theolia

2013 half year results

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Agenda

- Operational review
- Ongoing takeover offer
- 2013 half year results

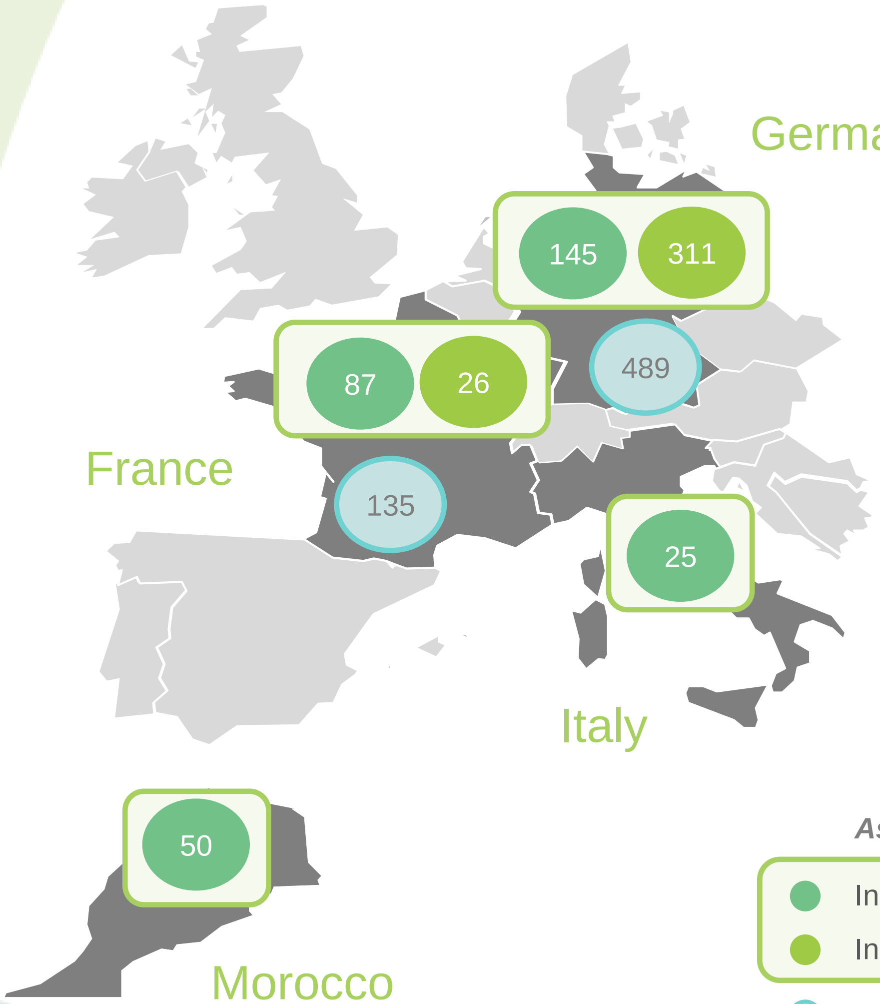
THEOLIA, producer of electricity from wind energy

- Onshore wind technology is highly performing, mature, reliable and available at a competitive price
- Onshore wind energy generation cost is close to the current electricity market price and will be lower in the medium term
- Electricity buy-back contracts over 15 to 20 years [prevention against market volatility]
- Significant profitability in the long term [business model similar to infrastructures]
- Regular cash flows [activity without major fluctuations]
- Risk-free project financing [repayments guaranteed by the wind farms' cash flows]

Secure and profitable activity
= 87% of the consolidated revenue for H1 2013

2010: 24% 2011: 70% 2012: 73% ↗↗

Currently operating in 4 countries with complementary wind conditions



Germany	France
456 MW	113 MW
20 years	15 years

Morocco	Italy
50 MW	25 MW
20/25 years	15/20 years

As at June 30, 2013

- Installed capacity for own account: 307 MW
- Installed capacity of Breeze Two Energy: 337 MW

