

Restructured, Theolia becomes



Press conference of September 9, 2015

FUTUREN is an independent producer of onshore wind power. The Group designs and builds wind farms and then operates them over their life cycle.

As at July 31, 2015, FUTUREN operates **882 megawatts (MW)**, including **302 MW owned** and **580 MW operated on behalf of third parties**. These wind farms are located in four countries: Germany, France, Morocco and Italy.

FUTUREN is an integrated industrial operator that participates in each step in the development of a project. The Group's expertise covers the entire value chain of wind-based power production: prospecting, development, construction and operation of farms.

Electric production for its own account is an activity secured by 15-20 year electricity sale contracts at guaranteed rates.

120  
employees

636  
wind turbines

748,000  
tons of CO<sub>2</sub>  
avoided



More than  
1,870,000  
MWh  
of green electricity  
produced in 2014

Covers the domestic  
electricity needs of  
748,000  
households

882  
MW operated

# The genesis of the Group

## 1999-2010. The past ...

Founded in 1999 and listed for stock market trading in 2002, Theolia grew through acquisitions. In just a few years, the Group became a financial holding company with stakes in companies developing renewal energy sources in several countries, along with interests in engineering or environmental service companies without synergies between them. The 2008 financial crisis revealed the serious weaknesses of a group without a profitable activity that had to face an acute need for financing to meet the significant commitments it had contracted.

**THEOLIA**

## 2010-2015. The birth of FUTUREN: the story of a recovery



In May 2010, the Board of Directors named Fady Khallouf to head the Group. He is a specialist in restructuring, with extensive professional experience in large energy or environmental service groups. His task was to save a company close to bankruptcy, through recapitalization, restructuring the balance sheet, and repositioning the business.

The strategy developed by the new management team to ensure this turnaround was based on four principles:

- Transform the Group into a green power producer to ensure recurring revenues
- Reorganize into an integrated industrial group that controls its costs
- Instill a new enterprise culture in order to improve performance
- Implement a viable and sustainable development strategy, particularly by focusing on co-investment.

### “The commitments made have been met.

*In 2010, a number of projects were launched, beginning with the strategic repositioning and streamlining of the organization and of work methods. The results were not far behind. Operational performance has progressively improved over the last five years.*

*Other programs were immediately implemented to take up the challenge: withdrawal from non-wind activities, relaunching development to prepare for*

*the future and, finally, a financial restructuring to restore balance to the accounts.*

*The Group has demonstrated its capacity to recover. Today it is organized as a high-performance, profitable operating platform and is ready to serve the energy transition and to grow. With its new identity FUTUREN, the Group is looking resolutely towards the future.”*



Fady Khallouf,  
CEO

# Strategic choices for sustainable development

## Electricity sales at the center of the business model

- All electricity produced by operating wind farms must be fully purchased by the local grid operator, at a **guaranteed rate**, over a long period of **between 15 and 20 years**, depending on the country.
- Power production generates **recurring revenues and regular cash flows** over the long term, like the business model for infrastructures.
- FUTUREN produces electricity in **3 European countries and 1 country in Africa**: Germany, France, Italy and Morocco. These countries have different and complementary wind systems, thus reducing the volatility of production.
- In order to optimize its operations, the Group has set up an organization based on group-wide departments. Each operating expertise is centralized within a dedicated team and available to all Group subsidiaries. This simplified and more efficient organization generates industrial synergies between the countries in which the Group operates.
- **This integrated industrial platform offers the possibility of development at almost constant costs.**
- Not only is FUTUREN ready to pursue its organic growth, it is also ready to acquire projects or structures that would generate synergies with its existing capacities.

## An organization as an integrated industrial group with pooled expertise

- The Group's operational expertise **covers the entire wind sector value chain**: prospecting for sites, project development, and the construction and operation of farms.





### Expertise in managing complex financial transactions

- In order to finance its capital-intensive business, it is essential for the Group to control its raising of capital. FUTUREN uses bank project financing for each of the wind farms in operation.
- These loans, which are generally contracted at variable rates, are hedged using interest rate swap agreements.

