



# THEOLIA

Press Release  
Aix-en-Provence, April 14, 2008

## 2007: STRONG GROWTH IN RESULTS

- Record sales of €306m
- EBITDA of €27m much higher than in 2006
- EBITDA of €41m assuming full year consolidation of wind farms acquired from GE Energy Financial Services

## 2007: YEAR OF TRANSFORMATION FOR THEOLIA

- Strategic partnership with GE Energy Financial Services, acquisition of 165 MW in Germany
- Installed capacity of 630 MW and pipeline of 2,441 MW as of December 31, 2007
- Strengthened financial capacity

## GROWTH TARGETS CONFIRMED

- 2,000 MW of wind electricity production capacity confirmed for 2011
- Increase in MW built, financed and operated for its own account
- Strong growth in EBITDA for 2008

In €K	12/31/2007	12/31/2006	12/31/2006 Adjusted <sup>1</sup>
<i>Fiscal Year :</i>	<i>12 months</i>	<i>18 months</i>	<i>12 months</i>
Sales	306,481	70,986	158,496
EBITDA <sup>2</sup>	26,928	386	10,952
Operating income before goodwill impairment	17,764	(7,938)	2,404
Goodwill impairment (IFRS 3)	(56,490)	-	-
Operating income	(38,726)	(7,938)	2,404
Net financing costs	(10,086)	(488)	(1,445)
Net income	(48,807)	(4,173)	4,064
<b><i>On 12/31/2007:</i></b>			
Shareholder's equity	403,071	171,421	171,421
Cash and cash equivalents	327,327	66,307	66,307
Net debt	222,069	61,098	61,098

<sup>1</sup> Published 2006 adjusted to reflect only 2006 (12 months) and the acquisition of NATENCO with an effective date of January 1, 2006, even though the acquisition took place in December 2006.

<sup>2</sup> EBITDA = current operating income + depreciation + non cash expenses (depreciation and amortization, cost of free shares and stock warrants).

Even though the wind farms from GE Energy Financial Services were not integrated until July 2, 2007, the following table outlines pro forma earnings based on their integration as of January 1, 2007.

In €K	12/31/2007	12/31/2007 Pro Forma <sup>3</sup>
<b>Fiscal Year :</b>	<b>12 months</b>	<b>12 months</b>
Sales	306,481	323,385
EBITDA <sup>2</sup>	26,928	41,042

<sup>2</sup> EBITDA = current operating income + depreciation + non cash expenses (depreciation and amortization, cost of free shares and stock warrants).

<sup>3</sup> Pro Forma with acquisition of farms from GE Energy Financial Services with an effective date of January 1, 2007 instead of July 2, 2007

**Jean-Marie Santander, Chairman & CEO of THEOLIA, stated:** « 2007 marked a major transformation for THEOLIA, taking the company to a new level. The strategic partnership with GE Energy Financial Services increased our installed capacity to 630 MW at the end of 2007. At the same time, our efforts in development have enriched our pipeline- 2,441 MW at the end of 2007. The integration of NATENCO into THEOLIA has accelerated its activity. Our significantly improved financial capacity will allow us to accelerate our growth and will remove the financial constraint that used to determine whether to keep or sell wind farms to third parties. While an average installed capacity of just over 150 MW for our own account generated results in 2007, 333 MW were operational at the end of 2007. We are confident for a very strong increase in our earnings in 2008»

## Strong growth momentum

**THEOLIA experiences strong progress in all its wind activities.**

**Its installed capacity has nearly tripled:** from 209 MW at the end of 2006 to 630 MW at the beginning of 2008:

- an increase of 269 MW of installed capacity for its own account;
- an increase of 152 MW of installed capacity for third parties.

**Its pipeline of development projects** grew from 1,905 MW to 2,441 MW at the end of 2007 to 2,996 MW as of March 31, 2008.

**The sales of wind farms** by NATENCO achieved substantial growth with 38 projects totaling 133 MW sold in 2007 versus 19 projects totaling 54 MW sold in 2006. Only 34% of the projects sold in 2007 had been developed by the company. Most of NATENCO's business involved acquisitions from developers or co-development-construction-sales to third parties. As of March 31, 2008, 210 MW have been identified for resale.

