



THEOLIA

Investor Presentation

June/July 2010



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THEOLIA at a glance

- ✦ Founded in 1999, traded on the OTC (*marché libre*) in 2002 and listed on Eurolist July 31, 2006
- ✦ Independent Group, developer and operator of wind projects
- ✦ Active over the entire wind value chain, from prospecting to operating
- ✦ In countries with significant imminent growth potential and favorable, European regulatory environment with fixed feed-in tariffs
- ✦ Total installed capacity of 782 MW as of May 31, 2010
 - 264 MW for own account
 - 518 MW for third parties



Rights issue parameters

Key parameters

- ✦ Up to €60.5m rights issue
- ✦ One right per one existing share
- ✦ Subscription price of €1.0 per new share
- ✦ 2 rights to subscribe to 3 new shares, fully fungible with existing shares
- ✦ Reducible orders possible
- ✦ €10m subscription commitment from shareholders' concert
- ✦ €45.3m underwriting by non shareholders investors (in case of insufficient rights' exercise)

Key dates

June 23	AMF visa on prospectus
June 25 to July 7	Rights trading and subscription period
July 20	Settlement and delivery



Illustrative impact of the restructuring plan and of the capital increase

<i>(in million euros)</i>	June 30, 2010 No restructuring	Assuming a €45.3m Rights issue ⁽¹⁾	Assuming a €60.5m Rights issue ⁽²⁾
OCEANEs accounting value	219	132	129
OCEANEs put redemption value	253	196	176
OCEANEs put date	1-Jan-12	1-Jan-15	1-Jan-15
OCEANEs maturity date	1-Jan-14	1-Jan-41	1-Jan-41
OCEANEs parity (number of shares per OCEANE)	1.00	9.05	8.64
Impact on OCEANEs accounting value	-	(87)	(90)
Impact on cash	-	+32	+32
Impact on net debt	-	(120)	(123)
Impact on Shareholding equity excluding net result	-	+55	+62
Impact on net result	-	+64	+64
Total impact on Shareholding equity	-	+120	+127

Note: Non audited figures. Impacts above are illustrative; actual amounts will only be known at capital increase date and may differ significantly. Impacts above assume a price of OCEANEs at rights issue date of €13.7 (average price since Restructuring announcement on December 29, 2009). Please refer to the section 10 of the Securities Note available on THEOLIA's and the AMF's websites for more information on these accounting aspects.

(1) Using a spread of 1,200 bps to the EUR 5-y swap rate to assess the debt component of the restructured OCEANEs

(2) Using a spread of 1,000 bps to the EUR 5-y swap rate to assess the debt component of the restructured OCEANEs



A mutually positive transaction for THEOLIA, shareholders and bondholders

THEOLIA

- ✦ Reduction of net indebtedness related to OCEANE
- ✦ Improved probability of OCEANE conversion
- ✦ 3 year extension of the remaining debt maturity (01/01/2015)
- ✦ THEOLIA's balance sheet reinforced
- ✦ Improved access to project financing

Shareholders

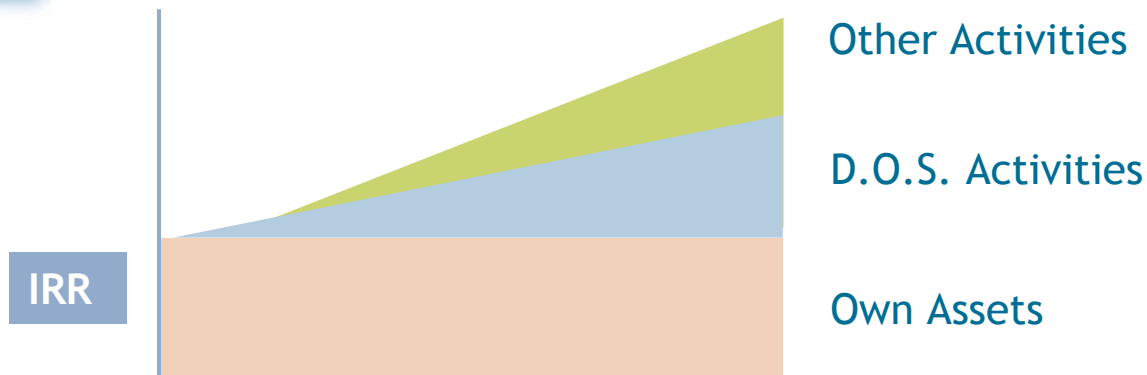
- ✦ Increased net asset value per share due to debt forgiveness as of 01/01/2015
- ✦ Participation in rights issue reduces potential dilution
- ✦ Value creation through pipeline development

