

Theolia becomes



2015 half-year financial report

# Agenda

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## THEOLIA BECOMES FUTUREN

A pioneer among independent renewable energy players, founded in 1999 and listed for trading in 2002, Theolia has lived through several phases: creation through acquisitions, the crisis, and then recovery.

Today, with its new identity, the Group is turning a new page. The name FUTUREN evokes the future and symbolizes the Group's clear positioning, strategy and business model.

Since 2010, under the leadership of the new CEO Fady Khallouf, the Group has focused on power production, an activity secured by long-term contracts at guaranteed rates. FUTUREN today is an integrated group that produces green electricity in four countries: Germany, France, Morocco and Italy.

Operating 882 MW of wind power for itself and on behalf of third parties, with more than 200 MW in projects authorized, either under construction or on the verge of construction in France and Morocco, FUTUREN today is a benchmark player among independent onshore wind power operators.

*"FUTUREN expresses our vision of the future. Renewable energy sources will be crucial for our future. With this new identity, we are affirming more than ever our ambition to participate in the sweeping changes in energy production that are already underway,"* says FUTUREN Chief Executive Officer Fady Khallouf.

## HALF-YEAR ACTIVITY REPORT

### 1 Key highlights of the first half of 2015

#### ***End of control over Breeze Two Energy***

The contract related to the control over Breeze Two Energy included put and call options, which may be exercised upon certain circumstances.

On May 22, 2015, THEOLIA exercised its put option in order to end control over Breeze Two Energy. Thus, the BGEI company, a wholly-owned subsidiary of THEOLIA, holding 70% of the Class C bonds of Breeze Two Energy as well as associated rights, was sold to the entity which had sold Breeze Two Energy's bonds to THEOLIA. As at the date of transfer of the BGEI securities, on June 3, 2015, THEOLIA ended control over Breeze Two Energy.

#### ***Further development in France***

In the first half of 2015, THEOLIA carried on the construction of the Haute Borne wind project, located on the territory of the towns of Languevoisin-Quiquery, Breuil and Billancourt, in the Somme French department. This project includes 7 wind turbines of 3 MW, bringing the total installed capacity of the future wind farm to 21 MW. According to the planned schedule, the wind farm is expected to be commissioned during the second half of 2015.

#### ***Appointment of Jérôme Louvet as Director***

The General Meeting of Shareholders held on Friday June 19, 2015 appointed Mr. Jérôme Louvet as Director for a period of three years.

#### ***Change in share capital***

During the first half of 2015, 233,568 shares were created following the exercise of stock warrants and 5,533 shares were created following the conversion of OCEANES.

As at June 30, 2015, 118,846,345 stock warrants and 8,221,290 OCEANES are outstanding.

### 2 The Group's business activity over the first half of 2015

The Group consolidated financial statements for the first half of 2015 were approved by the Board of Directors during its meeting on September 8, 2015, in the presence of the Statutory Auditors.

#### **PREAMBLE**

Given the end of control over Breeze Two Energy on June 3, 2015, the 2015 half-year financial statements include Breeze Two Energy as a discontinued activity, in accordance with IFRS 5.

During the first half of 2015, the Group reorganized its activities: as from 2015, the former activities "Development, construction, sale", "Operation" and "Corporate" are understood in their entirety. The two wind activities presented in the following consolidated financial statements are as follows:

- the **Sale of electricity** activity corresponds to sales of the electricity produced by wind farms held and controlled by the Group; and
- the **Development and management of wind farms** activity includes development, construction and operation of wind farms, as well as the sale of wind farms and projects to third parties.

## CONSOLIDATED INCOME STATEMENT

THEOLIA's consolidated income statements for the first half of 2015 and the first half of 2014 restated gather transactions relating to Breeze Two Energy on a dedicated line, above the net income, denominated "Net income for the period from discontinued activities". The figures presented below, from the revenue to the net income from continuing operations, therefore exclude Breeze Two Energy.

<i>(in thousand euros)</i>	First half of 2015	First half of 2014 (restated) <sup>(1)</sup>	First half of 2014 (published)
<b>Revenue</b>	29,797	29,500	51,684
<b>EBITDA</b> <sup>(2)</sup>	16,223	15,866	31,595
<b>Operating income</b>	6,181	409	7,771
<b>Financial income</b>	(5,558)	(11,327)	(17,144)
<b>Net income from continuing operations</b>	(387)	(11,512)	(9,968)
<b>Net income for the period from discontinued activities</b>	(530)	1,566	20
<b>Net income of the consolidated Group</b>	(917)	(9,946)	(9,946)
<b>Of which Group share</b>	(1,939)	(10,894)	(10,894)

(1) Restated for the accounting of Breeze Two Energy as a discontinued activity, in accordance with IFRS 5.

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

### • Consolidated revenue

THEOLIA's consolidated revenue (excluding Breeze Two Energy) reached 29.8 million euros for the first half of 2015, compared to 29.5 million euros for the first half of 2014, slightly increasing.

<i>(in thousand euros)</i>	Wind activities		Non-wind activity	Consolidated total
	Sales of electricity	Development and management of wind farms		
<b>First half of 2015</b>	26,018	3,779	-	29,797
<b>First half of 2014 restated</b> <sup>(1)</sup>	25,638	3,364	498	29,500
<b>Change</b>	<b>+ 1%</b>	<b>+ 12%</b>	<b>n/a</b>	<b>+ 1%</b>
<b>First half of 2014 published</b>	47,822	3,364	498	51,684

(1) Restated for the accounting of Breeze Two Energy as a discontinued activity, in accordance with IFRS 5.

As in the first quarter of 2015, wind conditions were globally favorable in the second quarter of 2015. Thus, the **Sales of electricity** activity recorded a revenue of 26.0 million euros for the first half of 2015, an increase of + 1% compared to the first half of 2014, despite the decrease in capacity operated for own account, following the sale of a 6 MW operating wind farm in August 2014. THEOLIA's main activity kept its balance and ensured a recurring revenue for the Group.

Generating wind power in 4 countries with different wind characteristics enables the Group to reduce the impact of unfavorable wind conditions in one country over a given period.

The Sales of electricity activity, which relies on 15- to 20-year electricity buy-back contracts, benefits from a recurring revenue and significant margins over the long term. This secure activity accounts for 87% of the consolidated revenue for the first half of 2015.

The revenue from the **Development and management of wind farms** activity registered a + 12% increase for the first half of 2015. Favorable wind conditions, notably in Germany, allowed to increase the revenue generated by the operation of wind farms for the account of third parties. During the first half of 2015, THEOLIA did not sale any wind farm or project.

The Group does no longer register any non-wind activity since the disposal of the solar park on May 30, 2014.

Taking into account a high basis for comparison, the consolidated revenue for the first half of 2015 was up by + 1% compared to the first half of 2014. The increase in wind activities, supported by globally favorable wind conditions over the first half of 2015, compensated the shutdown of the non-wind activity.

## • EBITDA

THEOLIA's consolidated EBITDA (excluding Breeze Two Energy) reached 16.2 million euros for the first half of 2015, compared to 15.9 million euros for the first half of 2014, slightly increasing.

<i>(in thousand euros)</i>	Wind activities		Non-wind activity	Consolidated total
	Sales of electricity	Development and management of wind farms		
<b>First half of 2015</b>	18,910	(2,688)	-	16,223
<b>First half of 2014 restated <sup>(1)</sup></b>	18,752	(3,269)	383	15,866
<b>Change</b>	<b>+ 1%</b>	<b>+ 18%</b>	<b>n/a</b>	<b>+ 2%</b>
<b>First half of 2014 published</b>	34,215	(3,002)	383	31,595

(1) Restated for the accounting of Breeze Two Energy as a discontinued activity, in accordance with IFRS 5.

Following the same trend as the revenue, the EBITDA from the **Sales of electricity** activity amounted to 18.9 million euros for the first half of 2015, in line with the first half of 2014, despite the decrease in capacity operated for own account, following the sale of a 6 MW operating wind farm in August 2014.

