



# THEOLIA

L'ENERGIE NATURE

## First Half 2008 Results

Paris, September 3, 2008



## Disclaimer

- This presentation includes forward-looking statements. Such forward-looking statements are not guarantees of future performance. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including the risks described in the documents filed by THEOLIA with the Autorité des marchés financiers (the "AMF") and available on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and THEOLIA website ([www.theolia.com](http://www.theolia.com)), to which investors are invited to refer. THEOLIA does not undertake, nor does it have any obligation, to provide updates or to revise any forward-looking statements.
- Certain information contained in this presentation, which is not part of THEOLIA December 31, 2007 financial statements or THEOLIA June 30, 2008 financial statements, has not been subject to independent verification. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein.





# Table of contents

1. Operating Highlights
2. First Half 2008 Results
3. Strategic Outlook

- 
1. Operating Highlights
  2. First Half 2008 Results
  3. Strategic Outlook





## 2008 Highlights

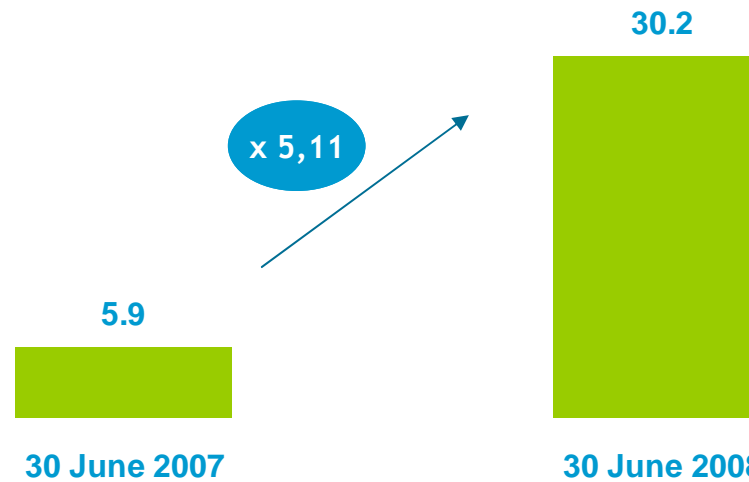
- ✚ 409% increase in electricity sales from wind farms held by the Group
- ✚ Wind farms representing a capacity of 350 MW owned by the Group on June 30, 2008
- ✚ Projects in development amounting to 2,796 MW on June 30, 2008
- ✚ Supply of turbines secured for over 1,000 MW
- ✚ 474 MW of wind capacity to be commissioned by 2009, of which 130 MW secured in Germany before the announcement of the change in tariffs
- ✚ Integration of Maestrle Green Energy and Compagnie Eolienne du Détroit (CED) into THEOLIA Group
- ✚ Strategic partnership with TAQA, Abu Dhabi National Energy Company



