



THEOLIA

THEOLIA's bondholders General Meeting

Aix en Provence, February 18, 2010

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✦ Bondholders' reception

✦ Introduction

✦ THEOLIA's achievements in 2009

✦ Operational update

✦ Financial update

✦ Highlights of the financial restructuring plan

✦ Questions and answers

✦ Vote of resolutions



Bondholders' reception

Béatrice COLLOT

The bondholders' representative

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Introduction

François RIVIERE
Chief Financial Officer of THEOLIA

Presentation of the Group THEOLIA



- ✦ 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, and favorable, European regulatory environment with fixed feed-in tariffs
- ✦ Total installed capacity of 780 MW as of December 31, 2009
 - 319 MW for own account
 - 461 MW for third parties

2009 key achievements



✦ Focus on improving operational efficiency

- Continued tight cash management at group level
- Cost reduction at Holding level (to be continued in 2010)
- Cost reduction at THEOLIA Morocco, THEOLIA Brazil (completed)
- Streamlined organization (Holding, THEOLIA France)
- Experience sharing between European affiliates started
- Introduction of centralized pipeline monitoring

2009 key achievements (continued)



✦ Disposal plan on track

- 234 MW of wind assets and projects sold in 2009
- Progress in sale of non-wind activities

Thenergo, Biocarb, THEOLIA Canada, 2 peaking units and breathalyzer product line of Seres

- Non-wind activities yet to be sold
 - Seres: going through internal restructuring and cost reduction
 - Ecoval 30: negotiations to start shortly
 - Ecolutions: undergoing management change

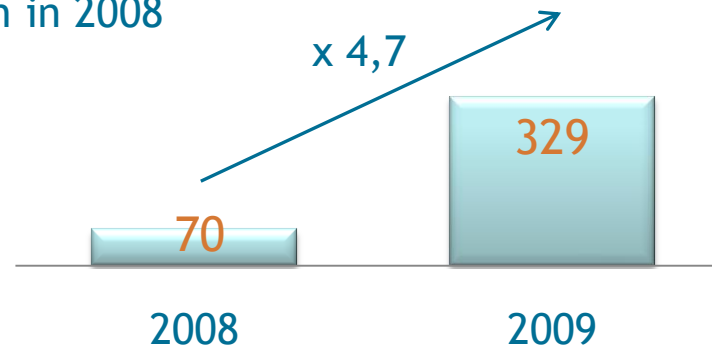
✦ Project financing closed for €51m for first Italian project

✦ Launching of the restructuring plan : agreement with the majority of bondholders on the restructuring of the OCEANE convertible bond

Strong increase in THEOLIA's revenue in 2009



- Consolidated revenue reached €329 million in 2009, compared with €70 million in 2008



- Full year revenue by activity *(Excluding Environment activities)*

<i>(in € thousands)</i>	Wind activities			Non-wind activity	Consolidated total
	Sale of electricity for own account	Development, construction, sale	Operation		
2009	51,918	236,467	38,499	1,710	328,595
2008	55,540	-18,236	43,454	-10,802	69,956

- Resumption of sales of wind farms recorded in the **Development, construction and sale** activity explains the strong jump of consolidated revenue

