THEOLIA

2008 annual financial results

THEOLIA

Paris, April 28, 2009

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) and THEOLIA website (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, 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.

Agenda

- Follow-up on January CEO update
- 2008 key highlights
- 2008 annual financial results
- Operational update
- Next steps
- Appendix

Follow-up on January CEO update

- Solidify cash position, continue sales of assets/projects and non-core activities
  - ➡ ongoing throughout 2009
- Finalize restructuring of the corporate governance
  - ➡ to be completed in 2009
- Finalize the work on the business model
  - ➡ 3 potential business models developed; selection in Q2 2009
- Explore capital structure options to improve upon base case
  - ➡ evaluating capital transactions at corporate and asset levels
- Finalize review of partnerships in Germany and Morocco
  - ➡ ongoing; completion within 2009
- Determine future of growth markets Brazil and India
  - ➡ started; completion within 2009

Agenda

- Follow-up on January CEO update
- **2008 key highlights**
- 2008 annual financial results
- Operational update
- Next steps
- Appendix

THEOLIA prior to management change

- Ambitious acquisitive growth strategy using proceeds of convertible bond issue
- Ambitions for emerging markets well received by market; however, a separate listing for TEM not at all
- Confusion around build & hold strategy in Germany without securing adequate financing …
- … and, hence, no sales of wind farms in 2008 despite proven sales capability and track record
- Limited track record in greenfield commissioning outside Germany
- Little time spent on integrating acquisitions or standardizing management processes

THEOLIA enters the global financial crisis with severely limited free cash available

THEOLIA

Initial decisions taken by new management

- Wind is core, the rest is not
  - Divestments of non-wind assets and participations in process
- Focus on key geographic markets
  - Closing of Spain, Greece, Czech Republic, Croatia, Poland
- Separate listing for Theolia Emerging Markets canceled
  - As communicated
- Reversal of build & hold strategy
  - Selling over 200 MW of projects/assets
- Project implementation priority for subsidiaries
  - Project management and approval process in development
- Short term growth aligned with financial capacity (internally funded 2009 budget)
  - Risk concentrated in H1 due to lead times of divestments
- Need for significant cost reductions
  - €10 million of cost reduction realized and included in budget 2009

THEOLIA

Agenda

- Follow-up on January CEO update
- 2008 key highlights
- **2008 annual financial results**
- Operational update
- Next steps
- Appendix

