



**THEOLIA**

Press release  
Aix-en-Provence, January 29, 2009

## THEOLIA's CEO Update January 29, 2009

Mr. Marc van't Noordende, CEO of THEOLIA, held his second conference call/webcast on January 29, 2009 after the market. The webcast and replay are available on the Company's website: [www.theolia.com](http://www.theolia.com). The main topics of the presentation were as follows:

### Financial update

THEOLIA's free cash position at year-end is within the range indicated in November 2008, but remains tight as proceeds from divestments have not yet been received. The Company's auditors continue to closely monitor this situation.

Cash position as of December 31, 2008

(in €m)	Total cash	Free cash <sup>(1)</sup>
June 30, 2008	162	64
October 31, 2008	95 <sup>(2)</sup>	14 <sup>(2)</sup>
December 31, 2008	94 <sup>(3)</sup>	14 <sup>(3)</sup>

(1) Cash available at holding level, neither pledged nor trapped in project support companies and subsidiaries

(2) Non audited figures

(3) Preliminary non audited figures

In order to strengthen its cash position, THEOLIA continues to focus on divestments and cost management. The financial close of the sale of THEOLIA's entire stake in Thenergo for €15 million is due in the coming weeks. The gross proceeds of €81 million from the sale of the 56 MW wind farm in Germany are contingent on ongoing financing negotiations, which progress slowly in the current market environment.

Since the November update, THEOLIA has started the sale of over 200 MW of projects in France, Germany and Spain.

Further restructuring, closures of subsidiaries and cost cutting should result in approximately €10 million in annual savings versus €4 million as announced in November 2008.

Estimated debt positions as of December 31, 2008 <sup>(1)</sup>

(in €m)		(in €m)	
<b>Estimated total debt</b>	<b>586</b>	<b>Estimated total debt</b>	<b>586</b>
Estimated total cash	94	Non-recourse project financing	343
<b>Estimated net debt</b>	<b>492</b>	Convertible bond	209
		Loan backed by letter of credit	5
		Working capital credit facilities	29
		- Fixed maturities (2011/2012)	15
		- Revolving facilities with guarantees	14

(1) Preliminary non audited figures

## Strategy

Marc van't Noordende confirmed the preliminary strategic conclusions outlined in November 2008 with a focus on aligning short term growth with the Group's financial capacity.

After an in-depth review of its geographic presence, THEOLIA will focus on three key markets: Italy, France and Germany.

Considering their significant growth potential, the Group has identified India and Brazil as potential future key markets; however, the group will confirm its commitment to these markets by the end of the year. In Morocco, THEOLIA is currently renegotiating the relationship with its local partner.

The Group has decided to withdraw from Spain, Greece, Czech Republic, Poland and Croatia.

## THEOLIA's portfolio

On December 31, 2008, the Group's installed capacity totaled 671 MW, of which 360 for its own account and 311 managed for third parties, and THEOLIA's development pipeline reached 2,580 MW, detailed as follows:

(In MW)	Prospecting	Development	Permits applied	Permits obtained	Under construction	Total pipeline		
<b>Europe</b>								
France	428	348	352	57	78	1,264	49%	
Italy	-	90	254	25	51 <sup>(1)</sup>	419	17%	
Germany	-	-	38	5	92	135	6%	
<b>Rest of the World</b>								
India <sup>(2)</sup>	-	-	-	300	25	325	13%	
Brazil	240	23	70	105	-	438	17%	
Total pipeline	668	461	713	491	247	2,580		
	26%	18%	28%	19%	10%			
	1,842							

(1) Of which 21 MW owned 50/50 with partner

(2) Joint-venture 50/50; all figures on 100% basis

## Corporate governance

Following the separation of the roles of Chairman and CEO announced in September 2008, THEOLIA has decided to formally adopt a two-tier governance structure and to review the future composition of its Board of directors with an emphasis on a greater number of independent directors and diversification.

The Company acknowledges that Philippe Perret, former Executive Vice-President of THEOLIA, recently resigned from his Board position.

## Outlook

Mr. van't Noordende indicated that 2008 will be a transition year, allowing the Company to start 2009 with a clean slate.

The Company's 2009 internal budget contains clear operational targets. It includes sales of wind projects and continued disposals of wind and non-wind assets. These actions should result in a self-financing scenario for 2009. Several financial restructuring options can allow THEOLIA to leverage its existing business and finance future growth. In addition to sales of assets and projects, these options include sales of equity portions of installed capacity as well as access to external capital and/or assets, with a view to grow the business beyond the 2009 base case budget.

In the current market environment, the timing of disposals is difficult to manage over the first half of the year. This risk preempts the Group to disclose financial and operating targets at this stage. 2009 financial guidance will be communicated with the 2008 financial results on April 28, 2009.

## About THEOLIA

THEOLIA is a leading European producer of electricity from wind energy. THEOLIA is active in France, Germany, Italy, India, Brazil and Morocco. THEOLIA trades on the compartment B of Euronext Paris, regulated market of NYSE Euronext, under the symbol TEO. The stock is in the SBF 120, NEXT 150 and CAC MID100 indices.

## For more information

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## THEOLIA

French *Société Anonyme* (public limited company with Board of Directors) with share capital of €39,746,992

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THEOLIA is listed on the compartment B of Euronext Paris, code: TEO