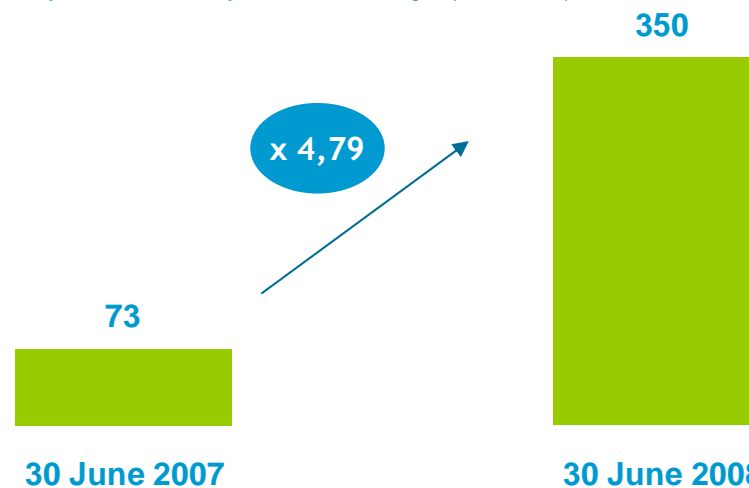
**THEOLIA**

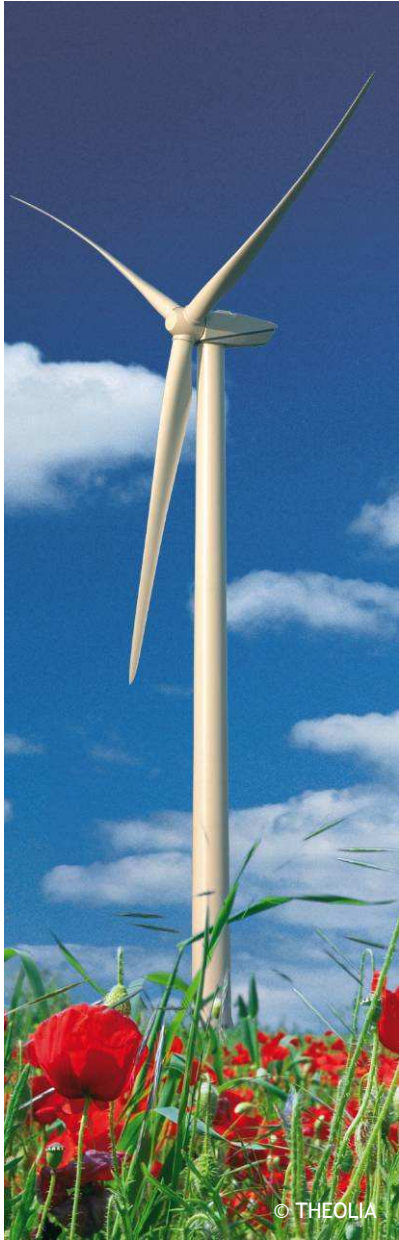
## Strong increase of own account production

Sales of electricity from wind farms owned by the Group (in million euros)