The EBITDA/revenue margin for the main activity of the Group reached 73% for the first half of 2015.

The EBITDA from the **Development and management of wind farms** activity improved over the first half of 2015, despite the fact that no wind farm or project was sold to third parties over the period. The activity notably benefited from a staff cost and subcontracting cost decrease.

The EBITDA followed the same trend as the revenue, demonstrating the stability of operating expenses. The EBITDA/revenue margin reached 54% for the first half of 2015.

## • Operating income

THEOLIA's operating income (excluding Breeze Two Energy) reached 6.2 million euros for the first half of 2015, compared to 409 thousand euros for the first half of 2014, a very strong increase.

<i>(in thousand euros)</i>	First half of 2015	First half of 2014 (restated) <sup>(1)</sup>	First half of 2014 (published)
<b>EBITDA <sup>(2)</sup></b>	16,223	15,866	31,595
<b>Amortization</b>	(10,100)	(10,440)	(18,806)
<b>Impairment</b>	(31)	(4,000)	(4,000)
<b>Other</b>	89	(1,017)	(1,018)
<b>Operating income</b>	6,181	409	7,771

(1) Restated for the accounting of Breeze Two Energy as a discontinued activity, in accordance with IFRS 5.

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

The vast majority of amortization is related to wind farms held and controlled by the Group. With a slightly decreased installed capacity following the sale of a 6 MW operating wind farm in August 2014, amortization is slightly decreasing.

The Group did not record any impairment during the first half of 2015. It is reminded that the Group had recorded impairment in the amount of 4.0 million euros during the first half of 2014, in order to take into account the worsening situation of some investments performed before 2009 in Italy.

Without any impact of impairment linked to the past, the operating income increased very strongly, reflecting the performance of the operating activities. The operating income/revenue margin reached 21% for the first half of 2015.

- **Financial income**

THEOLIA's financial income (excluding Breeze Two Energy) represented a net cost of 5.6 million euros for the first half of 2015, compared to a net cost of 11.3 million euros for the first half of 2014, a very strong increase.

<i>(in thousand euros)</i>	<b>First half of 2015</b>	<b>First half of 2014 (restated) <sup>(1)</sup></b>	<b>First half of 2014 (published)</b>
<b>Net interest cost related to the convertible bond</b>	(1,991)	(7,529)	(7,529)
<i>of which accrued interests</i>	(1,897)	(2,094)	(2,094)
<i>of which additional interest cost</i>	(94)	(5,435)	(5,435)
<b>Net interest cost related to operating wind farm financing</b>	(2,992)	(3,547)	(9,436)
<b>Other</b>	(575)	(251)	(179)
<b>Financial income</b>	(5,558)	(11,327)	(17,144)

(1) Restated for the accounting of Breeze Two Energy as a discontinued activity, in accordance with IFRS 5.

Accrued interests related to the convertible bond amounted to 1.9 million euros for the first half of 2015, compared to 2.1 million euros for the first half of 2014.

Following the financial restructuring carried out at the end of 2014, the Company almost no longer records any additional interest cost due to the convertible nature of the bond. This cost amounted to 5.4 million euros for the first half of 2014.

The decrease in the net interest cost related to operating wind farm financing over the semester is partly due to the normal repayment of project financing, reducing over the years, the corresponding interest cost, and partly due to the decrease in installed capacity, following the sale of a 6 MW operating wind farm in August 2014.

The Group financial income registered a very strong increase. The net cost decreased by 5.8 million euros between the first half of 2014 and the first half of 2015, mainly thanks to the success of financial restructuring carried out at the end of 2014.

- **Net income from continuing operations**

The net income from continuing operations represents THEOLIA's net income, before impact of discontinued activities, that is to say essentially excluding Breeze Two Energy and Ecoval 30.

The net income from continuing operations (excluding Breeze Two Energy) almost reached break-even for the first half of 2015, recording a loss of 387 thousand euros, compared to a loss of 11.5 million euros for the first half of 2014.

- **Net income of the consolidated Group**

After impact of discontinued activities, the net income of the consolidated Group for the first half of 2015 is a loss of 917 thousand euros, compared to a loss of 9.9 million euros for the first half of 2014.

## DEBT AND CASH POSITION

Following the deconsolidation of Breeze Two Energy as at June 3, 2015, the debt and cash position as at June 30, 2015 presented below exclude Breeze Two Energy. In contrast, the debt and cash position as at December 31, 2014 presented below include Breeze Two Energy.

The Group's net financial debt reached 128.5 million euros as at June 30, 2015, a decrease of 197.6 million euros over the first half of 2015. On the one hand, the deconsolidation of Breeze Two Energy during the period led to the decrease in net debt of 183.3 million euros; on the other hand, net debt related to THEOLIA (excluding Breeze Two Energy) decreased by 14.2 million euros over the first half of 2015.

<i>(in thousand euros)</i>	<b>2015/06/30</b>	<b>2014/12/31</b>
<b>Operating wind farm financing</b>	(117,266)	(325,573)
<i>of which THEOLIA</i>	(117,266)	(123,417)
<i>of which Breeze Two Energy</i>	-	(202,156)
<b>Convertible bond (OCEANEs)</b>	(67,098)	(67,791)
<b>Other financial liabilities</b>	(25,507)	(26,583)
<b>Cash and cash equivalents</b>	65,133	77,881
<i>of which THEOLIA</i>	65,133	59,066
<i>of which Breeze Two Energy</i>	-	18,815
<b>Other financial assets</b>	16,254	16,007
<b>Net financial debt</b>	(128,484)	(326,059)
<i>of which THEOLIA</i>	(128,484)	(142,728)
<i>of which Breeze Two Energy</i>	-	(183,331)

Project financing related to wind farms held and controlled by THEOLIA fell by 6.2 million euros over the half year, mainly reflecting normal amortization. This project financing debt is non-recourse or with limited recourse against the parent company. Each special purpose vehicle holding a wind farm directly takes out financing with the bank and ensures reimbursement through the cash flows generated by the operation of the wind farm.

On the contrary, THEOLIA's cash position (excluding Breeze Two Energy) increased by 6.1 million euros over the semester, cash inflows generated by operating activities largely covered investments, net reimbursements of borrowings and payment of interests over the period.

<i>(in thousand euros)</i>	<b>2015/06/30</b>	<b>2014/12/31</b>
Cash related to Breeze Two Energy	-	18,815
Cash related to THEOLIA (excluding Breeze Two Energy)	65,133	59,066
<i>of which free cash</i>	17,903	20,768
<i>of which cash reserved for special purpose vehicles</i>	25,196	15,626
<i>of which pledged cash</i>	22,034	22,672
<b>Total cash and cash equivalents</b>	65,133	77,881

The other elements composing the net debt (convertible bond, other financial liabilities and other financial assets) are almost stable over the period.



### 3 Significant events after the date of closing of the half-year financial statements

#### ***Group further development in France***

In July 2015, THEOLIA signed a contract for the purchase of 9 wind turbines for the Chemin Perré project, located on the Nogentais community of communes, on the territory of the towns of Montpothier and Villenauxe-la-Grande, in the Aube French department. The contract also includes associated maintenance services, securing the costs of maintenance over fifteen years.

The unit capacity of the selected wind turbine model reached 2 MW, bringing the total installed capacity of the wind farm to 18 MW.

The future wind farm will generate green electricity that will cover the domestic electricity needs of approximately 21,000 households each year.

Commissioning is expected during the second half of 2016.

#### ***Change in share capital***

During July and August 2015, 522,473 shares were created following the exercise of stock warrants.

### 4 Main risks and uncertainties for the second half of 2015

The risk factors that the Company is facing for the second half of 2015 are of the same nature as those exposed in section 4.4 of the Company's 2014 Registration Document (pages 87 to 99), filed with the AMF on April 29, 2015.

