim set of financial statements included in this half-yearly report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU. The interim set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2014. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

This interim financial information has been prepared on the historical cost basis. The accounting policies applied are consistent with those adopted and disclosed in the annual financial statements for the period ended 31 December 2014. The accounting policies have been consistently applied across all Group entities for the purpose of producing this interim financial report.

The financial information included in this document does not comprise of statutory accounts within the meaning of Companies (Jersey) Law 1991. The comparative figures for the financial year ended 31 December 2014 are not the company's statutory accounts for that financial year within the meaning of Companies (Jersey) Law 1991. Those accounts have been reported on by the company's auditors and delivered to the Jersey Financial Services Commission. The report of the auditors was unqualified.

Estimates

The preparation of the interim financial report in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes (continued)

1 Segmental Reporting

Operating segments

The Group comprises of the following reporting segments:

1. **US:** In America, the Group operates biogas projects generating energy from organic waste. CCE currently owns the Jerome and Twin Falls facilities which produce sustainable energy generated by using agricultural methane from dairy farms. The Group also develops Californian offset projects.

2. **Africa:** Africa manages investment of public and private finance into clean energy projects. CCE has five offices across Africa and an office on London which provides consulting services and the development of clean energy projects across Africa. Currently this segment operates an investment advisory mandate to manage a debt facility for both Green Africa Power (GAP) and United Nations Environment Programme (UNEP).

3. **REDH (CCE):** The REDH (CCE) segment comprises aspects of the Group's overheads allocated to the management and development of the REDT energy storage business, with revenue reflective of the recovery of an apportionment of the costs incurred and passed directly to the REDH business. The operating segment also includes the share of profit / loss on an equity accounted basis from REDT, as well as the value of the investment held within the Camco Group.

4. **Other:** This segment contains all remaining Group costs in addition to the Group's remaining non US carbon business – comprising CDM Carbon and EU ETS Compliance Services.

Inter segment transactions are carried out at arm's length.

Notes (continued)

	US H1 2015 (unaudited) €'000	*Africa H1 2015 (unaudited) €'000*	*REDH (CCE) H1 2015 (unaudited) €'000*	*Group H1 2015 (unaudited) €'000*	*Total H1 2015 (unaudited) €'000*
Segment revenue	4,709	1,090	211	2,508	8,518
Segment gross margin	**3,010**	**630**	**211**	**299**	**4,150**
Other Income – gain on disposal	-	-	-	-	-
Other Income – deferred income	169	-	-	-	169
Segment administrative expenses	(1,685)	(773)	(310)	(1,135)	(3,903)
Restructuring charges	-	-	-	-	-
Impairment of development costs	-	-	-	-	-
Impairment of investment	-	-	-	-	-
Segment result	**1,494**	**(143)**	**(99)**	**(836)**	**416**
Unallocated income – gain on disposal					-
Share-based payments					-
Impairment of receivables					-
Results from operating activities					**416**
Finance income					9
Finance expense					(461)
Foreign exchange movement					23
Share of profit of equity accounted investees					(263)
Taxation					(2)
(Loss) from discontinued operation (net of income tax)					-
Loss for the period					**(278)**

Notes (continued)

	US H1 2014 (unaudited) €'000	*Africa H1 2014 (unaudited) €'000*	*REDH (CCE) H1 2014 (unaudited) €'000*	*Group H1 2014 (unaudited) €'000*	*Total H1 2014 (unaudited) €'000*
Segment revenue	2,413	808	25	1,597	4,843
Segment gross margin	**1,248**	**480**	**25**	**739**	**2,492**
Other Income – gain on disposal	84	-	-	-	84
Other Income – deferred income	139	-	-	-	139
Segment administrative expenses	(1,338)	(654)	(451)	(858)	(3,301)
Restructuring charges	-	-	-	-	-
Impairment of development costs	-	-	-	-	-
Impairment of investment	-	-	-	-	-
Segment result	**133**	**(174)**	**(426)**	**(119)**	**(586)**
Unallocated income – gain on disposal					-
Share-based payments					(55)
Impairment of receivables					(85)
Results from operating activities					**(726)**
Finance income					8
Finance expense					(371)
Foreign exchange movement					-
Share of profit of equity accounted investees					36
Taxation					46
(Loss) from discontinued operation (net of income tax)					-
Loss for the period					**(1,007)**

Notes (continued)

