



2014 annual results

Fady Khallouf
April 1, 2015

Energy for the environment



Avertissement

This presentation includes forward-looking statements. Such forward-looking statements are not guarantees of future performance. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including the risks described in the documents filed by THEOLIA with the *Autorité des marchés financiers* (the "AMF") and available on the AMF website (www.amf-france.org) and THEOLIA website (www.theolia.com), to which investors are invited to refer. THEOLIA does not undertake, nor does it have any obligation, to provide updates or to revise any forward-looking statements.

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Agenda

- Highlights of the year 2014
- Strategic review
- 2014 annual results
- Conclusion and outlook



Highlights of the year 2014

- Success of the restructuring plan => healthier financial structure
 - Capital increase (59.8 million euros)
 - Early partial redemption of the convertible bonds (59.8 million euros)
 - Change in the terms and conditions of the convertible bonds: rescheduling of the redemption of the remaining debt over the next 5 years
- Further development
 - Construction of the Haute Borne project (21 MW in France): commissioning expected during the second half of 2015
 - A new building permit was obtained (21 MW in France)
 - Morocco (100 MW): turbine supplier under selection
- Withdrawal from non-wind activities
 - Disposal of Seres Environnement (IFRS 5)
 - Disposal of the solar park (“Non-wind activity”)

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- Strategic review



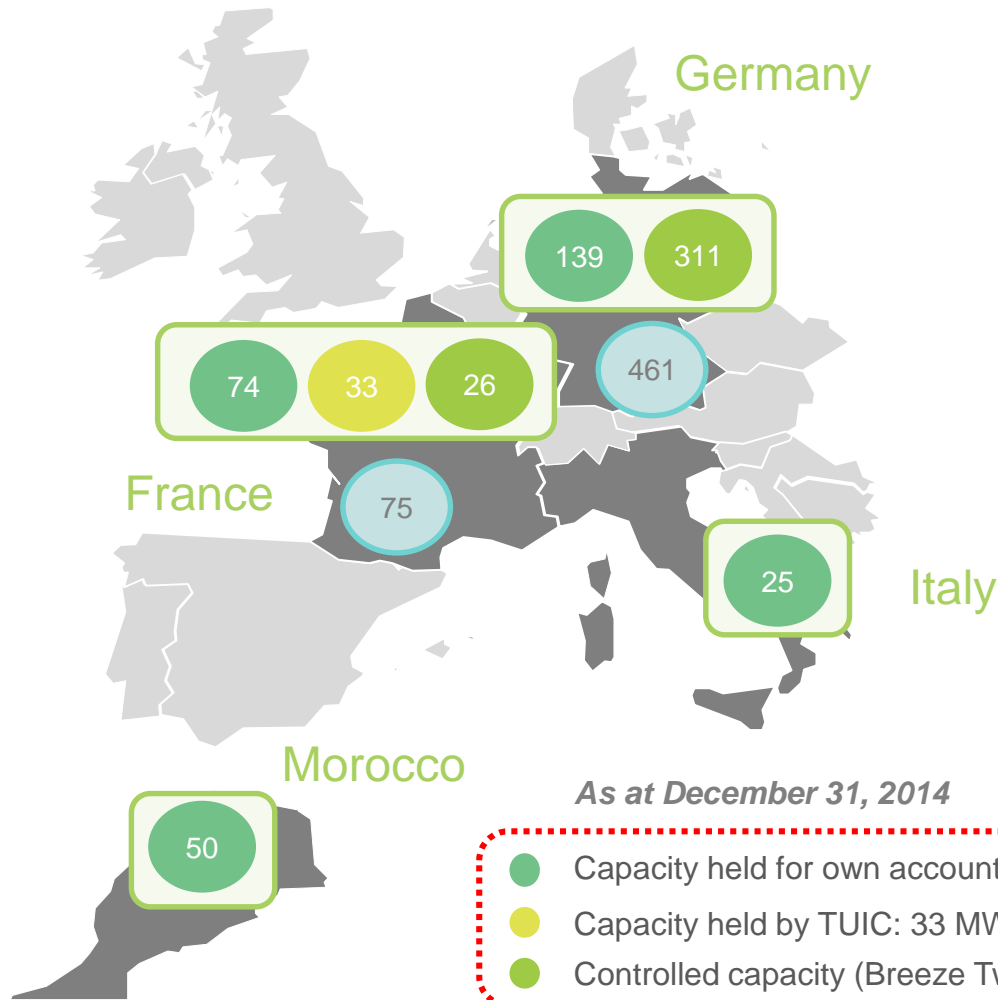
A recurring activity with high margins

- 15- to 20-year electricity buy-back contracts [protection against market volatility – risk reduction]
- Guaranteed feed-in tariffs
- Operational profitability ranking between 65 and 75% depending on wind conditions
- Regular cash flows [activity without major changes]
- Risk-free project financing [repayments guaranteed by the wind farms' cash flows]

