



2011 Half year results

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September 1, 2011



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Agenda

- 2011 Half year results
- Operational update
- Strategy and outlook



➤ 2011 Half year results



Consolidated income statement

<i>(in million euros)</i>	06/30/2011	06/30/2010 ⁽¹⁾
Revenue	27,4	99,0
EBITDA ⁽²⁾	7,6	(1,4)
Operating income	0,8	(8,5)
Financial result	(6,7)	(19,1)
Net income from continued activities	(5,6)	(28,0)
Income net of corporate tax from discontinued activities or assets held for sale	(1,3)	(0,6)
Net income of the consolidated Group	(6,9)	(28,5)

of which €75.9 m of wind farm & projects disposals

- (1) In application of the IAS 8 standard, restatement of revenue generated from the sale of electricity from wind farms managed for third parties offering no guaranteed margins and restatement of some intangible assets in France (see note 2 of the notes to the consolidated half year summary financial statements, in the 2011 half year financial report).
- (2) EBITDA = current operating income + amortization + non operational risk provisions.



Composition of revenue

<i>(in million euros)</i>	Wind activities			Non-wind activity ⁽¹⁾	Consolidated total
	Sale of electricity for own account	Development, construction, sale	Operation		
First half of 2011	21.8	1.7	3.0	0.9	27.4
First half of 2010	18.6	77.1	2.6	0.8	99.0
Change	+17%	-98%	+17%	+13%	-72%

- Increase in installed capacity (15 MW in Italy, trading in Germany)
- Policy of reduction in the pace of wind farm disposal => no sale of wind farms and projects during the H1 2011, versus 60 MW sold during H1 2010
- Increase in installed capacity managed for third parties (518 MW as of June 30, 2010, versus 586 MW as of June 30, 2011) => increase in O&M management fees

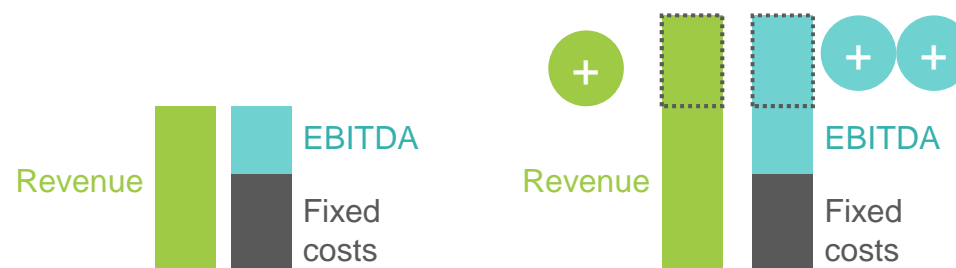
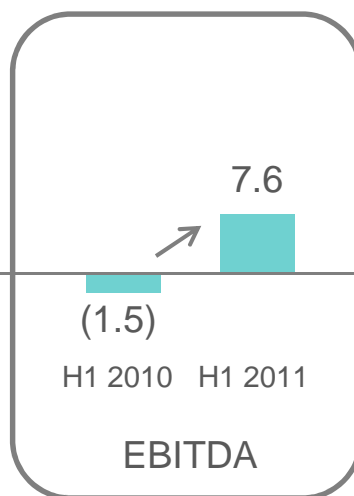
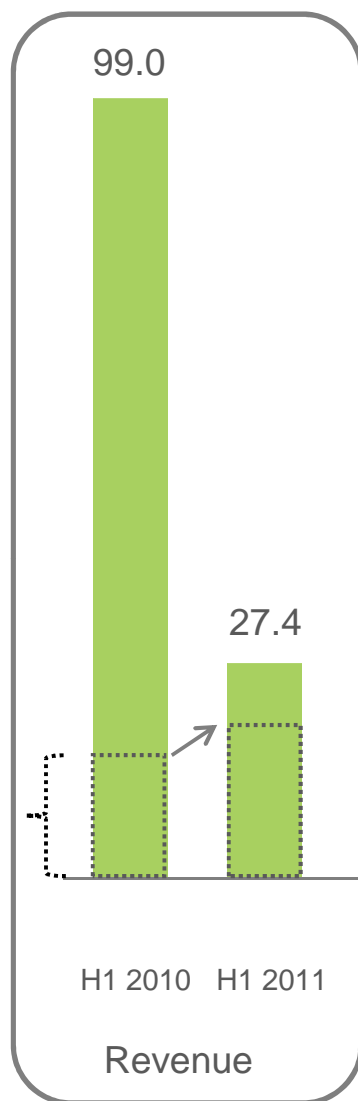
(1) Excluding Environment activities.



