



# THEOLIA

## General Meeting of shareholders

Aix en Provence, June 1, 2010

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# Agenda



**THEOLIA**

Introduction

Operational update

Financial update

Conclusions

Questions and answers

Vote of resolutions



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# Introduction

**Eric PEUGEOT**

Chairman of the Board

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# Speech

**Fady Khallouf**

Chief Executive Officer

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# Agenda



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# Operational update

**Jean-François AZAM**

Chief Operating Officer

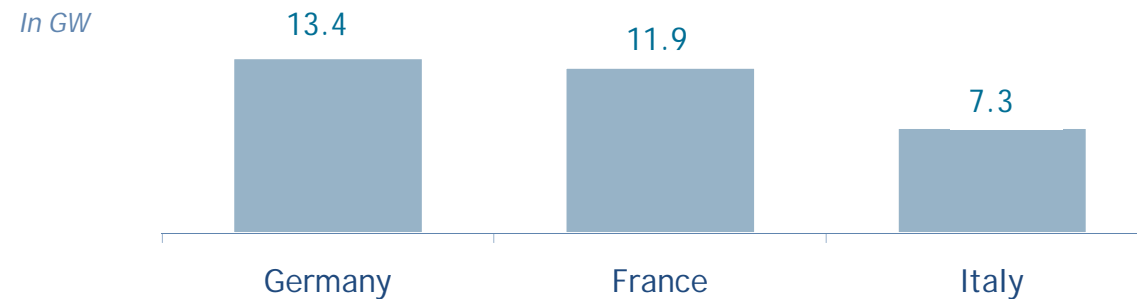
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# An expanding market



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## Wind energy capacity to be installed 2010-2014 (BTM Consult)



	Duration of PPA	% of renewable energy sources in final consumption in 2009	2020 target for % of renewable energy sources in final consumption
Germany	20 years	5.8%	18%
France	15 years	10.3%	23%
Italy	15 years	5.2%	17%

