



# THEOLIA

## General Meeting of shareholders

Aix en Provence, March 19, 2010

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# Agenda



✦ Introduction

✦ Operational update

✦ Financial update and presentation of restructuring plan

✦ Conclusions

✦ Questions and answers

✦ Vote of resolutions



# Introduction

**Eric PEUGEOT**

Chairman and Chief Executive Officer

**THEOLIA**

**THEOLIA**

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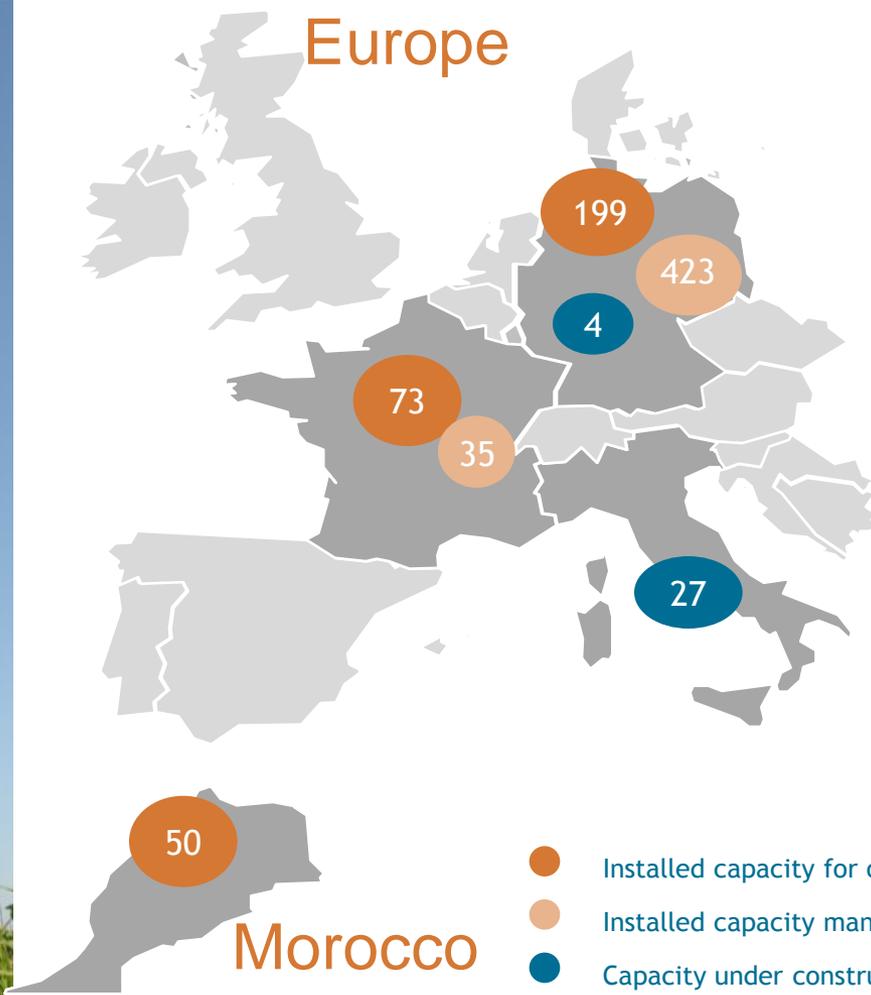
# Operational update

**Jean-François AZAM**

Chief Operating Officer

THEOLIA

# A significant base of installed capacity



In operation (installed capacity)			
(In MW)	December 31, 2009	December 31, 2008	Change
Own account	322*	360	- 11%
Third parties	458*	311	+47%
<b>Total</b>	<b>780</b>	<b>671</b>	<b>+16%</b>

Figures as of December 31, 2009. Net capacity, excluding third party ownership

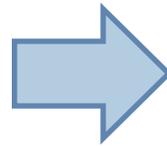
\* Correction of 3MW versus figures previously communicated, following cancellation of a sale

# 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<sup>(1)</sup> in France, of which 7 MW of installed capacity
- ✦ Total proceeds of €231m



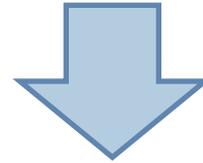
## 2010/2011

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

# 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
  - Clear definitions to determine each stage of development per country
  - Pipeline no longer includes third party ownership, turn-key projects for account of third parties and projects in appeal



Value creation linked to development of wind projects:  
from greenfield to commissioning

# Strong pipeline will feed future growth in core markets



(In MW)	Prospecting	Development	Permits applied	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%
<b>Total European pipeline</b>	<b>974</b>	<b>369</b>	<b>260</b>	<b>114</b>	<b>31</b>	<b>1,748</b>	
	<b>55%</b>	<b>21%</b>	<b>15%</b>	<b>7%</b>	<b>2%</b>		

✂ Cumulative cash investment above pipeline amounted to €69m in 2009<sup>(1)</sup>

✂ Potential future growth markets

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

(1) Unaudited figures

# 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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# Financial update and presentation of restructuring plan