Bondholders

- ✦ Up to €1.8 in cash per OCEANE immediately following rights issue
- ✦ New financial structure of THEOLIA improves creditworthiness



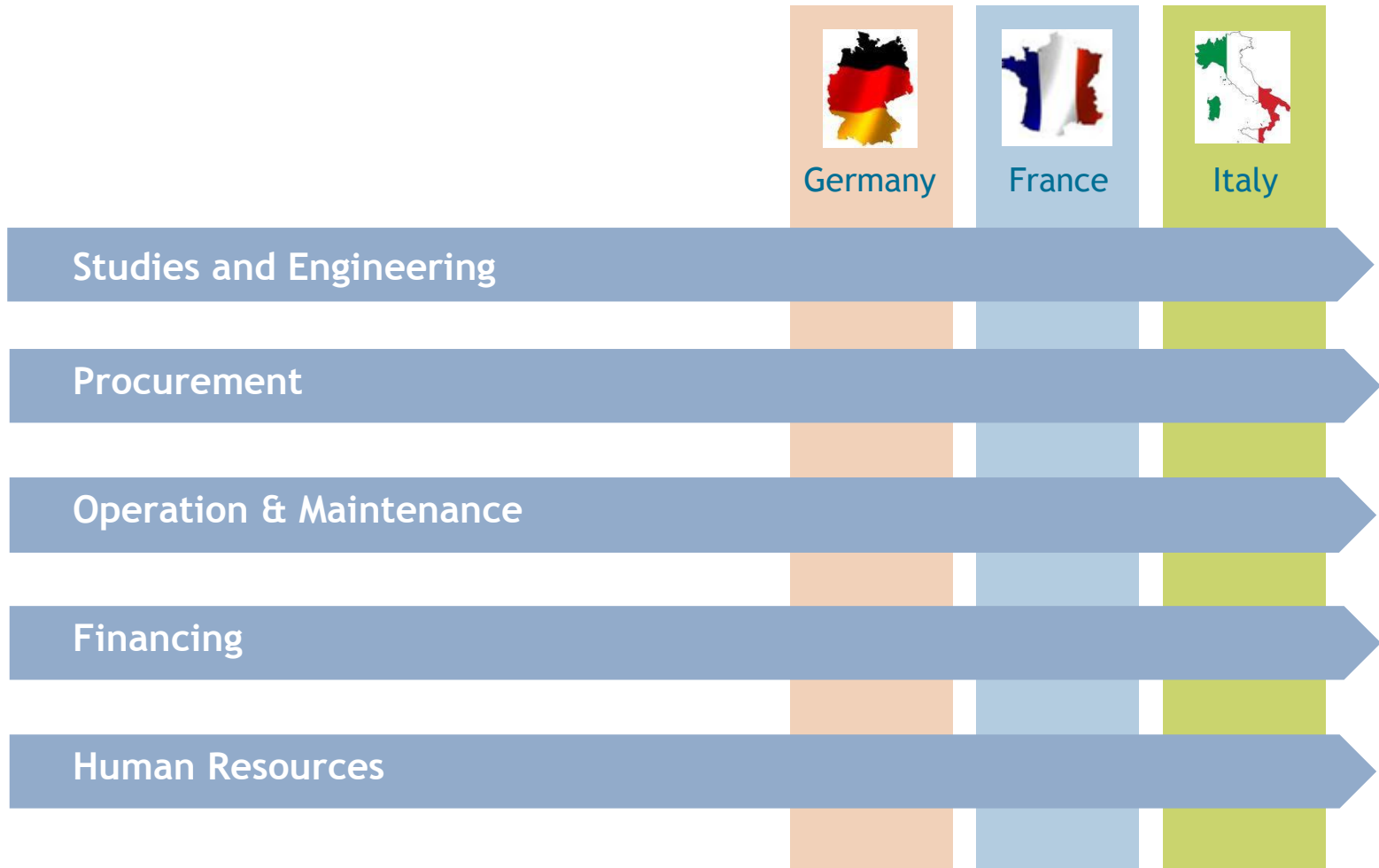
The future business model



- ✂ Optimize our equity allocation as asset owner
- ✂ Improve rentability of the Develop, Operate and Sell (D.O.S.) activities and asset base managed for third parties
- ✂ Introduce additional rentability through new activities in deregulated markets