### A strategy of co-investment

- To pursue its organic growth by commissioning new wind farms at a constant rate, the Group is pursuing a strategy of co-investment.

- The Group has therefore created its own investment vehicle in which it has a 40% share. Certain wind projects developed by the Group are transferred to this vehicle. Partners are contributing the remaining 60% of the project equity. FUTUREN remains the project operator, both building and operating the wind farm, as it does for its wholly-owned projects.
- **This co-investment strategy is particularly well adapted to the Group's position as an independent operator in the energy sector.**
- As a result, FUTUREN can pursue its ambitious growth targets with a lower equity contribution and an optimized cash position.

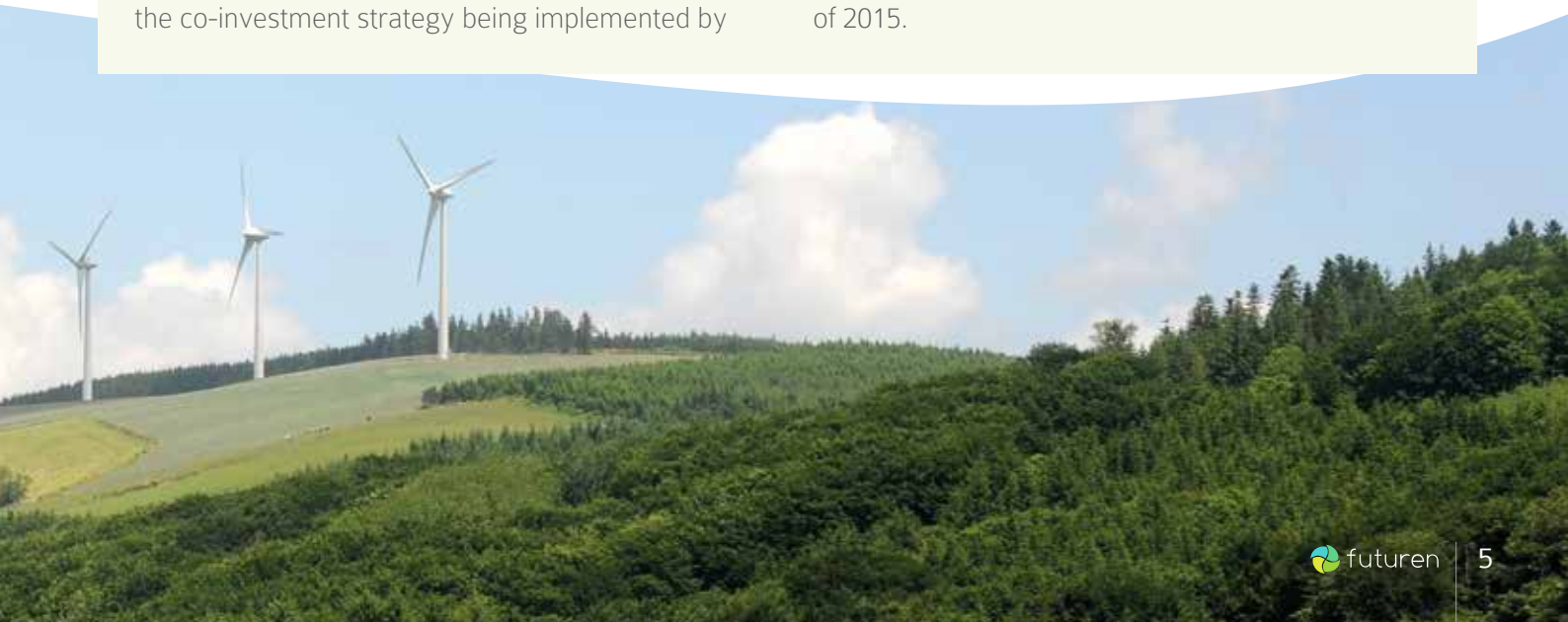
## An example of the co-investment strategy

In 2011, Theolia formed an investment vehicle in partnership with two major European players in the public services and energy sector – IWB in Switzerland and Badenova in Germany – in order to jointly build and operate onshore wind farms in France, Germany and Italy.