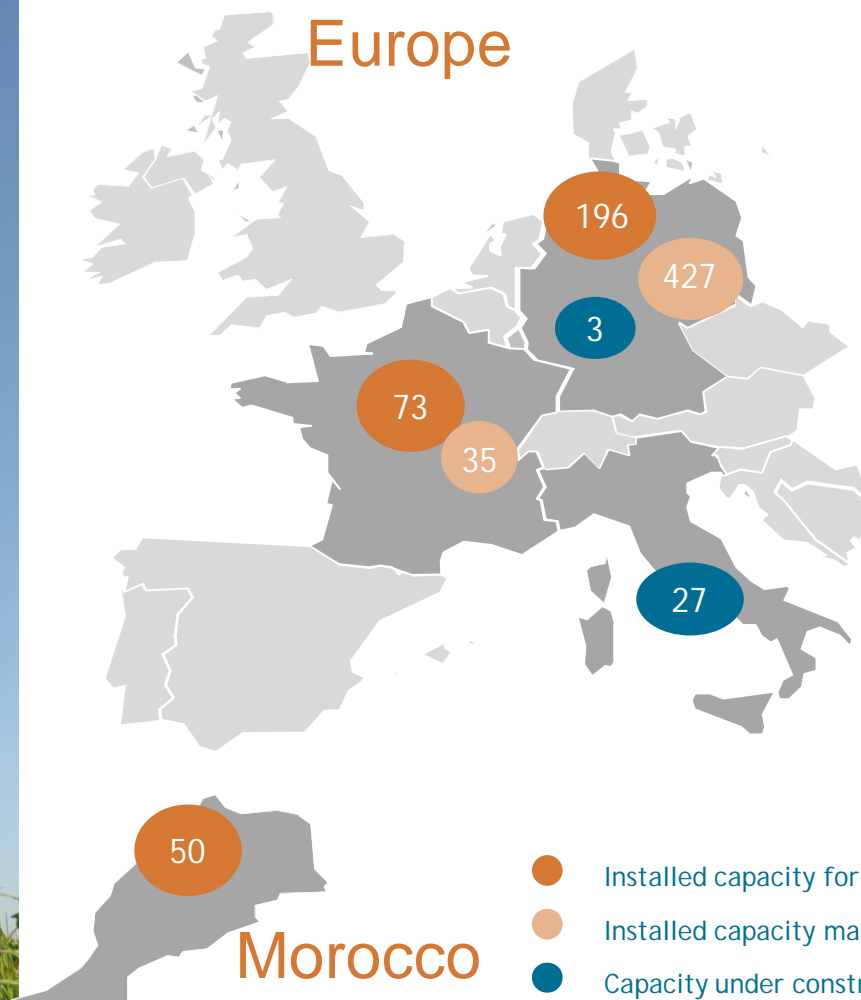
Source: BTM Consult ApS, March 2010



# A significant base of installed capacity



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(In MW)	In operation (installed capacity)	
	March 31, 2010	December 31, 2009
Own account	319	322
Third parties	463	458
<b>Total</b>	<b>782</b>	<b>780</b>

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

# Strong pipeline will feed future growth in core markets

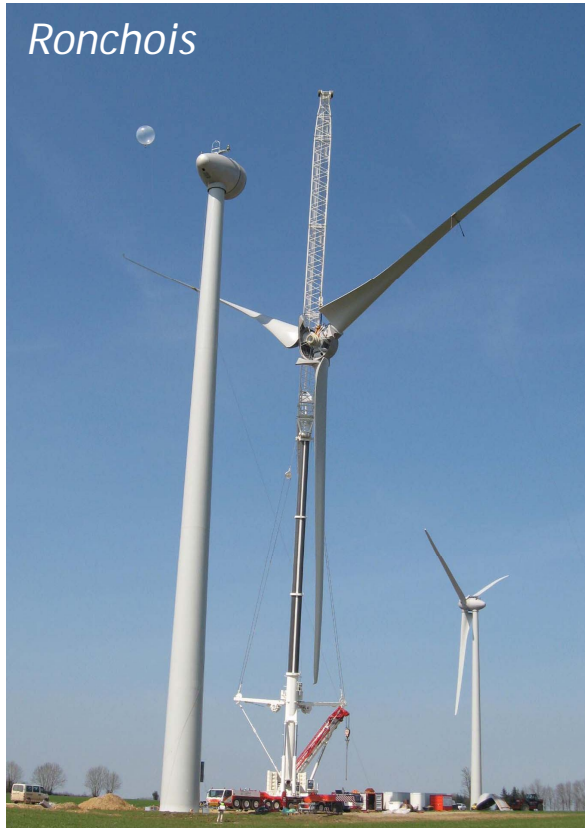


As of March 31, 2010

(In MW)	Prospecting	Development	Permits applied	Litigation	Permits obtained	Under construction	Total projects
France	778	292	62	171	33	0	1,336 62%
Italy	85	90	171	34	75	27	482 23%
Germany	48	9	24	10	8	3	102 5%
India	0	0	119	0	33	0	152 7%
Brazil	70	0	0	0	0	0	70 3%
Total projects	981	391	376	215	149	30	2,142
	46%	18%	18%	10%	7%	1%	

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*Ronchois*



*Fonds de Fresnes*



Credit photo : M.P Beauvisage 2006

*Le Bois Cheneau*



*Sablons*



Credit photo : G. Varillon 2007

# THEOLIA's presence: 3 core markets



## France

Maintain prospecting efforts and development pipeline consolidation to generate future activity.



## Italy

Intensify project prospecting efforts and construction of authorized projects.



## Germany

Continue « trading » strategy at a pace in line with our resources.



# THEOLIA's presence: emerging markets



Morocco

Ongoing discussions with the *Office National de l'Electricité* (ONE) regarding project development opportunities.



India

Ongoing analysis regarding the JV opportunity with our local partner.



Brazil

Expanding market approaching a mature legal and regulatory stage. Implementation of a classic project development model (same as in France).