	US FY 2014 (audited) €'000	*Africa FY 2014 (audited) €'000*	*REDH (CCE) FY 2014 (audited) €'000*	*Group FY 2014 (audited) €'000*	*Total FY 2014 (audited) €'000*
Segment revenue	5,317	1,820	237	2,574	9,948
Segment gross margin	**2,793**	**1,170**	**237**	**840**	**5,040**
Other Income – gain on disposal	84	-	-	-	84
Other Income – deferred income	289	-	-	-	289
Segment administrative expenses	(2,827)	(1,330)	(703)	(2,129)	(6,989)
Restructuring charges	-	-	-	-	-
Impairment of development costs	-	-	-	-	-
Impairment of investment	-	-	-	-	-
Segment result	**339**	**(160)**	**(466)**	**(1,289)**	**(1,576)**
Unallocated income – gain on disposal					-
Share-based payments					(110)
Impairment of receivables					-
Results from operating activities					**(1,686)**
Finance income					26
Finance expense					(771)
Foreign exchange movement					250
Share of loss of equity accounted investees					(126)
Taxation					124
(Loss) from discontinued operation (net of income tax)					-
Loss for the period					(2,183)

Notes (continued)

2 Profit/(loss) per share

Profit per share attributable to equity holders of the company is as follows;

	H1 2015 (unaudited) € cents per share	H1 2014 (unaudited) € cents per share	FY 2014 (audited) € cents per share
Basic (loss)/ profit per share			
From continuing operations	**(0.11)**	(0.48)	(0.97)
From continuing and discontinued operation	**(0.11)**	(0.48)	(0.97)
Diluted (loss)/ profit per share			
From continuing operations	**(0.11)**	(0.48)	(0.97)
From continuing and discontinued operation	**(0.11)**	(0.48)	(0.97)
(Loss)/ profit used in calculation of basic and diluted loss per share-no dilutive effects	**€'000**	€'000	€'000
From continuing operations	**(278)**	(1,007)	(2,183)
From continuing and discontinued operation	**(278)**	(1,007)	(2,183)
Weighted average number of shares used in calculation			
Basic	**251,974,892**	208,127,166	224,996,447
Diluted	**251,974,892**	208,127,166	224,996,447

Weighted average number used in calculation (basic and diluted):	**H1 2015 (unaudited) Number**	H1 2014 (unaudited) Number	FY 2014 (audited) Number
Number in issue at start of period	**246,135,113**	208,127,166	208,127,166
Effect of new shares issued in the period	**5,839,779**	-	16,869,281
Weighted average of basic shares at end of period	**251,974,892**	208,127,166	224,996,447

Notes (continued)

3 Share based payments

During the period, the Group operated share-based incentive plans called the Long-Term Incentive Plan (the "LTIP") and the Camco 2006 Executive Share Plan. The expense recognised in the period in respect to the plans is set out below.

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Long-Term Incentive Plan	**-**	-	-
Camco 2006 Executive Share Plan	**-**	55	110
	-	55	110

All final costs in relation to the share options granted have been booked in 2014, with no further expenses associated with these options expected.

4 Prepayments and accrued income

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Prepayments	**474**	350	466
Accrued income – CDC accruals	**133**	208	133
Accrued income – US Carbon from Jerome Facility and Twin Falls Facility	**962**	548	942
Accrued income – other	**273**	736	355
	1,842	1,842	1,896

5 Trade and other receivables

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Trade receivables	**1,129**	445	968
Other receivables	**481**	435	623
	1,610	880	1,591

6 Cash and cash equivalents

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Cash on deposit	**3,399**	1,824	3,290
Cash held for restricted use*	**793**	1,175	767
	4,192	2,999	4,057

* Cash held for restricted use relates to cash held as debt reserve in relation to the US biogas facilities

Notes (continued)

7 Loans and borrowings

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Non-current liabilities			
Secured loans *	**12,436**	10,057	11,747
	12,436	10,057	11,747
Current liabilities			
Secured loans *	**566**	327	384
	566	327	384
Total Secured loans	**12,912**	10,384	12,131

* The loans are secured are secured against the US biogas facilities

8 Trade and Other Payables

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Trade payables and non CDC accruals	**2,820**	2,633	3,112
Other accruals – CDC accruals	**571**	860	599
	3,391	3,493	3,711

9 Deferred Income

	H1 2015 (unaudited) €'000	H1 2014 (unaudited) €'000	FY 2014 (audited) €'000
Non-current liabilities			
Deferred income - grant	**4,450**	3,929	4,251
	4,450	3,929	4,251
Current liabilities			
Deferred income - grant	**340**	279	313
Deferred income - other	**13**	144	44
	353	423	357