**Secure and profitable activity
= 86% of the consolidated revenue in 2014**



A significant operating asset base



As at December 31, 2014

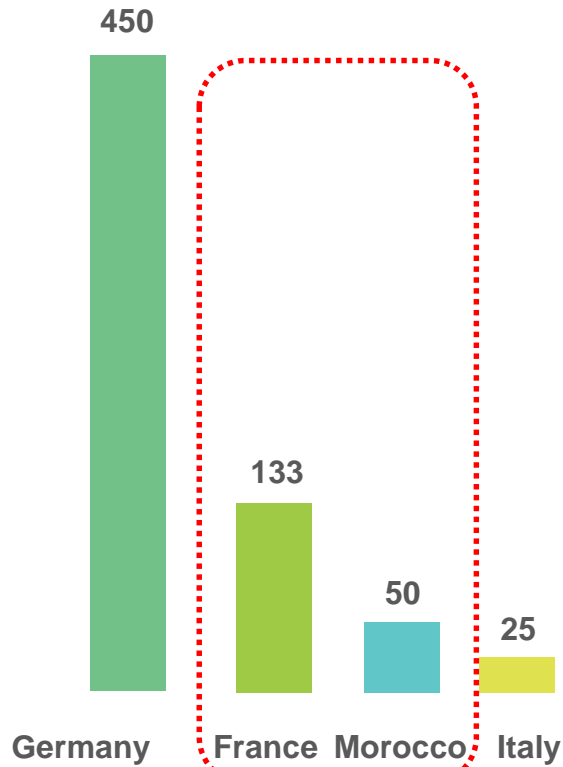
- Capacity held for own account: 288 MW
- Capacity held by TUIC: 33 MW
- Controlled capacity (Breeze Two Energy): 337 MW
- Installed capacity for third parties: 536 MW

658 MW



Towards significant development

Main area for future development



MW held for own account, held by TUIIC and controlled (Breeze Two Energy)

- A geographic diversification goal
- Aim of doubling the installed capacity in France and Morocco
- Various wind regimes

Reduction of the volatility risk



A project portfolio to support organic growth

**Commissioning
during summer 2015**

<i>As at December 31, 2014</i>	Development	Permits applied	Permits obtained	Under construction
France	102	59	88	21
Morocco	200	-	100	-
Germany	-	-	10	-
Total projects	302	59	198	21

**219 MW which obtained all
authorizations**



Future works to be launched

France

- Chemin Perré – approx. 20 MW in the Aube department
- Les Monts – 13 MW in the Aube department
- Courant Nachamps - 21 MW in the Charente-Maritime department

Morocco

- First 100 MW phase - Tetouan



Co-investment against capital intensity

- Investment vehicle with two utilities in Europe (IWB in Switzerland and Badenova in Germany)
- 2 operating wind farms (33 MW)
- 1 wind farm under construction (21 MW – commissioning during the second half of 2015)
- Reduction of the equity locked in projects
- Further development [reallocation of margins to investments]
- Additional services [additional revenue and margins]

1) Development with a reduced share of equity

2) Balanced cash position



A rationalized organization

- Staff change in the wind activity: from 167 employees in 2010 to 119 at the end of 2014
- Reduction of structural costs
- Development of internal synergies through cross-management among the countries where the Group is present

**Organization as an integrated industrial group
to enable further development at constant costs**



Conclusion

- Electricity generation activity, secured over the long term, similar to infrastructures
- Mature and reliable technology, accessible at a competitive price
- A business model fitted to the energy sector
- An improved balance sheet, in line with our development ambitions

The Group is ready to grow
Objective to develop a sustainable activity base to ensure
profitability over the long term

- 2014 annual results



Foreword

As from January 1, 2014, in compliance with the new IFRSs 10 and 11:

- Wind farms held by THEOLIA Utilities Investment Company are accounted using the global integration method (Gargouilles, Magremont, Haute Borne)
- THEOLIA Utilities Investment Company is accounted using the equity method
- Aerochetto (SPV for the Giunchetto wind farm) is accounted using the equity method

The 2013 comparative data were restated accordingly.