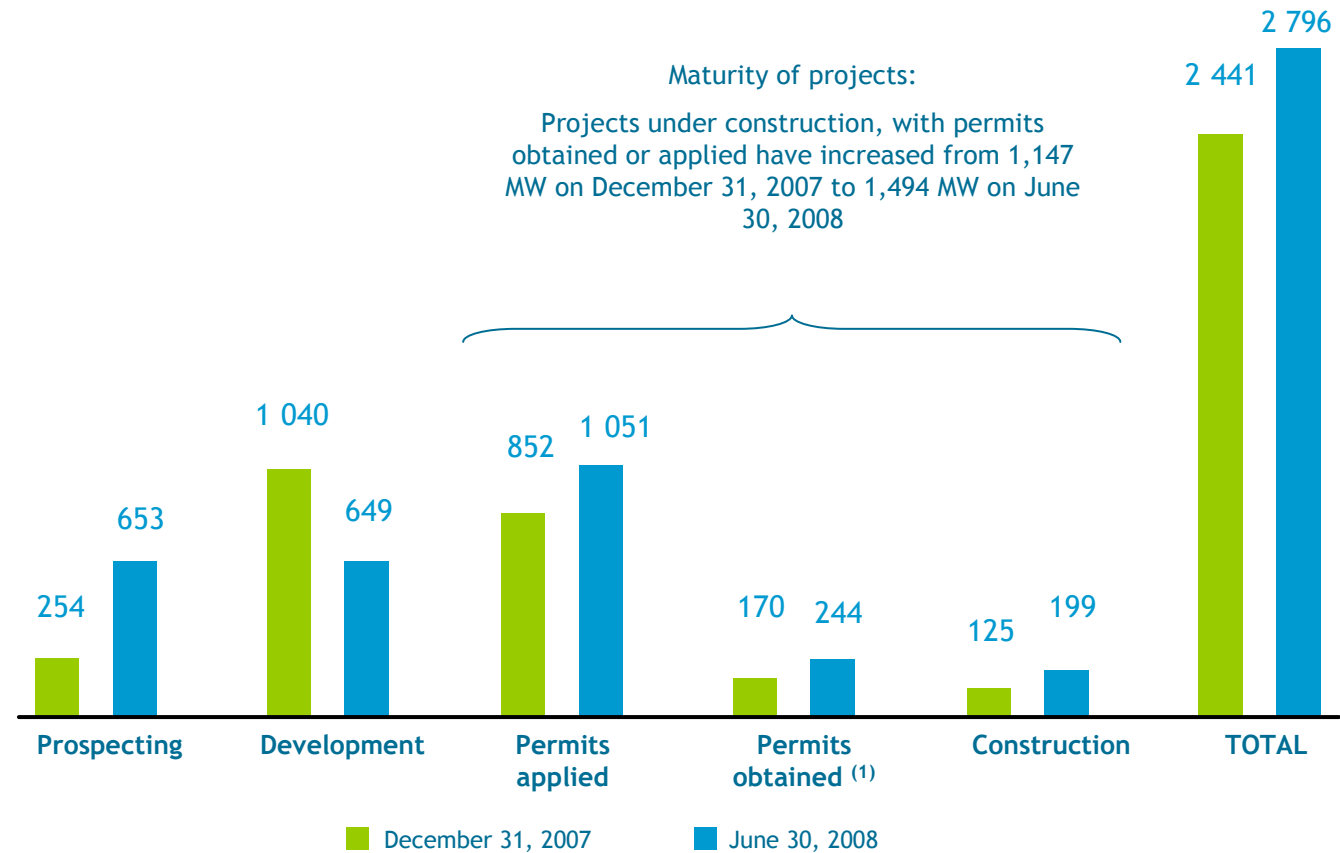
Installed capacity owned by the Group (in MW)





# 2,796 MW of projects in development

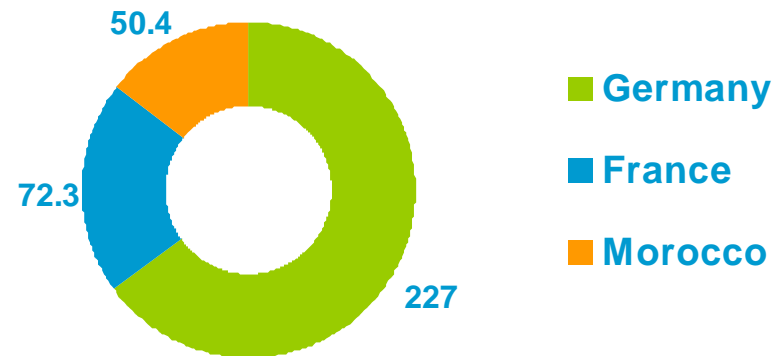
## Number of projects in development (in MW)



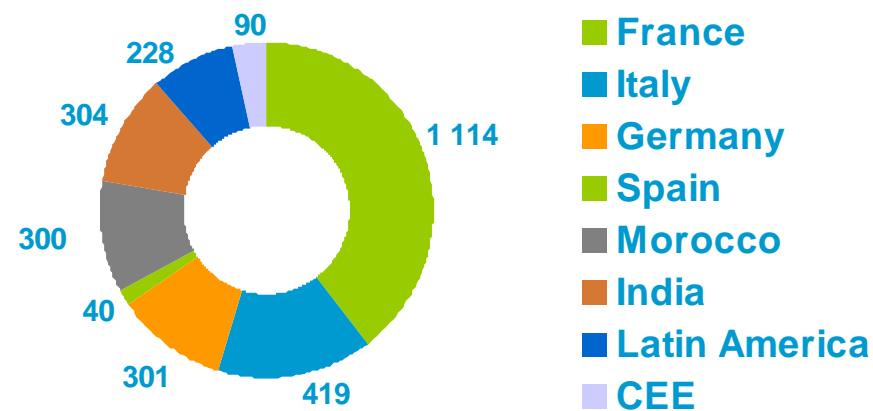


## Geographic diversification of projects Pooling of risks

Installed capacity owned by the Group on June 30, 2008 (in MW)