In addition, THEOLIA is progressively exiting its non wind activities, as evidenced by the IPO of THENERGO in June 2007 on Alternext, to concentrate its financial and human resources on its wind activities.

## Strong growth in financial results

**Sales reached a record high of €306m in 2007**, an increase of 92% compared with the 2006 adjusted sales. This increase was mainly generated by **strong organic growth** in all wind activities of the company. Integrating the acquisition of the wind farms of GE Energy Financial Services over a full year, the pro forma sales figure was €323m in 2007.

**THEOLIA's EBITDA amounts to €27m in 2007 and €41m in a pro forma basis** including the acquired wind farms from GE Energy Financial Services over 12 months, instead of 6 months. With this acquisition, the average installed capacity of 151 MW for its own account in 2007 increased to 234 MW with the wind farms of GE Energy Financial Services over a full year. **The strong increase of electricity sales for its own account contributed substantially to EBITDA.**

This performance was nonetheless affected by poor wind conditions for the wind farms in Germany during the second half of the year compared to the first half. This underperformance had a negative impact of €4m on previously stated EBITDA target.

**THEOLIA's 2007 net income was affected by a goodwill impairment** from the acquisition of the wind farms (165 MW) from GE Energy Financial Services. The significant increase in THEOLIA's stock price between the price of €16.50 retained in the transaction agreement (February 13, 2007) and the price of €27.26 at the closing date (July 2, 2007) generated an additional goodwill of €56m that led to an exceptional write-off. This impairment represents an accounting treatment with no impact on either the value or the profit outlook of the assets acquired.

**Thanks to the confidence of its investors and its financial partners**, THEOLIA has proven its capacity to raise capital on the market, in October 2007, with a €240m convertible bond issue that was four times oversubscribed. The Group has thus reinforced its cash position, which amounted to €327m as of December 31, 2007.

## Growth targets re-affirmed

THEOLIA has significantly strengthened its profile through the various structural changes that occurred in the course of 2007. THEOLIA's diversified geographic presence, high-quality pipeline, optimized and diversified turbine supply policy with 340 MW secured and financing capacity are key strengths on which is based THEOLIA's confirmation of its 2,000 MW in operation target in 2011 with at least 1,100MW for its own account. THEOLIA's 2008 targets are 1) sales €370-€400m 2) EBITDA €55-€65m.

## 2007 highlights

**Partnership agreement with GE Energy Financial Services** in February 2007 including the acquisition of seven wind farms in Germany with an installed capacity of 165 MW. This transaction agreement was contracted, with a capital increase of 1,212,000 shares reserved for GE Energy Financial Services plus the issuance of 3,000,000 warrants for it.

**Capital increase within the « PACEO » program** for a total of 3,100,000 shares subscribed by Société Générale in February 2007.

**Listing of THENERGO on Alternext** in June 2007, followed by a capital increase of €65m.

**Inauguration of Theolia Emerging Markets (TEM)**, on September 20, 2007.

**Admission into the SBF 120 Index**, on September 24, 2007.

**Issuance of a convertible bond (OCEANE) for €240m** pursuant to an AMF prospectus dated October 23, 2007.

**Acquisition in November 2007 of MAESTRALE GREEN ENERGY**, an Italian developer with a project portfolio exclusively located in Italy of 500 MW as of the acquisition date.

**Acquisition in November 2007 of a 35.21% stake in ECOLUTIONS**, a German company specializing in origination of carbon certificates, certification and trading.

## About THEOLIA

THEOLIA is a leading European producer of electricity from renewable energy. THEOLIA is active in France, Germany, Spain, Greece, Italy and in certain emerging countries through its subsidiary Theolia Emerging Markets: India, South America, certain countries of Eastern Europe and Morocco. THEOLIA trades on the Eurolist B of Euronext Paris under the symbol TEO. The stock was admitted to the SBF 120 index on September 24, 2007 and to the NEXT 150 index on January 2, 2008.

## For more information

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