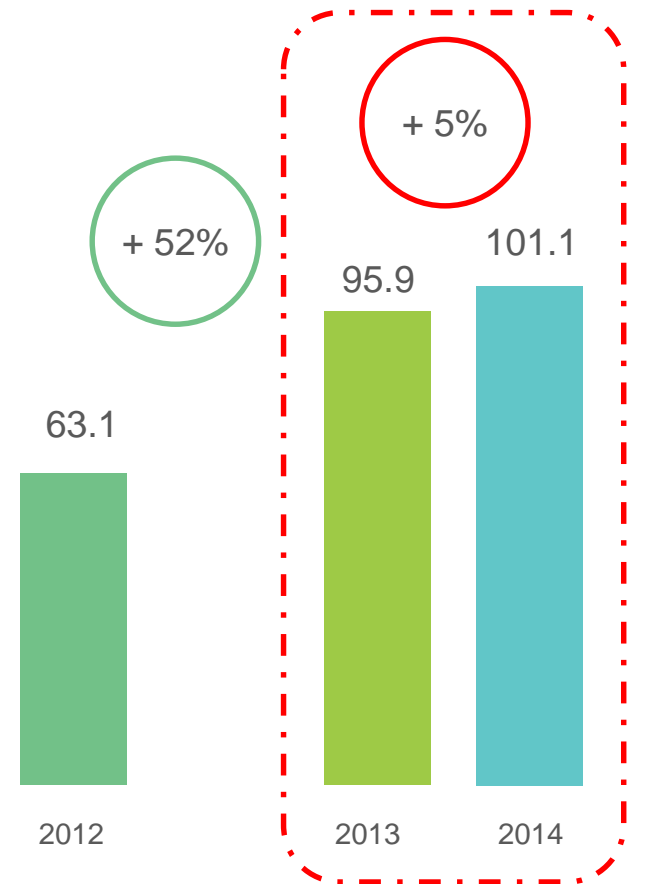
When necessary, the 2012 data were also restated.



Consolidated revenue

In 2014 :

- Globally unfavorable wind conditions
- Disposal of an operating wind farm (6 MW) in August 2014
- Disposal of the solar park



Of which Breeze Two Energy : 0 month 11 months 12 months

Consolidated revenue
(in million euros)



