



theolia

General Meeting

June 1, 2012



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# Summary

- 2011 annual results
- Revenue for the first quarter of 2012
- Strategy and outlook



➤ 2011 annual results



# Consolidated income statement

| <i>(in million euros)</i>  | FY 2011 | of which main<br>non-current<br>items | FY 2010 | of which main<br>non-current<br>items |
|--|---------|---------------------------------------|---------|---------------------------------------|
| <b>Revenue</b>   | 67.5    |                                       | 154.5   |                                       |
| <b>EBITDA <sup>(1)</sup></b>   | 25.8    |                                       | 3.4     | (9) + (3.1)                           |
| <b>Current operating income</b>  | 10.4    |                                       | (19.7)  | (4.7)                                 |
| <b>Operating income</b>  | (18.2)  | (26.4)                                | (34.7)  | (11)                                  |
| <b>Financial income</b>  | (18.0)  |                                       | 45.6    | + 75                                  |
| <b>Net income of discontinued activities</b>                                 | (37.1)  |                                       | 6.5     |                                       |
| <b>Net income of the consolidated group</b>                                  | (39.2)  | (26.4)                                | 5.0     | + 47.2                                |
| <b>Net income of the consolidated group excluding main non-current items</b> | (12.8)  |                                       | (42.2)  |                                       |

(27.8)

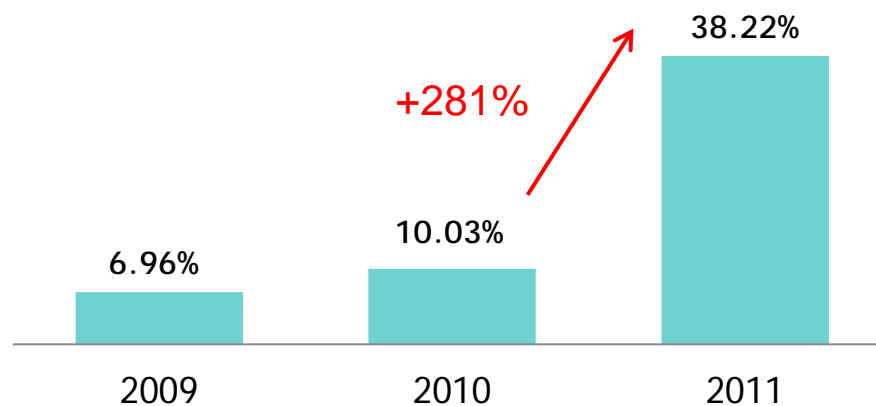
(1) EBITDA = current operating income + amortization + non-operational risk provisions.

Improvement of almost €30 m



# Strong improvement in EBITDA margin

| <i>(in million euros)</i>        | FY 2009      | FY 2010       | FY 2011       |
|----------------------------------|--------------|---------------|---------------|
| Revenue                          | 294.4        | 154.5         | 67.5          |
| EBITDA                           | 45.5         | 3.4           | 25.8          |
| Non-current items                | (25.0)       | + 12.1        | -             |
| EBITDA (excl. non-current items) | 20.5         | 15.5          | 25.8          |
| <b>EBITDA / Revenue</b>          | <b>6.96%</b> | <b>10.03%</b> | <b>38.22%</b> |