### 5 Main transactions between related parties

During the first half of 2015, relations between the THEOLIA Group and the related parties were comparable to those of 2014. Specifically, no transactions that were unusual in terms of their nature or amount, occurred during this period.

## CONSOLIDATED HALF-YEAR SUMMARY FINANCIAL STATEMENTS

### 1 Income statement

<i>(in thousand euros)</i>	Notes	2015/06/30	2014/06/30 Restated	2014/06/30 Published
<b>Revenue</b>	4	29,797	29,500	51,684
Change in inventories of finished goods and work in progress		(1,884)	(1,671)	(1,847)
External expenses		(8,567)	(8,345)	(14,692)
Tax		(866)	(836)	(980)
Staff costs		(3,542)	(4,331)	(4,333)
Operating provisions	8	646	1,128	1,128
Other operating income and expenses		638	421	634
<b>EBITDA</b>	4	16,223	15,866	31,595
Amortization	5.4	(10,100)	(10,440)	(18,806)
Current provisions	8	(146)	149	150
<b>Current operating income</b>		5,977	5,575	12,939
Non-current provisions		40	239	239
Other non-current income and expenses		(305)	(978)	(980)
Share in income of joint ventures and associates	9	500	(427)	(427)
<b>Operating income (before impairment)</b>		6,212	4,409	11,771
Impairment		(31)	(4,000)	(4,000)
<b>Operating income (after impairment)</b>		6,181	409	7,771
Cost of net financial debt	6.4	(5,019)	(11,386)	(17,275)
Other financial income		1,078	1,451	1,563
Other financial expenses		(1,617)	(1,392)	(1,432)
<b>Financial income</b>		5,558	(11,327)	(17,144)
Corporate tax expenses		(1,010)	(594)	(594)
<b>Net income from continuing operations</b>		(387)	(11,512)	(9,968)
Net income for the period from discontinued activities	3.2	(530)	1,566	20
<b>NET INCOME OF THE CONSOLIDATED GROUP</b>		(917)	(9,946)	(9,946)
of which Group share		(1,939)	(10,894)	(10,894)
of which non-controlling interests		1,023	949	949
Earnings and diluted earnings per share of the consolidated Group (in euros)		(0.01)	(0.17)	(0.17)

2014 comparative figures have been restated to include the impact of the application of IFRS 5 concerning discontinued operations following the end of control over Breeze Two Energy (see note 3).

### 2 Comprehensive income

<i>(in thousand euros)</i>	2015/06/30	2014/06/30 Restated	2014/06/30 Published
<b>Net income of the consolidated Group</b>	(917)	(9,946)	(9,946)
Fair value of derivative instruments	1,963	(1,895)	(1,895)
Currency translation adjustments	441	(148)	(148)
Deferred tax	(475)	-	-
<b>Items reclassifiable to net income</b>	1,929	(2,043)	(2,043)
Actuarial gains and losses on retirement benefit obligation	-	-	-
Deferred tax	-	-	-
<b>Items not reclassifiable to net income</b>	-	-	-
<b>COMPREHENSIVE INCOME</b>	1,012	(11,989)	(11,989)
Earnings and diluted earnings per share of the consolidated Group (in euros)	0.01	(0.18)	(0.18)

2014 comparative figures have been restated to include the impact of the application of IFRS 5 concerning discontinued operations following the end of control over Breeze Two Energy (see note 3).

### 3 Balance-sheet

<i>(in thousand euros)</i>	Notes	2015/06/30	2014/12/31
Goodwill	5.1	36,853	36,853
Intangible assets	5.2	43,310	57,409
Tangible assets	5.3	235,713	442,556
Investments in joint ventures and associates	9.1	-	-
Non-current financial assets		20,322	20,213
Deferred tax assets		5,393	5,801
<b>Non-current assets</b>		<b>341,591</b>	<b>562,832</b>
Inventories and work in progress	7	4,276	4,933
Trade and other receivables		10,490	24,537
Other current assets		10,632	12,724
Current financial assets		448	447
Cash and cash equivalents	6.3	65,133	77,881
<b>Current assets</b>		<b>90,979</b>	<b>120,521</b>
Assets classified as held for sale		9,411	9,158
<b>TOTAL ASSETS</b>		<b>441,981</b>	<b>692,511</b>
<i>(in thousand euros)</i>	Notes	2015/06/30	2014/12/31
Share capital	10.1	18,552	18,528
Share premiums		348,902	348,781
Retained earnings		(217,934)	(194,548)
Net income of the consolidated scope, Group share		(1,939)	(25,221)
<b>Shareholders' equity, Group share</b>		<b>147,581</b>	<b>147,540</b>
Non-controlling interests	10.2	(230)	(19,391)
<b>Shareholders' equity</b>		<b>147,351</b>	<b>128,149</b>
Non-current financial liabilities	6.1	190,391	383,660
Provisions - non-current share	8	30,055	39,513
Retirement benefit obligation		224	227
Deferred tax liabilities		13,448	59,922
Other non-current liabilities		3,417	6,464
<b>Non-current liabilities</b>		<b>237,535</b>	<b>489,786</b>
Current financial liabilities	6.1	19,480	36,286
Provisions - current share	8	-	-
Trade and other payables		28,866	29,018
Tax and social security liabilities		3,112	4,231
Current corporate tax liabilities		759	263
<b>Current liabilities</b>		<b>52,217</b>	<b>69,798</b>
Liabilities directly associated with assets classified as held for sale		4,878	4,778
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>441,981</b>	<b>692,511</b>

## 4 Cash flow statement

<i>(in thousand euros)</i>	2015/06/30	2014/06/30 Restated	2014/06/30 Published
<b>Net income of the consolidated Group</b>	(917)	(9,946)	(9,946)
Net income from discontinued activities	(530)	(1,259)	20
Elimination of amortization, depreciation and provisions	10,833	13,609	21,975
Elimination of change in deferred tax	475	592	592
Elimination of capital gains/losses from disposals	153	48	48
Elimination of the share in income of joint ventures and associates	(500)	427	427
Financial expenses	4,452	11,027	16,917
Other income and expenses with no effect on cash	1,995	835	835
<b>Gross cash flow</b>	<b>15,960</b>	<b>15,334</b>	<b>30,868</b>
Change in working capital requirements	4,410	8,614	8,528
Corporate tax paid	(281)	(900)	(900)
Cash flows from discontinued activities	13,646	15,209	(239)
<b>Net cash flow from operating activities</b>	<b>33,735</b>	<b>38,257</b>	<b>38,257</b>
Acquisitions of fixed assets	(3,508)	(3,789)	(4,170)
Disposals of fixed assets	164	7,945	8,326
Change in loans granted	91	(2,508)	(2,508)
Net effect of change in scope of consolidation (acquisitions/disposals)	(19,723)	1,916	1,916
<b>Net cash flow from investing activities</b>	<b>(22,976)</b>	<b>3,564</b>	<b>3,564</b>
Treasury shares	217	-	-
Increase (decrease) in share capital	140	-	-
Loan and other debt subscriptions	10,528	12,496	12,496
Repayments of loans and other debt	(15,834)	(16,527)	(24,627)
Interest paid	(5,810)	(8,163)	(14,772)
Cash flows from discontinued activities	(12,748)	(14,708)	-
<b>Net cash flow from financing activities</b>	<b>(23,507)</b>	<b>(26,904)</b>	<b>(26,904)</b>
Effect of change in exchange rates	4	16	16
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(12,744)</b>	<b>14,934</b>	<b>14,934</b>

2014 comparative figures have been restated to include the impact of the application of IFRS 5 concerning discontinued operations following the end of control over Breeze Two Energy (see note 3).