Strong growth in EBITDA

- Increase by +17% in the Sale of electricity for own account activity => increase by +26% in EBITDA of the Sale of electricity for own account activity (operating expenses are mainly fixed)

Revenue from sale of electricity for own account

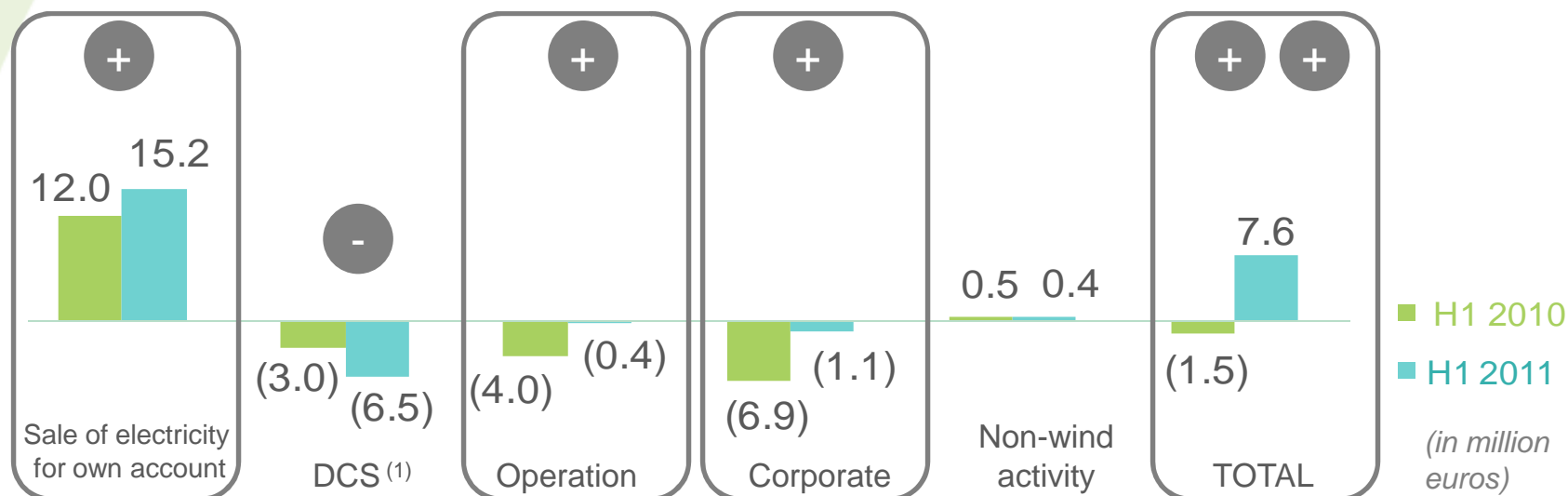


EBITDA growth % is multiplied
Margin is improved

(in million euros)



EBITDA breakdown by activity



- EBITDA strong growth in **Sale of electricity for own account, Operation** and **Corporate** activities
 - Effect of wind farm commissioning
 - Break-even in **Operation** activity
 - Stringent management of all activities (structure cost reduction, significant decrease in share-based payments)
- 5 point EBITDA margin improvement for the **Sale of electricity for own account** activity
- **Development, construction, sale** : technical expenses not balanced by wind farm disposals and impairment of projects under development process in France and Germany (€2.1 m)



Composition of financial result

<i>(in million euros)</i>	06/30/2011	06/30/2010
Net interest expense related to the convertible bond	(1.7)	(7.6)
<i>of which interest reversal due to bond conversions</i>	<i>4.1</i>	<i>-</i>
<i>of which interest expense related to the convertible bond</i>	<i>(6.1)</i>	<i>(7.6)</i>
Interest expense related to loans of operational wind farms	(4.5)	(3.5)
Change in the fair value of the interest rate risk hedging instruments	-	(4.5)
Others	(0.6)	(3.6)
Financial result	(6.7)	(19.1)