# Revenue by activity

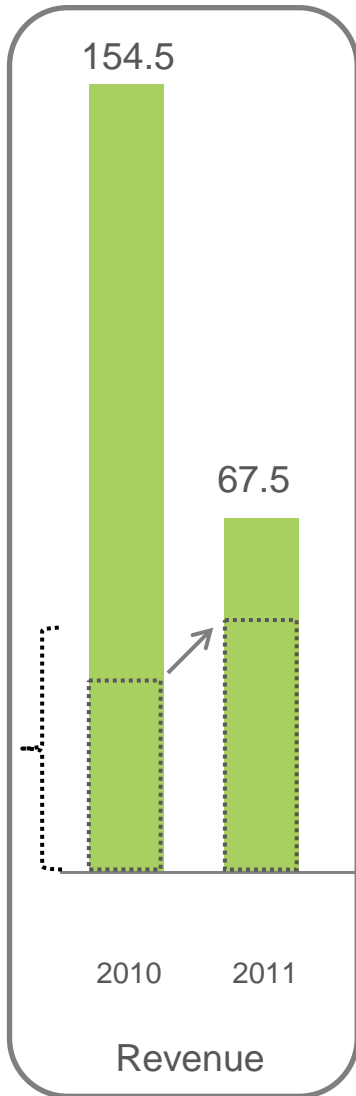
| <i>(in million euros)</i> | Wind activities                      |             | Development, construction, sale | Non-wind activity | Consolidated total |
|---------------------------|--------------------------------------|-------------|---------------------------------|-------------------|--------------------|
|                           | Sales of electricity for own account | Operation   |                                 |                   |                    |
| <b>FY 2011</b>            | 47.1                                 | 6.2         | 12.6                            | 1.6               | 67.5               |
| <b>FY 2010</b>            | 37.5                                 | 5.0         | 110.6                           | 1.4               | 154.5              |
| <b>Change</b>             | <b>+26%</b>                          | <b>+26%</b> | <b>-89%</b>                     | <b>+11%</b>       | <b>-56%</b>        |

- Full-year impact of 2010 commissionings (15 MW in Italy) + 2011 commissionings (18.4 MW in France, 8 MW in Germany)
- Full-year impact of wind farms managed for third parties since 2010 + new wind farm managed for third parties since September 2011 (18.4 MW in France)
- Reduction of the pace of disposals: sale of a 12 MW project + a 4 MW wind farm in 2011, compared to the sale of 72 MW in 2010

Dynamism of the commissioning pace

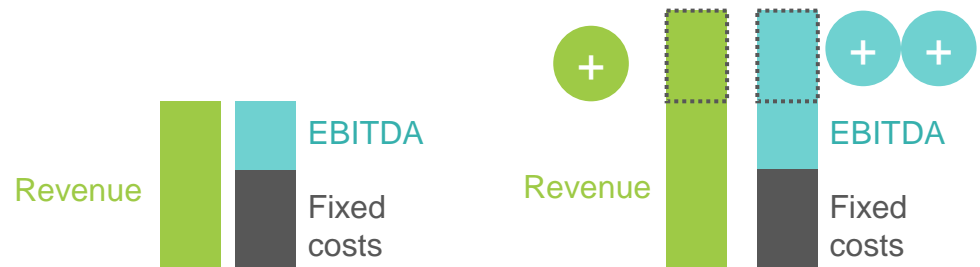
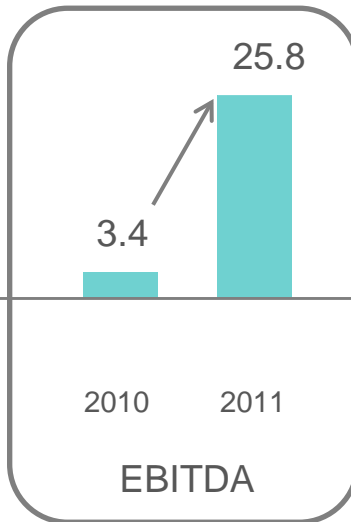


# Strong increase in EBITDA



Revenue from the Sales of electricity for own account

Revenue from the Sales of electricity for own account +26%  
=> EBITDA from the Sales of electricity for own account +36%  
(most of the operating expenses being fixed)



**EBITDA's growth rate superior to the revenue's growth rate**  
**Improved margin**

(in million euros)





# Financial income

| <i>(in million euros)</i>  | FY 2011       | FY 2010     |
|--|---------------|-------------|
| <b>Profit from the deconsolidation of the convertible bond (net of restructuring expenses)</b> | n/a           | 74.9        |
| <b>Interest cost related to the convertible bond</b>   | (8.0)         | (13.9)      |
| <b>Net interest cost related to project financing debt held by operating wind farms</b>        | (9.1)         | (8.2)       |
| <b>Change in the fair value of hedging instruments</b>   | n/a           | (2.5)       |
| <b>Other</b>   | (0.9)         | (4.8)       |
| <b>Financial income</b>  | <b>(18.0)</b> | <b>45.6</b> |