## 5 Statement of changes in shareholders' equity

<i>(in thousand euros)</i>	Share capital	Share premiums	Currency translation adjustments	Change in fair value and other	Consolidated reserves and income	Shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
<b>As at 2013/12/31 (published)</b>	90,853	305,664	1,166	(2,191)	(267,544)	127,947	(17,070)	110,877
Impact related to IFRSs 10 and 11 enforcement					(10,170)	(10,170)	596	(9,574)
<b>As at 2014/01/01 (restated)</b>	90,853	305,664	1,166	(2,191)	(277,714)	117,777	(16,474)	101,303
Expenses and income directly recorded under shareholders' equity			(148)	(1,304)		(1,452)	(591)	(2,043)
Net income of the consolidated scope, Group share					(10,894)	(10,894)	949	(9,945)
<b>Comprehensive income</b>	-	-	(148)	(1,304)	(10,894)	(12,347)	358	(11,989)
Bond conversions	3	3				6		6
Share-based payments					398	398		398
Transactions between shareholders					(21)	(21)	21	-
Other reclassifications					(4)	(4)	(17)	(21)
<b>As at 2014/06/30</b>	90,856	305,667	1,018	(3,495)	(288,236)	105,808	(16,112)	89,697
Expenses and income directly recorded under shareholders' equity			738	(129)		609	(543)	66
Net income of the consolidated scope, Group share					(14,327)	(14,327)	(2,778)	(17,105)
<b>Comprehensive income</b>	-	-	738	(129)	(14,327)	(13,718)	(3,321)	(17,039)
Increase in share capital	11,955	47,819				59,774		59,774
Decrease in share capital	(84,366)				84,366	-		-
Expenses paid for increase in share capital		(4,652)				(4,652)		(4,652)
Bond conversions	3	28				31		31
Share-based payments	80	(80)			259	259		259
Treasury shares					35	35		35
Transactions between shareholders					12	12	7	19
Other reclassifications					(12)	(12)	35	23
<b>As at 2014/12/31</b>	18,528	348,781	1,756	(3,624)	(217,901)	147,540	(19,391)	128,149
Expenses and income directly recorded under shareholders' equity			441	1,188		1,629	300	1,929
Net income of the consolidated scope, Group share					(1,939)	(1,939)	1,023	(916)
<b>Comprehensive income</b>	-	-	441	1,188	(1,939)	(310)	1,323	1,013
Increase in share capital	23	117				140		140
Bond conversions	1	4				5		5
Treasury shares					217	217		217
Transactions between shareholders					(11)	(11)	9	(2)
Other reclassifications					0	0	17,828	17,828
<b>AS AT 2015/06/30</b>	18,552	348,902	2,197	(2,436)	(219,634)	147,581	(231)	147,350

The "Other reclassifications" item refers to the impact of the deconsolidation of Breeze Two Energy on the amount of non-controlling interests.

## 6 Notes to the consolidated half-year summary financial statements

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## Note 1. General information

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THEOLIA (the “Company”) is a French Public Limited Company which registered office is located in Aix-en-Provence, France. The Company and its subsidiaries (the “Group”) form an integrated industrial operator involved at each stage of wind project development. The Group’s expertise covers the entire wind value chain: prospecting, development, construction and operation of wind farms. The Group’s activities are primarily in Europe.

The Company is listed on the Euronext Paris market, Compartment C.

The Company closes its annual accounts on December 31. The period for which the financial statements are presented began on January 1, 2015 and ended on June 30, 2015.

The Group’s summary financial statements were approved by the Board of Directors on September 8, 2015.

The explanatory notes below are provided with the presentation of the consolidated financial statements and are an integral part of the statements.

The financial statements are presented in thousands of euros, unless otherwise indicated.

## Note 2. Accounting principles and valuation methods

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### 2.1 Accounting standards implemented

In accordance with European regulation No.1606/2002 dated July 19, 2002, the THEOLIA Group’s consolidated summary financial statements as at June 30, 2015 have been prepared in accordance with IFRSs (International Financial Reporting Standards) as adopted by the European Union and as published by the IASB at that date.

The summary consolidated financial statements are established using the accounting principles and methods applied by the Group to the financial statements for fiscal year 2014 (described in note 2 to the consolidated financial statements as at December 31, 2014), with the exception of the following standards and amendments to the standards applicable as from January 1, 2015:

- IFRIC 21 “Levies”;
- IFRS improvements - 2011 – 2013 cycle:
  - **IFRS 1:** Meaning of effective IFRSs;
  - **IFRS 3:** Scope exception for joint ventures;
  - **IFRS 13:** clarification concerning the scope of the portfolio exception accounted on a net basis;
  - **IAS 40:** Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

These improvements and interpretations have no impact on these financial statements.

### 2.2 Basis for preparing the financial statements

The summary half-year financial statements for the period ended on June 30, 2015 are presented and have been prepared on the basis of the IAS 34 “Interim financial reporting”.

Interim financial statements do not include all the information required by the IFRS principles for the preparation of consolidated financial statements. These notes may therefore be completed by reading THEOLIA’s financial statements published for the year ended on December 31, 2014.

IFRS principles require the retrospective change in the published comparative information, especially in case of application of IFRS 5 - Non-current assets held for sale and discontinued operations. When necessary, the notes present the published and restated comparative information.

### 2.3 Use of estimates

The preparation of the half-year financial statements, in compliance with the conceptual framework of IFRSs, implies the use of estimates and assumptions which could have an impact on the amounts of certain assets, liabilities, income and expenses shown in the statements. The key assumptions are as follows:

- likelihood of success and commissioning of the wind projects;
- operating and discounting assumptions applied in the valuation models;
- capacity to secure financing for the wind projects.

The financial statements and information subject to significant estimates notably relate to intangible assets, tangible assets, goodwill, other non-current assets, derivative financial instruments, provisions for risks and charges and deferred tax assets.

Since these assumptions are uncertain in nature, actual performance may differ from these estimates. The Group regularly reviews its estimates and evaluations in order to take into account its past experience and factors considered as relevant due to the economic context.

These items were explained in detail in the 2014 Registration Document published on April 29, 2015.

## Note 3. Scope of consolidation

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### 3.1 Consolidated entities

For the first half of 2015, the scope of consolidation included, in addition to the parent company:

- 99 companies subject, directly or indirectly, to exclusive control; and
- 5 companies in which it has a significant influence.

### 3.2 Assets and liabilities held for sale and discontinued activities

#### ***Assets and liabilities held for sale***

Since the sale of the Seres Environnement company and its subsidiaries in March 2014, the entities held for sale concern Ecoval 30 and its parent company. The Board of Directors, in its meeting dated March 31, 2015, confirmed the Group's will to dispose of the Ecoval 30 company.

All transactions for the fiscal year pertaining to the environmental division were grouped on the income statement line entitled "Net income for the period from discontinued activities". Assets and liabilities were grouped together in a line on the balance-sheet "Assets classified as held for sale/Liabilities directly associated with assets classified as held for sale".

Asset values were depreciated based on probable sales prices. A depreciation of (4,380) thousand euros appeared in this respect as at the closing of fiscal year 2014. As at June 30, 2015, this provision was readjusted to take into account changes in net assets: a (153) thousand euro provision was recorded.

#### ***Discontinued activities***

As stated in THEOLIA's 2012 Registration Document, the transaction signed with Loach on January 31, 2013 regarding Breeze Two Energy GmbH and Co.KG ("Breeze Two Energy") included put and call options, which may be exercised upon certain circumstances provided for in the contractual documentation.



Over the initial period, the new management implemented strategies to transform and optimize Breeze Two Energy. However, in the light of the updated analysis of Breeze Two Energy fundamentals on the basis of the transaction conditions, THEOLIA exercised, on May 22, 2015, its put option by the sale, to Loach, of BGEI, the company holding 70% of the Class C bonds as well as associated rights.

This decision of THEOLIA, which led to the end of control over Breeze Two Energy, is materialized by the Board of Directors of BGEI of June 3, 2015, recognizing the transfer of BGEI securities. As from that date, Breeze Two Energy is no longer consolidated in the Group financial statements.

