THEOLIA

2010 first half results

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September 3, 2010

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Key highlights over the period

- Sale of 2 wind farms in operation in Germany: 55.5 MW and 4.5 MW
- Project financing implemented for a 30 MW project in Italy and sale of 39% stake in this project
- Implementation of financial restructuring plan
  - Success from the general meetings of both bondholders and shareholders
  - Launch of the capital increase, fully subscribed in July 2010

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Agenda

- Consolidated financial statements as of June 30, 2010
- Operational update as of June 30, 2010

Consolidated income statement

(in million euros)	H1 2010	H1 2009	FY 2009
Revenue	**115.8**	**104.9**	**328.6**
EBITDA [(1)]	**(1.4)**	**25.4**	**49.6**
Current operating income	**(6.4)**	**10.5**	**27.7**
Operating income	**(8.2)**	**2.0**	**32.2**
Financial result	**(19.1)**	**(14.9)**	**(30.8)**
Net income from continued activities	**(23.7)**	**(11.2)**	**(11.7)**
Net income	**(24.2)**	**(14.1)**	**(21.1)**

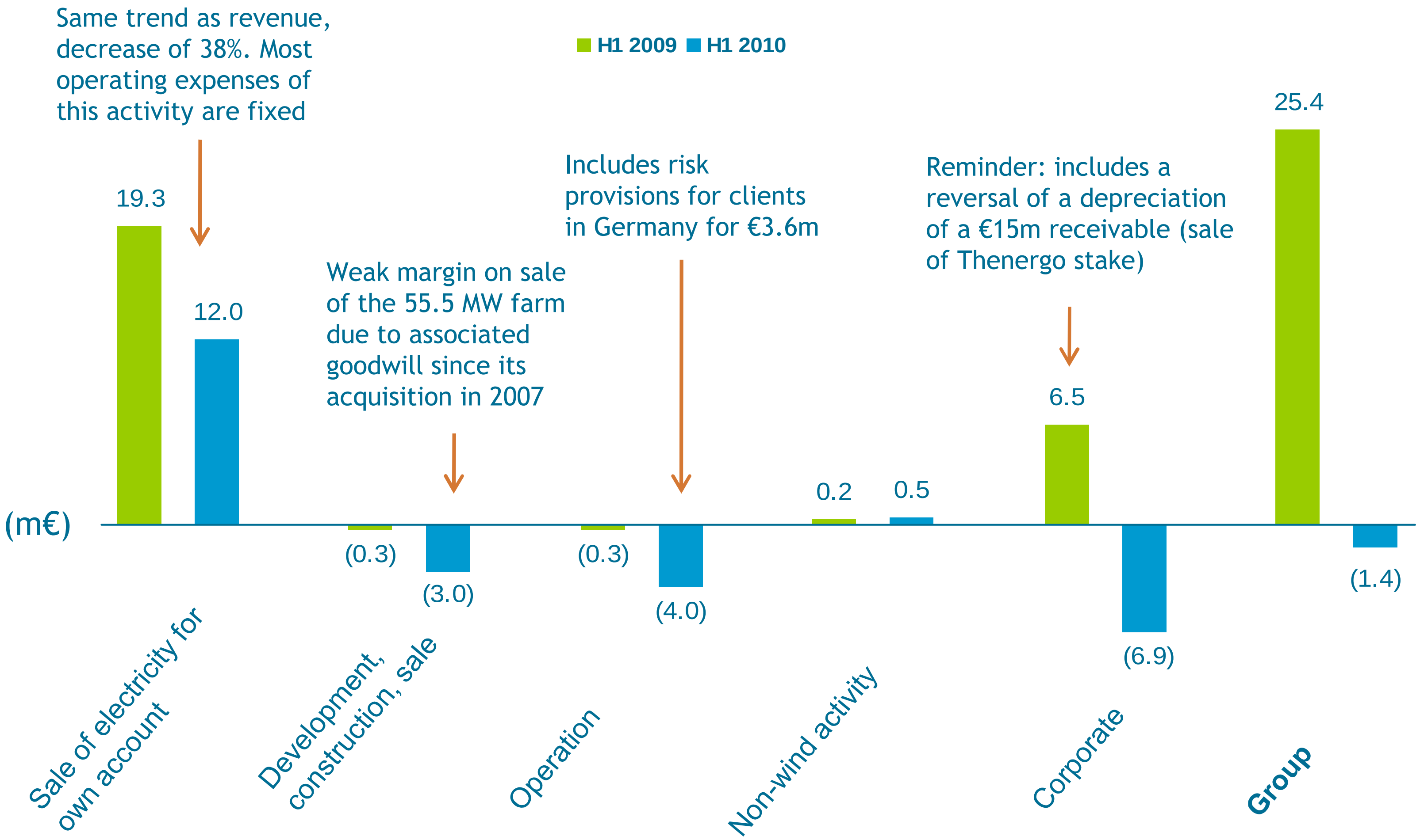
(1) EBITDA = current operating income + amortization + non operational risk provisions.