THEOLIA

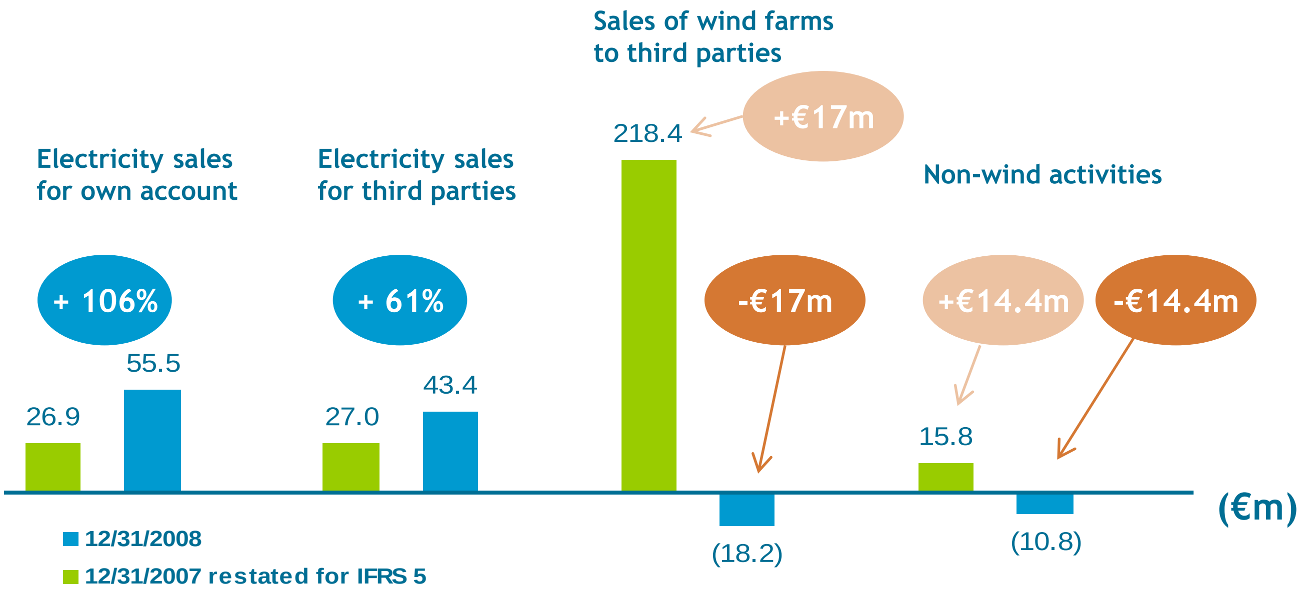
Consolidated Income Statement

(in million euros)	December 31, 2008	December 31, 2007 restated (1)
Sales	70	288.1
EBITDA (2)	(37.8)	12.2
Current operating income	(67.3)	0.4
Operating income	(196.4)	(37.5)
Financial result	(39.1)	(7)
Net income from continued activities	(227.4)	(47.4)
Loss from discontinued activities	(16.7)	(1.3)
Net income	(244.1)	(48.6)

THEOLIA

(1) Restated for IFRS 5 application regarding non-current assets held for sale and discontinued activities.
(2) New definition of EBITDA, adopted end-2008, includes share based payments and provisions on current assets in order to be in line with the generally accepted definition in the financial community.

Composition of sales



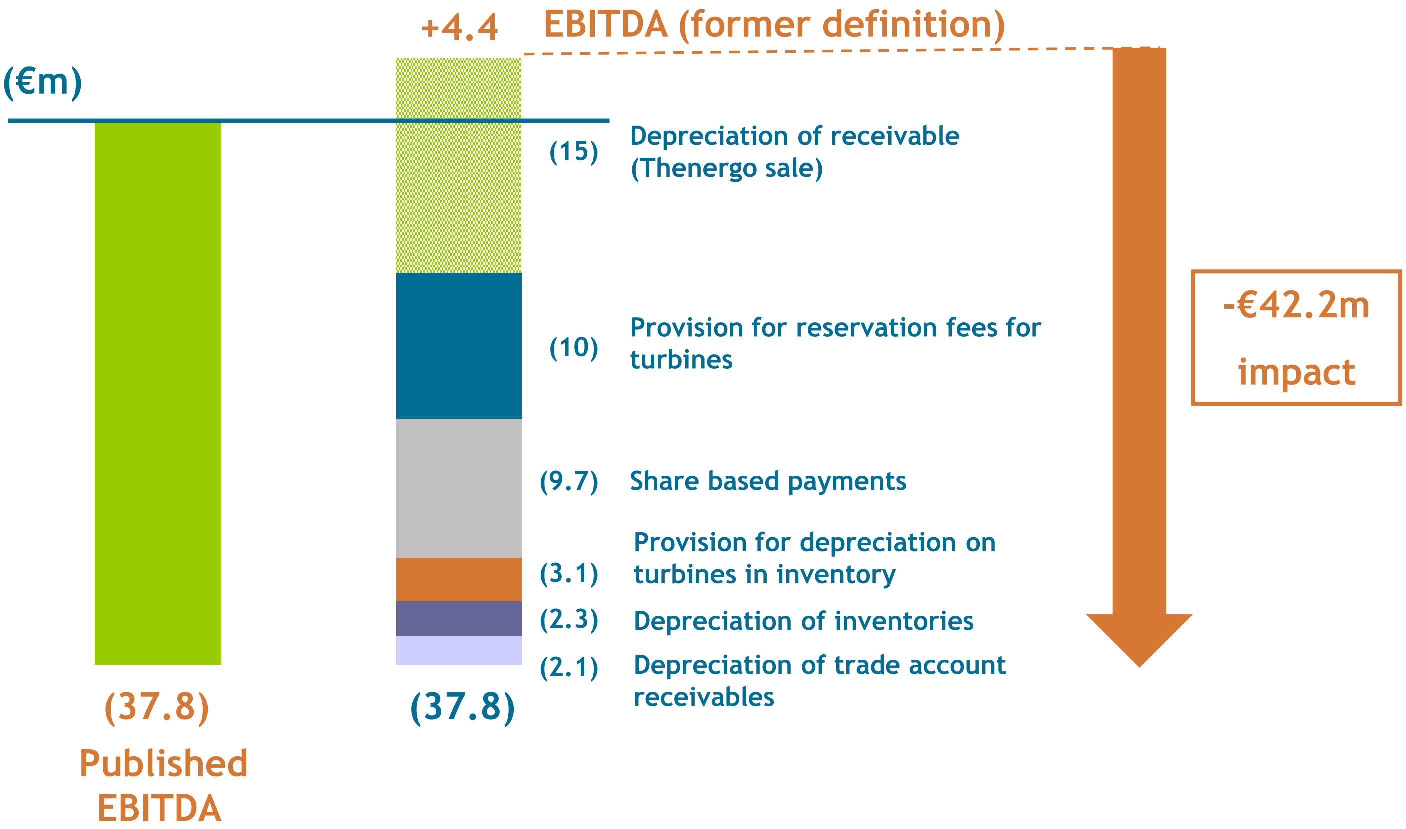
- Strong increase of wind-generated electricity sales for own account and for third parties
- No sales of wind farms in 2008 and cancellation of a prior sale for €17m in 2007
- Cancellation of 2007 sale of a solar park for €14.4m