- Significant bonds conversion => markedly decrease in the convertible bond + interest expense reversal => strong reduction in OCEANE interest expense
- Recent wind farm commissionings => increase in interest expense due to loans held by operating wind farms
- Since January 1, 2011, the Group is applying hedging accounting => change in the fair value of rate risk hedging instruments is accounted in shareholders' equity (versus financial expenses)



Balance sheet

<i>(in million euros)</i>	06/30/2011	12/31/2010
Goodwill	71.1	71.1
Tangible and intangible assets	388.1	369.1
Other assets	96.2	141.0
- Financial debt	(319.7)	(348.1)
+ Cash and cash equivalents	89.1	110.5
- Other liabilities	(93.9)	(123.6)
NET ASSET SHAREHOLDERS' EQUITY	231.0	220.0



Debt structure

<i>(in million euros)</i>	06/30/2011	12/31/2010	
Financial debt	(214.3)	(222.1)	
<i>of which corporate credit lines</i>	-	<i>(11.6)</i>	-€11.6 m
<i>of which project financing, non-recourse or with limited recourse to parent company</i>	<i>(214.3)</i>	<i>(210.5)</i>	
Convertible bond	(97.6)	(117.5)	-€19.9 m
Other financial debt	(7.7)	(8.5)	
<i>of which financial instruments or derivatives (swap, mainly in France)</i>	<i>(5.2)</i>	<i>(6.0)</i>	
TOTAL FINANCIAL DEBT	(319.6)	(348.1)	
Cash and cash equivalents	88.7	110.4	- €21.7 m
Other financial assets	0.4	0.1	
TOTAL CASH	89.1	110.5	
NET FINANCIAL DEBT	(230.6)	(237.6)	



Bond conversions

- New conversion rate
 - 8.64 shares per OCEANE up to 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
 - Creation of 9,521,016 new shares
 - Maximum amount to be reimbursed as of January 1, 2015: €159.6 m
- Conversions between January 1, 2011 and June 30, 2011
 - 1,976,986 OCEANEs converted
 - Creation of 17,081,158 new shares
 - Maximum amount to be reimbursed as of January 1, 2015 : **€129.3 m**
- Number of OCEANEs outstanding as of June 30, 2011: 8,459,406

- €16.9 m

- €30.2 m

Total : €47.1 m



Cash position

<i>(in million euros)</i>	06/30/2011	12/31/2010
Pledged cash	22.9	23.6
Reserved cash for SPVs ⁽¹⁾	16.6	17.7
Free cash	49.2	69.2
Total net cash	88.7	110.4

Cash pledged: Cash that the SPVs or holdings cannot use freely. Corresponds most often to sums pledged to banks