Overview of projects in development on June 30, 2008 (in MW)





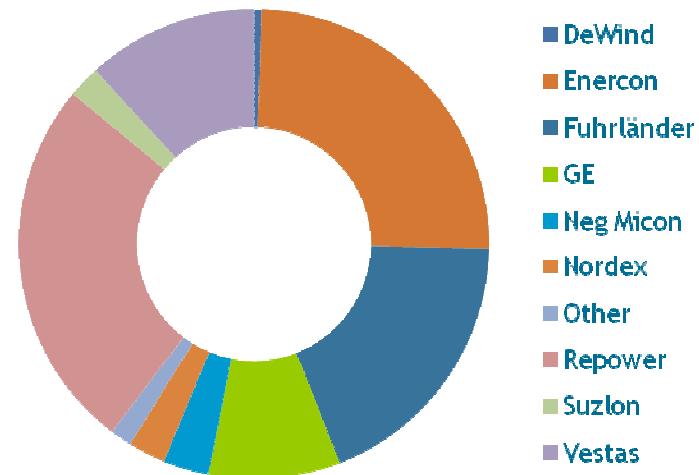


**THEOLIA**

## Active policy of securing the supply of turbines

- ✦ Secured turbine supply of over 1,000 MW
  - ✦ Turbine supply secured with 6 manufacturers for wind farms that will be commissioned by the end of 2009
  - ✦ Memorandum of Understanding with Siemens for the delivery of 300 MW by 2012
  - ✦ Memorandum of Understanding with Siemens for delivery of 300 MW in relation to the international tender bid in Morocco - this MoU contains a clause stating that this capacity could be transferred in a framework agreement if THEOLIA is not selected
- ✦ Diversification of suppliers to choose turbines responding to the appropriate technical characteristics of each site

Breakdown of installed and secured turbines by supplier (excl. Siemens) (in MW)



- 
1. Operating Highlights
  - 2. First Half 2008 Results**
  3. Strategic Outlook



## Consolidated Income Statement

(in million euros)	June 30, 2008	June 30, 2007
<b>Sales</b>	61.9	51.0
<b>EBITDA <sup>(1)</sup></b>	8.6	(3.3)
<b>Current operating income</b>	(17.1)	(16.4)
<b>Operating income</b>	(16.7)	3.6
<b>Financial income</b>	(10.8)	(0.7)
<b>Net income</b>	(26.2)	6.3
<b>Net income group share</b>	(25.3)	6.2
<b>Earnings per share (in €)</b>	(0.65)	0.21

(1) EBITDA = current operating income + depreciation/provision, before non-cash compensation costs





## Financial structure

(in million euros)	June 30, 2008	December 31, 2007	June 30, 2007
Total shareholders' equity	388.8	404.4 <sup>(1)</sup>	260
Financial liabilities	559.3	542.6 <sup>(1)</sup>	127.7
Cash and cash equivalents	161.5	326.2	47.2
Net debt	397.8	216.2 <sup>(1)</sup>	80.5
Tangible and intangible assets	485.1	410.7 <sup>(1)</sup>	162.8
Total balance sheet	1,107.8	1,154.9	456.4