Impact of cancellation of two 2007 sales on revenues = -€31.4 m

THEOLIA

EBITDA: Impact of change in definition

➡ Integration of both share based payments and provisions on current assets in new EBITDA definition



EBITDA breakdown by business segment

(in million euros)	Electricity sales	Sale of wind farms to third parties	Non-wind activities	Holding	Total
EBITDA [1] 2007 [2]	17.2	11.9	(2.0)	(14.9)	12.2
EBITDA [1] 2008	39.7	(28.4)	(2.3)	(46.8)	(37.8)
Of which one-offs	-	(11.7)	(2.3)	(30.7)	(44.7)

Full year effect of 630 MW installed

- Change of strategy resulted in zero revenues from sales of wind farms, and hence significant under-absorption of fixed costs
- One-off charges of €9m
- Loss of margin due to cancellation of a 2007 sale (€2.7m)

Including 3 non-recurring charges:

- Depreciation of receivable from Thenergo sale (€15m)
- Depreciation for reservation fees for turbines (€10m)
- Non-recurring costs (€5.7m)

Impact of one-offs on EBITDA = -€44.7m

THEOLIA

(1) New definition of EBITDA, adopted end-2008, includes share based payments and provisions on current assets in order to be in line with the generally accepted definition in the financial community.

(2) Restated for IFRS 5 application regarding non-current assets held for sale and discontinued activities.