Composition of revenue

(in million euros)	Wind activities: Sale of electricity for own account	Wind activities: Development, construction, sale	Wind activities: Operation	Non-wind activity	Consolidated total
H1 2010	18.6	77.1	19.3	0.8	115.8
H1 2009	27.7	57.2	19.1	0.9	104.9
Change	- 33%	+ 35%	+ 1%	- 13%	+ 10%

- Increase of 35% in **Development, construction, sale** activity following sale of 60 MW of operating capacity in Germany
- Decrease in **Sale of electricity for own account** activity mainly due to the reduction of installed capacity for own account (from 421 MW as of June 30, 2009 to 267 MW as of June 30, 2010, a decrease of 37%)
- **Operation** activity stable: the increase in installed capacity managed for third parties (from 329 MW as of June 30, 2009 to 518 MW as of June 30, 2010) has been offset by negative impact of unfavorable weather conditions in Germany at the beginning of 2010

EBITDA breakdown by activity



From EBITDA to operating income (1/2)

(in million euros)	H1 2010	H1 2009
EBITDA (1)	**(1.4)**	**25.4**
Amortization	(3.4)	(12.9)
Depreciation/provisions	(3.2)	(2.0)
Impairment (IAS 36)	-	(8.8)
Other non current expenses	(0.3)	0.3
Operating income	**(8.2)**	**2.0**

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

From EBITDA to operating income (2/2)

- Sharp decrease in amortization due to sales of farms, but especially due to change in accounting method applied since September 1, 2009
  - Farms held for sale amortized over 4 years => no amortization beyond that period
  - If estimated sales price > net accounting value => no amortization
  - Only farms not held for sale retain amortization over their lifetime
  - ⇒ Amortization stopped for a large portion of wind farms in operation

- No impairment (as per IAS 36) in H1 2010 (versus €8.8m as of H1 2009)

- Cumulative impact of operational provisions and provisions for loss of value: €3.2m

Financial result

(in million euros)	H1 2010	H1 2009
Net interest on loans	(12.3)	(14.3)
OCEANE (convertible bond)	(7.5)	(6.7)
Wind farms in operation	(4.1)	(5.9)
THEOLIA Naturenergien GmbH	(0.6)	(1.4)
Other	(0.1)	(0.3)
Interest rate swaps	(4.5)	(1.2)
Deconsolidation of goodwill allocated to loan related to the 55.5 MW farm sold in Germany	(2.6)	-
Other financial income/expenses	0.3	0.6
Financial result	(19.1)	(14.9)

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Financial structure

(in million euros)	June 30, 2010	December 31, 2009
Goodwill	79.5	79.5
Tangible and intangible assets	345.4	411.7
Other assets	174.2	158.1
- Financial debt	454.4	490.5
+ Cash and cash equivalents	78.6	94.4
- Other liabilities	94.3	104.6
Shareholders' equity	128.9	148.7

Debt structure

(in million euros)	June 30, 2010	December 31, 2009	
Financial debt	(222.1)	(267.2)	
of which project financing, non-recourse or with limited recourse to parent company	(206.5)	(238.7)	
of which corporate lines of credit	(15.6)	(28.5)	
Convertible bond [(1)]	(221.5)	(218.7)	
Other financial liabilities	(10.7)	(4.5)	
of which financial instruments or derivatives (swaps)	(8.2)	(4.5)	
Total financial debt	**(454.4)**	**(490.5)**	-€36.1m
Cash and cash equivalents	78.6	94.2	- €15.6m
Current financial assets	-	0.2	
Total cash	**78.6**	**94.4**	
Net financial debt	**(375.8)**	**(396.1)**	-€20.3m

(1) The stated amounts correspond to the debt component of the convertible bond.

Cash position

(in million euros)	June 30, 2010	December 31, 2009
Pledged cash	**22.0**	**24.9**
Reserved cash (SPV)	**16.7**	**16.5**
Free cash (holdings)	**39.9**	**52.8**
Total net cash	**78.6**	**94.2**

- Pledged cash

  Cash the SPV (Special Purpose Vehicle) 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 SPV to finance its operating expenses but subject to limitations with regard to upstream transfers to holdings