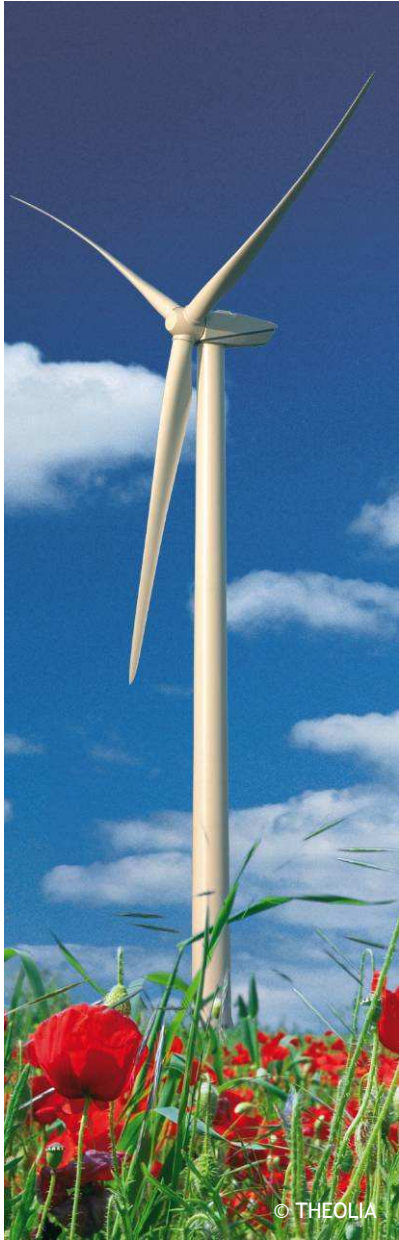
## Net financial debt

(in million euros)	June 30, 2008	December 31, 2007
Non current financial debt <sup>(1)</sup>	247.4	256.7 <sup>(2)</sup>
Current financial debt	109.9	90
Holding debt (OCEANE)	202	195.9
Cash + cash equivalents	(161.5)	(326.2)
Net financial debt	397.8	216.2 <sup>(3)</sup>

(1) 100% non-recourse project financing ; fixed interest rates

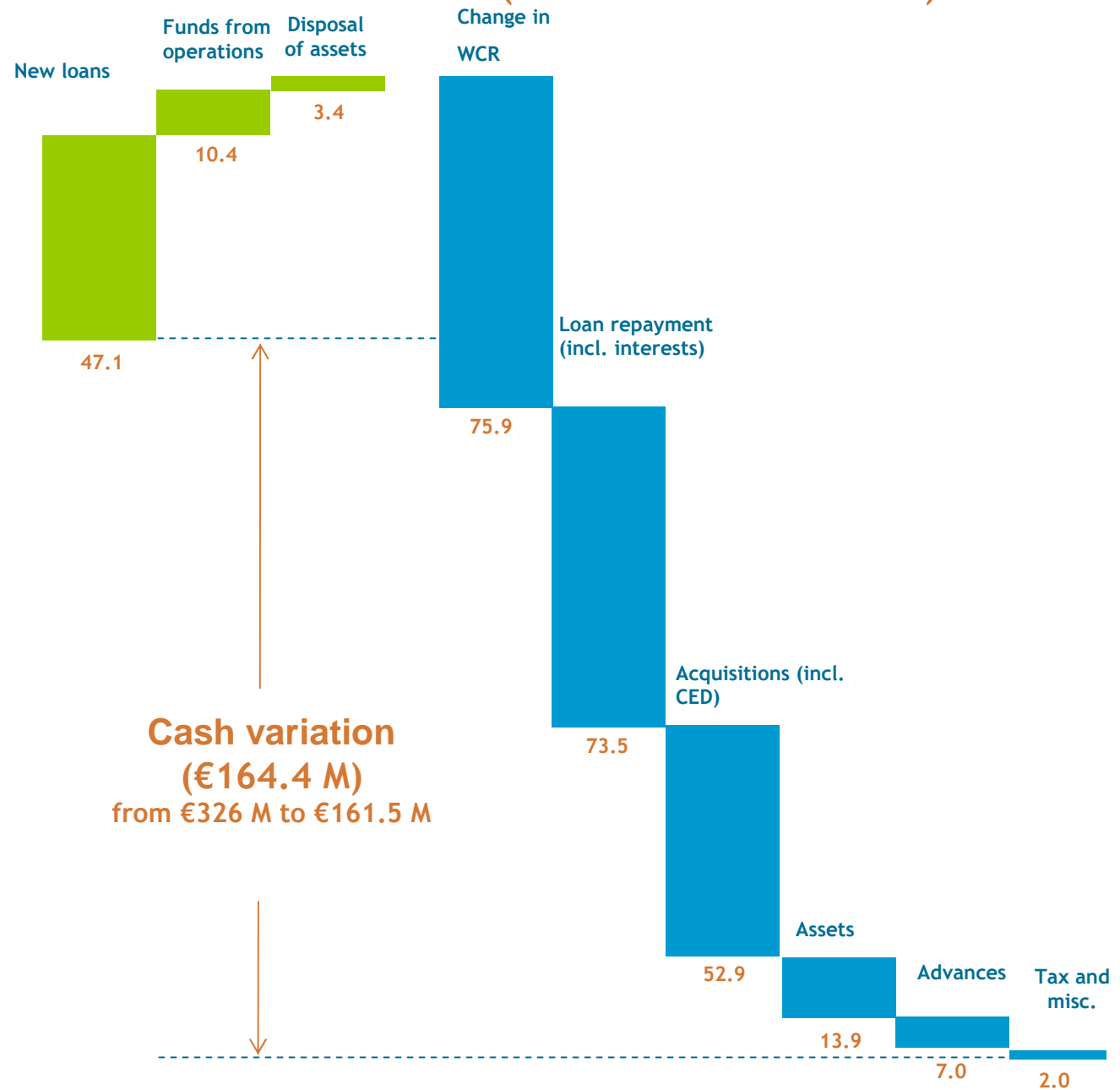
(2) Published on December 31, 2007 : €459m. Difference explained in the appendices of June 30, 2008 financial report (note 2)

