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## **THEOLIA successfully completes its capital increase**

Following its fully subscribed capital increase through a rights offering, THEOLIA has issued today issued 60,463,059 new shares.

These 60,463,059 new THEOLIA ordinary shares were subscribed at a price of 1 euro per share, of which 49,555,218 on an irreducible basis ("*à titre irréductible*") and 10,907,841 on a reducible basis ("*à titre réductible*"), in the context of the subscription period for the capital increase that ended on July 7, 2010. As a result, the conditional subscription commitments by the two guarantors, Boussard & Gavaudan Asset Management L.P. and Sticing Pensioenfonds ABP, were not implemented.

The settlement, delivery as well as the listing of the new shares on Euronext Paris (code ISIN: FR0000184814) occurred today July 20, 2010. The new shares are fungible with the existing shares. Following this transaction and before conversion of OCEANEs (convertible bonds), THEOLIA's capital now comprises 100,771,766 shares.

### **Reminder of changes in terms of the OCEANEs (convertible bonds)**

As previously announced the changes in the terms of the OCEANEs approved by THEOLIA's bondholders' general meeting on February 18, 2010 and by the shareholders' meeting on March 19, 2010 became effective today upon settlement of the capital increase. Only the change in the ratio for conversion of the OCEANEs into shares will become effective on July 21, 2010.

In particular, the new terms of the OCEANEs dependant on the amount of the capital increase will be the following:

- the amount of the partial early reimbursement of the OCEANEs will amount to 1.77 euros per OCEANE (plus 0.02 euro of interest due), or 20.4 million euros in all (plus

230,769 euros of interest due), noting that this reimbursement will be made by the intermediary of Société Générale, paying agent for the OCEANEs, on July 22, 2010;

- the buyback price of the OCEANEs as of January 1, 2015 will be 15.29 euros per bond, which represents 176,423,084 euros in the event that all bondholders exercise their buyback options; and
- the new ratio for conversion to shares (number of shares allowed for each OCEANE upon conversion or exchange) is set at 8.64 until the 7<sup>th</sup> business day preceding December 31, 2013, specifying that as indicated below this new conversion ratio for the OCEANEs will become effective on July 21, 2010.

The suspension of the right of share allocation linked to the OCEANEs (which was effective since May 24, 2010) has terminated today and the right to access shares will thus be able to be exercised by the convertible bondholders from July 21, 2010, on the basis of the new ratio of share attribution.

Bondholders should be aware that if they request conversion or exchange of their OCEANEs for shares on July 21, 2010, they will not be able to receive the partial reimbursement amount of 1.77 euros per OCEANE (plus 0.02 euro of interest due), which will be paid out to holders of OCEANEs on July 22, 2010 on the basis of securities held on July 21, 2010 at the close of the market.

### **Next financial publication**

THEOLIA will publish its second quarter revenue on July 29, 2010 after the market close.

### **About THEOLIA**

THEOLIA is an independent international developer and operator of wind energy projects. THEOLIA is active primarily in France, Germany and Italy, and also in India, Brazil and Morocco. THEOLIA trades on the compartment B of Euronext Paris, regulated market of NYSE Euronext, under the symbol TEO. The THEOLIA stock is part of the CAC Small 90 index.

### **For more information**

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### THEOLIA

French *Société Anonyme* (public limited company with Board of Directors) with share capital of €100,771,766

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

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This announcement or any document distributed in connection with this announcement may include forward-looking statements. Forward-looking statements include all matters that are not historical fact, including statements regarding the belief or current expectations of THEOLIA, its management or directors regarding the timing, amount, execution and impact of any restructuring plans or capital increase are currently contemplated or subject to negotiation, and other matters.

Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" and similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current beliefs and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of THEOLIA and are difficult to predict, and which may cause THEOLIA's actual results to materially differ from any future results or developments expressed by or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in the markets where THEOLIA operates, and other factors affecting the level of THEOLIA's business activities and the costs and availability of financing for its activities.

Security holders and prospective investors are invited to refer to 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](http://www.amf-france.org)) and the THEOLIA website ([www.theolia.com](http://www.theolia.com)).

Each forward-looking statement in this announcement speaks only as of its date. THEOLIA expressly disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein to reflect any change in THEOLIA's expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based. Recipients of this announcement should conduct their own independent assessment of the matters described in this announcement.

A prospectus was filed with the Autorité des marchés financiers ("AMF") and available on the AMF website ([www.amffrance.org](http://www.amffrance.org)) and the THEOLIA website ([www.theolia.com](http://www.theolia.com)). It includes inter alia information on risk factors that shall be read in conjunction with this announcement.