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# Agenda



**THEOLIA**

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# Financial update

**François RIVIERE**

Chief Financial Officer

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# Strong improvement in the income statement



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

<sup>(1)</sup> EBITDA = current operating income + amortization + non operational risk provisions

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

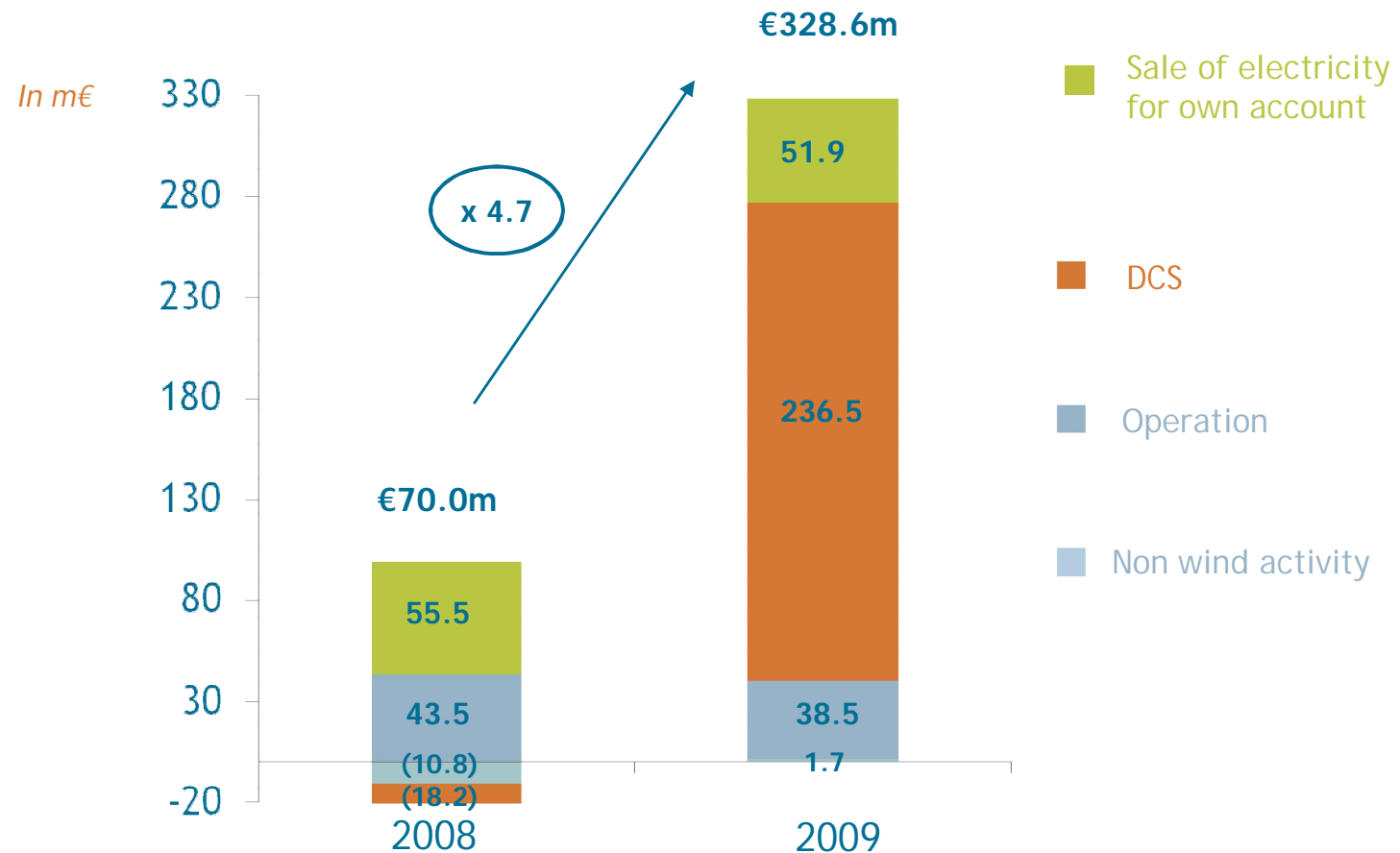
\*\* Including the contribution from discontinued activities (environmental unit)