2008 depreciation of goodwill and assets

Annual impairment tests triggered at year-end by:

- Severe drop in stock price (market cap < net book value)
- Financial crisis and subsequent lack of relevant transactions

Recoverable value is the greater of:

DCF value ➡ Applied

Market value ➡ Not relevant

(in million euros)	
Goodwill depreciation	**77.6**
Asset depreciation	**28.0**
- Intangible assets	16.8
- Tangible assets	11.2
IAS 36 depreciation total	**105.6**

Goodwill depreciation:
Germany: €56.8m
Morocco: €15.0m
Spain: €1.6m
France: €2.5m
Non-wind: €1.7m

Asset depreciation:
Germany: €15.2m
Spain: €11.3m
Non-wind: €1.5m

THEOLIA

From EBITDA to operating income

(in million euros)	
EBITDA	(37.8)
IAS 36 depreciation	(105.6)
Other depreciation	(1.0)
Book loss on Thenergo shares	(22.6)
Other one-offs	(2.2)
Amortization	(26.6)
Misc.	(0.6)
Operating income	**(196.4)**

Impact of one-offs on operating income = -€131.4m

THEOLIA

Financial result

(in million euros)	December 31, 2008	Of which one-offs	December 31, 2007 restated (1)
Interest charges on loans	(33.3)		(12.6)
- OCEANE	(13.5)		(2.3)
- Other loans	(19.8)		(10.3)
Interest rate swaps - France	(9)		0.5
Depreciation of advance to affiliate (Spain)	(2.9)	(2.9)	-
Depreciation of customer loans (Germany)	(2.7)	(2.7)	-
Financial income	8.8		5.1
Financial result	(39.1)	(5.6)	(7.0)

Impact of one-offs on financial result = -€5.6m

(1) Restated for IFRS 5 application regarding non-current assets held for sale and discontinued activities.

THEOLIA

Impact of one-offs on 2008 consolidated income statement

(in million euros)	December 31, 2008	Of which one-offs
EBITDA [1]	(37.8)	(44.7)
+ other operating items	(158.6)	(131.4)
Operating income	(196.4)	(176.1)
Financial result	(39.1)	(5.6)
Result from affiliates	(3.8)	(3.5)
Taxes	11.9	
Loss from discontinued activities	(16.7)	(16.7)
Net income	(244.1)	
Total 2008 one-offs		(201.9)

of which potential future cash-outs: €6m

(1) New definition of EBITDA, adopted end-2008, includes share based payments and provisions on current assets in order to be in line with the generally accepted definition in the financial community.

Financial structure

(in million euros)	December 31, 2008	December 31, 2007 restated (1)
Total shareholders' equity	169.8	404.4
Financial liabilities	589.2	542.6
Cash and cash equivalents	90.8	326.2
Net debt	498.1	215.2
Goodwill	78.1	120.1
Tangible and intangible assets	435.8	410.7
Total balance sheet	918.7	1,154.9

THEOLIA

(1) Restated for 3 accounting errors (see note 2.1 of the notes to the 2008 consolidated financial statements).

Update on cash position

(in million euros)	Total cash Group	Total cash Holding
December 31, 2007	326	172
December 31, 2008	91	14
Free cash (1)	34	9
Cash with limited availability	26	-
Pledged cash	31	10
Bank overdraft	-	(5)
March 31, 2009 (2)	83	27
Free cash (1) (2)	26	16

- Free cash position remains tight as proceeds from divestments have not yet arrived
- Position closely monitored by and reported to external auditors
- Ongoing optimization of cash pooling at holding level

(1) Cash available, neither trapped in project support companies nor pledged. Cash in subsidiaries is mainly dedicated to operating expenses and cannot be pooled at holding level.

(2) Non audited figures.