- Free cash

  May be used at any time by the Group

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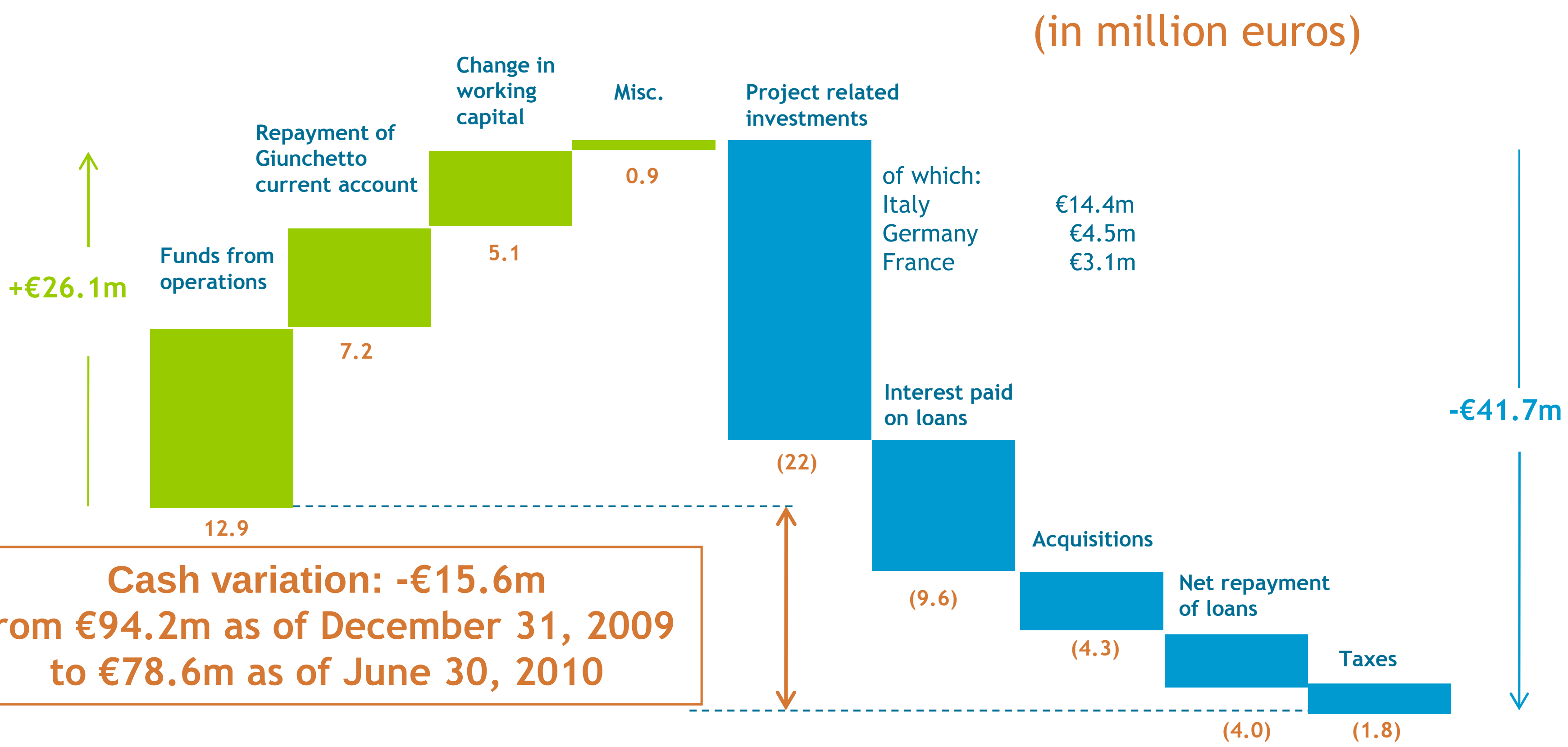
Cash flow



Cash variation: -€15.6m
from €94.2m as of December 31, 2009
to €78.6m as of June 30, 2010