644 MW

- Installed capacity managed for third parties: 625 MW

A performing industrial platform

- From a financial holding company to an industrial platform
- Extensive internal expertise
- Present over the entire wind energy value chain
- Industrial synergies between countries where we operate
- Common industrial policy
- Pooling of human resources thanks to cross-management
- Allocation of resources to projects with the highest profitability

Grounds for future growth (1/3)

1 Development of a 300 MW project in Morocco

- 50.4 MW concession in operation since 2000
- Excellent onshore wind power site
- ONEE is a co-investor up to 20%
- Project divided into two phases
  - 100 MW on the existing site (repowering)
  - 200 MW on surrounding sites (extension)

Currently, the 1st phase is being performed – choice of the turbine supplier – works will start in 2014

The 2nd phase will begin after the 1st phase is commissioned

Grounds for future growth (2/3)

2 A significant wind project portfolio

As at June 30, 2013	Development	Permits applied	Permits obtained	Under construction
France	155	98	23	21
Italy	25	61	38	-
Germany	-	4	-	-
Morocco	200	-	100	-
Total projects	**380**	**163**	**161**	**21**

Net capacities. Excluding projects in the prospection phase (initial phase) and projects currently subject to litigation.

- **Development for THEOLIA's own account**
- **Co-investment with THEOLIA Utilities Investment Company**

Grounds for future growth (3/3)

3 Optimization of Breeze Two Energy

- Acquisition of control in January 2013
- 337 MW in operation commissioned between 2006 and 2008
- 15/20 year electricity buy-back contracts
- From an operational management entirely subcontracted to third parties to a management by THEOLIA
- Contribution to the 2013 half year results:
  - Revenue 16.7 m€
  - EBITDA 11.4 m € - 68 % margin

Significant synergies expected, in particular by taking over operational management by THEOLIA's teams

Ongoing takeover offer

Ongoing takeover offer

- Offeror: MEIF 4 AX Holdings SAS (Macquarie group)
- €1.70 per consolidated share
- €15.29 (plus accrued coupon) per OCEANE
- Offer opened from July 26 to September 6, 2013
- Publication of the results on September 16, 2013
- <u>Success threshold</u>: reaching 2/3 of the voting rights (both on a diluted and non-diluted basis)
- If the offer is successful:
  - Settlement date for all securities (shares and OCEANEs) on September 20, 2013
  - Reopening on September 23, 2013 for 10 trading days or implementation of a squeeze-out, as the case may be

2013 half year results

Revenue breakdown by activity

(in million euros)	Wind activities: Sales of electricity for own account	Wind activities: Operation	Wind activities: Development, construction, sale	Non-wind activity	Consolidated total
H1 2013	**40.4**	**3.3**	**2.3**	**0.5**	**46.5**
H1 2012	**26.3**	**3.4**	**5.3**	**0.7**	**35.8**
Change	**+53%**	**-4%**	**-57%**	**-25%**	**+30%**