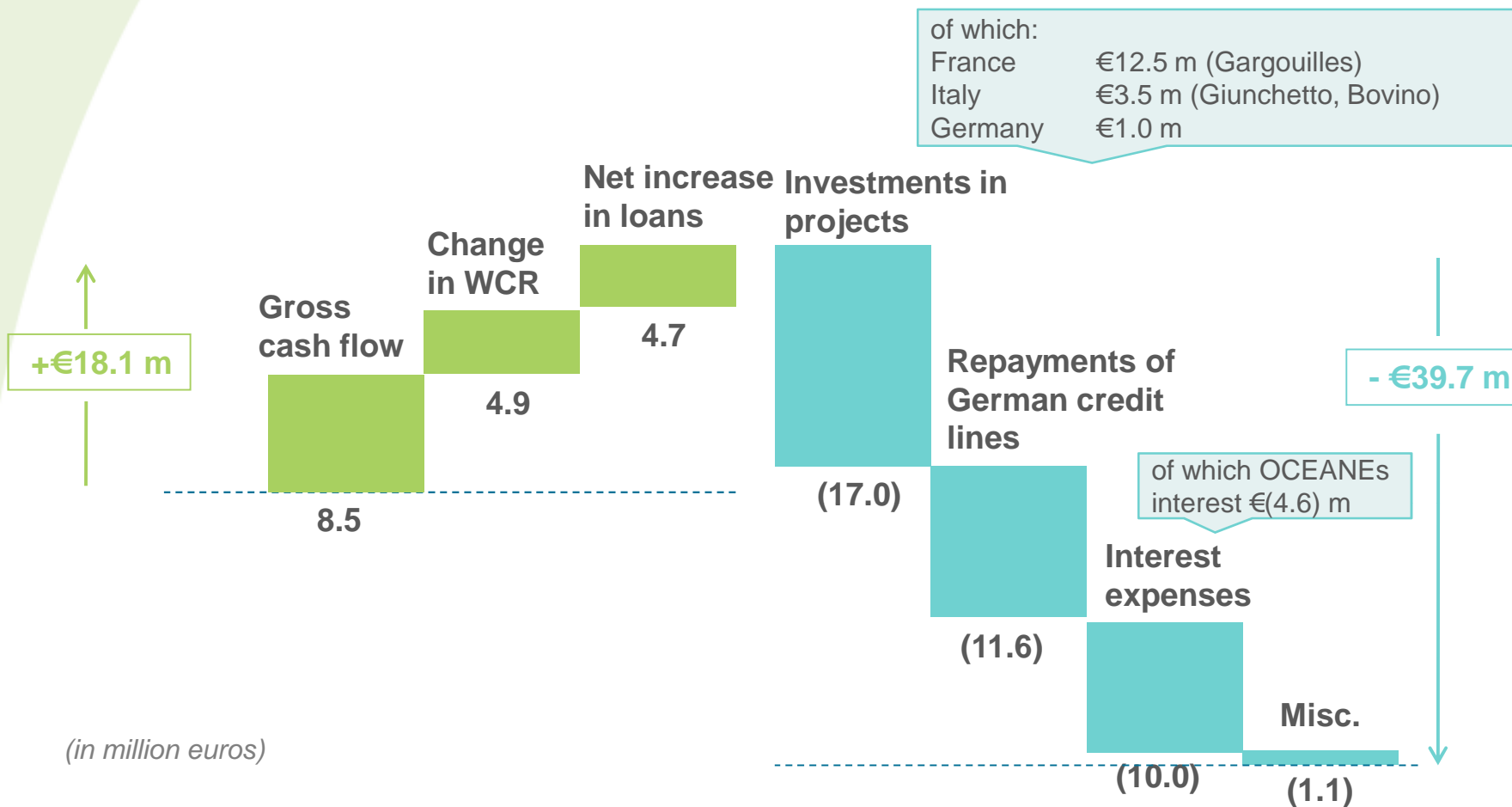
Reserved cash for SPVs: Cash that the SPVs can use freely for their operational expenses but they are not able to upstream to the holdings

Free cash: Cash the Group can use at any time

(1) SPV: special purpose vehicle.



2011 half year cash flow



December 31, 2010 : +€110.4m June 30, 2011: +€88.7m
A decrease of €21.7m during the first half (including credit lines repayments in Germany)

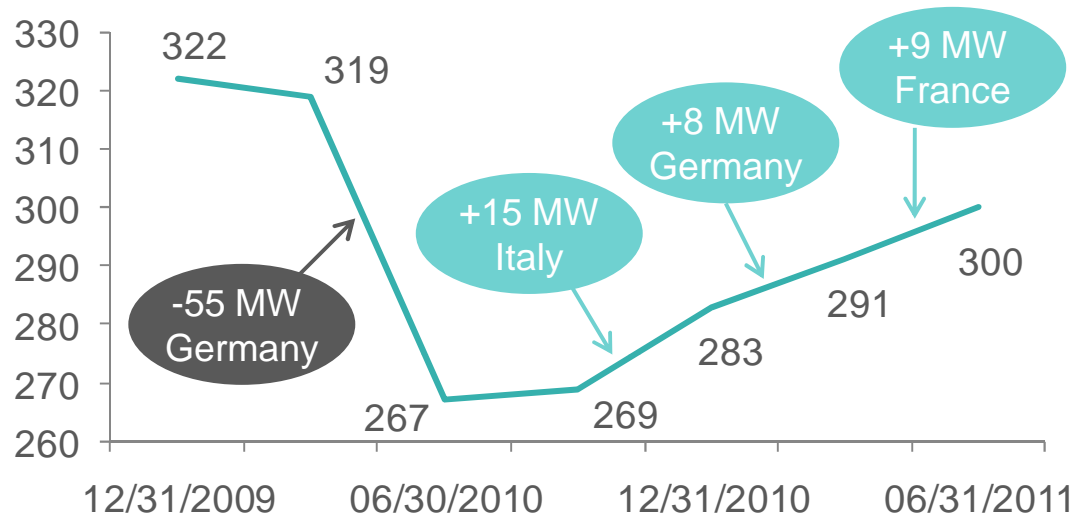


Operational update



Focus on operational dynamics

Installed capacity for own account (in MW)