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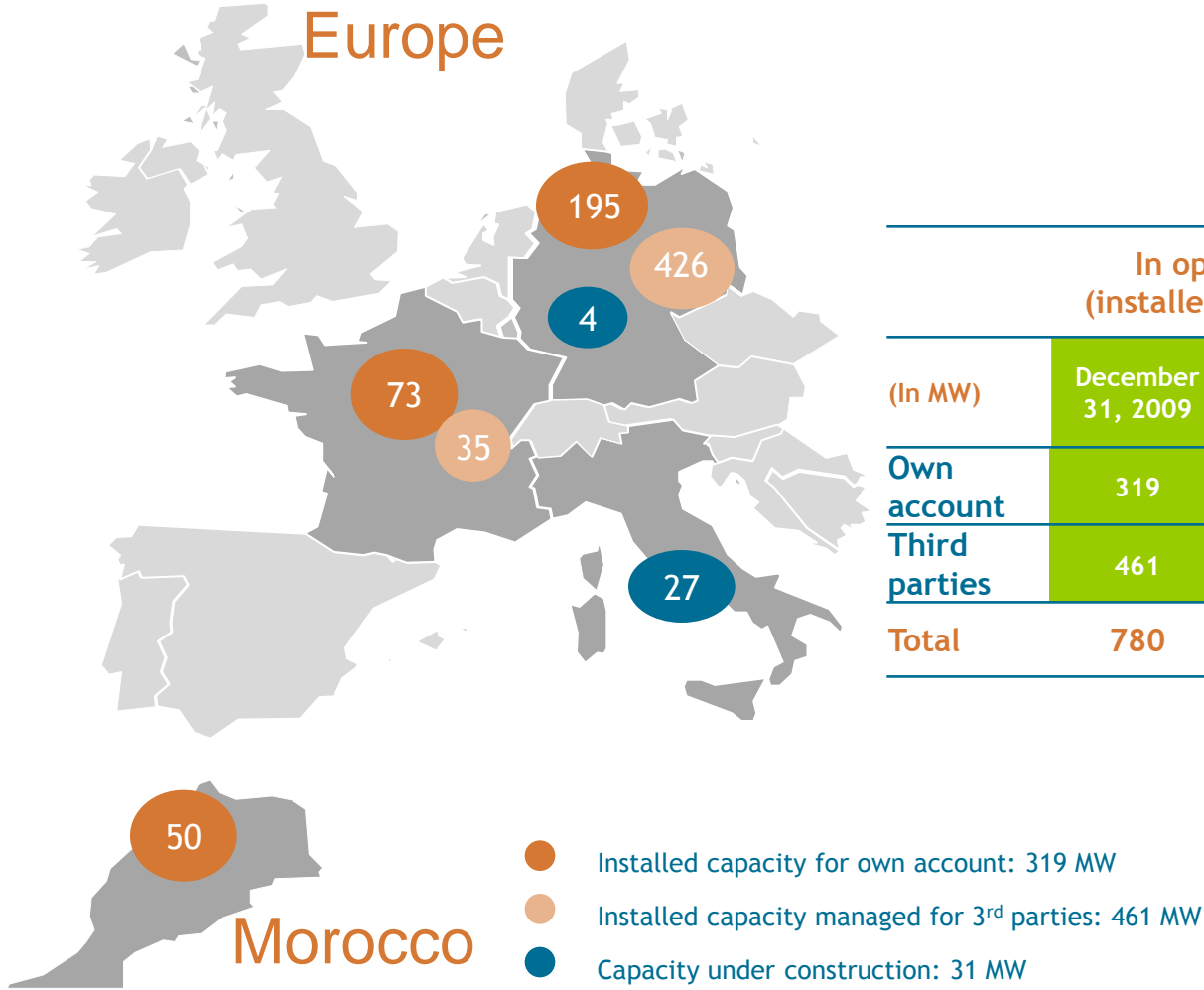
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A significant base of installed capacity



In operation (installed capacity)			
(In MW)	December 31, 2009	December 31, 2008	Change
Own account	319	360	- 11%
Third parties	461	311	+48%
Total	780	671	+16%

Program to sell wind assets and projects in 2009 and going forward

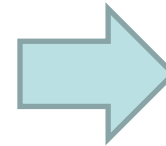


MW sold in 2009

- ✦ 146 MW in Germany, of which 137 MW of installed capacity
- ✦ 88 MW⁽¹⁾ in France, of which 7 MW of installed capacity
- ✦ Total proceeds of €231m

2010/2011

- ✦ Sales will be based on the Develop, Operate & Sell strategy
- ✦ Timing of asset sale flexible as function of market and pipeline development needs



(1) Including a 32 MW portfolio sold in June 2009, prior to change in accounting method used to report asset sales and thus not included in the 2009 revenues

Pipeline management greatly improved



- ✦ Management focus at affiliate level now directed on pipeline development and growth
- ✦ Rigorous methodology applied for assessing and monitoring current pipeline
 - Pipeline no longer includes third party ownership, turn-key projects for account of third parties and projects in appeal
- ✦ Clear definitions to determine each stage of development per country (see Appendix, page 24)