This cross-border partnership is a first illustration of the co-investment strategy being implemented by

the Group, and an example of the innovative and original solutions that FUTUREN can mobilize to ensure its accelerated growth.

Today, this investment vehicle holds three wind farms for a total of 54 MW, two of which are already in operation and supply a total of 33 MW. The remaining 21 MW will be in operation before the end of 2015.



# Voluntary and motivated management, values and expertise

The Group has successfully turned itself around thanks to the mobilization of its shareholders and teams, both of which have shared the new managerial momentum.

**FUTUREN has transformed itself and adopted the most stringent standards for quality, performance and transparency**

Rigorous analyses of wind potential during preliminary studies, the performance of impact studies and local consultation, exemplary conducting of bid tenders to select service providers, the establishing of technical and organizational requirements for the building phase, which must also be followed by the subcontractors working at the site: all these things demonstrate the demanding standards set by the Group in the completion of its projects.

Reinforcement of engineering processes has increased the rate at which projects are transformed into wind farms. Improved planning of maintenance operations has increased the availability rate of the farms in operation. In all segments of the value chain, the expertise of FUTUREN employees is enshrined in its management and value charters.

The Group also places great emphasis on the support functions that surround its activities.

*"Today, in my teams I see a sense of collective pride in being part of FUTUREN. For long-term employees, it is their pride in having successfully achieved this difficult transformation project. For new employees, it is their pride in a strategic vision, and in the technical skills, ambition and expertise of the enterprise."*

Fady Khallouf , CEO



As a result, control and planning have been significantly strengthened, cash and debt management has been optimized, reporting has been increased and enhanced, the financial processes have been secured, intra-group practices harmonized, and the information systems made more reliable.

**All these initiatives aimed at achieving optimal functional have improved business management and thus raised overall performance.**

**FUTUREN is a socially and environmentally responsible enterprise**

The establishment of a wind farm is a major initiative in terms of development of the region surrounding it. The project must be placed acceptably within the local landscape and natural

ecosystem, and function as part of the daily life of local residents. To meet these major environmental and social challenges, the FUTUREN approach is based on three fundamental principles:

- Preservation of the fauna and flora, the soil, water and air of the sites on which the Group establishes its farms;
- Integration into the surrounding landscape and near the local population, as well as operating in harmony with nearby economic or farming activities;
- Consultation with stakeholders (the local population, municipal representatives, government departments, associations, landowners, agricultural operators, etc.) as an essential condition for the success of any project.

**These principles structure the daily activity of Group employees** and enable the installation of optimized wind farms that are integrated into the surrounding landscape and are accepted by local residents. This approach guarantees higher quality and greater profitability over the longer term.

### FUTUREN is committed to the environment

FUTUREN applies a strict environmental policy designed to reduce to the maximum the impact of its operations on the environment. **The Group has formalized its principal commitments in a charter shared by all its teams.** In many cases, the measures taken by the Group for building its wind farms are far more stringent than legal requirements. For example, the Group has established for its construction projects its own “Green Projects Charter”, which is applied by the Group’s employees and subcontractors. In the same way, in order to improve the landscape environment of the site, the Group consistently places below ground all the electrical lines transmitting the power produced to the general grid.



# The new identity of FUTUREN

FUTUREN is a name that evokes and symbolizes the energies of the future. It incarnates the Group's ambition to develop clean energies and actively participate in the movement gaining momentum around the world to reduce carbon emissions.

The choice of FUTUREN as our new name is an expression of our vision of the future. Renewable energy sources will be crucial for the future of the planet.

*"With this new identity, we are affirming more than ever before our goal to participate in the sweeping changes in energy production that are already underway"* says FUTUREN Chief Executive Officer Fady Khallouf.