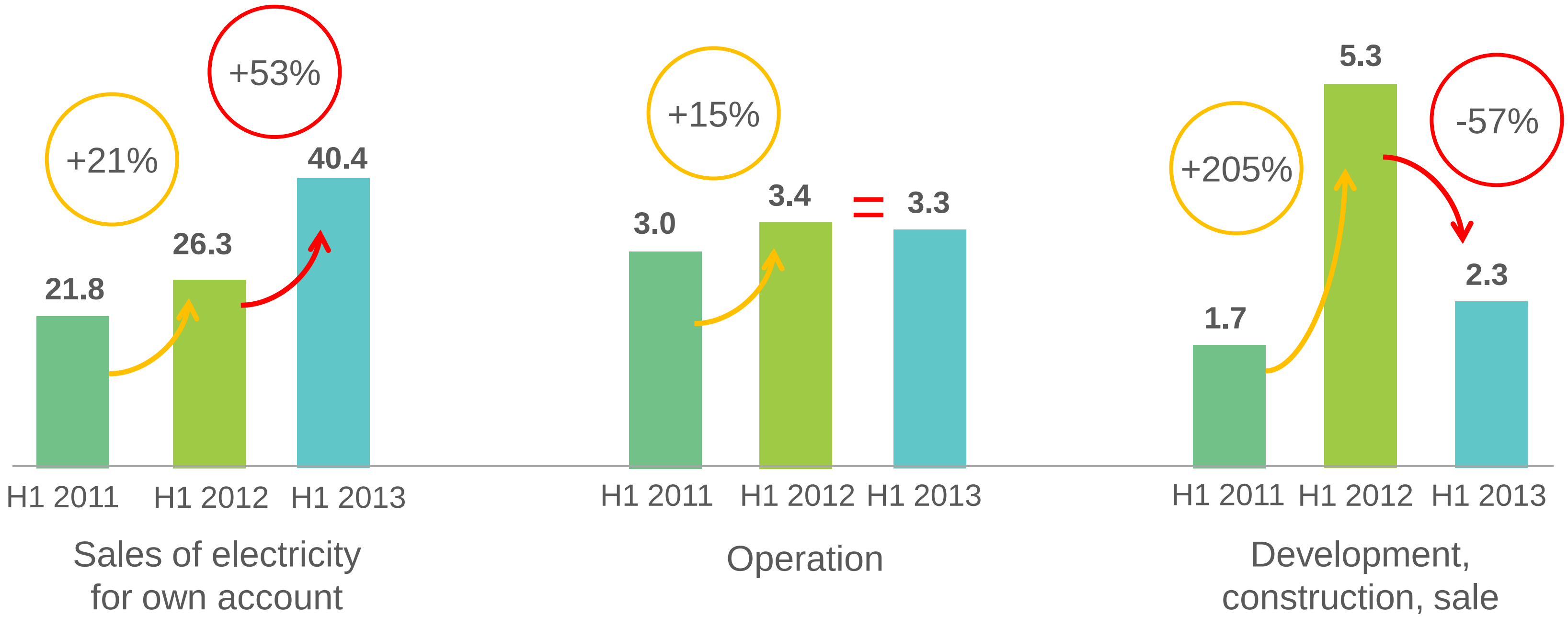
- Integration of Breeze Two Energy as from January 31, 2013 (+16.7 million euros over 5 months)
- 644 MW for own account

Growth of +53% in the Sales of electricity for own account activity, which represents almost 87% of the consolidated revenue

- **Secure activity**
- **Recurring revenue (15/20 years)**
- **Significant margins**

Evolution of revenue by activity over 3 years (wind activities)

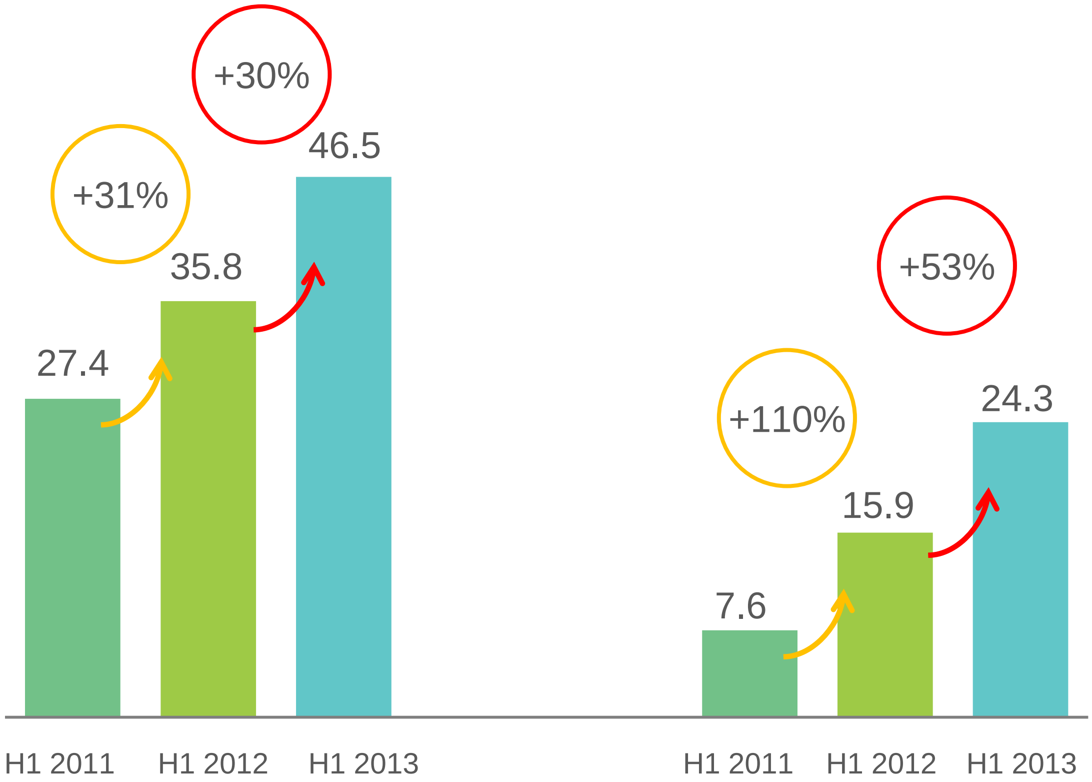
(in million euros)