- Interest cost related to the convertible bond:
  - 4.3 million euros of accrued interests
  - 3.7 million euros of non-cash interests (IFRS standards)
  - In strong decrease due to conversions performed during the fiscal year (1,996,986 OCEANEs converted)
- Recent commissionings => increase in the net interest cost related to project financing debt held by operating wind farms
- Hedge accounting since January 1, 2011 => change in the fair value of hedging instruments recorded in shareholders' equity



# Balance sheet

| <i>(in million euros)</i>             | 2011/12/31 | 2010/12/31 |
|---------------------------------------|------------|------------|
| <b>Goodwill</b>                       | 40.6       | 71.1       |
| <b>Tangible and intangible assets</b> | 376.1      | 369.1      |
| <b>Inventories</b>                    | 14.4       | 19.8       |
| <b>Other assets</b>                   | 98.4       | 121.3      |
| <b>- Financial debt</b>               | (332.1)    | (348.1)    |
| <b>+ Cash and cash equivalents</b>    | 87.8       | 110.4      |
| <b>- Other liabilities</b>            | (90.4)     | (123.6)    |
| <b>NET ASSET</b>                      | 195.0      | 220.0      |
| <b>SHAREHOLDERS' EQUITY</b>           |            |            |



# Financial debt structure

| <i>(in million euros)</i>   | 2011/12/31     | 2010/12/31     |
|---|----------------|----------------|
| <b>Bank loans</b>   | (214.8)        | (222.1)        |
| <i>of which project financing without recourse or with limited recourse to the parent company</i> | (214.8)        | (210.5)        |
| <i>of which corporate credit lines</i>  | -              | (11.6)         |
| <b>Convertible bond</b>   | (103.4)        | (117.5)        |
| <b>Other financial liabilities</b>  | (13.9)         | (8.5)          |
| <i>of which financial instruments</i>   | (10.0)         | (6.0)          |
| <b>TOTAL FINANCIAL DEBT</b>   | <b>(332.1)</b> | <b>(348.1)</b> |
| <b>Cash and cash equivalents</b>  | <b>87.8</b>    | <b>110.4</b>   |
| <b>Current financial assets</b>   | <b>0.5</b>     | <b>0.1</b>     |
| <b>TOTAL CASH</b>   | <b>88.3</b>    | <b>110.5</b>   |
| <b>NET FINANCIAL DEBT</b>   | <b>(243.8)</b> | <b>(237.6)</b> |