The sale is concerned by the application of IFRS 5 relating to discontinued operations. The half-year consolidated financial statements consolidate Breeze Two Energy over 5 months. Income and expenses generated by Breeze Two Energy over 5 months are presented on a single line named "Net income for the period from discontinued activities" as at June 30, 2015. The comparative period as at June 30, 2014 was also restated.

#### Income statement as at June 30, 2015

<i>(in thousand euros)</i>	THEOLIA Group pre-IFRS 5 2015/06/30	IFRS 5 restatements Environment activities	IFRS 5 restatements Breeze Two Energy	THEOLIA Group restated for IFRS 5 2015/06/30
<b>Revenue</b>	52,424	(2,364)	(20,263)	29,797
<b>EBITDA</b>	31,133	(365)	(14,545)	16,223
Current operating income	13,909	(358)	(7,574)	5,977
Impairment	(31)			(31)
<b>Operating income</b>	14,179	(329)	(7,668)	6,182
Financial income	(9,680)	65	4,058	(5,558)
<b>Net income from continuing operations</b>	1,212	(274)	(1,324)	(387)
Net income for the year from discontinued activities	(2,128)	274	1,324	(530)
<b>NET INCOME OF THE CONSOLIDATED GROUP</b>	(916)	-	-	(916)

#### Income statement as at June 30, 2014

<i>(in thousand euros)</i>	THEOLIA Group pre-IFRS 5 2014/06/30	IFRS 5 restatements Environment activities	IFRS 5 restatements Breeze Two Energy	THEOLIA Group restated for IFRS 5 2014/06/30
<b>Revenue</b>	53,805	(2,121)	(22,184)	29,500
<b>EBITDA</b>	31,716	(120)	(15,730)	15,866
Current operating income	12,931	8	(7,364)	5,575
Impairment	(4,000)			(4,000)
<b>Operating income</b>	7,747	24	(7,363)	409
Financial income	(17,219)	76	5,817	(11,327)
<b>Net income from continuing operations</b>	(10,064)	98	(1,546)	(11,512)
Net income for the period from discontinued activities	0	20	1,546	1,566
<b>NET INCOME OF THE CONSOLIDATED GROUP</b>	(10,064)	118	-	(9,946)
of which Group share	(11,013)	118		(10,894)
of which non-controlling interests	949			949

#### Note 4. Sector information

Until December 31, 2014, the following operating sectors were presented:

- Sales of electricity for own account activity;
- Development, construction, sale activity;
- Operation activity;
- Non-wind activity ;
- Corporate activity.

During the first half of 2015, the Group changed its organization and internal reporting. Furthermore, the non-wind sector does no longer register any activity (excluding activities held for sale) since the disposal of the solar park in 2014.

Consequently:

- the Development, construction, sale and Operation sectors have been grouped to form the Development and management of wind farms sector;
- the Corporate activity has been included in the Development and management of wind farms sector;
- the non-wind activity is no longer presented as from fiscal year 2015.

The two wind activities presented in the consolidated financial statements are as follows:

- the **Sale of electricity** activity corresponds to sales of the electricity produced by wind farms held and controlled by the Group; and
- the **Development and management of wind farms** activity includes development, construction and operation of wind farms, as well as the sale of wind farms and projects to third parties.

### Information as at June 30, 2015

Income statement (in thousand euros)	Wind activities		TOTAL
	Sales of electricity	Development and management of wind farms	
Revenue			
France	10,638	210	10,847
Germany	9,889	3,197	13,087
Italy	1,602	146	1,748
Morocco	3,889	-	3,889
Other countries	-	226	226
<b>TOTAL</b>	<b>26,018</b>	<b>3,779</b>	<b>29,797</b>
<b>EBITDA</b>	<b>18,910</b>	<b>(2,687)</b>	<b>16,223</b>
<b>Current operating income</b>	<b>9,168</b>	<b>(3,191)</b>	<b>5,977</b>
<b>OPERATING INCOME</b>	<b>9,684</b>	<b>(3,502)</b>	<b>6,182</b>

### Information as at June 30, 2014

Sector information as at June 30, 2014 has been restated to take into account the application of IFRS 5 (discontinued operations) following the deconsolidation of Breeze Two Energy. This information has also been restated for the change in operating sectors.

Income statement (in thousand euros)	Wind activities			TOTAL
	Sales of electricity	Development and management of wind farms	Non-wind activity	
Revenue				
France	11,022	196	-	11,218
Germany	10,016	2,857	498	13,371
Italy	1,376	154	-	1,530
Morocco	3,225	-	-	3,225
Other countries	-	157	-	157
<b>TOTAL</b>	<b>25,638</b>	<b>3,364</b>	<b>498</b>	<b>29,500</b>
<b>EBITDA</b>	<b>18,752</b>	<b>(3,269)</b>	<b>383</b>	<b>15,866</b>
<b>Current operating income</b>	<b>8,857</b>	<b>(3,427)</b>	<b>145</b>	<b>5,575</b>
<b>OPERATING INCOME</b>	<b>8,828</b>	<b>(8,564)</b>	<b>145</b>	<b>409</b>

## Note 5. Goodwill and fixed assets

### 5.1 Goodwill

<i>(in thousand euros)</i>	2015/06/30			2014/12/31
	Gross amount	Impairment	Net amount	Net amount
Development and management of wind farms in France	11,309	(93)	11,217	11,217
Development and management of wind farms in Germany	132,489	(112,144)	20,345	20,345
Development and management of wind farms in Italy	9,722	(9,723)	-	-
Development and management of wind farms in Spain	1,645	(1,645)	-	-
Sales of electricity	36,346	(31,056)	5,292	5,292
Corporate activity	1,709	(1,709)	-	-
<b>TOTAL</b>	<b>193,221</b>	<b>(156,369)</b>	<b>36,853</b>	<b>36,853</b>

The Group reviewed its assets with regard to IAS 36 and did not identify any impairment factor as at June 30, 2015.

### 5.2 Intangible assets

<i>(in thousand euros)</i>	Projects under development	Development costs	Software and similar rights	Other intangible assets	TOTAL
<b>Gross amounts as at 2015/01/01</b>	<b>45,207</b>	<b>32,241</b>	<b>1,034</b>	<b>68,696</b>	<b>147,178</b>
Acquisitions and internally generated fixed assets	773	-	87	-	860
Disposals	-	(17,187)	(30)	-	(17,217)
Currency translation adjustments	3	-	(1)	367	369
Other changes	1,252	-	-	-	1,252
<b>GROSS AMOUNTS AS AT 2015/06/30</b>	<b>47,235</b>	<b>15,054</b>	<b>1,090</b>	<b>69,063</b>	<b>132,442</b>
<b>Total depreciation and amortization as at 2015/01/01</b>	<b>(37,383)</b>	<b>(8,138)</b>	<b>(867)</b>	<b>(43,380)</b>	<b>(89,768)</b>
Amortization	(19)	(248)	(26)	(2,004)	(2,297)
Depreciations/Reversals on impairment	(17)	-	-	-	(17)
Reversals on disposals	-	4,078	16	-	4,094
Currency translation adjustments	-	-	2	(257)	(255)
Other changes	(436)	-	-	-	(436)
Reclassification of discontinued activities	-	(452)	-	-	(452)
<b>TOTAL DEPRECIATION AND AMORTIZATION AS AT 2015/06/30</b>	<b>(37,855)</b>	<b>(4,760)</b>	<b>(875)</b>	<b>(45,641)</b>	<b>(89,131)</b>
<b>NET AMOUNTS AS AT 2015/01/01</b>	<b>7,824</b>	<b>24,103</b>	<b>167</b>	<b>25,316</b>	<b>57,410</b>
<b>NET AMOUNTS AS AT 2015/06/30</b>	<b>9,380</b>	<b>10,294</b>	<b>215</b>	<b>23,422</b>	<b>43,311</b>

Intangible assets mainly include:

- development costs incurred to obtain the authorizations needed for the construction and operation of wind projects currently under development (“Projects under development” item);
- development costs incurred to obtain the authorizations needed for the construction and operation of wind farms currently in operation (“Development costs” item); and
- operating rights for the wind farm located in Morocco as part of a concession granted by the Moroccan government (included in the “Other intangible assets” item).

