



Annual report

2013

ABO Wind Overview

Employees (excl. temps)	285
International Orientation	Project development in 9 countries
Constructed and installed to date	450 wind turbines and 7 biogas plants with a nominal capacity of 870 megawatts
Climate protection	These plants reduce annual carbon dioxide emission by more than 1,3 million tons
Energy supply	The power plants produce 1.75 million megawatt hours of electricity per year – that equals the energy consumption of 500.000 three-person-households
Portfolio of future projects	A good 2,000 megawatts – around half of which are currently in a tangible planning stage
Annual project volume	More than 200 million euro
Turnover of ABO Wind Group in 2013	Around 92 million euro
Profit of ABO Wind Group in 2013	Around 4 million euro

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Letter to the Shareholders

Wiesbaden, May 2014

Dear shareholders,

This year has certainly not been boring! The nineteenth year of ABO Wind was another eventful one. Change is one of the constants of our industry. Those who cannot deal with the fact that the underlying conditions are constantly evolving are poorly placed as a project developer for renewable energies.

One of the strengths of ABO Wind is to adjust to new conditions. With almost 300 employees, ABO Wind has reached a considerable size but has remained agile. We have been able to keep our passion, spirit of innovation and flexibility that have set us apart from the rest. With the growth of our company and the industry, we have consistently grown in professionalism over the past few years.

We would not be able to act in the successful way you expect from us without the specialised experts for financing, facility, electrical and construction engineering, climate protection and many other specialist issues. In the early years of wind power, enthusiasm and a talent for improvisation formed a good basis for success. These alternative primary virtues are simply not enough today to be able to hold your own in the face of the competition.

Even if the amendment has not yet been passed, early indications are that the amended Renewable Energies Act (EEG) will see to the continued expansion of onshore wind power. The new law is set to come into force in August 2014. We will continue to plan, finance and construct wind farms in our most important market. The new EEG ensures planning security for at least two years. This is good news.

From the point of view of energy policy, it is damaging that the EEG draft (as of May 2014) threatens to take away the economic basis of the biogas industry. In contrast to wind and solar energy, biogas can be controlled.

It is in a position to offset the natural deviations seen in other renewable energy sources and is therefore indispensable to the stability of the future supply of energy. This makes it all the more confusing why politicians have decided to abandon this technology.

A company such as ABO Wind, which only generates around three percent of its turnover from biogas, can deal with this poor decision. However, this does not change our disagreement on this policy.

Aside from the phase-out of nuclear energy, the actual goal of the German Energiewende (energy transition) is climate protection. And here Germany is currently moving backwards. The progressive expansion of renewable energy cannot compensate for the negative effects of the increased power generation from coal. RWE, EON, Vattenfall and ENBW have long neglected renewables however they own around 80 percent of conventional power plant capacities. The four oligopolists are the masterminds and profiteers of the coal renaissance.

The work of the grand coalition can be improved – the German Energiewende could be designed in a much better way. Nonetheless, it is – to use one of the Chancellor's favourite words – *alternativlos* [without an alternative]. This includes the phase-out of not only nuclear power, but coal as well. These targets can only be achieved by increasing the amount of onshore wind power on a sustainable basis. This means that an experienced and successful company, such as ABO Wind, will have its hands full. As a result, Germany is set to remain our most important market in the long term – despite the criticism of many political decisions.

The French market has developed very satisfactorily. Despite frequent changes in the law, which always result in delays to the planning process, the French subsidiary ABO Wind SARL has made a significant contribution to the success of the ABO Wind Group over the past few years. France currently meets 80 percent of its electricity needs with nuclear energy. Policies aim to reduce dependency on the increasingly criticised energy source, and are increasingly relying on wind. This means that a locally renowned developer such as ABO Wind is likely to benefit in the long run.

We are also well positioned in Ireland, where ABO Wind put its fourth project (including an expansion) into operation with Gibbet Hill in the previous year. There are now 28 wind turbines of ours turning on the Emerald Isle. ABO Wind is also handling a number of promising projects in Scotland, which should contribute to the company's success in the coming years. We also opened an office in Helsinki at the beginning of May. Together with a number of local partners with whom we have signed cooperation contracts, we intend to bring our first Finnish wind farm into operation in 2015.



Dr. Jochen Ahn, Matthias Bockholt, Andreas Höllinger

In contrast, the outlook for the Bulgarian market darkened further. Although courts declared parts of the legislation as illegal, the Bulgarian government is sparing no effort to burden electricity from renewable energy sources with additional charges. For this reason, we have largely written off the Sliven wind farm on the balance sheet. This has had a significant negative impact on the net result for the year of the ABO Wind Group. At around EUR 4 million, profit has fallen to half of what it was in 2012. However, this result was very satisfying.