# Composition of revenue



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⌋ Resumption of sales of wind farms recorded in the **Development, construction, sale** activity explains the strong increase in consolidated revenue

⌋ The **Sale of electricity for own account** activity is resistant despite mediocre wind conditions during the year

# Operating result by business segment



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**Operating result improves by €229.8m  
from €(197.6)m in 2008 to €32.2m in 2009**

# Operating result breakdown by business segment



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⌋ Important differences between 2008 and 2009 mainly due to:

**Sale of electricity for own account:** €(31.5)m to €22.5m

- depreciation tests made in 2008 (Morocco, Germany, non current assets)

**Development, construction, sale:** €(90.2)m to €(3.7)m

- the absence of margin in 2008 resulting in the inability to cover the structure costs
- the recognition in 2008 of numerous impairments on goodwill and non current assets

**Corporate :** €(70.6)m to €14.6m

- the reversal of provision for receivable (HESTIUN) and turbine reservation fees
- the payments in shares and options
- the depreciation of goodwill registered upon purchase of the minority shares in TEM
- the fine from the AMF

# Financial result



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<i>(in million euros)</i>	2009	2008
<b>Interest charges on loans</b>	<b>(29.5)</b>	<b>(33.0)</b>
- 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)
<b>Interest rate swaps in France (mark to market)</b>	<b>(0.9)</b>	<b>(9.0)</b>
<b>Other income and financial charges</b>	<b>(0.4)</b>	<b>2.9**</b>
<b>Financial result</b>	<b>(30.8)</b>	<b>(39.1)</b>

\* of which €4.8m of interest due to bondholders

\*\* Interest charges on wind farms sold in 2007

# Cash position



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<i>(in million euros)</i>	03/31/2010 <sup>(1)</sup>	12/31/2009	12/31/2008
<b>Pledged cash (PSC)</b>	21	25	46
<b>Reserved cash (PSC)</b>	15	16	10
<b>Free cash (holdings)</b>	29	53	34
<b>Total net cash</b>	65	94	91

<sup>(1)</sup> Unaudited figures as of 03/31/2010

## ✂ Pledged cash

Cash that the Project Support Companies (PSC) cannot be transferred upstream to its shareholders or be freely used for its current transactions. Corresponds to amounts pledged for the benefit of the banks.

## ✂ "Reserved" cash

Freely used by the PSC to finance its operating expenses but is subject to limitations with regards to upstream transfers to French, German and Italian holding companies.

## ✂ Free cash

May be used at any time by the Group.

# Net debt



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<i>(in million euros)</i>	12/31/2009	12/31/2008
<b>Project financing</b>	<b>239</b>	<b>337</b>
<b>Accounting value of OCEANE</b>	<b>219</b>	<b>204</b>
<b>Revolving credit lines (WCR)</b>	<b>28</b>	<b>40</b>
<b>Other financial liabilities</b>	<b>4</b>	<b>8</b>
<b>Total debt</b>	<b>486</b>	<b>589</b>
<b>Total cash</b>	<b>(94)</b>	<b>(91)</b>
<b>Net debt</b>	<b>396</b>	<b>498</b>

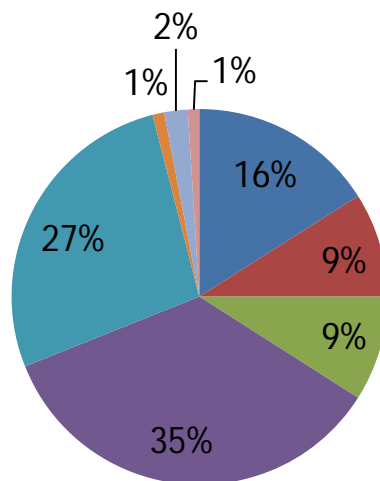
- ⌋ Compared to 2008, improvement at the end of 2009 with lower debt and higher free cash
- ⌋ The restructuring plan should allow the Group to reduce its debt and increase its free cash