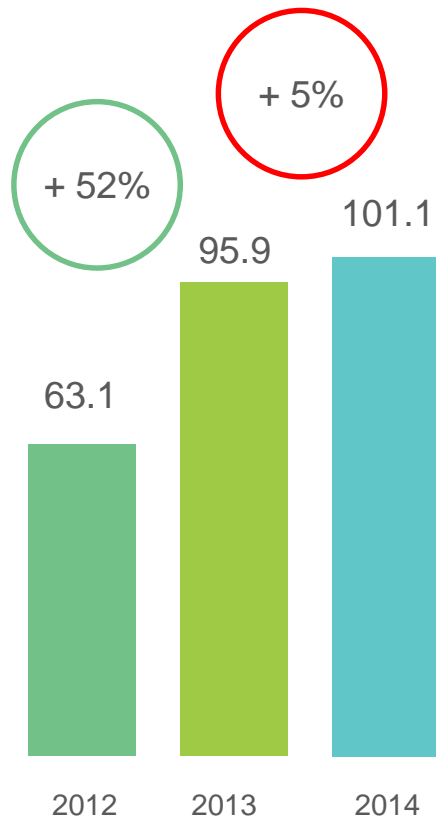
Revenue by activity



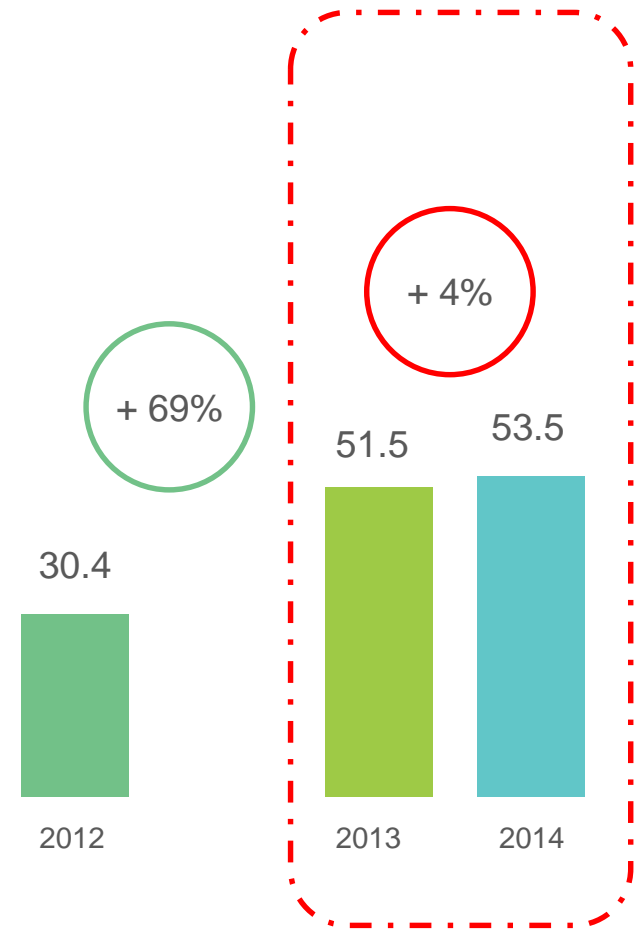
- Balance and recurrence of the Sales of electricity for own account activity
- Electricity buy-back contracts over the long term + geographic diversification
- Sales of electricity for own account = 86% of the consolidated revenue



Consolidated EBITDA



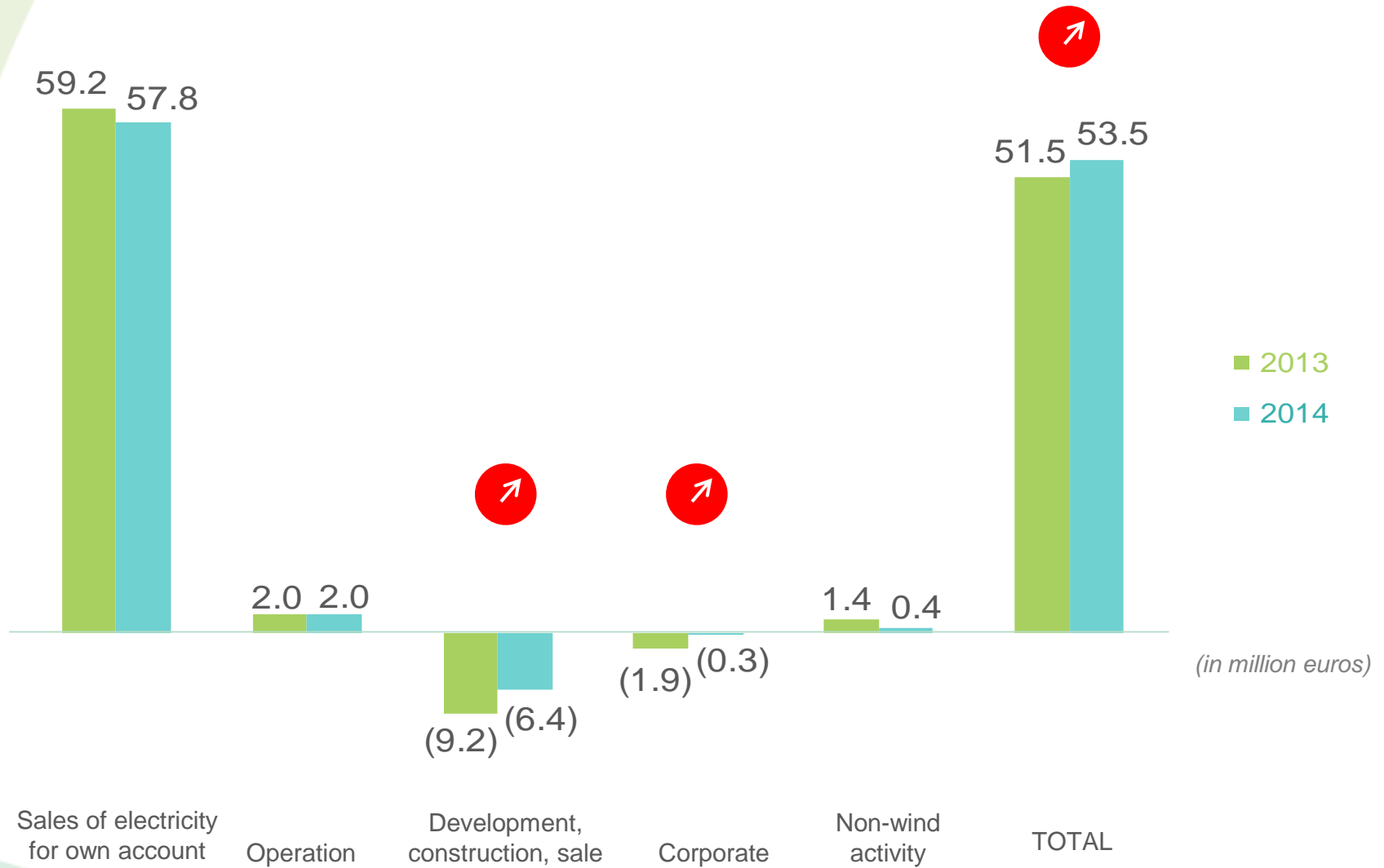
Consolidated revenue
(in million euros)