Disposals and reversals on disposals concern development costs regarding Breeze Two Energy’s wind farms, which were deconsolidated over the period.

## 5.3 Tangible assets

<i>(in thousand euros)</i>	Land	Fittings & fixtures	Projects under construction	Technical facilities (1)	Other tangible assets	TOTAL
Gross amounts as at 2015/01/01	6,272	4,092	31,586	776,347	2,834	821,131
Acquisitions and internally generated fixed assets	-	-	7,181	-	174	7,355
Disposals	-	-	-	(437,137)	(40)	(437,177)
Currency translation adjustments	-	1	-	2	(5)	(2)
Other changes	-	-	(174)	-	-	(174)
<b>GROSS AMOUNTS AS AT 2015/06/30</b>	<b>6,272</b>	<b>4,093</b>	<b>38,593</b>	<b>339,212</b>	<b>2,963</b>	<b>391,133</b>
Total depreciation and amortization as at 2015/01/01	(1,177)	(2,689)	(14,889)	(357,073)	(2,746)	(378,574)
Amortization	-	(154)	-	(7,622)	(28)	(7,804)
Depreciations for impairment	-	-	(37)	-	22	(15)
Reversals on disposals	-	-	-	237,470	18	237,488
Currency translation adjustments	-	(1)	-	(1)	5	3
Reclassification of discontinued activities	-	-	-	(6,518)	-	(6,518)
<b>TOTAL DEPRECIATION AND AMORTIZATION AS AT 2015/06/30</b>	<b>(1,177)</b>	<b>(2,844)</b>	<b>(14,926)</b>	<b>(133,744)</b>	<b>(2,729)</b>	<b>(155,420)</b>
<b>NET AMOUNTS AS AT 2015/01/01</b>	<b>5,095</b>	<b>1,403</b>	<b>16,697</b>	<b>419,274</b>	<b>88</b>	<b>442,556</b>
<b>NET AMOUNTS AS AT 2015/06/30</b>	<b>5,095</b>	<b>1,249</b>	<b>23,667</b>	<b>205,468</b>	<b>234</b>	<b>235,713</b>

(1) Mainly relating to wind farms under operation.

The change in the “Acquisitions and internally generated fixed assets” item mainly corresponds to the construction of a 21 MW wind farm in France.

The decrease of (437,135) thousand euros in technical facilities and the reversal on amortization in the amount of 237,470 thousand euros mainly concern Germany and, more particularly the deconsolidation of Breeze Two Energy's wind farms.

Amortization of Breeze Two Energy's wind farms for the consolidated period were reclassified on the line dedicated to discontinued activities in the amount of (6,518) thousand euros.

## 5.4 Amortization

<i>(in thousand euros)</i>	2015/06/30	2014/12/31 Restated	2014/12/31 Published
Germany	(4,354)	(4,912)	(12,342)
France	(3,710)	(3,597)	(4,532)
Italy	(430)	(365)	(365)
Morocco	(1,419)	(1,384)	(1,384)
Rest of the world	(140)	(145)	(145)
Holding company	(46)	(37)	(37)
<b>TOTAL</b>	<b>(10,100)</b>	<b>(10,440)</b>	<b>(18,806)</b>

## Note 6. Financial liabilities, derivative instruments and cash

### 6.1 Financial liabilities

#### 6.1.1 Change in financial liabilities

<i>(in thousand euros)</i>	Convertible bond	Bank loans	Breeze Two Energy's bonds	Bank overdrafts and equivalents	Other financial liabilities	TOTAL
Amounts as at 2015/01/01	67,791	123,417	202,156	4	26,579	419,947
Increase	1,991	9,746	-	-	582	12,319
Repayments	(2,684)	(15,898)	-	(4)	(21)	(18,607)
Change in consolidated scope - Disposals	(0)	-	(193,381)	-	-	(193,381)
Other changes	-	1	(8,775)	-	(1,633)	(10,407)
<b>AMOUNTS AS AT 2015/06/30</b>	<b>67,098</b>	<b>117,266</b>	<b>-</b>	<b>-</b>	<b>25,507</b>	<b>209,871</b>

As at June 30, 2015, financial debt represented 209,871 thousand euros, a decrease of (210,075) thousand euros compared to December 31, 2014.

This variation is related to the following elements:

Bank loans decreased by a net amount of (6,151) thousand euros, mainly due to the following items:

• normal project financing repayments	€(8,644) K
• draw-downs on a project financing loan in France	€2,883 K
• early repayments in Germany following the renegotiation of existing financing	€(6,805) K
• draw-downs in Germany following the renegotiation of existing financing	€6,790 K

Breeze Two Energy's bonds have been deconsolidated over the semester following the exercise of the put option. Changes over the period mainly concern par value amortization.

The convertible bond registered a net decrease of (693) thousand euros, as a result of:

• payment, in January 2015, of interests accrued as at December 31, 2014	€(2,679) K
• accounting of interests accrued over the semester (payable in July)	€1,897 K
• conversions of OCEANes occurred in the first half of 2015	€(5) K
• recognition of additional interests related to the convertible nature of the bond	€95 K

Other financial liabilities include interest rate hedging instruments, as well as financing granted to three wind farms and projects by the investment vehicle THEOLIA Utilities Investment Company.

The decrease in other financial liabilities in the amount of (1,071) thousand euros is due to:

• change in valuation of interest rate hedging instruments	€(1,918) K
• change in current accounts, accrued interests	€847 K

### 6.1.2 Covenants

Project financing related to the operating wind farms in France and Germany includes financial covenants relating particularly to compliance with cash flow ratios of the special purpose vehicles (cash generated by the activity/debt service) and financial structure ratios (financial debt/shareholders' equity).

As at June 30, 2015, all wind farms (accounted using the global integration method) comply with these bank covenants.

### 6.1.3 Analysis by maturity

The table below presents the financial debt based on the projections for repayment of the nominal amount in the short, medium and long term.

<i>(in thousand euros)</i>	< 1 year	> 1 year < 5 years	> 5 years	TOTAL 2015/06/30	TOTAL 2014/12/31
Convertible bond (OCEANEs)	1,897	65,202	-	67,098	67,791
Project financing - banks	-	-	-	-	202,156
France	-	-	-	-	17,253
Germany	-	-	-	-	184,903
Project financing - banks	17,496	57,286	42,484	117,266	123,417
France	7,724	33,120	35,618	76,461	77,743
Germany	9,772	24,167	6,866	40,805	45,675
Italy	-	-	-	-	-
Derivative financial instruments (interest rate swap)	-	-	8,942	8,942	10,858
France	-	-	8,942	8,942	10,858
Bank overdrafts	-	-	-	-	4
France	-	-	-	-	4
Other financial debt	88	-	16,477	16,565	15,720
France	-	-	16,467	16,467	15,679
Germany	88	-	-	88	33
Italy	-	-	10	10	8
<b>TOTAL FINANCIAL DEBT</b>	<b>19,480</b>	<b>122,488</b>	<b>67,903</b>	<b>209,871</b>	<b>419,947</b>

#### 6.1.4 Analysis by type of rate

<i>(in thousand euros)</i>	Excluding the effect of financial instruments		Including the effect of financial instruments		Remaining capital
	Fixed rate	Variable rate	Fixed rate	Variable rate	
Convertible bond (OCEANEs)	67,098	-	67,098	-	67,098
Project financing - banks	45,379	71,887	102,776	14,490	117,266
Project financing - bonds	-	-	-	-	-
Bank overdrafts	-	-	-	-	-
Other financial debt, of which:	16,565	8,942	16,565	8,942	25,507
Derivative financial instruments (interest rate swap)	-	8,942	-	8,942	8,942
Other (current accounts)	16,565	-	16,565	-	16,565
<b>FINANCIAL DEBT BY TYPE OF RATE</b>	<b>129,042</b>	<b>80,829</b>	<b>186,439</b>	<b>23,431</b>	<b>209,871</b>
<b>PERCENTAGE OF FINANCIAL DEBT</b>	<b>61.49%</b>	<b>38.51%</b>	<b>88.84%</b>	<b>11.16%</b>	

#### Analysis by type of rate excluding the effect of hedging instruments

As at June 30, 2015, the fixed rate part of the debt was 129,042 thousand euros, or 61.49% of total debt. The "Project financing - banks" item, i.e. 45,379 thousand euros, broke down as follows:

- project financing in France €4,574 K
- project financing in Germany €40,805 K

Variable rate debt amounted to 80,829 thousand euros, or 38.51% of total debt and involved project financing in France.