This new name is the final element of the charter for renewal of its visual corporate identity that has already been implemented by the Group since 2011. The graphic form that accompanies the name of the Group symbolizes renewable energies: the use of nature's color code of yellow, blue and green to evoke the sun, sky, water, and the plant world. By combining a modern, round typeface with a graphic form inspiring movement, a powerful and dynamic logo has been created.

Finally, the Group is also retaining the signature of its brand: "Energy for the environment" which sums up in a few simple words the mission FUTUREN has set for itself.



Energy for  
the environment





# The key role played by renewable energy

The functioning of our societies is very closely linked to the availability of electricity. Production of electricity from conventional sources is one of the largest contributors to the greenhouse gas effect. Simultaneously, the alarm is being sounded everywhere, warning that greenhouse gases must be cut in order to slow down global warming.

The electricity cycle is at least 20 years. To avoid a scenario where a hiatus occurs, investment must continue, even during a period of economic crisis.

## How do we reconcile urgent, but contradictory objectives ?

Several options are available to our countries:

- Nuclear, but on one hand everyone knows the risks involved, and on the other the published estimates of the investments necessary to make nuclear facilities safe are probably seriously understated. Maintenance and/or replacement of these facilities would very significantly raise the basic price of electricity;
- Carbon-bearing materials, but these materials will mean an even greater increase in greenhouse gas emissions;
- **The other alternative: renewable energy sources.**

Within the renewable energy segment, FUTUREN is today focusing its expertise on wind energy. In recent years, this segment has benefited from very significant technological advances. Wind turbines today are high-performing and competitive. Their cost is controlled and is the lowest of the renewable energy sources, just behind hydropower.

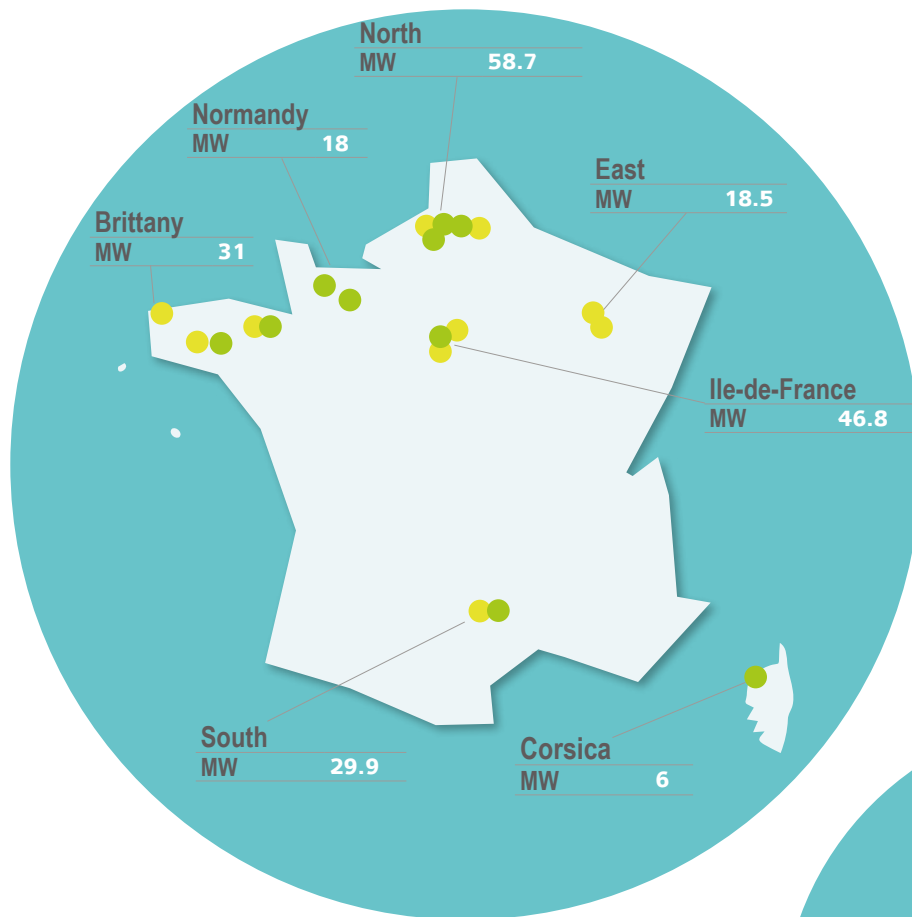
Certainly this is a changing sector. National lawmakers regularly consider changes in tariff conditions. But this trend will be positive: it will professionalize the business of operators even more.

