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EOLFI sells a 50% interest to VEOLIA ENVIRONNEMENT SA for 18 million euros through a capital increase.

On Friday, 26 October 2007, VEOLIA ENVIRONNEMENT SA subscribed to a capital increase of EOLFI SA in the amount of 18 million euros, thus acquiring a 50% interest in the young company's capital and voting rights.

EOLFI (www.eolfi.com), which was founded in July 2004 by Alain Delsupexhe, quickly asserted itself as the French leader in mutual funds dedicated to wind power. By launching the French venture capital fund FCPR EOLINVEST at the beginning of 2005 and initiating FIP Energies Nouvelles – France's first local mutual fund dedicated to wind power – in 2006, EOLFI met the expectations of numerous investors looking for a non-listed product in the highly buoyant sector of wind power. Over 100 million euros was thus collected by those two funds from over 6,000 subscribers. EOLFI is currently operating three wind farms with a capacity of 26 MW in France and is building 12 others with an additional capacity of 120 MW.

On the strength of this first success, in 2007, EOLFI launched three new funds, a venture capital fund mainly focused on France, Greece, and Poland, and two new FIP Energies Nouvelles funds focused on the Atlantic and Mediterranean coasts. EOLFI's three FIP funds thus cover 80% of France's wind power stock.

These first five funds will enable EOLFI to build over 500 windmills by 2010, for a total production capacity of 1,000 MW of green electricity, mainly in France, Greece and Poland. Over half of this wind farm portfolio is already under EOLFI's control, at different stages of construction.

According to Alain Delsupexhe: "Our capacity to raise capital quickly, finance and build wind farms in Europe has convinced VEOLIA ENVIRONNEMENT to turn EOLFI into its exclusive wind power entity. Our teams in France, Greece and Poland will thus be able to meet the growing expectations of the customers of VEOLIA ENVIRONNEMENT and set up wind farms on its property holdings". EOLFI will thus be able to take advantage of certain sites operated by the world's leading environmental service provider and contribute to the rehabilitation of industrial waste lands.

EOLFI, which has posted profits since its set-up, is forecasting revenues of over 11 million euros in 2008 and a sharp increase in the upcoming years. EOLFI's stock-market listing may be contemplated within the next two years.

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