Consolidated EBITDA
(in million euros)



EBITDA by activity






From EBITDA to operating income

(in million euros)

	FY 2014	FY 2013
EBITDA	53.5	51.5
Amortization	(37.3)	(36.1)
Impairment	(6.5)	(16.0)
Other	(2.1)	(5.4)
Operating income	7.6	(6.0)

 The operating income is strongly improving



Financial income

(in million euros)

	FY 2014	FY 2013
Current financial income	(27.7)	(32.5)
Interest cost related to the convertible bond	(14.7)	(13.9)
Interest cost related to operating wind farms	(13.7)	(19.1)
Other	1.0	0.5
Non-current financial income	(2.0)	(7.2)
Depreciations of financial assets	(2.0)	(7.2)
Financial income	(29.5)	(39.7)

- 2014 interest cost related to the convertible bond: €4.2 m of interest cost + €10.5 m of non-cash IFRS cost
- Net reduction of interest relating to Breeze Two Energy's bond debt
- Significant reduction of financial asset depreciations



Consolidated income statement

<i>(in million euros)</i>	FY 2014	FY 2013
Revenue	101.1	95.9
EBITDA	53.5	51.5
Current operating income	16.4	15.7
Operating income	7.6	(6.0)
Financial income	(29.5)	(39.7)
Net income, Group share	(25.2)	(42.0)
Of which main non-recurring items	(8.5)	(24.6)
Of which additional IFRS cost for the convertible bond	(10.5)	(9.7)
Balance	(6.2)	(7.7)

Impairment (6.5) Fin. asset depreciations (2.0)	Impairment (16.0) Fin. asset depreciations (7.1)
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- “Balance 2014” mainly affected by unfavorable wind conditions



Balance sheet

<i>(in million euros)</i>	2014/12/31	2013/12/31
Goodwill	36.8	38.3
Tangible and intangible assets	500.0	544.9
Other assets	77.8	76.1
- Financial debt	(419.9)	(505.9)
+ Cash and cash equivalents	77.9	84.8
- Other liabilities	(144.5)	(136.9)
NET ASSETS	128.1	101.3
SHAREHOLDERS' EQUITY		



Financial debt structure

<i>(in million euros)</i>	2014/12/31	2013/12/31
Convertible bond	(67.8)	(119.0)
Project financing ⁽¹⁾, of which:	(325.6)	(370.6)
<i>Bank loans –THEOLIA’s wind farms ⁽¹⁾</i>	(123.4)	(147.1)
<i>Bonds - Breeze Two Energy’s wind farms ⁽¹⁾</i>	(202.2)	(223.5)
Other financial liabilities, of which:	(26.6)	(16.2)
<i>Derivative financial instruments (swap)</i>	(10.9)	(7.1)
<i>Other ⁽²⁾</i>	(15.7)	(9.1)
TOTAL FINANCIAL DEBT	(419.9)	(505.9)
Cash and cash equivalents	77.9	84.8
Other financial assets ⁽³⁾	16.0	11.6
NET FINANCIAL DEBT	(326.1)	(409.5)

- €83.4 m

⁽¹⁾ Debt without recourse on THEOLIA.