-€16.0 m

-€22.2 m

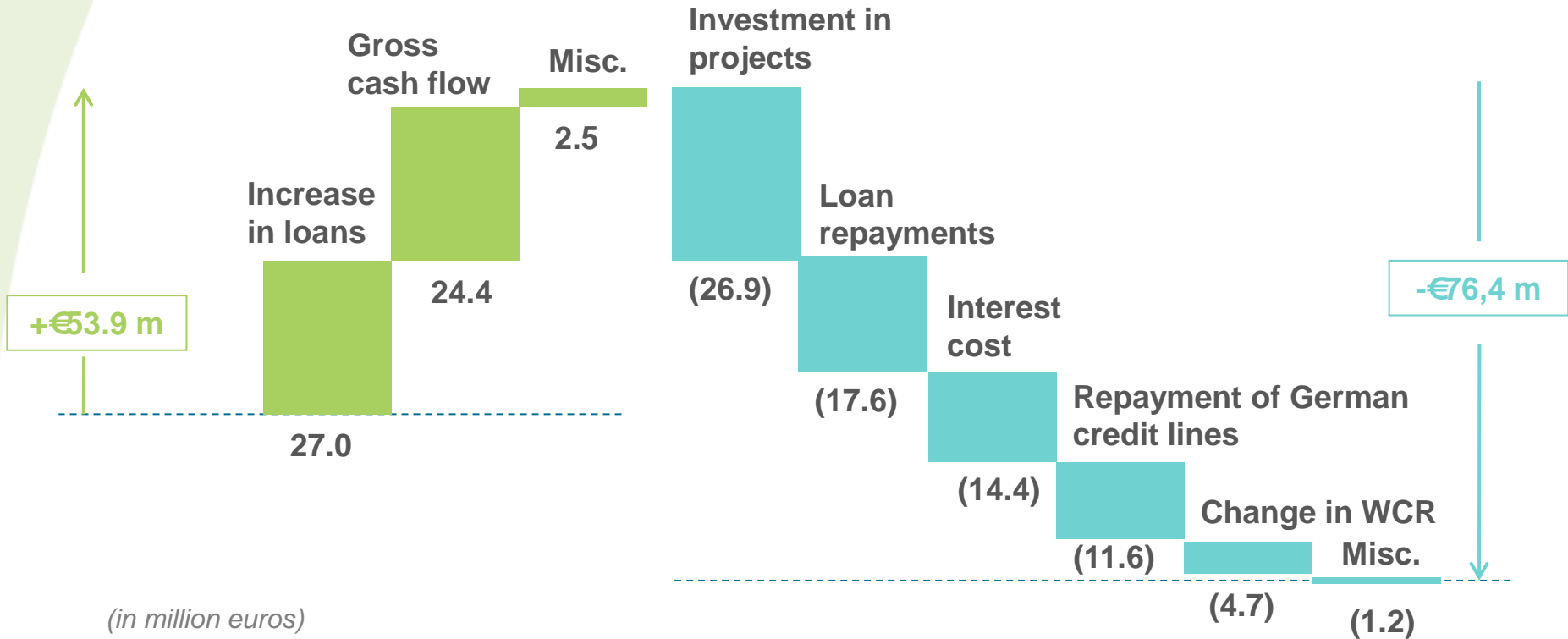


# Bond conversions

- Conversion rate in force
  - 8.64 shares per OCEANE until December 2013
  - 6.91 shares per OCEANE between January and December 2014
- Conversions between July 20, 2010 and December 31, 2010
  - 1,102,070 OCEANES converted => 9,521,016 new shares
  - Maximum amount repayable on January 1, 2015: €159.6 m
- Conversions between January 1, 2011 and December 31, 2011
  - 1,996,986 OCEANES converted => 17,253,958 new shares
  - Maximum amount repayable on January 1, 2015: €129,0 m
- Conversions between January 1, 2012 and April 30, 2012
  - 10,696 OCEANES converted => 92,412 new shares
  - Maximum amount repayable on January 1, 2015: **€128,9 m**
- Outstanding OCEANES as at April 30, 2012: 8,428,710



# Cash flow



December 31, 2010: +€110.4 m      December 31, 2011: +€87.8 m  
 Reduction of €22.5 m over the year  
 (including the non-current repayment of credit lines in Germany)

- 
- Revenue for the first quarter of 2012



# Revenue for the first quarter of 2012

| <i>(in million euros)</i> | Wind activities                      |             |                                 | Non-wind activity | Consolidated total |
|---------------------------|--------------------------------------|-------------|---------------------------------|-------------------|--------------------|
|                           | Sales of electricity for own account | Operation   | Development, construction, sale |                   |                    |
| First quarter of 2012     | 14.7                                 | 2.1         | 2.9                             | 0.3               | 19.9               |
| First quarter of 2011     | 11.2                                 | 1.6         | 0.8                             | 0.2               | 13.9               |
| <b>Change</b>             | <b>+31%</b>                          | <b>+28%</b> | <b>+261%</b>                    | <b>+2%</b>        | <b>+43%</b>        |

- **Increase in revenue from each activity**
- Positive scope effect with the commissioning of the Gargouilles wind farm during the first half of 2011 (18.4 MW for own account and 18.4 MW for third parties)
- Good production conditions in Germany
- Sale of a 1.5 MW operating wind farm in Germany during the first quarter of 2012