Confident in our expertise, we believe that wind energy offers strong and solid potential.



# Sites

July 31, 2015



## France

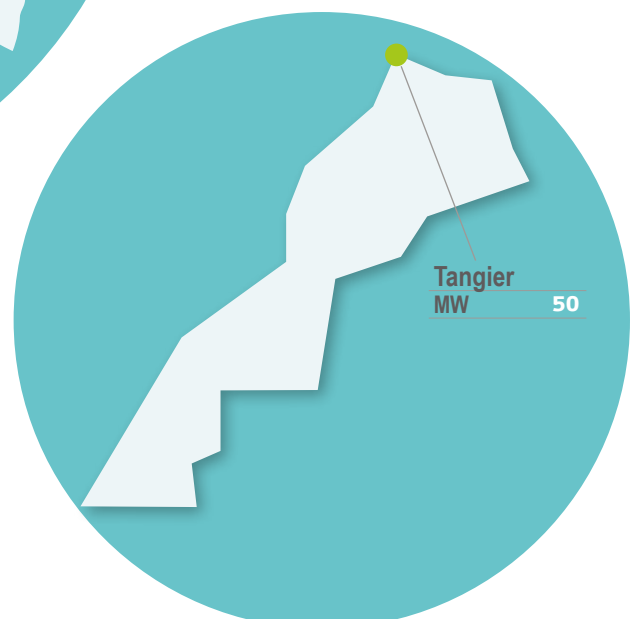
**111** wind turbines  
**209 MW**

- 58** wind turbines operated for own account
- 53** wind turbines operated for third-party account