#### Analysis by type of rate including the effect of hedging instruments

Including the effect of derivative hedging instruments, debt as at June 30, 2015 broke down as follows:

- fixed rate debt of 186,439 thousand euros, or 88.84% of total debt
- variable rate debt of 23,431 thousand euros, or 11.16% of total debt

## 6.2 Derivative financial instruments

The Group's derivative financial instruments only involve interest rate risk hedging instruments (swap); the underlying debt is made up of variable rate loans. These derivative instruments are recorded at their fair value as at June 30, 2015. The hedge ratio used is the cash flow hedge allowing the effective part to be recorded directly under shareholders' equity and the ineffective part on the income statement.

Valuation of derivative financial liabilities as at June 30, 2015 was 8,942 thousand euros, a decrease of (1,918) thousand euros compared to December 31, 2014.

### 6.3 Cash and cash equivalents

The “Cash and cash equivalents” item includes liquid assets and immediately available monetary investments subject to a negligible risk of change in value, used to meet cash flow needs.

The Group’s cash position comprises a free portion, a reserved portion and a pledged portion.

- Free cash may be used at any time by the Group.
- Reserved cash corresponds to cash that the special purpose vehicles (SPVs) cannot freely use in compliance with the financing conditions but which remains available to finance their current operations.
- Pledged cash cannot be used freely for current operations. It corresponds mainly to commitments granted to financial institutions to guarantee obligations or constitute a reserve for project financing.

<i>(in thousand euros)</i>	2015/06/30	2014/12/31
Marketable securities	22,273	24,831
Cash	42,860	53,050
<b>Total cash and cash equivalents</b>	<b>65,133</b>	<b>77,881</b>
Bank overdrafts	-	(4)
<b>NET CASH</b>	<b>65,133</b>	<b>77,877</b>

#### Details of free/restricted cash

<i>(in thousand euros)</i>	2015/06/30	2014/12/31
Free cash	17,903	20,795
Cash reserved for SPVs *	25,196	20,733
Pledged cash	22,034	36,353
Bank overdrafts	-	(4)
<b>NET CASH</b>	<b>65,133</b>	<b>77,877</b>

\* Special purpose vehicle.

The Group’s cash position comprises a free portion (27%), a reserved portion (39%) and a pledged portion (34%). As at June 30, 2015, the total cash of the Group amounted to 65,133 thousand euros.

Cash is subject to a day-to-day investment policy in secured SICAV mutual funds (euro).

The change in the cash position between December 31, 2014 and June 30, 2015 includes the effect of changes in the scope of consolidation (deconsolidation of Breeze Two Energy) for a total amount of (19,723) thousand euros.

### 6.4 Financial income and expenses

#### 6.4.1 Cost of net financial debt

<i>(in thousand euros)</i>	2015/06/30	2014/06/30 Restated	2014/06/30 Published
Interest income generated by cash and cash equivalents	10	15	15
Income from the sale of cash equivalents	90	110	110
<b>INCOME FROM CASH AND CASH EQUIVALENTS</b>	<b>100</b>	<b>126</b>	<b>126</b>
Interest cost on financing operations	(5,119)	(11,511)	(17,401)
<b>COST OF GROSS FINANCIAL DEBT</b>	<b>(5,119)</b>	<b>(11,511)</b>	<b>(17,401)</b>
<b>COST OF NET FINANCIAL DEBT</b>	<b>(5,019)</b>	<b>(11,386)</b>	<b>(17,275)</b>

The cost of net financial debt breaks down and changed as follows:

<i>(in thousand euros)</i>	2015/06/30	2014/06/30 Restated	2014/06/30 Published
Convertible bond (OCEANEs)	(1,991)	(7,529)	(7,529)
Wind farms in operation in Germany	(805)	(1,165)	(6,557)
Wind farms in operation in France	(2,231)	(2,459)	(2,956)
Wind farm in operation in Morocco	44	77	77
Solar park in operation	-	(338)	(338)
Other	(35)	28	28
<b>TOTAL</b>	<b>(5,019)</b>	<b>(11,386)</b>	<b>(17,275)</b>

## Note 7. Inventories

Inventories mainly include:

- development costs incurred prior to applying for building permits; and
- components and parts.

<i>(in thousand euros)</i>	2015/06/30	2014/12/31
Wind projects	12,640	13,283
Turbine components and other parts	518	594
Depreciation	(8,882)	(8,944)
<b>NET AMOUNT</b>	<b>4,276</b>	<b>4,933</b>

Inventories are listed below by geographical zone:

<i>(in thousand euros)</i>	2015/06/30			2014/12/31
	Gross amount	Depreciation	Net amount	Net amount
Germany	358	(98)	261	261
France	9,327	(5,827)	3,500	4,080
Italy	1,565	(1,567)	(1)	(1)
Morocco	517	-	517	594
Corporate	1,391	(1,391)	-	-
<b>TOTAL</b>	<b>13,158</b>	<b>(8,882)</b>	<b>4,276</b>	<b>4,934</b>

## Note 8. Provisions

<i>(in thousand euros)</i>	Provisions for litigation	Provisions for subsidiary risks	Other provisions	TOTAL
<b>Amounts as at 2015/01/01</b>	<b>2,867</b>	<b>19,002</b>	<b>17,643</b>	<b>39,512</b>
Increases/reversals operating provisions	-	-	(483)	(483)
Increases/reversals current provisions	149	-	-	149
Increases/reversals non-current provisions	(40)	-	-	(40)
Increases/reversals assets and liabilities held for sale	-	153	-	153
Change in scope of consolidation	-	-	(9,240)	(9,240)
Currency translation adjustments	2	-	-	2
Other changes	-	2	-	2
<b>AMOUNTS AS AT 2015/06/30</b>	<b>2,978</b>	<b>19,157</b>	<b>7,920</b>	<b>30,055</b>
of which current part	-	-	-	-
of which non-current part	2,978	19,157	7,920	30,055



Litigation in which the Group is involved comes in great part from operations concluded in the past years.

The end of control over Breeze Two Energy led to the deconsolidation of provisions recorded in the Group's consolidated balance-sheet. These provisions were made in the context of the obligations to decommission the wind farms at the end of their operating life.