- Strategy and outlook





# From a financial holding company to a performing industrial Group

Transforming  
the business model

Continuation of structure  
optimization

Very strong improvement of the operational performance

One target: profitability



# Focus on Sales of electricity for own account

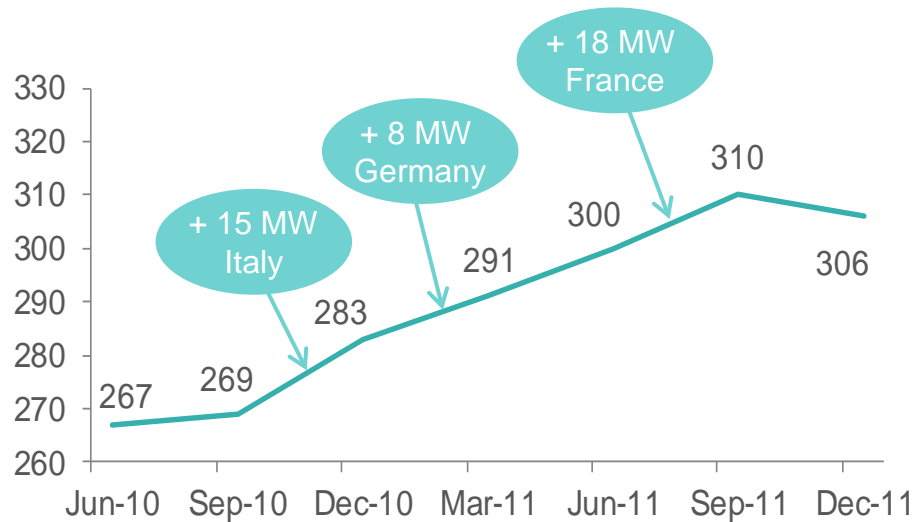
- Keeping installed capacities for own account in order to:
  - Constitute a solid asset base
  - Avoid sharp fluctuation in revenue
  - Protect the Group from potential market volatility
  - Ensure a recurring and secured operational margin to guarantee positive cash flows at consolidated level
  
- GROWTH and YIELD
  
- Selling some wind farms or projects in order to:
  - Allocate resources to projects with the highest profitability
  - Maintain the level of cash

**Improve profitability and create value**



# Strong increase in MW for own account

Installed capacity for own account (in MW)

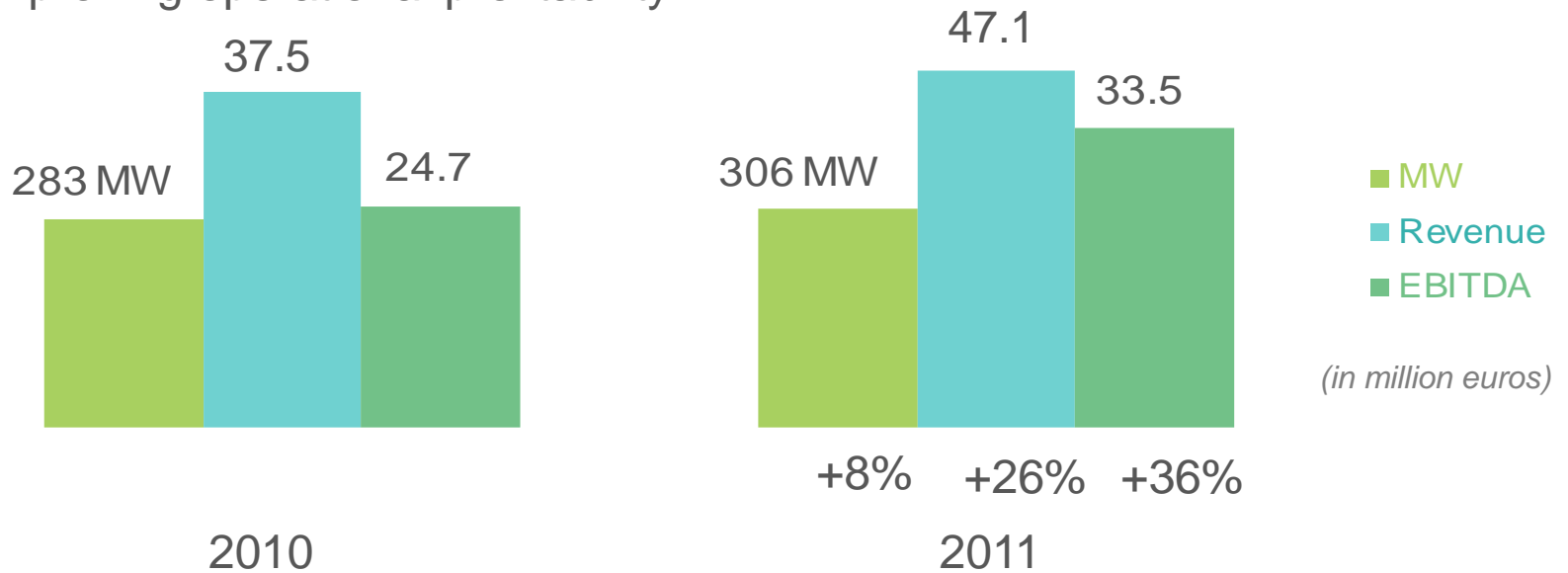


- July 2010: success of the financial restructuring
- H2 2010: + 16 net MW
- Year 2011: + 22 net MW