Value creation from high quality and closely monitored project pipeline

Strong pipeline will feed future growth in core markets



(In MW)	Prospecting	Development	Permits applied for	Permits obtained	Under construction	Total European pipeline	
France	841	270	62	33	-	1,206	69%
Italy	85	90	171	75	27	448	26%
Germany	48	9	27	6	4	94	5%
Total European pipeline	974	369	260	114	31	1,748	
	55%	21%	15%	7%	2%		

✦ Cumulative cash investment above pipeline amounted to €69m in 2009⁽¹⁾

✦ Potential future growth markets

- India: 152 MW projects with permits obtained and 13 MW under construction
- Brazil: 100 MW projects in prospecting phase

Priority for 2010 will be to further intensify pipeline development



✚ 3 major markets: France, Italy and Germany

- France: continue significant prospection efforts and permit applications in order to generate future growth
- Italy: accelerate prospection efforts; start construction of mature projects
- Germany: maintain trading strategy, with a target of 100 MW of permit acquired and capacity sold annually to a wider range of buyers

✚ Emerging markets

- Morocco: ongoing discussions with Office National de l'Electricité (ONE) on project development opportunities
- Brazil: strong prospects for contract development for third parties over short term and for own account over medium term
- India: negotiation with JV partner about the financing of the joint activities

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Significantly improved financial situation



(in million euros)	December 31, 2009 estimates ⁽¹⁾ (unaudited)	December 31, 2008 (audited)	
Project financing	(246)	(337)	→ SPV level
Convertible bond (accounting value of debt)	(219)	(204)	→ Holding level
Revolving working capital lines ⁽²⁾	(29)	(40)	→ Subsidiary level
Total debt	(493)	(589)	} Consolidated
Total cash of which free cash	96 58	91 34	

- ✦ Compared to 2008, significantly improved situation with lower debt and higher free cash positions
- ✦ Restructuring plan to further reduce debt and enhance free cash position at Group level

(1) Figures pre-impact of the financial restructuring of the OCEANEs announced on December 29, 2009
 (2) Including €5m of loans backed by letters of credit at year end 2008

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Highlights of the financial restructuring plan