Highlighting the strategy:

- **Focus on the Sales of electricity for own account activity**
- **Stabilization of the Operation activity**
- **Reduction in the pace of disposals: asset disposals according to cash needs. Sales to TUIC are not registered as revenue.**

Another strong increase in EBITDA



Consolidated revenue

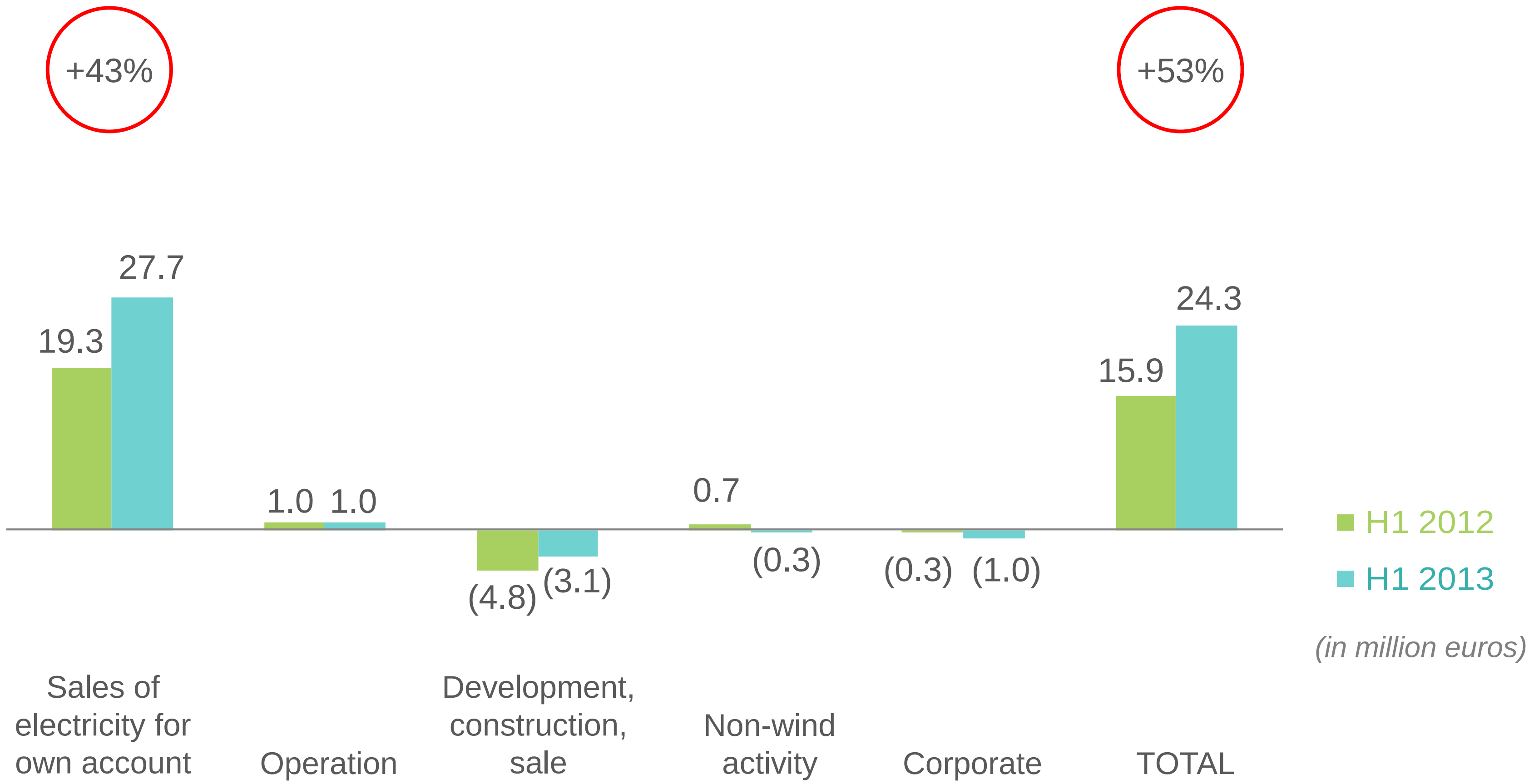
Consolidated EBITDA (1)