## Morocco

**84** wind turbines  
**50 MW**

- 84** wind turbines operated for own account



- FUTUREN
- Third-party account



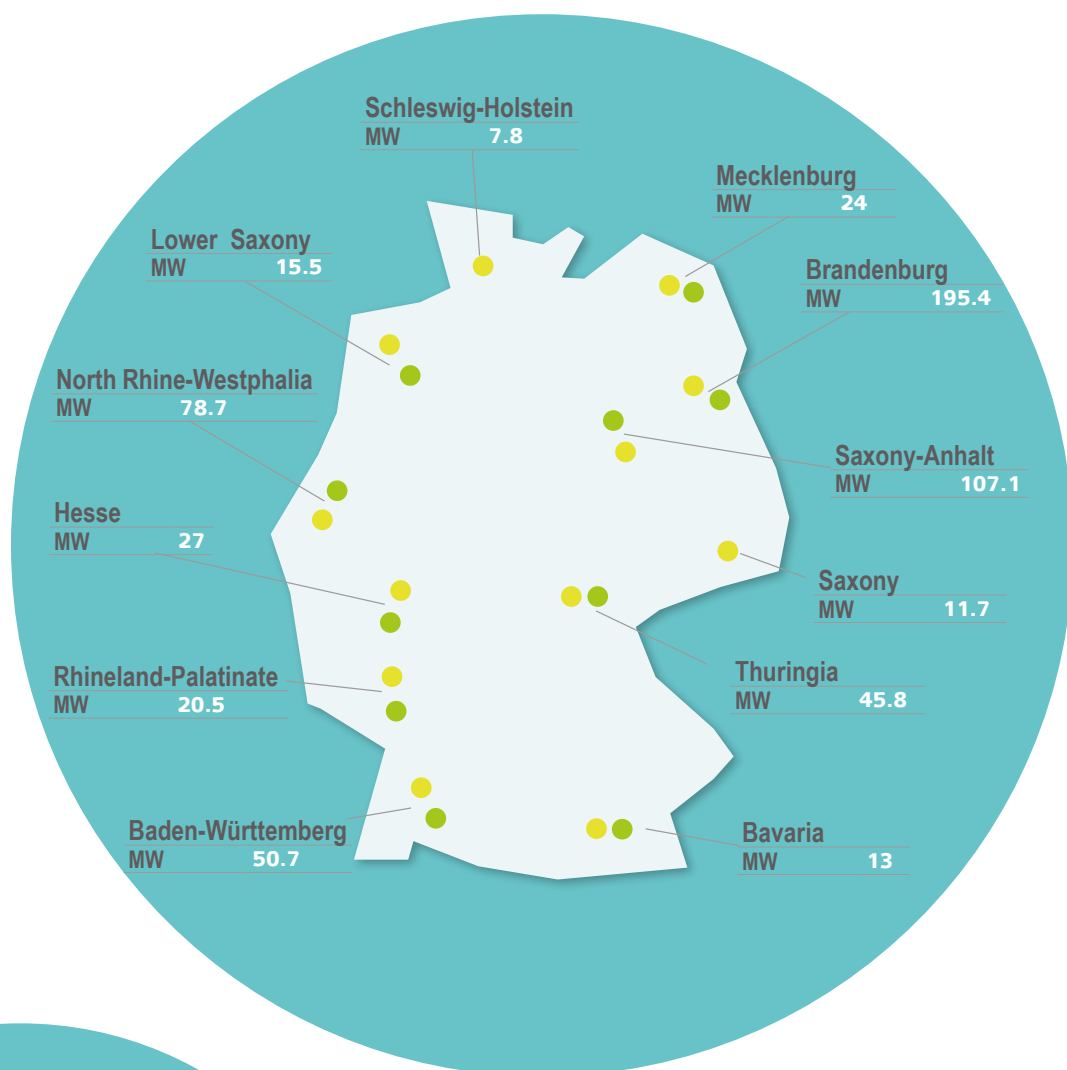
## Germany

**418** wind turbines

**597 MW**

**91** wind turbines operated for own account

**327** wind turbines operated for third-party account



## Italy

**23** wind turbines

**25 MW**

**23** wind turbines operated for own account

**●** FUTUREN  
**●** Third-party account

# Future outlook

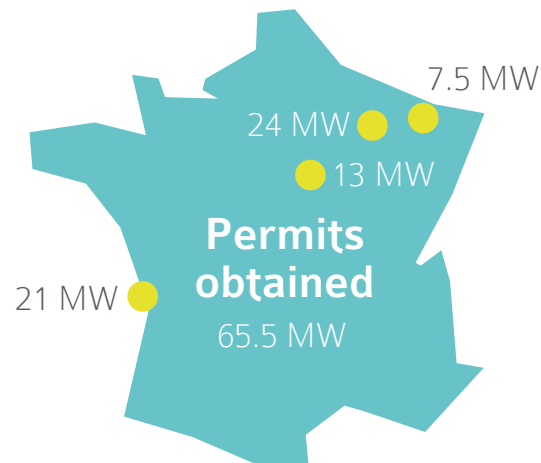
July 31, 2015

## Organic growth: authorized projects

Since the successful financial restructuring in late 2014, the Group's balance sheet structure now reflects its strategy to actively pursue growth, which means expanding installed capacities in order to increase operating profitability.