François ENGEL
DEUTSCHE BANK

Current terms of the OCEANEs



┆ October 2007: issue of a €240m convertible bond

┆ 11,538,462 OCEANEs issued at €20.8

┆ Coupon: 2%

┆ Maturity: January 1, 2014 at €22.54

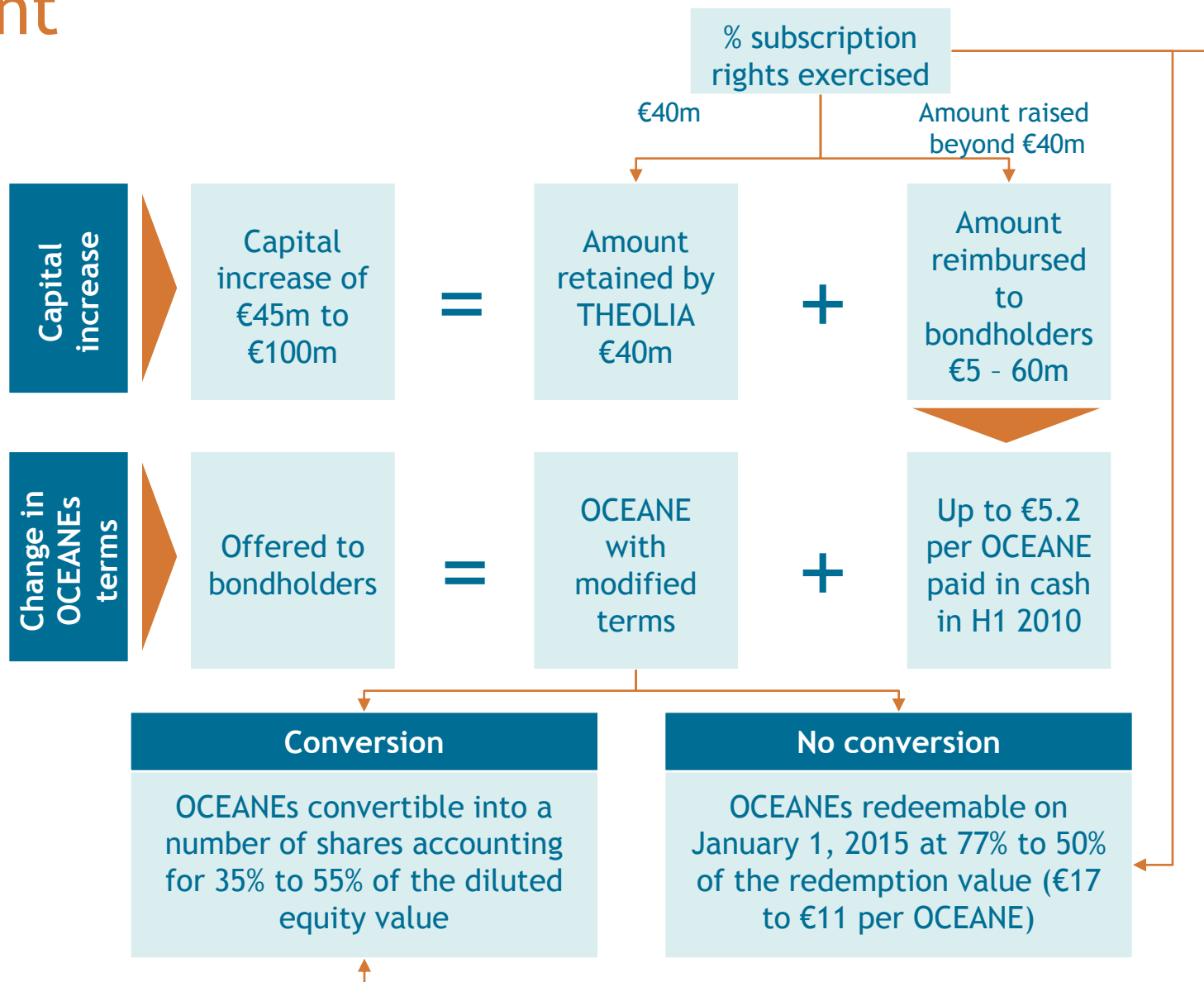
┆ Early redemption

┆ Triggered notably by change of control, default or delisting of THEOLIA

┆ At bondholder's request on January 1, 2012 at €21.94

┆ OCEANEs current market price of ~ €12 means high probability of early redemption in 2012

Overview of the OCEANEs restructuring agreement



First pillar of the restructuring agreement: A €100m capital increase reserved for its shareholders



Rationale and structure

- ✦ Strong incentive for shareholders to subscribe
- ✦ Subscription price for new shares at €1
- ✦ OCEANE redemption price (Put) decreasing with amount subscribed

Size

- ✦ Up to ~ €100m
- ✦ Flexibility for THEOLIA to reduce to €45m

Use of proceeds

- ✦ First €40m to recapitalize THEOLIA and fund its pipeline development
- ✦ Next €60m (up to €5.2 per OCEANE) paid to bondholders at the end of the restructuring process (H1 2010)

Second pillar of the restructuring agreement: New terms of the OCEANEs



Maturity

- ┆ Extended from January 2014 to January 2041

Bondholders' Put

- ┆ Put date postponed from January 1, 2012 to January 1, 2015
- ┆ Price reduced to 77% to 50% of the current redemption price⁽¹⁾

Conversion ratio (# of shares per OCEANE)

- ┆ Ranging between 6.6 and 9.1⁽¹⁾ (vs 1 for 1 today), before December 31, 2013
- ┆ Reduced by 20% from January 1, 2014 to December 31, 2014
- ┆ No conversion allowed after December 31, 2014

Coupon (% nominal value)

- ┆ Applied to new nominal (net of early cash repayment)
- ┆ 2.7% (vs 2.0% today) until January 1, 2015
- ┆ 0.1% thereafter