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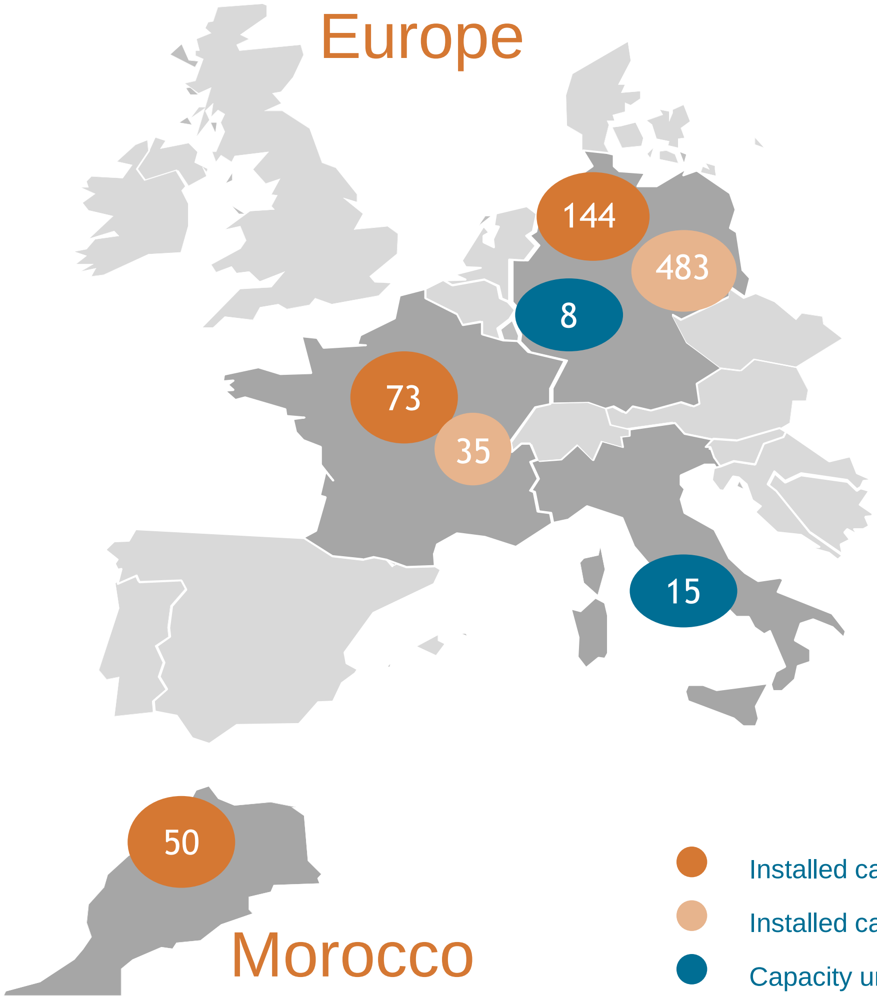
A significant base of installed capacity



Installed capacity in operation

(in MW)	June 30, 2010	December 31, 2009
Own account	267	322
Third parties	518	458
Total	785	780

- Installed capacity for own account: 267 MW
- Installed capacity managed for 3rd parties: 518 MW
- Capacity under construction: 23 MW

Figures as of June 30, 2010. Net capacity, excluding third party ownership.

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Strong pipeline in core markets

Backlog = 131 MW

As of June 30, 2010

(in MW)	Prospecting	Development	Permits applied	Permits obtained	Under construction
France	554	269	68	33	0
Italy	0	122	129	75	15
Germany	0	72	8	0	8
Total projects	554	463	205	108	23

Project financing in process
of being implemented

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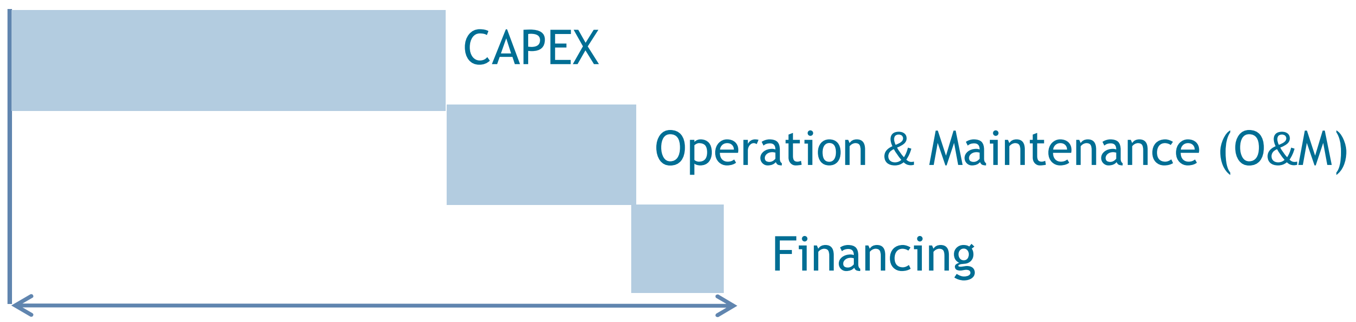
Financial means to support growth

- Capital increase => increase in cash position
  - For financing equity in backlog projects

- Convertible bond restructuring => improved balance sheet
  - Improved access to project financing
  - Better lending terms

Build an industrial Group

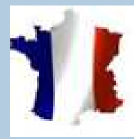
Total cost of a wind farm investment over its lifetime



- Move from a Holding with operational subsidiaries structure towards an industrial Group with appropriate processes
- Pool expertise and make it available at a lower cost in each country location
- Pursue cost reductions
- Focus allocation of resources on projects with highest returns

The future pooling of our expertise


Germany


France


Italy

- Studies and engineering
- Procurement
- Operation & Maintenance
- Financing
- Human Resources

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Thank you for your attention

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