# Share ownership as of 2/08/2010



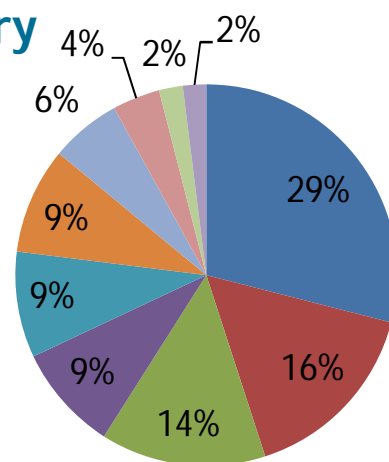
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By type



- 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

# First quarter 2010 revenue



(in € thousands)	Wind activities			Non-wind activity	Consolidated total
	Sale of electricity for own account	Development, construction, sale	Operation		
Q1 2010	12,989	6,705	11,101	198	30,994
Q1 2009	15,667	51,904	10,365	307	78,242
Change	-17%	-87%	+7%	-35%	-60%

- 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.



# Update on the financial restructuring plan



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	Target timing	Deadline as per agreement
<b>1</b> Bondholders' meeting	February 18, 2010 Held	By March 15, 2010
<b>2</b> Shareholders' meeting	March 19, 2010 Held	By May 31, 2010
<b>3</b> Capital increase	June/July 2010	By August 31, 2010

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

# Agenda



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# Conclusions

**Fady Khallouf**

Chief Executive Officer

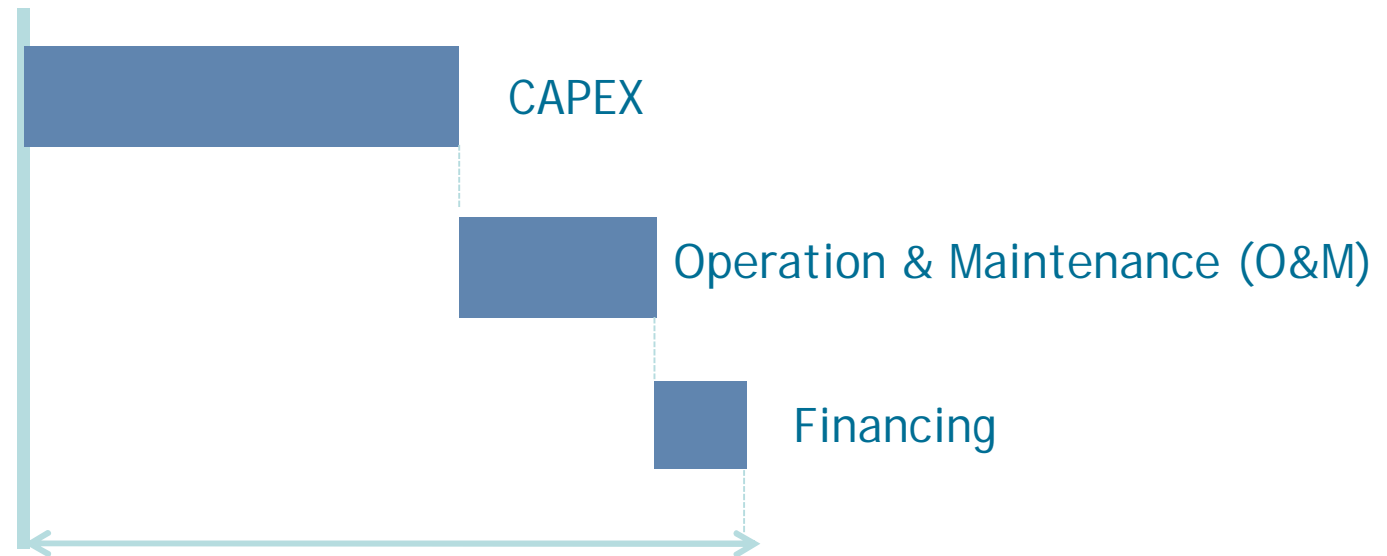
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# The drivers of our model



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Total cost of a wind investment over its lifetime



- ✦ Improve our performance in three areas so as to reinforce our competitiveness
- ✦ Maintain a position over the entire value chain