+33 MW

during the last 12 months

Reversal in the trend of installed capacity for own account



Commissioning of the first part of the Gargouilles wind farm in France

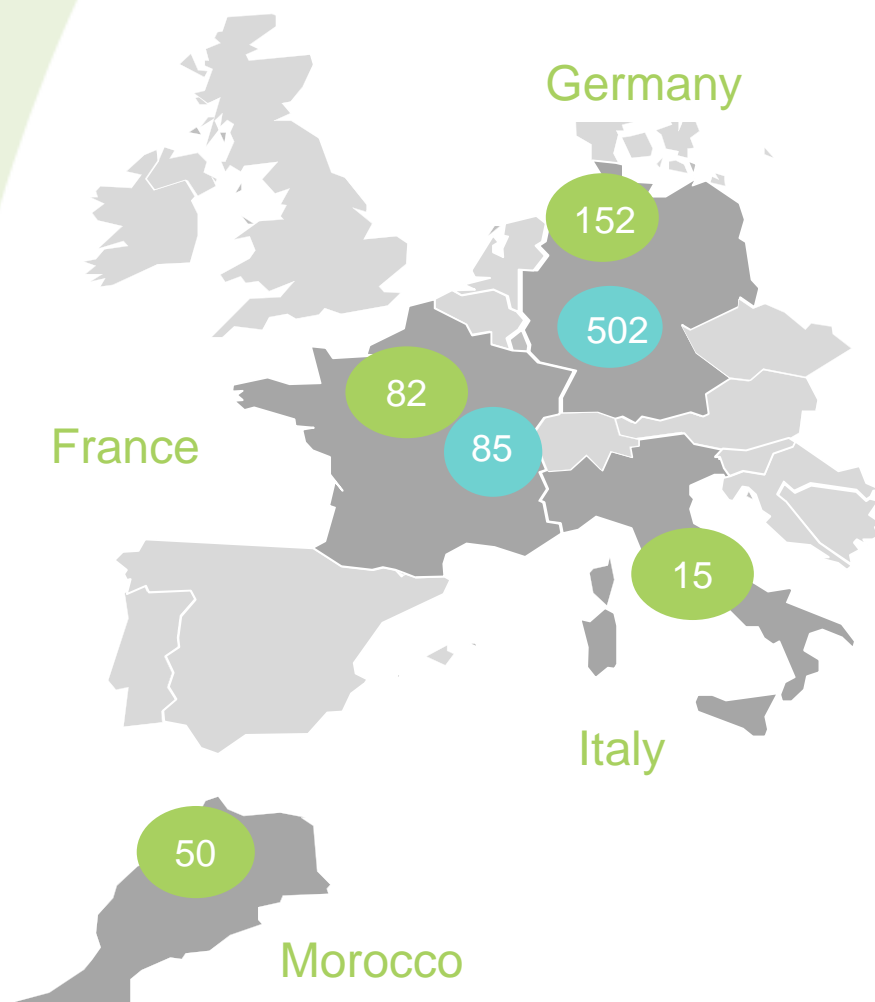
- Project financing secured end of January 2011
- Construction works during the first half year

- **First part of the wind farm commissioned end of June 2011: +9.2 MW**
- **Construction works in progress for the second and final part (+9.2 MW) Commissioning planned for October 2011**





Significant base of installed capacity



Installed capacity in operation as of June 30, 2011

- Installed capacity for own account: 300 MW
 - Installed capacity for third parties: 586 MW
- Net capacity, excluding third parties ownership.