Change of control / offer on the company

- ┆ Early redemption at 2015 put price
- ┆ No change in conversion ratio in case of public offer

(1) Depending on amount of capital increase subscribed

A mutually positive transaction for THEOLIA, shareholders and bondholders



THEOLIA

- ✓ Potential reduction of net indebtedness related to OCEANE up to 66% before conversion
- ✓ Full conversion highly likely
- ✓ 3 year extension of the maturity of the remaining debt (January 1, 2015)
- ✓ THEOLIA's balance sheet reinforced
- ✓ Improved access to project financing

Shareholders

- ✓ Increased net asset value per share due to debt forgiveness
- ✓ Attractive rights / warrants issue to avoid potential dilution
- ✓ Value creation through pipeline development

Bondholders

- ✓ Up to €5.2 in cash per OCEANE immediately following capital increase (H1 2010)
- ✓ New financial structure of THEOLIA improves creditworthiness

On track to deliver the announced steps of restructuring plan



	Target timing	Deadline agreed with bondholders
1 Bondholders' meeting	February 18, 2010	Before March 15, 2010
2 Extraordinary shareholders' meeting	March 19, 2010	Before May 31, 2010
3 Capital increase	May / June 2010	Before August 31, 2010

Each step is a condition precedent to the completion of the financial restructuring plan

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Vote of resolutions

Béatrice COLLOT

The bondholders' representative



Preamble

It will be requested of the Bondholders attending the meeting or their representatives to authorize the Chairman of the Meeting to present the resolutions in a simplified version for vote.

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- ✦ Amendment to the terms of the contract for the issuance of bonds, with particular reference to:
 - the duration of the loan
 - the partial early repayment
 - the interest rate
 - the terms of conversion and/or exchange for shares
 - the terms of early redemption/buyback at the option of the holders
 - the temporary adjustment in the event of a public tender offer, and
 - The participation date for the new shares resulting from the conversion
- ✦ Powers to the bondholders' representative

First Resolution: Approval of amendments to the contract for the issuance of bonds (1/7)



1. Modification of the duration of the loan

- Initially scheduled for January 1, 2014
- Postponed to January 1, 2041
- Meaning an extension by 27 years

2. Partial early repayment of the bonds

- Early repayment (in 2010) of part of the nominal value of the bonds corresponding to the portion of the total gross proceeds of the capital increase (to be completed within the scope of the financial restructuring plan) in excess of 40 million euros.
- The amount of early repayment will reduce the remaining outstanding nominal value of the bonds, and as a result the amount paid to bondholders as of the maturity date or in case of early redemption.

First Resolution: Approval of amendments to the contract for the issuance of bonds (2/7)



3. Modification of the interest rate

- The current annual interest rate is **2%**
- From January 1, 2010 to the completion date of the capital increase, the bonds shall bear interest at an annual rate of **2%**
- From the completion date of the capital increase to December 31, 2014 included, the bonds shall bear interest at an annual rate of **2.7%** of the new nominal value
- From January 1, 2015 to January 1, 2041, the bonds shall bear interest at an annual rate of **0.1%** of the new nominal value

First Resolution: Approval of amendments to the contract for the issuance of bonds (3/7)



4. New terms of conversion and/or exchange of the bonds

- Modification of the conversion/exchange ratio:
 - Equal to N_1 shares per bond until the end of December 2013, N_1 varying between 6.59 et 9.06 according to the amount of the capital increase as foreseen within the scope of the financial restructuring plan
 - Equal to N_2 shares per bond as of January 1, 2014 and until the end of December 2014, N_2 being equal to 80% of N_1 (subject to adjustment)
- No conversion and/or exchange of the Bonds into shares shall be possible from January 1, 2015

First Resolution: Approval of amendments to the contract for the issuance of bonds (4/7)



5. Modification of the terms of redemption/buyback at the option of the bondholders

- Removal of the early redemption option in cash on January 1, 2012.
- Replacement by the option for bondholders to request buyback on January 1, 2015, at a buyback price to be comprised between €10.97 and €16.97 in accordance with the amount of the capital increase completed within the scope of the financial restructuring plan
- Early redemption in case of a change of control maintained, but:
 - The bondholders shall be able to request buyback of the bonds at the buyback price at January 1, 2015 (not the repayment)
 - The changed clause shall not apply in the event the capital increase completed within the scope of the restructuring plan triggers a change of control.