# Perspectives and priorities in 2010



- ✦ Pursue cost reduction
- ✦ Function as an industrial group
- ✦ Pool our expertise and make it available at a lower cost in each of our country locations
- ✦ Focus our development efforts and target highly profitable operations
- ✦ Optimize allocation of our resources

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## Questions & Answers

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# Vote of the resolutions

(simplified version)

## Ordinary session Agenda



1. Review and approval of the parent company financial statements for the financial year ending December 31, 2009;
2. Review and approval of the consolidated financial statements for the financial year ending December 31, 2009;
3. Allocation of the 2009 net income;
4. Approval of the regulated agreements;
5. Appointment of a deputy auditor;
6. Determination of the annual amount of directors' fees;
7. Authorization to grant the Board of Directors the ability to buy, hold, or to transfer shares of the Company.

## Extraordinary session Agenda



8. Authorization given to the Board of Directors to reduce the capital through cancellation of shares;
9. Authorization to give the Board of Directors the ability to grant free shares in favor of employees and/or of officers of the Company and/or of companies in the group;
10. Delegating its competence to the Board of Directors to increase the share capital in favor of the employees of the Company and/or of companies of the group- article L. 225-129-6 al. 1st of the French Commercial Code;
11. Amendment to the articles of incorporation to suppress the minimum amount of shares to be held by Board directors;
12. Amendment of the articles of incorporation related to the procedure for general meetings; and
13. Powers to complete formalities, and
14. Approval of the possible granting by the French Financial Markets Authority [*Autorité des marchés financiers*] of a derogation to the mandatory offer to the public [*offre publique obligatoire*] in the context of the increase in capital provided for by the financial restructuring plan.

## Ordinary session First resolution



- Review and approval of the parent company financial statements for the financial year ended December 31, 2009

## Ordinary session Second resolution



- Review and approval of the consolidated financial statements for the financial year ended December 31, 2009

## Ordinary session

# Third resolution



- Allocation of the total net profit of €36,668,169 to the “retained earnings” account which henceforth amounts to €(129,474,567)

## Ordinary session

# Fourth resolution



- Approval of the related party agreements in accordance with Article L. 225-38 of the French Commercial Code

## Ordinary session

### Fifth resolution



- Appointment of ERNST & YOUNG et Autres as deputy statutory auditor for the remaining period of COEXCOM's mandate, i.e. up to the General Meeting to be held in 2012 in order to approve the financial statements of the financial year ending December 31, 2011



## Ordinary session

# Sixth resolution



- Determination of the annual amount of attendance fees allocated to members of the Board of Directors for the current financial year and future years at €510,000 until a new decision be made by a General Meeting

## Ordinary session

# Seventh resolution



- Authorization, valid for 18 months, to be granted by the Board of Directors, to purchase Company shares up to 10% of the share capital, to hold them and transfer them

## Extraordinary session Eighth resolution



- Authorization, valid for 18 months, given to the Board of Directors, to decrease the share capital through cancellation of shares, all at once or at several times, up to 10% of the share capital of the Company per period of 24 months

## Extraordinary session

# Ninth resolution



- Authorization, valid for 26 months, to be granted to the Board of Directors, to allocate free shares in favor of employees and/or officers of the Company and/or of companies in the group

## Extraordinary session Tenth resolution



- Delegation of powers valid for 18 months, to be granted to the Board of Directors, to increase the share capital in favor of the employees of the Group- Article L.225-129-6 al. 1<sup>st</sup> of the French Commercial Code

## Extraordinary session

# Eleventh resolution



- Amendment to Article 12.4 of the Company's articles of association to delete the minimum number of shares that directors must hold

## Extraordinary session Twelfth resolution



- Amendment to Article 22 of the Company's articles of association relating to the holding of general meetings in any place in metropolitan France

## Extraordinary session Thirteenth resolution



- Powers to complete legal formalities



## Extraordinary session

# Fourteenth resolution



- Approval of the potential granting by the French Financial Markets Authority to be made by the context of a derogation to launch a compulsory takeover bid in connection with the capital increase to be made with the context of financial restructuring plan