ABO Wind brought 67 wind farms with a nominal output of 159 megawatts into operation in 2013, keeping up with the high level of the previous year. Indeed, there could have been even more turbines. However, the story that renewable energy sources are not economically viable, key words such as 'electricity price cap' and the debate surrounding a reform of the EEG caused a great deal of insecurity, and thus delayed too many projects. Last but not least, these hostile conditions have caused a number of competitors to experience considerable difficulties over the past few weeks. This is not the case for ABO Wind. Quite the opposite: with an equity ratio (including mezzanine funds) of 61 percent, the company remains very stable and solid.

After having more than doubled in 2012, the share price fell noticeably in the previous year. The debate surrounding the EEG certainly had a significant impact here.

We are happy that the majority of our shareholders are not concerned by the short-term ups and downs of the share price. We will continue to work for the German Energiewende and the long-term success of the company. We would like to thank our shareholders and customers for the trust they have placed in us and our employees for their excellent work.

Cordially

Dr. Jochen Ahn

Matthias Bockholt

Andreas Höllinger

The Executive Board of ABO Wind AG

Preliminary remark

This management report contains statements about the future. We would like to point out that actual results can deviate from the expectations of forward-looking statements.

1. Summary 2013

The ABO Wind Group (ABO Wind) finished the 2013 financial year with a net profit for the year of EUR 4.0 million (previous year: EUR 9.0 million). The overall performance (turnover plus changes in stock) amounted to EUR 92.1 million (previous year: EUR 81.8 million). Earnings are primarily determined by the success of projects in Germany and France, as well as value adjustments made for a current wind farm in Bulgaria.

In Germany, the completion of projects suffered as a result of the discussion around the EEG in the 2013 financial year. Stricter requirements and general uncertainty among all of the parties concerned resulted in considerable delays for a number of projects. Nevertheless, ABO Wind was able to carry out a sufficient range of projects in these very challenging conditions thanks to the tireless commitment of its employees. Together with the high demand among investors for turnkey wind farms, this is a reason for ABO Wind's good balance sheet figures as at 31 December 2013.

The financial strength of the company is also due to the prudent dividend policy of previous years. The very solid equity base of ABO Wind, which was strengthened even more in 2013, generated the required level of trust among participants to act with reason in the face of current uncertainties.

This can be seen in the success of new business, something which is being celebrated both at home and in foreign markets. For instance, the entry into the Finnish market is developing in very promising fashion.

Together with the advanced projects in planning and undergoing the approval process in various countries, ABO Wind has a solid project pipeline for the coming years.

2. Company

ABO Wind plans and constructs wind farms in Germany, France, Spain, Ireland, UK, Argentina, Belgium, Finland and Bulgaria.

ABO Wind initiates projects, acquires sites, carries out all technical and commercial planning work, prepares financing from international banks and constructs turnkey facilities on its own account as well as in cooperation with regional energy suppliers. Up to now, ABO Wind has brought wind farms online with a nominal output of around 850 megawatts. In the smaller business field of bioenergy, biogas plants are planned and built. These have previously produced almost seven megawatts of installed electrical output. ABO Wind also develops repowering concepts to make more effective use of tried-and-tested sites.

The technical and commercial management of ABO Wind takes control when the operating phase of wind farms and biogas plants begins. It ensures that the facilities produce the optimum amount of energy by means of modern monitoring systems and forward-looking services.

3. Economic report

3.1 Macroeconomic conditions

At the end of 2013, more than 296,000 megawatts of wind power were installed around the world, covering 3.5 percent of electricity needs in an environmentally friendly way (source: World Wind Energy Association, Half-Year Report 2013). The five largest wind-power nations (China, USA, Germany, Spain and India) make up 73 percent of the current installed output. After having experienced a massive expansion of wind power in 2012, the market in the USA collapsed in the first half of 2013 as a result of changes to the regulatory environment. By the same token, expansion came to a virtual standstill in Spain last year. Of the approximately 14,000 megawatts of wind power that were added in the first half of 2013, 5,500 megawatts came online in China and 1,200 megawatts in India. In Europe, the UK and Germany led the way in the expansion of wind power in the first half of 2013 with 1,300 megawatts and 1,100 megawatts respectively (source: World Wind Energy Association, Half-Year Report 2013).

There were no official figures on the global growth of wind power for the full-year 2013 at the time this management report was prepared. According to estimates, the extreme fluctuations in the United States in the global statistics led to a year-on-year decline of 15 percent. As a result of this, the amount of new capacity fell to around 39,000 megawatts in 2013.

