



THEOLIA

Press release

Aix en Provence, November 17, 2008

THEOLIA's CEO Update

Mr. Marc van't Noordende, CEO of THEOLIA, held a conference call/webcast entitled "CEO Update" on Monday November 17th after the market. The webcast and replay are available on the company's website: www.theolia.com. The main topics of the presentation were as follows:

First nine month consolidated sales

Through the end of September 2008, THEOLIA's consolidated sales reached €85.1 million. Electricity sales for own account of €40 million for the first nine months of 2008 more than tripled compared to the same period of 2007, due to a strong increase in installed capacity for own account totaling 350 MW as of September 30, 2008. Sales of electricity from wind farms managed for third parties grew by nearly 50% relative to the same period of last year, increasing from €22 million to €33 million.

The significant increase in electricity sales highlights the company's growth over the last nine months and illustrates the potential for future revenue growth through execution of pipeline.

Change in management and achievements since end of September

On September 29, 2008, in line with today's best practices in corporate governance, THEOLIA decided to separate the roles of Chairman and CEO and to renew its management team. Mr. Eric Peugeot has been appointed Chairman of the Board of Directors and Mr. Marc van't Noordende interim CEO until April 2009. The new management started a complete review of strategy and operations of the company and has taken a number of initial actions.

The roles of the headquarters and subsidiaries have been clearly redefined. Headquarters will focus on strategy, financing, turbine procurement and pipeline management; whereas subsidiaries will concentrate on operations, project development and execution with profit & loss responsibilities within the strategic framework defined by the headquarters.

In line with this new organization, a significant downsizing is planned at headquarters to reduce staff by nearly half. Other areas of cost reduction include sponsoring and service contracts. With these actions, THEOLIA expects annualized savings of more than €4 million.

Preliminary conclusions on strategy

The strategy review has generated some first conclusions summarized below.

The company will focus on wind energy and has accelerated the divestment of its non-wind assets. Further focus will be realized by narrowing its geographic activity base. The planned listing of Theolia Emerging Markets as a separate entity has been canceled.

In recognition of the current challenging financial environment, THEOLIA will align future growth with its financial capacity. It will combine IRR-based project prioritization with more emphasis on greenfield development.

In order to increase internal cash generation to finance future growth, THEOLIA has resumed efforts to sell wind farms in Germany and is evaluating the possibility of selling wind farms in other countries as well. This represents a reversal of the build and hold strategy announced on September 3, 2008.

The management intends to finalize the strategy review later this year with the objective to include all relevant changes in its operating budget for 2009.

Financial update

The company is cognizant of the need to focus on internal cash generation as illustrated by the year-to-date development of its cash position.

(in €m)	Total cash	Free cash ⁽¹⁾
December 31, 2007	326	n/a
June 30, 2008	162	64
October 31, 2008	95 ⁽²⁾	14 ⁽²⁾
Estimated cash out November/December 2008		15-20 ⁽²⁾
Projected free cash at year-end		10-40 ⁽²⁾

(1) Cash available, neither pledged nor trapped in project service companies or subsidiaries.

(2) Non audited figures.

The actions listed above will, over the coming 12 months, progressively increase the company's rate of self-financing with first results already expected in 2008.

Further investments will be aligned with the internally generated financial resources. In this respect, it should be noted that the company has very limited turbine procurement commitments for 2009.

Outlook

Given the ongoing restructuring and potential large impact of one-offs, the company is not in a position to confirm its earlier 2008 EBITDA target.

Furthermore, the earlier stated 2009-2011 MW targets cannot be maintained in the current financial environment.

Next communication

THEOLIA will make a further communication in January, which will include the outcome of the strategy review, guidance for 2009 and an operational update.

About THEOLIA

THEOLIA is a leading European producer of electricity from wind energy. THEOLIA is active in France, Germany, Spain, Greece, Italy, India, South America, some East European countries 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.

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