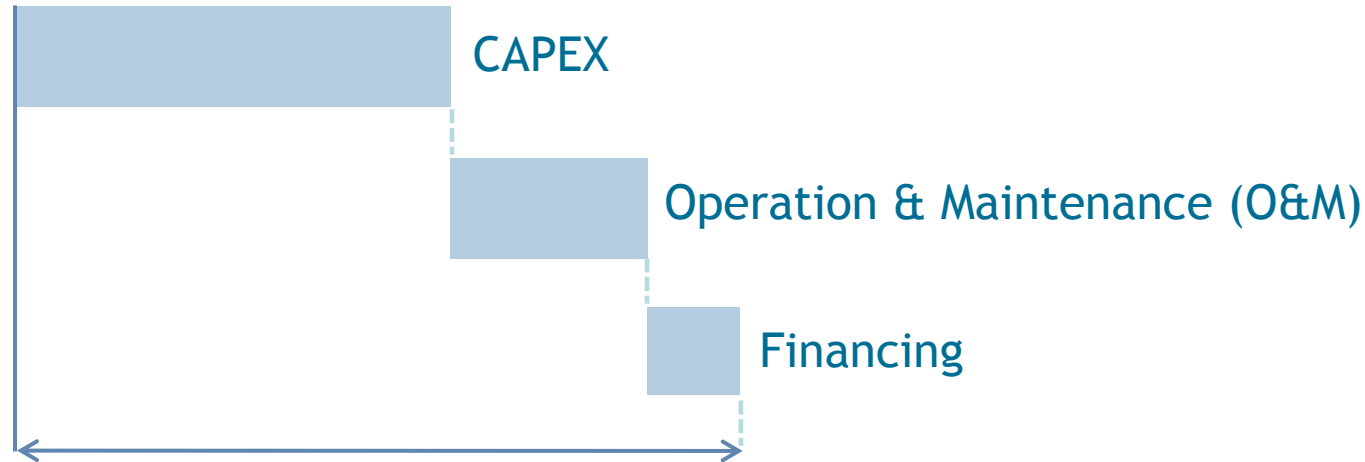
The future pooling of our expertise





Build the « Lean Industrial Company »

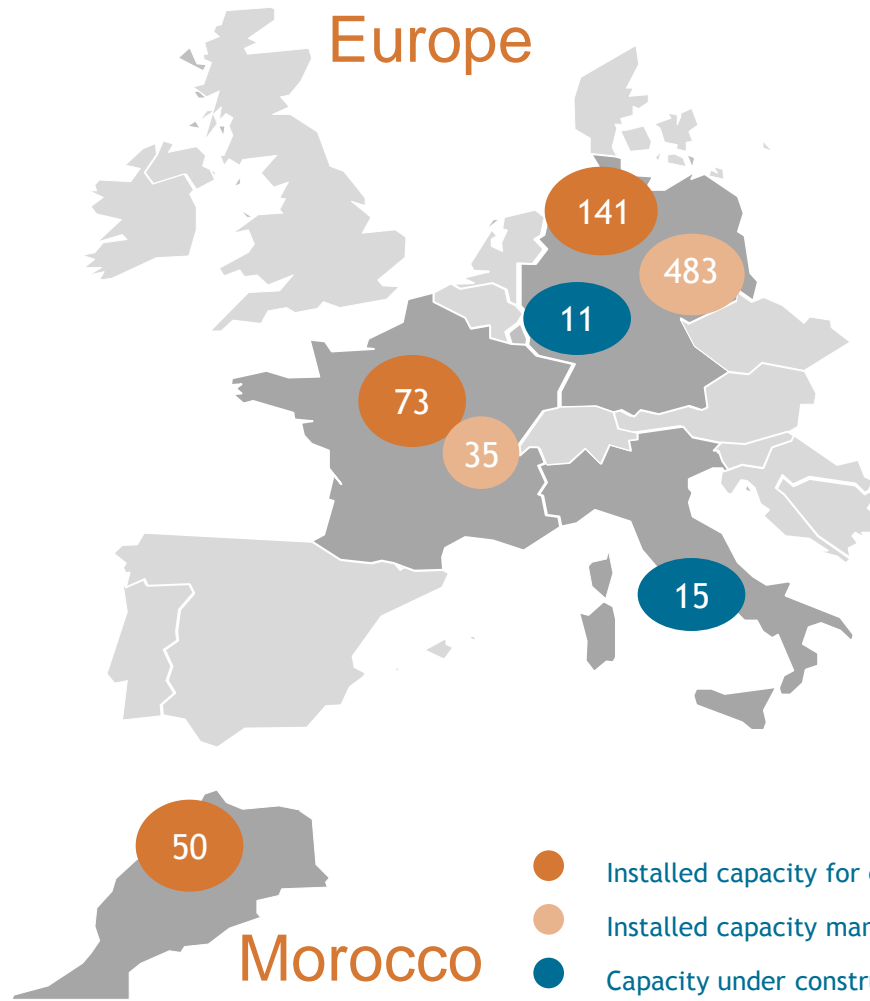
Total cost of a wind farm investment over its lifetime