**François RIVIERE**

Chief Financial Officer

THEOLIA

# Improved financial situation end of 2009



(in million euros)	12/31/2009 estimates <sup>(1)</sup> (unaudited)	12/31/2008 (audited)	
Project financing	(246)	(337)	→ SPV level
Convertible bond (accounting value of debt)	(219)	(204)	→ Holding level
Revolving working capital lines <sup>(2)</sup>	(29)	(40)	→ Subsidiary level
<b>Total debt</b>	<b>(493)</b>	<b>(589)</b>	→ Consolidated
<b>Total cash of which free cash</b>	<b>96 58</b>	<b>91 34</b>	

- ⌋ Compared to 2008, improved situation at the end of 2009 with lower debt and higher free cash positions
- ⌋ Restructuring plan to further reduce debt and enhance free cash position at group level
- ⌋ Free cash available estimated (unaudited) of €27m at 03/17/2010.

(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

# Current terms of the convertible bond



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

┆ 11,538,462 convertible bonds issued at €20.8

┆ Coupon: 2%

┆ Maturity: January 1, 2014 at €22.54

┆ Early redemption

┆ Triggered by change of control, default or delisting

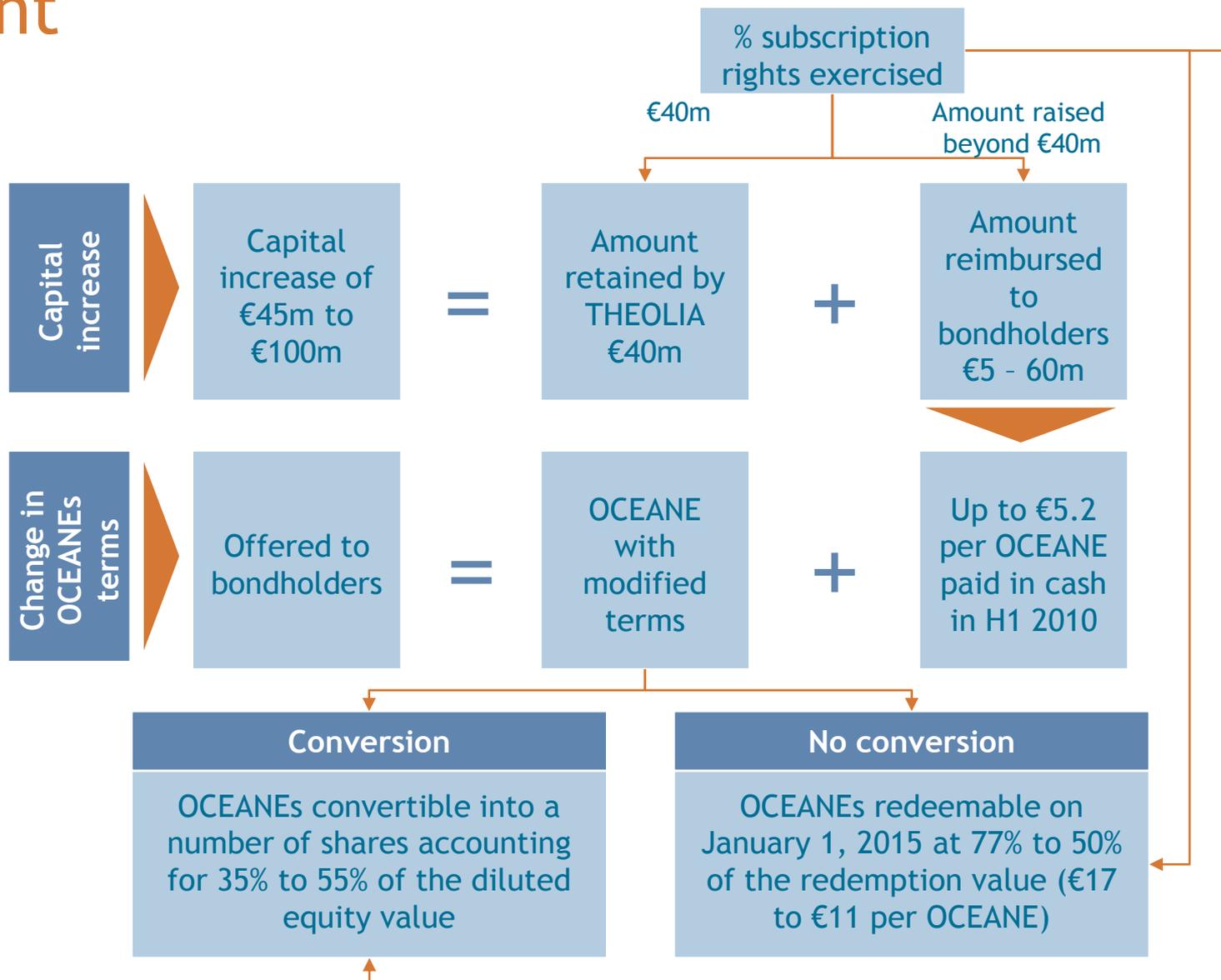
┆ At bondholder's request on January 1, 2012 at €21.94