# Growth of the operational margin is faster than growth of the revenue

- Each MW commissioned for own account generates a recurring and predictable revenue over the long term and strongly contributes to improving operational profitability



**The strong performance of the Sales of electricity for own account activity confirms the strategy  
=> Target of profitability**



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# Operational efficiency gains and cost reduction

- New operational organization
  - Creation of transversal divisions: pooling of expertise across the Group – Simplified and more efficient structure
  - Group ready to grow at constant costs
- Reinforcement in engineering to increase the rate of transformation of projects into farms
- Improvement in operating wind farm efficiency (mainly maintenance)
  - Improvement in maintenance planning
  - Increase in availability rates
- Negotiations with turbine suppliers to obtain the most suitable turbines at the best price
- Negotiations with banks to obtain favorable financing conditions in the long term



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# Creation of an investment vehicle to reinforce growth

- Effective creation in August 2011
- Shareholders: THEOLIA (40%), IWB (30%) and Badenova (30%)
- Joint vehicle investing in onshore wind projects in France, Germany and Italy
- Objective: 100 m€ of equity invested + project financing = Total investment > 300 m€, representing a wind capacity of 150 to 200 MW
- First transaction in late 2011: THEOLIA sold its first wind project to the vehicle (15 MW in France, under construction and financed)





# A sizeable portfolio of wind projects to commission MW for own account and on behalf of the vehicle

**Backlog: 121 MW**

| <i>As at December 31, 2011</i> | Development | Permits applied | Permits obtained | Under construction |
|--------------------------------|-------------|-----------------|------------------|--------------------|
| France                         | 173         | 186             | 18               | 6 <sup>(1)</sup>   |
| Italy                          | 144         | 132             | 87               | 10                 |
| Germany                        | 15          | 4               | -                | -                  |
| Morocco                        | 200         | 100             | -                | -                  |
| <b>Total projects</b>          | <b>532</b>  | <b>422</b>      | <b>105</b>       | <b>16</b>          |

**954 MW**

Net capacities.

Excluding projects in prospection (initial phase) and projects currently under appeal.

(1) Indirect ownership of THEOLIA in the Magremont project (40%\*15 MW)



# TUIC is a key element to balance the business plan

- Additional financial means
- Reinforced access to project financing

Short/medium term

Balance between wind farms commissioned for own account and wind farms sold to the vehicle, of which THEOLIA holds a 40% interest

Accelerator of development while guaranteeing additional revenues and margins

Long term

Possibility to sell the electricity produced after the end of the feed-in tariff contract directly to our utility partners



# Launch of a 300 MW project in Morocco

- Joint development with the Moroccan “Office National de l’Électricité”
- 100 MW to be installed on the Koudia al Baïda site currently operated by THEOLIA (repowering of the existing wind turbines)
- 200 additional MW to be installed (extension)
- Design and engineering works performed during the second half of 2011
- Calls for tenders in April 2012 to select wind turbines and construction management firms
- Beginning of construction of the first 100 MW expected by the end of 2012

**The biggest project of the Group**



# Outlook in the medium term

- Consolidation of our operational positions
  - Strong dynamism in development
  - Investments in projects with the highest profitability
  - Maximization of wind projects transformed into wind farms
  - Significant cash position and co-investment in order to accelerate the pace of wind farm commissioning
  - Target is to reach the required size to ensure profitability
- Joint development of a 300 MW wind project in Morocco with the ONE
- THEOLIA is a performing platform able to absorb additional activities at constant costs
  - Enlargement of our wind expertise to additional activities (wind farm repowering, operating wind farms on behalf of new third parties, ...)
  - Development in new countries in case of synergy opportunities with our current installations (country, region)
  - Development in new renewable activities, the operational expertise of the Group being transposable
  - Taking into account the energy market evolution over the long term in our strategic choices



Thank you for your attention