886 MW in operation

Electricity producer in 4 countries



A sizeable portfolio of projects

Backlog: 135 MW

<i>As of July 31, 2011</i>	Development	Permits applied	Permits obtained	Under construction
France	173	185	27	9
Italy	144	165	89	10
Germany	19	10	-	-
Morocco	200	100	-	-
Total projects	536	460	116	19



Progress on Magremont project in France

- 15 MW project (6 x 2.5 MW turbines)
- Located in *Somme*
- **Starting of the construction works on beginning of September 2011**
- **Commissioning expected in 2012**



Virtual view of the future wind farm of Magremont



300 MW project in Morocco

- Signature of an agreement with the Moroccan *Office National de l'Electricité* for the joint development and construction of a 300 MW wind farm in Morocco
- 100 MW to be installed on the Koudia al Baïda site currently operated by THEOLIA (replacement of the existing turbines with higher capacity turbines: repowering)
- 200 additional MW to be installed
- **Conception and engineering works started in July 2011**
- **Tender for construction works and turbine supply will be launched in the coming weeks**
- Beginning of construction of the first 100 MW expected for June 2012

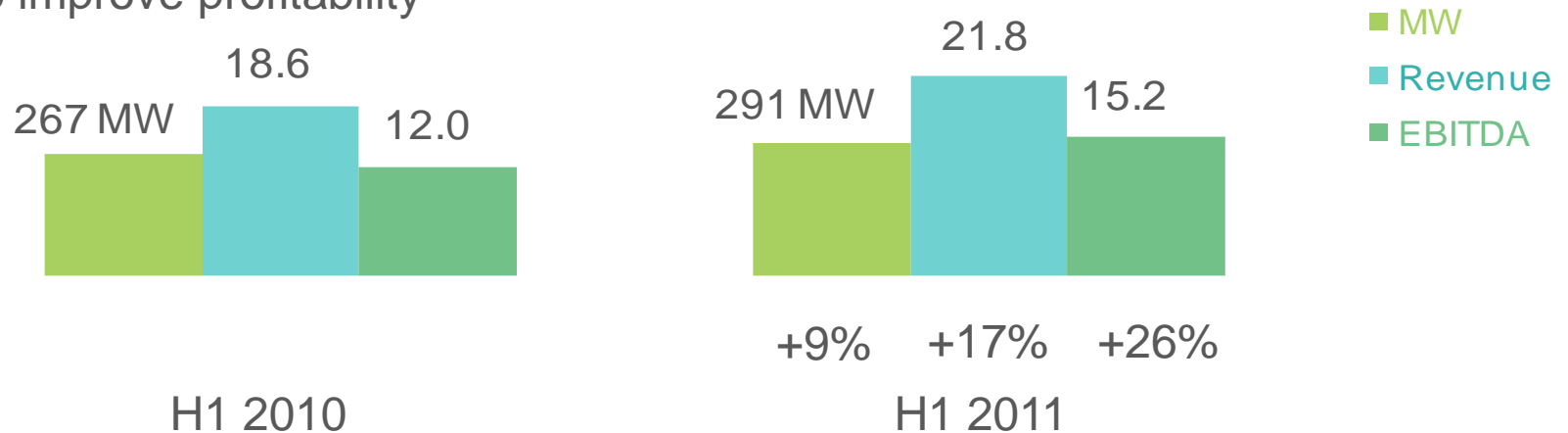


Strategy and outlook



Strengthening of Sale of electricity for own account activity in revenue and EBITDA

- Reduction in the pace of disposals policy
- Each commissioned MW provides recurrent revenue and highly contributes to improve profitability



The excellent performance of the Sale of electricity for own account activity consolidates our strategic option

=> Profitability target



Expected commissionings

Currently under construction

- | | |
|--|--------|
| ● Second part of Gargouilles in France | 9.2 MW |
| ● First part of Bovino in Italy | 10 MW |

Starting construction in September 2011

- | | |
|-----------------------|-------|
| ● Magremont in France | 15 MW |
|-----------------------|-------|

Permits obtained

- | | |
|----------------------------------|-------|
| ● Pergola in Italy | 25 MW |
| ● Giuggianello in Italy | 24 MW |
| ● Second part of Bovino in Italy | 40 MW |
| ● Biesles in France | 12 MW |

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| ● 300 MW project in Morocco | |
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Wind farm and project portfolio management