(3) Published on December 31, 2007 : €222m. Difference explained in the appendices of June 30, 2008 financial report (note 2)



**THEOLIA**

## H1 2008 Cash Flow (in million euros)







## Change in working capital in H1 2008 (in million euros)

<b>Change in working capital</b>	<b>(75.9)</b>
<b>Increase of stock (including turbines)</b>	<b>(22.5)</b>
<b>Advanced payments for turbines</b>	<b>(45.2)</b>
<b>Decrease of clients' trade receivables</b>	<b>50.4</b>
<i>of which NATENCO</i>	<i>42.2</i>
<i>VENTURA</i>	<i>2.4</i>
<b>Decrease of suppliers' trade payables</b>	<b>(32.4)</b>
<i>of which NATENCO</i>	<i>(38.2)</i>
<i>VENTURA</i>	<i>(5.2)</i>
<i>THEOLIA</i>	<i>16.7</i>
<b>Decrease of other debts</b>	<b>(22.8)</b>
<b>Increase of other receivables</b>	<b>(3.4)</b>



## First Half 2008 Results by business segment

(in million euros)	Electricity sales	Sale of wind farms to third parties	Non-wind activities	Holding	Total
<b>Sales</b>	<b>53.2</b>	<b>NS <sup>(2)</sup></b>	<b>8.7</b>	<b>-</b>	<b>61.9</b>
Of which					
- Own account	30.2				
- Third parties	23				
<b>EBITDA <sup>(1)</sup></b>	<b>21.2</b>	<b>(6.3)</b>	<b>(1.3)</b>	<b>(5)</b>	<b>8.6</b>
<b>Current Operating Income (in contribution)</b>	<b>8.2</b>	<b>(8.3)</b>	<b>(2.8)</b>	<b>(14.2)</b>	<b>(17.1)</b>
<b>Operating Income (in contribution)</b>	<b>8.3</b>	<b>(8.4)</b>	<b>(2.9)</b>	<b>(13.7)</b>	<b>(16.7)</b>