First Resolution: Approval of amendments to the contract for the issuance of bonds (5/7)



6. *Cancellation of the temporary adjustment mechanisms in the event of a public offer (amendment of Section 4.16.8.4)*

7. *Modification of rights attached to the new shares resulting from the conversion (amendment of Sections 4.17.1 and 4.17.5)*

The new shares created following conversion of the bonds into new shares will henceforth carry immediate dividend rights and shall be entirely comparable with the old shares from the moment of their issue.

8. *Changes to terminology*

All references made in the contract of issuance to the « *prospectus* » are replaced by the term « *contract of issuance* ».

First Resolution: Approval of amendments to the contract for the issuance of bonds (6/7)



Conditions precedent

- Approval by the Extraordinary General Meeting of the shareholders to be held by April 30, 2010 (or May 31, 2010 in certain cases) of said modifications as well as the granting of a delegation to the Board of Directors in order to decide on and carry out a capital increase according to the parameters below:
- Completion of the capital increase by August 31, 2010 at the latest:
 - With retention of the shareholders' preferential subscription right
 - Minimum amount of 99.74 million euros (might be reduced to 60 million euros in certain cases)
 - Subscription price of €1 per new share
 - Portion of the total proceeds of the capital increase in excess of 40 million euros shall be placed into an escrow account for the purpose of the early repayment of the bonds
- No transactions on the Company's share capital, excluding dilutive instruments already identified, before the completion of the capital increase.

First Resolution: Approval of amendments to the contract for the issuance of bonds (7/7)



Effective date

- The effective date of the amendments to the contract of issuance shall be the completion date of the capital increase foreseen within the scope of the restructuring plan.
- The modification of the conversion/exchange ratio shall only be effective as soon as possible after the completion of the capital increase and no later than 5 business days after the date on which the Board of Directors of the Company acknowledges the total amount subscribed.

Second resolution : Powers to the bondholders' representative



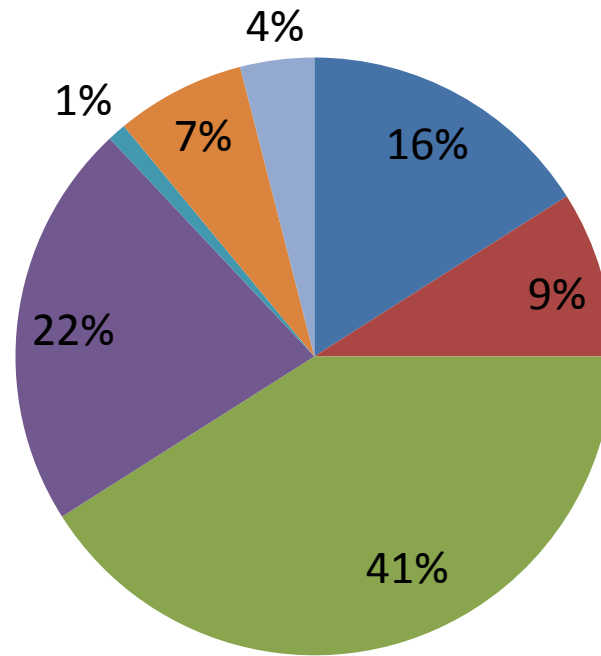
Granting of powers of representation in order to:

- ✦ Negotiate and sign in the name and on behalf of all bondholders, any escrow agreement to be entered into within the scope of the capital increase
- ✦ To complete all formalities necessary for placing under escrow the portion of the total proceeds of the capital increase in excess of 40 million euros, with a view to the partial early repayment of the bonds provided for by the contract of issuance as required to be amended in accordance with the first resolution.

THEOLIA's share capital as of September 30, 2009



By type



- GAMA Enerji
- FC Holding
- Institutional investors
- Individual shareholders
- Management