⁽²⁾ Shareholders’ loans and current accounts.

⁽³⁾ Loans and receivables granted to joint ventures accounted using the equity method.



Cash position

<i>(in million euros)</i>	2014/12/31	2013/12/31
Free cash	20.8	26.8
Cash reserved for SPVs	20.7	26.6
Pledged cash	36.4	31.5
TOTAL CASH AND CASH EQUIVALENTS	77.9	84.8

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

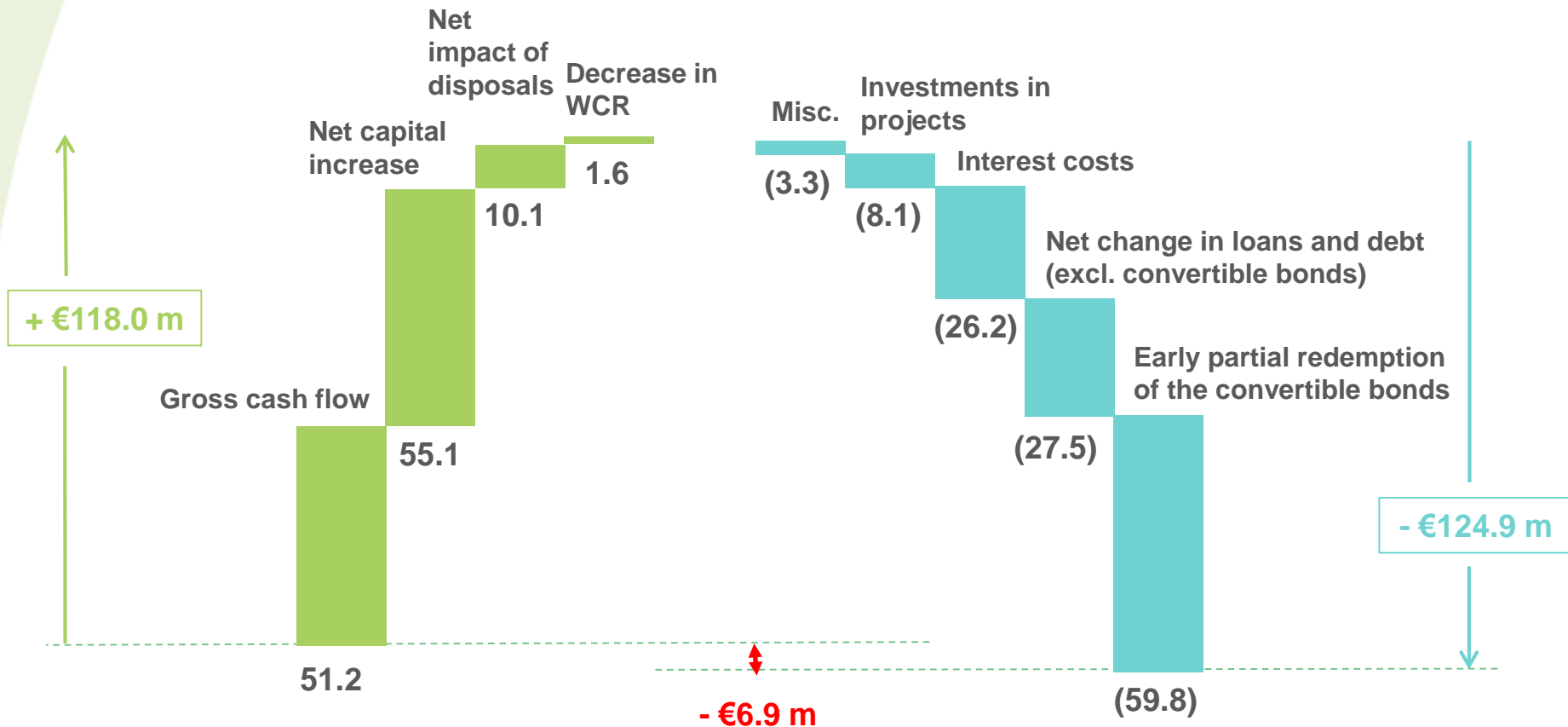
Cash reserved for SPVs: cash that SPVs can use freely for their operational expenses but which they are not able to upstream to holdings

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



Change in cash

(in million euros)



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- Conclusion and outlook