THEOLIA

Net financial debt

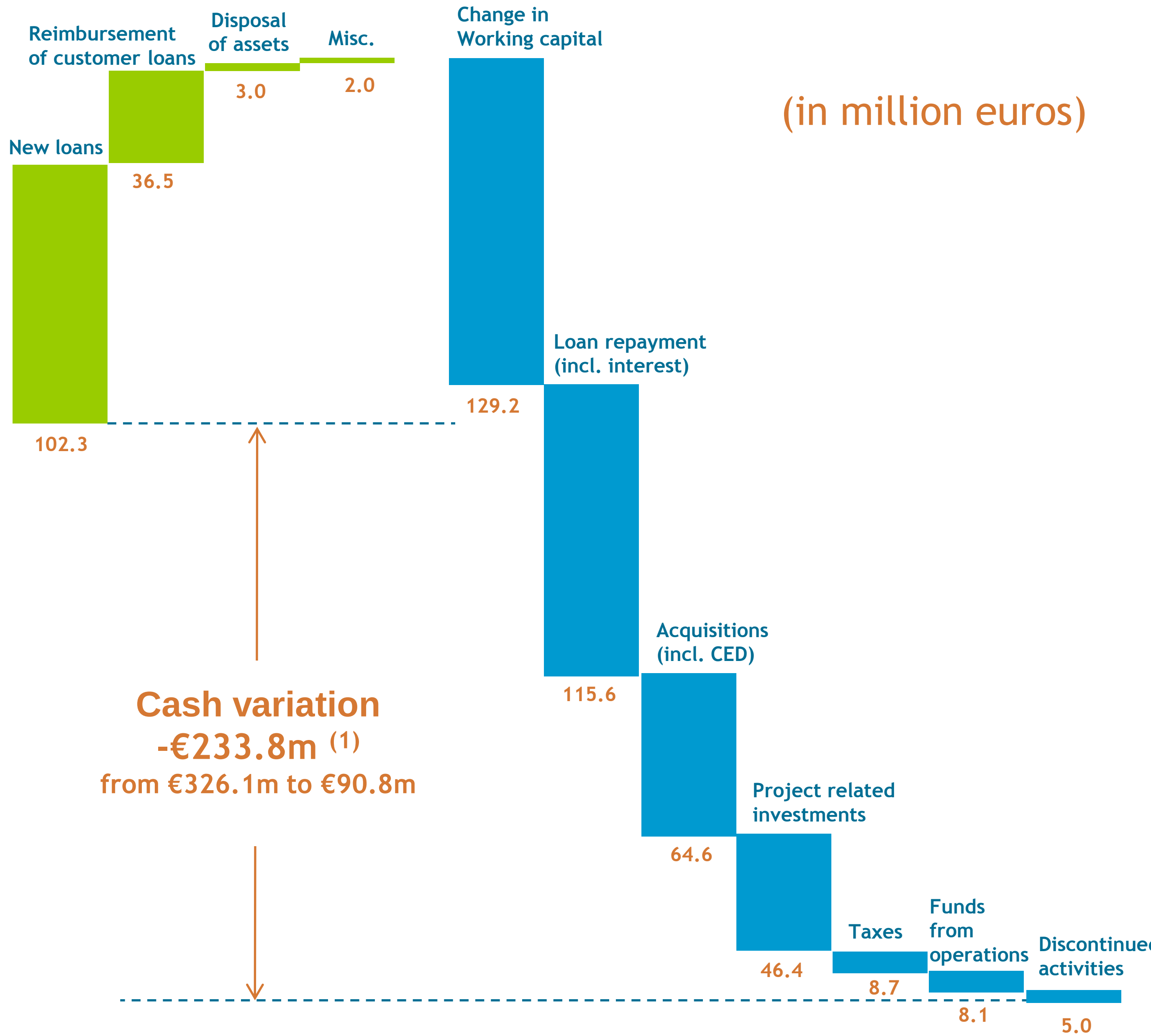
(in million euros)	December 31, 2008	December 31, 2007 restated (2)
Financial debt	(376.7)	(346.3)
Holding debt (convertible bond) (1)	(204.2)	(196)
Other financial liabilities	(8.3)	(0.3)
Current financial assets	0.3	1.1
Cash and cash equivalents	90.8	326.2
Net financial debt	(498.1)	(215.2)

(in million euros)	December 31, 2008
Financial debt	376.7
Non-recourse project financing	337.1
Loan backed by letter of credit	5.3
Working capital credit facilities	34.3

THEOLIA

(1) The stated amounts correspond to the debt component of the convertible bond.
(2) Restated for 3 accounting errors (see note 2.1 of the notes to the 2008 consolidated financial statements).