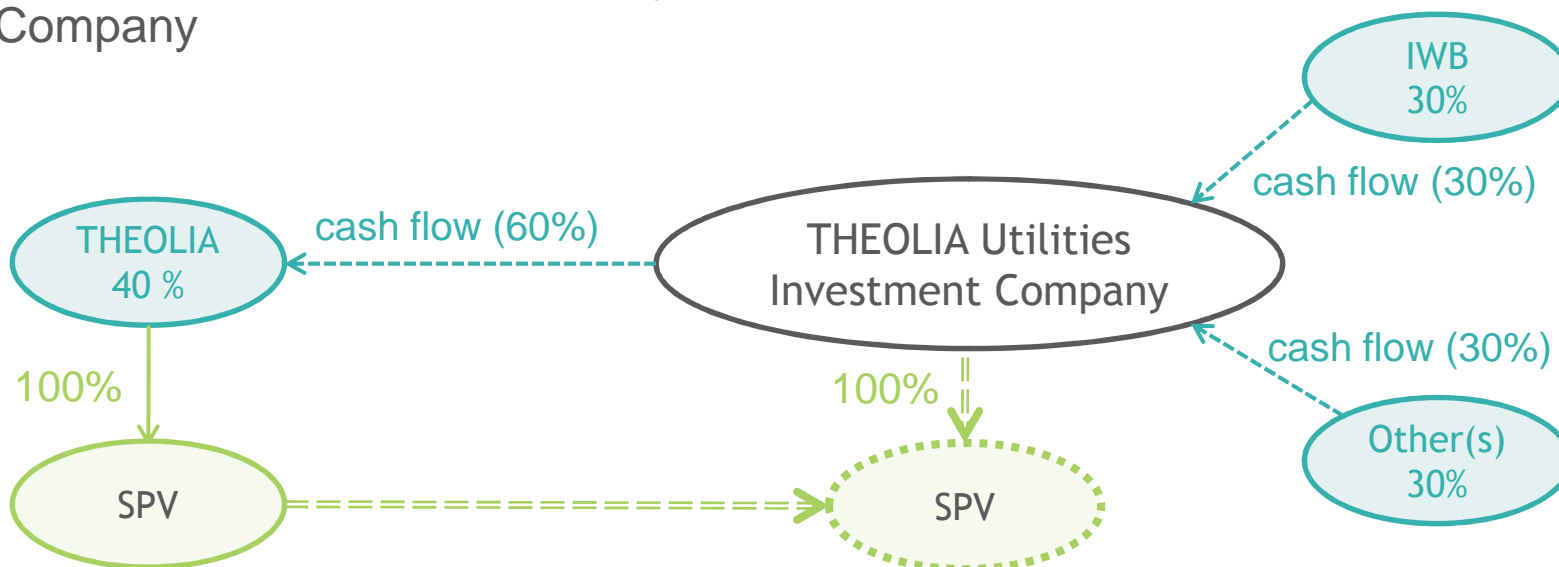
- Increase in installed capacity for own account
- Disposal of wind farms and projects on the market on a case by case basis
- Sales to the investment vehicle **THEOLIA Utilities Investment Company**





Modus operandi of the investment vehicle

- In case of a wind project sale by THEOLIA to THEOLIA Utilities Investment Company



- THEOLIA is selling 100% of the SPV to TUIC
- THEOLIA receives a net cash-in flow of 60% of the equity part of the project
- The SPV holds 100% of the project financing
- THEOLIA consolidates 40% of the project
- THEOLIA operates the wind farm for the account of TUIC



Progress status of THEOLIA Utilities Investment Company

- **Legal structure created in August 2011**
 - Current shareholders: THEOLIA and IWB
 - New partner(s) would be joining before **end of 2011**
 - Acquisition of the first project from THEOLIA is expected for **end of 2011**
- **THEOLIA Utilities Investment Company is a producer of green electricity**



Targets

- Accelerate the organic growth in the main countries
 - Investment in selected projects based on profitability criteria
 - Increase success rate in permits process
 - Enlarge the scale of our activities to improve profitability
- Pursue the stringent management of cost reduction and improve the operational performance of all activities
 - Structures in line with the needs
 - Pooling expertise over the Group
- Pursue monitoring of markets that offer favorable conditions for wind activities



Thank you for your attention