┆ Current bond price of ~ €12 generates high probability of early redemption in 2012 which the Company would not be able to meet

# Overview of the OCEANEs restructuring agreement



**THEOLIA**



# 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<sup>(1)</sup> (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

# Key implementation steps



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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 (ongoing)	By May 31, 2010
<b>3</b> Capital increase	May/June 2010	By August 31, 2010

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

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# Conclusions

**Eric PEUGEOT**

Chairman and Chief Executive Officer

**THEOLIA**

**THEOLIA**

# Presentation of the co-opted directors



## Jean-Pierre MATTEI

59 years old

### Current positions held at THEOLIA

THEOLIA (co-optation on September 22, 2009) and member of the Audit Committee

### Positions held outside of THEOLIA during the last 5 years

Director of Eurotunnel, Floirat, la Gazette du Palais and Petites Affiches  
Chairman of SAS FIMOPAR

Jean-Pierre MATTEI is Chairman of SAS FIMOPAR , an investment advisory firm since 2003. He specializes in judicial and arbitration expertise implemented in various functions, such as director of companies, magistrate, Chairman of the Commercial Court of Paris from 2006 to 2000, Honorary Chairman of the *Collège européen de résolution des conflits* (Conflict resolution institute, Paris), founding member and Chairman of a French association to promote alternative means of conflict resolution. He teaches at HEC School of Management (Paris) and at the Political Studies Institute (Paris).

# Presentation of the co-opted directors



## **Philippe LEROY**

51 years old

### **Current positions held at THEOLIA**

THEOLIA director (co-optation on November 6, 2009) and Chairman of the Audit Committee

### **Positions held outside of THEOLIA during the last 5 years**

Chairman and CEO of Détroyat Associés

Philippe Leroy began his career in 1982 at Bossard Consultants, moving onto the banking sector in 1984 with BGP-SIB as Deputy CEO with Valgos Conseil, subsidiary specialized in cash management consulting, then at Manufacturer's Hanover in 1988 as Director of Cash Management, member of the management committee, to Chase Manhattan from 1990 to 1996 as Head of Market activities in France then as CEO of Chase Manhattan Bank France and Chairman and CEO of Chase SA and with HSBC from 1996 to 2002 as Managing Director France of HSBC Markets. He then served as Director of Corporate Finance for Vivarte from 2002 to 2004. He is currently Chairman and CEO of Détroyat Associés, company specialized in financial analysis, planning and valuation.

# Presentation of director candidates



## **Fady KHALLOUF**

49 years old

### **Current position**

Consultant in strategy and restructuring

### **Other positions held during last 5 years but no longer:**

Chairman and CEO of Tecnimont

Director of Strategy and Development for Edison Energy

Director of Edipower, Edison Trading, Edison Energia, International Water Holdings

Fady Khallouf currently works as a consultant in strategy and restructuring. He has previously held the positions of Chairman and CEO of Tecnimont where he led the industrial and financial restructuring of the group. Prior to that, he contributed to the restructuring of Edison, transforming the holding company into an operational company, improving the profitability of the company and assuring the monitoring of investments.

Fady Khallouf had beforehand held leadership positions, notably specialized in the field of investments and commercial development, in the companies EDF, Suez, SITA/Novergie and Lyonnaise des Eaux-Dumez.

# Presentation of director candidates



## **Gérard CREUZET**

56 years old

### **Current position**

Advisor to the Chairman of Véolia Environnement

### **Main positions held during last 5 years:**

Chairman of EDF Développement Environnement & EDF-Trading

Director of EDF-International, EDF-Energy, Groupe Martec

Supervisory Board member of Dalkia

Chairman of SAS des Polymères Barre Thomas

Independent consultant specialized in strategy, Gérard Creuzet has a dual specialty in the field of energy and turnarounds. Since 2005, Gérard Creuzet has advised Alix Partners, consulting firm specialized in corporate turnarounds, as well as young companies for the fund Techfund Europe. He also negotiated the partnership between EDF and Toyota regarding the hybrid vehicle. Before beginning his independent activity, Gérard Creuzet spent more than 4 years at EDF, as Director of Operations, Assistant CEO of strategy and development and Director of Strategy and Development.

# Presentation of director candidates



## **Michel MEEUS**

58 years old

### **Current positions**

Director of Alcofinance SA, Alcogroup SA, SAD

Deputy director of the company Alcodis S.A. (via the management company Solis Mngt & Consulting SA)

### **Other positions held during the last 5 years but no longer:**

Sales Director at Alcodis S.A.

Since 2007, Mr. Michel Meeus has been director of Alcogroup, company specialized in the production, distribution and sale of a large variety of ethanols. Since 2007, he also sits on the Board of the holding company of Alcogroup as well as certain subsidiaries Alcodis S.A. et SAD. Before 2007, Mr. Michel Meeus was Sales Director of the distribution subsidiary of Alcogroup, Alcodis SA. Before joining Alcodis, Michel Meeus carried out a career in the financial sector, at the Chase Manhattan Bank, in Brussels and London, then at the Security Pacific Bank, in London, then finally at Electra Kingsway Private Equity in London.

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