(in million euros)

EBITDA / Revenue	**28%**	**44%**	**52%**

(1) EBITDA = current operating income + amortization + non-operational risk provisions.

EBITDA breakdown by activity



- Integration of Breeze Two Energy as from January 31, 2013 (+11.4 million euros over 5 months)

From EBITDA to Operating income

(in million euros)	H1 2013	H1 2012
EBITDA	24.3	15.9
Allocations to amortization	(18.8)	(8.8)
Impairment	(0.6)	(0.8)
Other	(0.8)	(0.7)
Operating income	4.1	5.6

- Increase in amortization due to the consolidation of Breeze Two Energy

Financial income

(in million euros)	H1 2013	H1 2012
Net interest cost related to the convertible bond (EIR)	**(6.9)**	**(6.5)**
Net interest cost related to operating wind farm financing	**(11.4)**	**(4.6)**
Impact of the debt restructuring of some operating wind farms in France	**-**	**(2.0)**
Depreciation of financial assets	**(2.5)**	**-**
Other	**(0.3)**	**(1.1)**
Financial income	**(21.1)**	**(14.2)**

- Net interest cost related to the convertible bond
  - 2.1 million euros of accrued interest
  - 4.8 million euros of non-cash interests (IFRS)
- Net interest cost related to operating wind farm financing
  - Net bank interests on project financing: 3.8 million euros
  - Net interests on Breeze Two Energy's bonds: 7.6 million euros

Consolidated income statement

(in million euros)	H1 2013	H1 2012
Revenue	46.5	35.8
EBITDA	24.3	15.9
Current operating income	5.8	7.0
Operating income	4.1	5.6
Financial income	(21.1)	(14.2)
Net income of the consolidated Group	(17.6)	(10.3)
Of which Group share	(11.7)	(9.9)

Balance sheet

(in million euros)	2013/06/30	2012/12/31
Goodwill	39.5	39.5
Tangible and intangible assets	636.1	336.9
Inventories	7.3	14.9
Other assets	81.4	73.0
- Financial debt	(559.8)	(298.4)
+ Cash, cash equivalents and current financial assets	89.4	73.7
- Other liabilities	(152.6)	(74.1)
Net asset **Shareholders' equity**	**141.3**	**165.5**

Financial debt structure

(in million euros)	2013/06/30	2012/12/31	
Project financing	(164.1)	(172.6)	- 8.5 m€
Breeze Two Energy's bond	(269.5)	-	
Convertible bond	(112.0)	(109.4)	
Other financial liabilities	(14.3)	(16.4)	
of which derivative hedging instruments	*(8.8)*	*(11.2)*	
Total financial debt	**(559.8)**	**(298.5)**	
Cash, cash equivalents and current financial assets	**89.4**	**73.7**	+ 15.6 m€
Net financial debt	**(470.5)**	**(224.7)**	