**The Group is focusing on France and Morocco as the main vectors for organic growth.**

**The aim: to double installed own-account capacities in France and Morocco.**

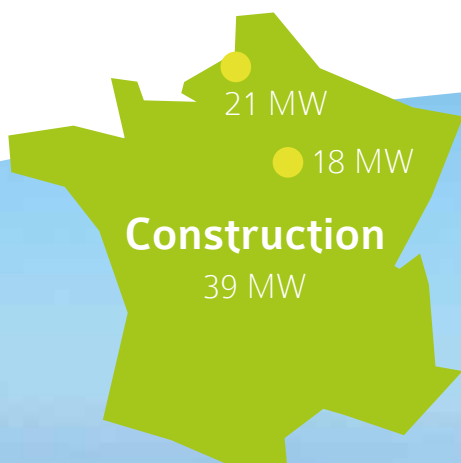


## France

In France, the Group has a large portfolio of projects in development. These are called “greenfield” projects because they are entirely developed by Group teams, beginning with the identification of the site.

Within this portfolio, **six projects are at an advanced phase**, meaning that they received all the authorizations necessary for construction and operation. Two of the six projects are already in the construction phase.

The projects that received all the necessary authorizations or are currently being constructed are distributed across France, with a concentration near the region of Ile-de-France.







## Morocco

In Morocco, the Group is developing its most significant project, to be completed in two phases :

- The first phase – “repowering” – will consist of replacing the turbines currently operated at the Tangiers site with new-generation turbines so as to raise the installed capacity of this site from 50 to 100 MW;
- The second phase will involve expansion of this site onto adjacent land in order to install an additional 200 MW.

The first phase is currently in progress.

## Opening up new horizons

Backed by its expertise in onshore wind energy, FUTUREN will take opportunities to use its knowledge to expand into new forms of renewable energy and new regions, while maintaining the same fundamental principles that have driven its success.

In order to finance the equity funds needed for future projects, FUTUREN intends to continue its strategy of cross-border co-investment through the creation of new investment vehicles.



### Morocco project

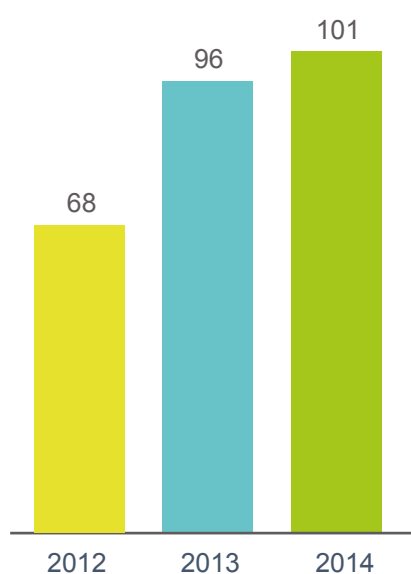
The project that is currently being developed in Morocco is of particular importance, chiefly because of its size, which renders it unique as an organic development. But it also represents the Group’s first repowering operation, intended to confirm its operating expertise.



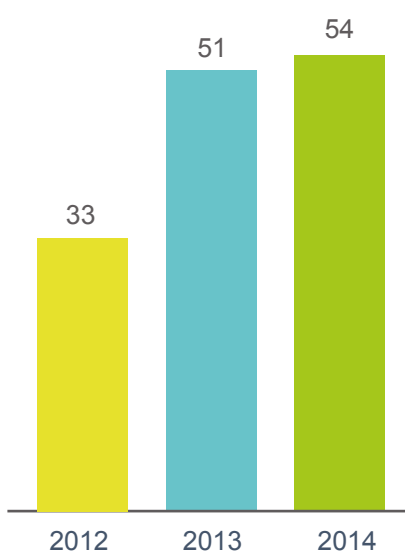
# Financial information

(in million euros)