(1) EBITDA = current operating income + depreciation/provision, before non-cash compensation costs

(2) Not significant

- 
1. Operating Highlights
  2. First Half 2008 Results
  3. **Strategic Outlook**





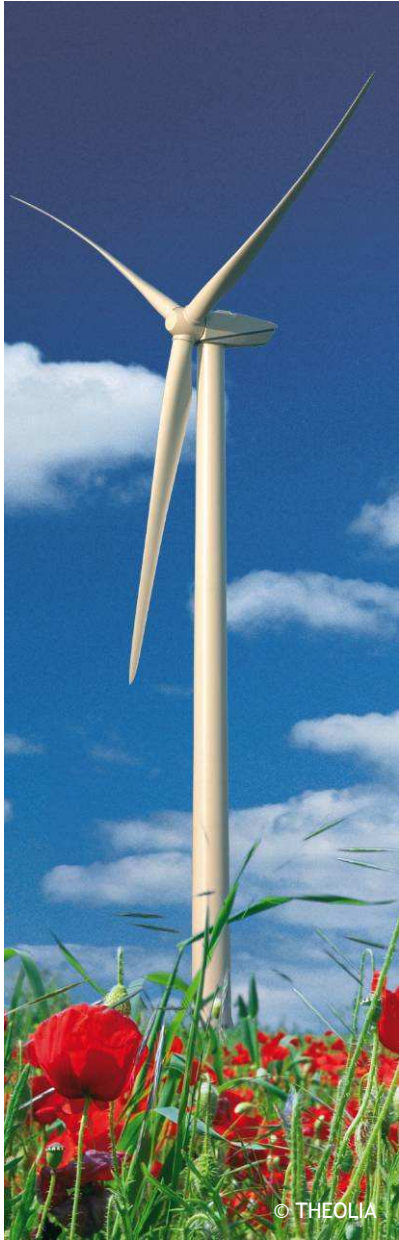
## Strengthening of own account business

- ✦ Decision: focus on the production of electricity for own account by keeping a maximum number of wind farms
- ✦ Motivation:
  - ✦ high EBITDA margin
  - ✦ recurring and predictable EBITDA and revenue stream from tariff contracts over a period of 15 to 20 years
  - ✦ favorable incentive measures in Western Europe
  - ✦ operational expertise of THEOLIA's teams



## Positioning as « pure player » in the wind business

- ┆ Installed wind energy capacity as of June 30, 2008: 661 MW for own account and third parties
- ┆ Pipeline of projects as of June 30, 2008: 2,796 MW
- ┆ Key markets with stable tariff policies
  - ┆ 94% of sales of electricity in the first half 2008 benefitted from a fixed tariff
- ┆ Two new countries soon in operation: Italy and Spain



## Competitive strengths

- ✦ Expertise in the entire value chain: prospecting, developing, construction, commissioning and management of wind farms
- ✦ Selection of projects with attractive IRRs <sup>(1)</sup>
- ✦ Quality pipeline positioned in stable and attractive markets
- ✦ Acceleration of turbine provisioning policy for the proper execution of pipeline

(1) Internal Rate of Return





## Evolution of the management structure

- ✦ Disassociation of the roles of Chairman and CEO
- ✦ Search ongoing for a new General Manager
- ✦ Two recent hires of General Managers in Finance and Operations



## Outlook

- ✦ Target of owning wind farms representing an installed capacity of 2,000 MW by the end of 2011 (mostly held in own account)
- ✦ 2008, a year of transition:
  - ✦ keeping a maximum number of wind farms for own account
  - ✦ minimum EBITDA of €20 million
- ✦ Strong outlook for development and profitability over the mid and long term