2008 Cash Flow



THEOLIA

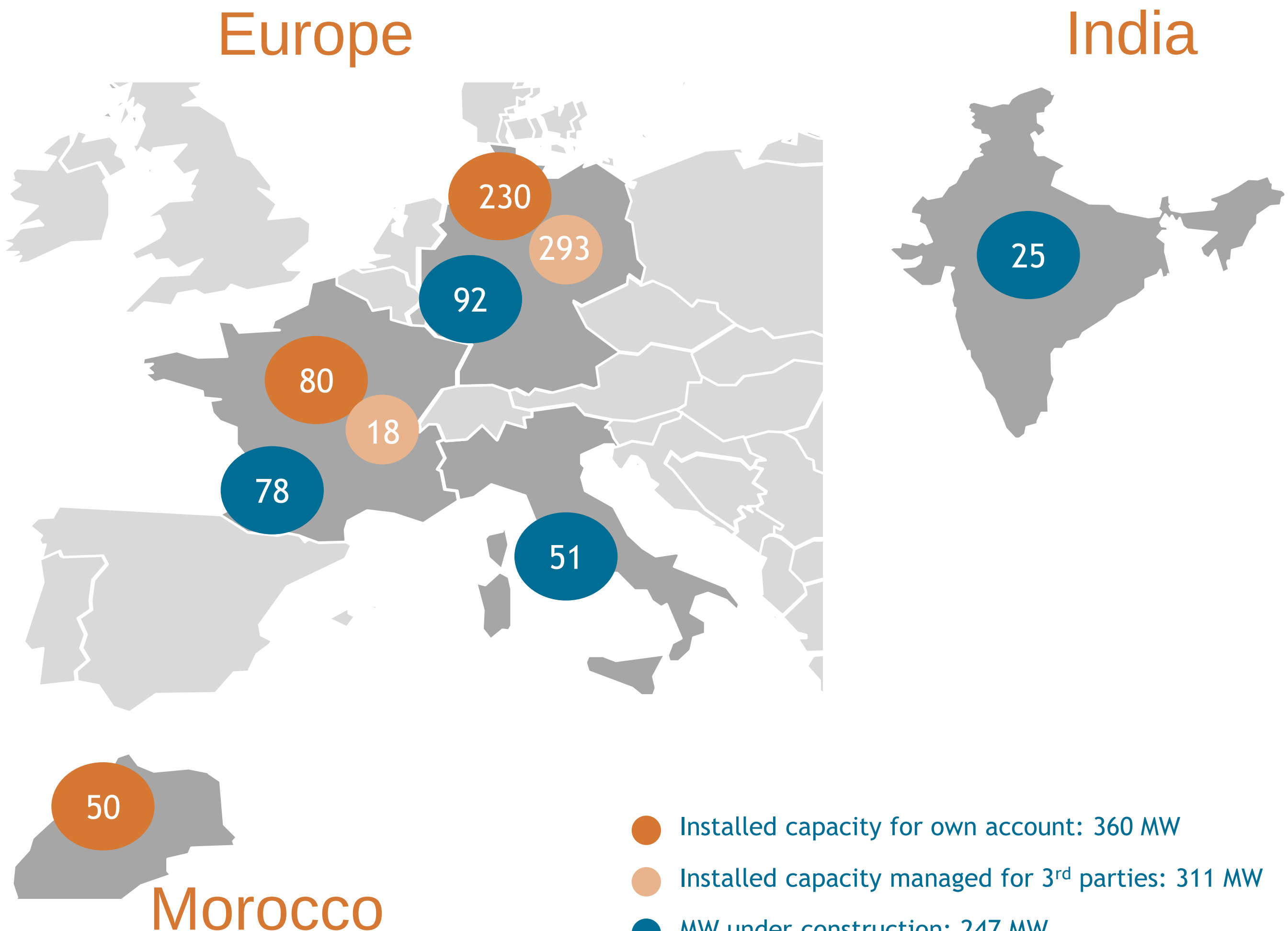
(1) Including -€1.5m of cash from discontinued activities.