## Revenue



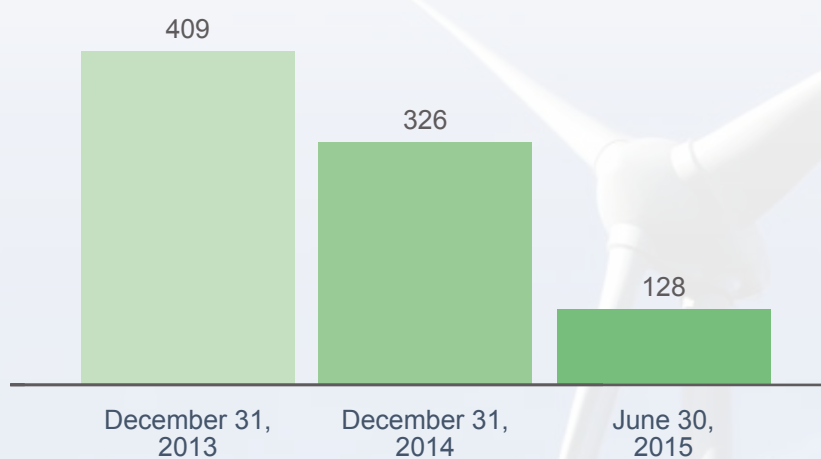
## EBITDA



## Operating income



## Net financial debt



# Governance

FUTUREN imposes rigorous rules of governance on itself. The Group voluntarily refers to the MiddleNext corporate governance code, and has established internal regulations and an Audit Committee.

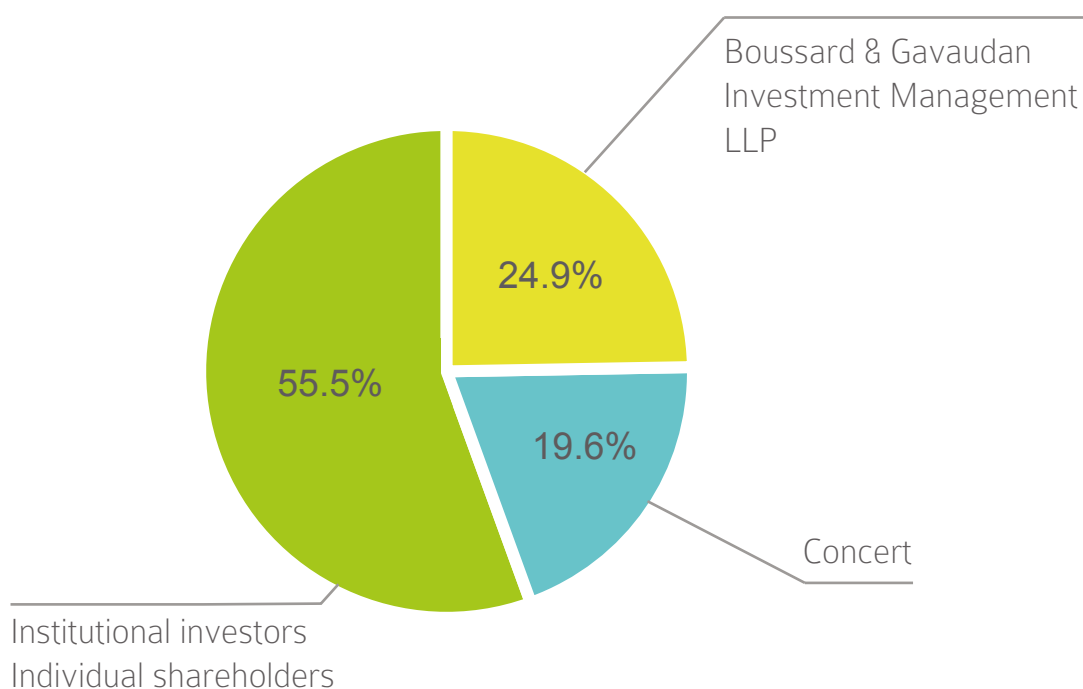
Over the last few years, the organization of meetings and the work of the Board of Directors have become more professional, while at the same time the amounts paid annually in attendance fees have dropped significantly.

The Board of Directors has been renewed and welcomed a woman. The synergy of expertise and professional background of directors currently in office has reinforced the quality of the Board's work.

## Shareholders

Two reference shareholders hold 44.5% of the capital.

The balance of the capital is held by institutional investors and individual shareholders.



Energy for  
the environment



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