# Appendices





# Development pipeline as of December 31, 2007

(In MW)	Prospecting	Development	Permits applied	Permits obtained <sup>(1)</sup>	Construction	Total pipeline	
Western Europe							
France	254	287	334	72	58	1 005	41%
Italy		198	281		21	500	20%
Greece		72				72	3%
Germany			8	12	46	66	3%
Spain				58		58	2%
THEOLIA Emerging Markets							
India		280	51			331	14%
Latin America		22	178	28		228	9%
CEE		181				181	7%
Total pipeline	254	1 040	852	170	125	2 441	
	10%	43%	35%	7%	5%		

(1) Free of any third party claims



## Development pipeline as of June 30, 2008

(In MW)	Prospecting	Development	Permits applied	Permits obtained <sup>(1)</sup>	Construction	Total pipeline	
Western Europe							
France	262	348	361	69	74	1 114	40%
Italy		220	148	30	21 <sup>(2)</sup>	419	15%
Germany		59	88	91	64	301	11%
Spain					40	40	1%
THEOLIA Emerging Markets							
Morocco	300					300	11%
India <sup>(2)</sup>			304			304	11%
Latin America		23	150	55		228	8%
CEE	90					90	3%
Total pipeline	653	649	1 051	244	199	2 796	
	23%	23%	38%	9%	7%		



## Use of the proceeds from convertible bond (OCEANE) (in million euros)

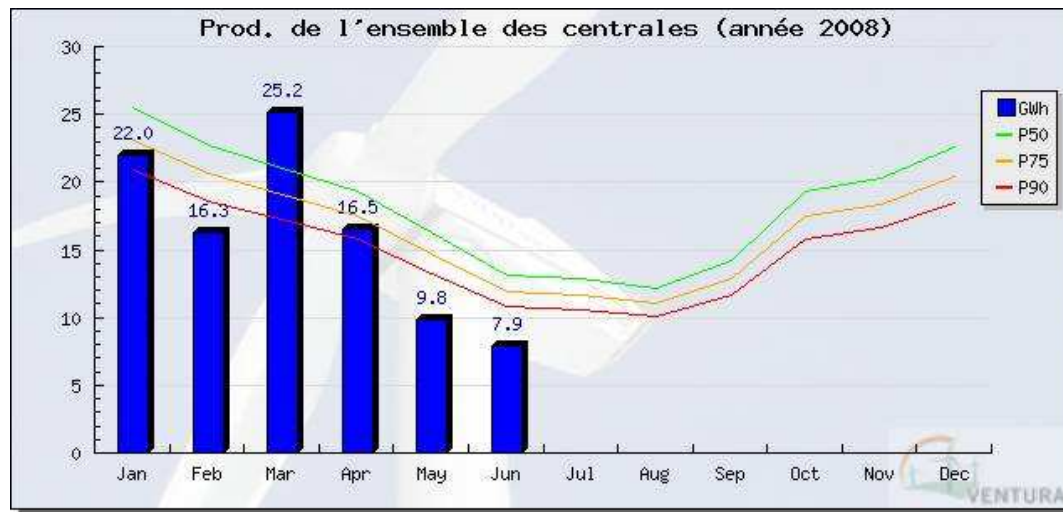
<b>OCEANE proceeds</b>	<b>233</b>
Acquisition of CED	(42)
Acquisition of Ecolutions	(25)
Investment in Italy, of which Maestrale	(16)
Investment in wind farms - France	(12)
Working Capital Requirement for NATENCO	(47)
Development support for subsidiaries	(9)
Pledge in India	(10)
Holding costs	(11)
Financial expenses and incomes	2
<b>TOTAL</b>	<b>63</b>





## Estimate of producible energy

- ✚ Process for predicting electricity production
  - ✚ Initial study by THEOLIA
  - ✚ Checked by an independent firm
- ✚ Statistics over 15-20 years, short term volatility
  - ✚ Scientific appreciation using P50, P75 et P90
  - ✚ Seasonal effect



H1 estimated production /realized production in France