- ✦ Move from a Holding with operational subsidiaries structure towards an Industrial Company with appropriate process
- ✦ Pool expertise and make it available at a lower cost in each of our country locations
- ✦ Pursue cost reductions
- ✦ Optimize allocation of resources



A significant base of installed capacity



(In MW)	In operation (installed capacity)	
	May 31, 2010	December 31, 2009
Own account	264	322
Third parties	518	458
Total	782	780

Figures as of May 31, 2010. Net capacity, excluding third party ownership.



Strong pipeline in core markets

Backlog = 134 MW

As of May 31, 2010

(In MW)	Prospecting	Development	Permits applied	Permits obtained	Under construction
France	638	272	62	33	0
Italy	85	122	139	75	15
Germany	43	26	9	0	11
Total projects	766	420	210	108	26



Revenue through May 31, 2010

<i>(in € thousands)</i>	Wind activities			Non-wind activity	Consolidated total
	Sale of electricity for own account	Development, construction, sale	Operation		
Q1 2010	10,874*	6,705	11,101	198	28,878*
April/May 2010 ⁽¹⁾	5,753	70,089	6,142	345	82,329
Total revenue as of 5/31/2010	16,627	76,794	17,243	543	111,207

* Restated following the sale of wind farms in Germany (retrocession clause in respect to electricity sales)

⁽¹⁾ Unaudited figures as of 05/31/2010

- Strong increase of the **Development, construction and sale** activity mainly due to the sales of wind farms in Germany
- Overall unfavorable weather conditions in April and May



Cash position

<i>(in million euros)</i>	05/31/2010 ⁽¹⁾	12/31/2009
Pledged cash	21	25
Reserved cash (SPV)	20	16
Free cash (holdings)	43	53
Total net cash	84	94

⁽¹⁾ Unaudited figures as of 05/31/2010

Pledged cash

Cash the SPV or the holdings cannot freely use for current transactions. Mainly corresponds to amounts pledged to the benefit of banks.

"Reserved" cash

Freely usable by the SPVs to finance its operating expenses but subject to limitations with regards to upstream transfers to holdings.

Free cash

May be used at any time by the Group.



Net debt

<i>(in million euros)</i>	05/31/2010 ⁽¹⁾	12/31/2009
Project financing	203	239
Accounting value of OCEANE ⁽²⁾	220	219
Revolving credit lines (WCR)	16	28
Total debt	439	486
Other financial liabilities (SWAP)	8	4
Total cash	(84)	(94)
Net debt	363*	396*

⁽¹⁾ Unaudited figures as of 05/31/2010

⁽²⁾ Including €2m of interests to be paid as of 05/31/2010 and €4.8m as of 12/31/2009

* Including SWAPs

- Improvement at the end of 2009 with lower debt and higher free cash
- Following completion of the restructuring plan, the Group will have a lower debt and stronger cash position