Cash position

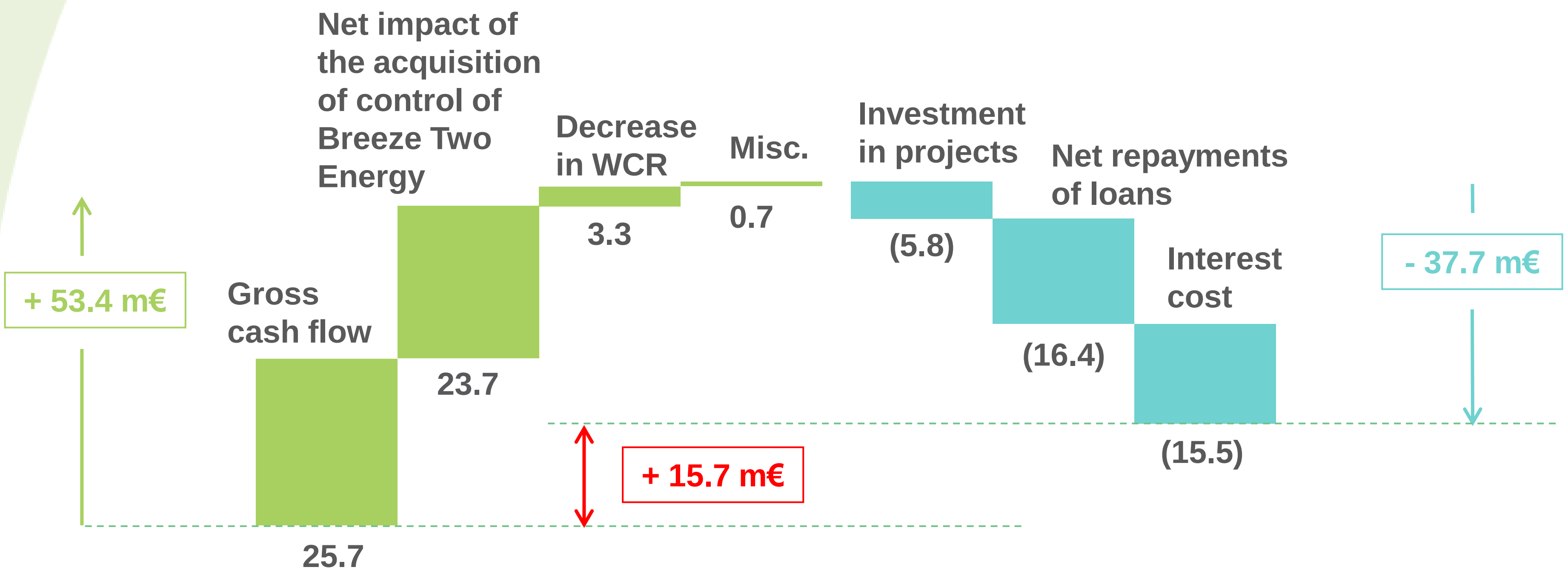
(in million euros)	2013/06/30	2012/12/31
Free cash	**24.0**	**28.0**
Cash reserved for special purpose vehicles (SPVs)	**40.4**	**21.5**
Pledged cash	**20.4**	**19.7**
Cash and cash equivalents	**84.8**	**69.2**
Current financial assets	**4.6**	**4.6**
Cash, cash equivalents and current financial assets	**89.4**	**73.7**

Free cash: cash that the Group can use at any time

Cash reserved for SPVs: cash that SPVs can use freely for their operational expenses but which they are not able to upstream to holdings

Pledged cash: cash that SPVs or holdings cannot use freely. Corresponds most often to amounts pledged to banks

Cash flow during H1 2013



(in million euros)

Total cash as at June 30, 2013 = 89.4 m€ (including 4.5 m€ of current financial assets)

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