Agenda

- Follow-up on January CEO update
- 2008 key highlights
- 2008 annual financial results
- **Operational update**
- Next steps
- Appendix

THEOLIA

Significant installed capacity and mature projects



- Installed capacity for own account: 360 MW
- Installed capacity managed for 3rd parties: 311 MW
- MW under construction: 247 MW

Figures as of December 31, 2008

Project implementation is *the* challenge for the coming years

Pipeline of projects amounting to 2,580 MW, yearend 2008

(In MW)	Prospecting	Development	Permits applied	Permits obtained	Under construction	Total pipeline	
Europe							
France	428	348	352	57	78	1,264	49%
Italy	-	90	254	25	51 (1)	419	17%
Germany	-	-	38	5	92	135	6%
Rest of the World							
India (2)	-	-	-	300	25	325	13%
Brazil	240	23	70	105	-	438	17%
Total pipeline	668	461	713	491	247	2,580	
	26%	18%	28%	19%	10%		

(1) Of which 21 MW owned 50/50 with partner.

(2) Joint-venture 50/50; all figures on 100% basis.

THEOLIA

Operational highlights

- Proven high quality operations capabilities in Germany (over 98% availability rate on 523 MW in operation)
- Transfer of German operational know-how to French subsidiary started
- Flexible diversified turbine procurement without any significant forward commitments
- Detailed cash flow modeling started for each wind farm/project which is crucial for financial optimization
- Project management and approval process in development
- Commissioning of operational capacity in 2 new markets (India and Italy) planned for 2009/2010
- Record annual electricity production in 2008, meeting the needs of 486,000 households, avoiding 538,000 tons of CO_2

Agenda

- Follow-up on January CEO update
- 2008 key highlights
- 2008 annual financial results
- Operational update
- **Next steps**
- Appendix

THEOLIA

Corporate governance

Actions already taken:

- Separation of the roles of Chairman and CEO
- Remuneration of Board members changed to flat fee
- Acceptance of AFEP-MEDEF guidelines for executive remuneration
- Profile for the future Board developed

Ongoing initiatives:

- In-depth audit of corporate governance
- Recruitment for vacant Board positions started
- Aspiration to become recognized for best-in-class governance in the coming years
- Finalize Code of Conduct and start Company wide roll out

THEOLIA

Foundation for future growth

- Reinforce the Board with new additions
- Redesign the management team
- Continue cost reductions at Headquarters, Germany and Morocco subsidiaries
- Manage divestments and asset sales to closing
- Select preferred business model and start process to attract new outside capital, either at corporate or asset level

> ➡ In light of uncertainty surrounding the planned divestments, the Group will not give operational or financial guidance at this stage
>
> ➡ Goal beyond 2009: operational growth based on reinforced capital structure

THEOLIA

Agenda

- Follow-up on January CEO update
- 2008 key highlights
- 2008 annual financial results
- Operational update
- Next steps
- **Appendix**

THEOLIA

The company aggressively invested the proceeds of OCEANE

OCEANE proceeds	**233**
Working capital requirement for NATENCO	(80)
Acquisition of CED	(42)
Investment in Italy, of which Maestrale (1)	(27)
Acquisition of Ecolutions	(25)
Investment in wind farms - France	(20)
Holding costs	(18)
Development support for subsidiaries	(11)
Pledge in India	(10)
Misc.	(9)
Financial income	9
Total spending through December 31, 2008	**233**

THEOLIA

(1) Including earn-out payments.