Thank you for your attention

Investor Relations

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Next communication planned

July 29, 2010 (before market) : Q2 Revenue



TEO - Share information

✦ Number of shares : 40,308,707
(prior to the capital increase)

✦ Top shareholders as of 3/15/2010:

- GAMA Energy: 6,462,000
- Concert: 3,658,274
- Willi Balz: 3,614,988

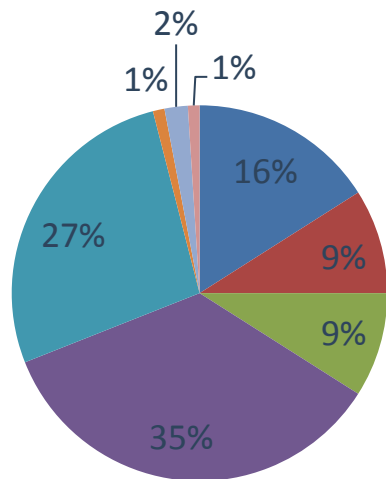
✦ Analyst coverage:

- Goldman Sachs - Jason Channell
- Macquarie - Shai Hill
- Piper Jaffray - Alastair Bishop
- Société Générale - Didier Laurens
- HSBC - Robert Clover
- Barclays - Rupesh Madlani
- Arkeon - Alexandre Koller
- Raymond James - Tannegui Bujard



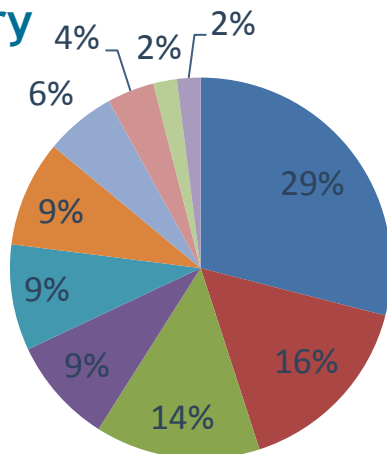
Share ownership as of February 8, 2010

By type



- GAMA Enerji
- Willi Balz
- Strategical investors
- Institutional investors
- Individual shareholders
- Management
- Unidentified
- Others

By country



- France
- Turkey
- Germany
- Rest of Europe
- Switzerland
- Belgium
- Americas
- Monaco
- Unidentified
- Others



Strong improvement in the 2009 income statement

<i>(in million euros)</i>	12/31/2009	12/31/2008*
Revenue	328.6	70.0
Current operating income	27.8	(68.4)
Operating income	32.2	(197.6)
Financial result	(30.8)	(39.1)
Net income from continued activities	(11.7)	(228.6)
Net income**	(21.1)	(245.2)
EBITDA	49.6	(37.8)

EBITDA = current operating income + amortization + non operational risk provisions

* Retreated data (as shown in section 3.2.1 of the 2009 Annual Financial Report)

** Including the contribution from discontinued activities (environmental unit)



Financial result

<i>(in million euros)</i>	2009	2008
Interest charges on loans	(29.5)	(33.0)
- OCEANE (convertible bond)*	(13.2)*	(13.5)*
- Operating wind farms	(12.3)	(11.7)
- Solar park	(0.6)	(0.6)
- THEOLIA Naturenergien GmbH	(3.4)	(3.8)
- Other	(0.02)	(3.4)
Interest rate swaps in France (mark to market)	(0.9)	(9.0)
Other income and financial charges	(0.4)	2.9**
Financial result	(30.8)	(39.1)

* of which €4.8m of interest due to bondholders

** Interest charges on wind farms sold in 2007



First quarter 2010 revenue

<i>(in € thousands)</i>	Wind activities			Non-wind activity	Consolidated total
	Sale of electricity for own account	Development, construction, sale	Operation		
Q1 2010	10,874*	6,705	11,101	198	28,879*
Q1 2009	15,667	51,904	10,365	307	78,242
Change	-30%	-87%	+7%	-35%	-63%

* Restated following the sale of wind farms in Germany (retrocession clause in respect to electricity sales)

- ✦ Decline in revenue due to anticipated absence of significant sales of wind farms: 4.5 MW in Q1 2010 versus 35.5 MW in Q1 2009.
- ✦ The **Sale of electricity for own account** activity displayed a strong resistance despite the sales of wind farms and the unfavorable weather conditions in Germany at the beginning of the year.