## Note 9. Stakes in joint ventures and associates

### 9.1 Financial data

<i>(in thousand euros)</i>	% held	Share in net assets of joint ventures and associates	Share in income of joint ventures and associates at 2015/12/31	Share in income of joint ventures and associates at 2014/06/30
THEOLIA UTILITIES INVESTMENT COMPANY	40.00%	-	(7)	(9)
MAESTRALE PROJECT HOLDING SA	50.32%	-	(20)	(327)
NEOANEMOS Srl	47.88%	-	12	(27)
AEROCHETTO Srl	51.00%	-	502	(74)
ERNEUERBARE ENERGIE ERNTE VIER GmbH & Co. KG	48.00%	-	13	10
<b>TOTAL</b>		-	500	(427)

### 100% financial data

<i>(in thousand euros)</i>	THEOLIA UTILITIES INVESTMENT COMPANY	MAESTRALE PROJECT HOLDING SA	NEOANEMOS Srl	AEROCHETTO Srl	TOTAL
Revenue	-	-	-	4,894	4,894
Operating expenses and income	(118)	(8)	(90)	(1,182)	(1,399)
<b>EBITDA</b>	<b>(118)</b>	<b>(8)</b>	<b>(90)</b>	<b>3,712</b>	<b>3,495</b>
Net income	3	(40)	25	983	972
- of which Group share in the consolidated income	1	(20)	12	502	495
Non-current assets	19,072	309	(0)	30,443	49,825
Current assets	1,034	-	115	4,760	5,909
Cash and cash equivalents	1,697	6	680	4,315	6,699
Current financial liabilities	-	-	-	37,920	37,920
Non-current financial liabilities	21,501	15,751	785	16,551	54,589
Contributive shareholders' equity as at 2015/06/30	(224)	(5,316)	(7,056)	(14,622)	(27,218)
- of which Group share in shareholders' equity	(89)	(2,675)	(3,379)	(7,457)	(13,600)
<b>VALUE OF THE INVESTMENTS IN ASSOCIATES</b>	<b>7</b>	<b>266</b>	<b>231</b>	<b>48</b>	<b>552</b>

### 9.2 Transactions with joint ventures

Transactions with joint ventures concern operations with companies over which the Group exercises joint control and which are accounted using the equity method.

Transactions with these companies are based on market price. Transactions with no corresponding balance-sheet effect are not eliminated at the end of the consolidation process.

Joint ventures mainly comprise the investment vehicle THEOLIA Utilities Investment Company, in addition to a wind farm under operation situated in Italy.

## Note 10. Shareholders' equity and non-controlling interests

### 10.1 Number of shares outstanding

	2014/12/31	Creation of shares by exercise of stock warrants	Creation of shares by conversion of OCEANEs	2015/06/30
Number of shares	185,279,143	233,568	5,533	185,518,244
<b>Number of securities</b>	<b>185,279,143</b>	<b>233,568</b>	<b>5,533</b>	<b>185,518,244</b>
<b>SHARE CAPITAL (IN EUROS)</b>	<b>18,527,914</b>	<b>23,357</b>	<b>553</b>	<b>18,551,824</b>

As at June 30, 2015, the share capital comprised 185,518,244 shares with a par value of 0.10 euro.

### 10.2 Non-controlling interests

As at June 30, 2015, non-controlling interests amounted to (230) thousand euros, compared to (19,391) thousand euros as at the closing of the 2014 annual accounts.

This significant drop comes from the deconsolidation of Breeze Two Energy following the exercise, by THEOLIA, of the put option.

It is reminded that as at December 31, 2014, without any rights in Breeze Two Energy's share capital, the entire shareholders' equity from this entity was registered in this item.

## Note 11. Commitments

The Group's off-balance-sheet commitments mainly include:

- guarantees to wind suppliers;
- guarantees related to financing of subsidiaries developing wind projects (joint and several guarantee, pledged securities and pledged securities accounts, etc.);
- obligations as regards simple lease agreements; and
- other contractual commitments (direct agreements, pledges on equipment/materials, stock options, liability guarantees, etc.).

The tables below show a breakdown of off-balance-sheet commitments by geographical zone and by type of commitment as at June 30, 2015.

### 11.1 Consolidated off-balance-sheet commitments

<i>(in thousand euros)</i>	2015/06/30	2014/12/31 Restated	2014/12/31 Published
France	82,217	97,429	102,377
Germany	20,516	20,596	99,294
Italy	18,100	45,731	45,169
THEOLIA SA	7,289	9,704	14,882
<b>TOTAL</b>	<b>128,122</b>	<b>173,460</b>	<b>261,722</b>

<i>(in thousand euros)</i>	Less than 1 year	1 to 5 years	More than 5 years	2015/06/30
France	19,188	19,862	43,168	82,217
Germany	3,225	5,887	11,404	20,516
Italy	3,792	5,354	8,954	18,100
THEOLIA SA	2,974	4,315	-	7,289
<b>TOTAL</b>	<b>29,179</b>	<b>35,418</b>	<b>63,525</b>	<b>128,122</b>

## 11.2 Off-balance-sheet commitments by geographical zone

### Off-balance-sheet commitments related to the French business

<i>(in thousand euros)</i>	Less than 1 year	1 to 5 years	More than 5 years	2015/06/30
<b>Commitments related to consolidation scope</b>				
Deposits, securities and guarantees received on acquisitions	-	-	(425)	(425)
<b>Commitments related to fixed assets</b>				
Wind turbine orders	14,578	-	-	14,578
Wind farms maintenance contractual commitments	2,849	11,731	13,954	28,534
Simple rents	397	1,703	6,601	8,702
<b>Commitments related to financing</b>				
Deposits, securities and guarantees given on financing	1,534	6,427	13,981	21,942
Financial assets given as guarantee	-	-	9,007	9,007
Deposits, securities and guarantees received on financing	(170)	-	-	(170)
<b>TOTAL</b>	<b>19,188</b>	<b>19,862</b>	<b>43,168</b>	<b>82,217</b>

### Off-balance-sheet commitments related to the German business

<i>(in thousand euros)</i>	Less than 1 year	1 to 5 years	More than 5 years	2015/06/30
<b>Commitments related to fixed assets</b>				
Wind farms maintenance contractual commitments	2,411	3,050	756	6,217
Simple rents	814	2,838	4,088	7,739
<b>Commitments related to financing</b>				
Deposits, securities and guarantees given on financing	-	-	7,015	7,015
Deposits, securities and guarantees received on financing	-	-	(455)	(455)
<b>Other commitments</b>				
Contractual commitments given	-	-	-	-
<b>TOTAL</b>	<b>3,225</b>	<b>5,887</b>	<b>11,404</b>	<b>20,516</b>

### Off-balance-sheet commitments related to the Italian business

<i>(in thousand euros)</i>	Less than 1 year	1 to 5 years	More than 5 years	2015/06/30
<b>Commitments related to consolidation scope</b>				
Share purchase options given	1,650	-	-	1,650
Wind farms maintenance contractual commitments	283	1,133	2,267	3,683
Simple rents	235	981	4,687	5,903
<b>Commitments related to financing</b>				
Deposits, securities and guarantees given on financing	500	2,740	-	3,240
Financial assets given as guarantee	1,164	-	-	1,164
<b>Other commitments</b>				
Contractual commitments given	100	500	2,000	2,600
Contractual commitments received	(140)	-	-	(140)
<b>TOTAL</b>	<b>3,792</b>	<b>5,354</b>	<b>8,954</b>	<b>18,100</b>

# STATUTORY AUDITORS' REVIEW REPORT ON FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2015

(for the period January 1, 2014 to June 30, 2015)

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code, we hereby report to you on:

- the review of the accompanying summary consolidated financial statements of THEOLIA for the half-year ended on June 30, 2015;
- the verification of the information contained in the half-year activity report.

These summary half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with professional practice standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information given in the half-year activity report commenting on the summary half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the summary half-year consolidated financial statements.

Marseille and Paris, on September 8, 2015

The Statutory Auditors

Deloitte & Associés  
Christophe PERRAU

Cabinet Didier Kling & Associés  
Didier KLING                      Christophe BONTE

## DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I declare that, to the best of my knowledge, the summary financial statements for the past half year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all its affiliates included in the scope of consolidation, and that the enclosed half-year activity report, found on page 3 of this Report, presents a fair review of the important events that occurred during the first six months of the year, their impact on the half-year financial statements, and the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the year.

Aix-en-Provence, September 8, 2015,

Fady Khallouf

Chief Executive Officer