Impact of change in definition on 2008 and 2007 EBITDA

(in million euros)	
EBITDA 2008 former definition	**+4.4**
Share based payments	-9.7
Provisions	-32.5
EBITDA 2008 new definition	**(37.8)**

(in million euros)	
EBITDA 2007 former definition	**+24.5**
Share based payments	-11.7
Provisions	-0.5
EBITDA 2007 new definition	**+12.2**

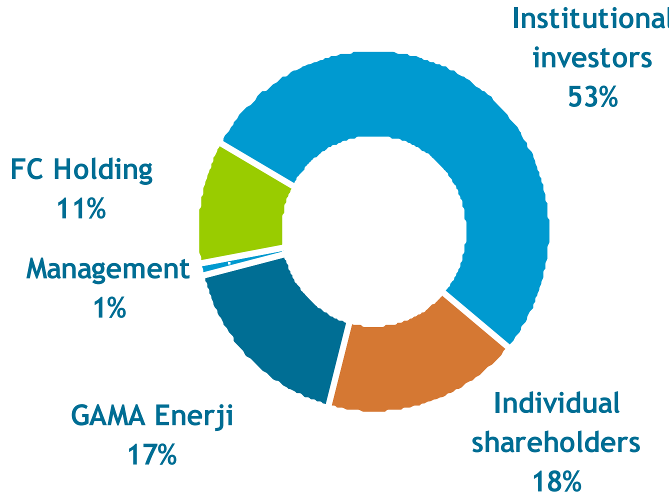
THEOLIA

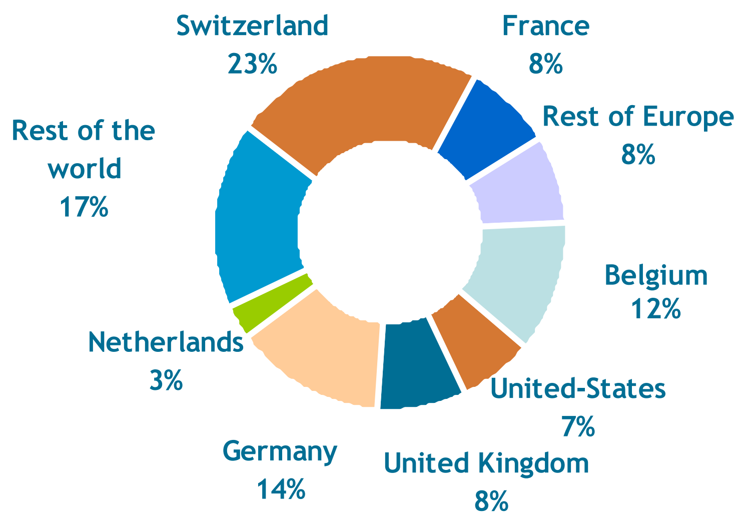
Change in working capital in 2008 (in million euros)

Change in working capital		**(129.2)**
Increase in inventory		(120.2)
Advanced payments for turbines		(17)
Decrease of trade receivables		58.2
of which NATENCO	*48.3*	
VENTURA	*8.3*	
Decrease of trade payables		(24.0)
of which NATENCO	*(19.5)*	
VENTURA	*(9.9)*	
THEOLIA	*7.9*	
Reduction of other debts		(16.5)
Increase of other receivables		(9.8)

Share ownership – December 2008

- A balanced and diversified capital structure





THEOLIA

IAS 36 assumptions

- Discounted cash-flows based on business plan assumptions by wind farm (2009 until end of contract)
- Wind production assumptions: P75
- Inflation rate: 2%
- Terminal value is calculated:
  - Capitalizing final cash flow for development companies
  - Or on a discounted basis of 20% of the initial investment for operating assets
- Actualization rate used: after tax WACC (7%) [(1)], CED (9%), Italy (8%)
- Group assumptions:
  - Risk free interest rate 4.10%
  - Premium 4.75%
  - Unlevered beta 0.90
  - Leverage ratio 4.30% (gearing 85%)
  - Tax rate 33.33%
- All assets for sale are excluded from the impairment test

THEOLIA

(1) Equivalent to before tax WACC from 9 to 10%.