(source: press release from the German Federal Association for Wind Power and VDMA Power Systems dated 31 January 2014). Given that the US market has recently picked up again, the industry anticipates a new global record of approximately 45,000 megawatts of new installed output in 2014

3.1.1 Europe

The restructuring of the European electricity market is forging ahead, although additions to wind power in 2013 were eight percent lower than in the previous year (source: European Wind Energy Association, "Wind in power, 2013 European Statistics", www.ewea.org). As was the case in previous years, wind power remained the most heavily developed power plant technology in 2013, now meeting eight percent of electricity needs in the European Union. Capacity added within the 28 Member States of the European Union (EU) came to 11,159 megawatts. This corresponds to 32 percent of total new installed power plant output. Only photovoltaics reached a similar level with 31 percent. Gas-fired power plants made up 21 percent of new installations and coal-fired power plants five percent. The output of dismantled gas and coal-fired power plants was however much greater than that of the newly constructed ones.

Although the extent to which wind power was developed across Europe reached an impressive level in 2013, the differences between the countries were however more pronounced than in previous years.

Regulatory changes and political uncertainty had a negative impact on the underlying conditions for investment in wind power in many countries. 46 percent of total facilities brought into operation was in the UK and Germany.

Former heavyweights of European wind power such as Spain and Italy saw declines of 84 percent and 65 percent respectively.

3.1.1.1 Germany

Around 3,000 megawatts of wind power were added in Germany in 2013 – 29 percent more than in the previous year (source: Deutsche Windguard, status of onshore wind power development as at 31 December 2013). 60 percent of newly constructed turbines can be found in the centre and south of Germany. This means that 23,645 wind turbines with a nominal output of 33,730 megawatts were producing green electricity at the end of the previous year.

It is the declared intention of the new federal government formed by the CDU/CSU and SPD political parties to enact an amendment to the Renewable Energies Act (EEG) by August 2014 (source: Federal Ministry for Economic Affairs, www.bmwi.de/DE/Themen/energie.html).

de/DE/Themen/energie.html).

New wind farms approved after 22 January 2014 and which are due to come online from August 2014 will receive slightly lower feed-in fees according to the current white paper and are obliged to market their electricity themselves. Wind farms approved at an earlier point in time will only be covered by these new rules if they come into service after 31 December 2014. Wind power is expected to continue growing steadily in Germany even under the new rules. Although the expansion target of 2,500 megawatts of onshore wind power every year set in the white paper is lower than the growth seen in 2013, it still seems to be guaranteed that large-scale expansion will still continue.

3.1.1.2 France

Three quarters of French electricity comes from nuclear power. The socialist president François Hollande, who has been in power since May 2012, wants to reduce this heavy dependency and promote the increased use of wind power. The aim of the French government is to have developed a capacity of 19,000 megawatts of onshore wind power by 2020. However, at the end of 2013, only 8,300 megawatts were online. A mere 631 megawatts – even less than in 2012 (814 megawatts) – came online in 2013 (source: European Wind Energy Association, "Wind in power, 2013 European Statistics", www.ewea.org).

The initial minimum compensation for electricity fed into the grid is currently at around EUR 0.084 per kilowatt hour. This applies for the first 15 years and is adjusted for inflation every year in November – in contrast to the German Renewable Energies Act (EEG). Opponents of wind power have contested the compensation system in the courts as a result of irregularities, as a result of which the French government presented a new regulation in Brussels. The European Court of Justice has now deemed the French tariff system to be EU-conform, which means that the current conditions remain intact and investor security is preserved.

3.1.1.3 United Kingdom

After Germany, the United Kingdom saw Europe's second largest increase in the use of wind power in 2013 with almost 1,900 megawatts. In contrast to the German market, many of the new wind farms in England and Scotland were built offshore (733 megawatts, 39 percent). In contrast to the German Wadden Sea, where large minimum distances from the coast add to the technical difficulties, the turbines in the UK are much closer to the coast. At the end of the previous year, there was a total of 10,530 megawatts of wind power in the UK grid (source: European Wind Energy Association, "Wind in power, 2013 European Statistics", www.ewea.org).

In particular, Scotland remains an attractive market for wind power. The country aims to cover all of its electricity needs with renewable energy sources by 2020. And this is just the tip of the iceberg. Scotland is working on a “post-2020 strategy”, intending to export large quantities of wind power to places including England. To this end, the electricity grid is set to be expanded successively from north to south by 2022. This results in additional potential for the use of wind power.

3.1.1.4 Spain

The wind market in Spain came to a virtual standstill in 2013. Already at the beginning of 2012, the government closed the register in which new projects were recorded up to then and which received a fixed compensation for electricity fed into the grid. While more than 1,100 megawatts of wind power came online in 2012, which were able to be included in the register, only 175 megawatts was installed in the previous year (source: European Wind Energy Association, “Wind in power, 2013 European Statistics”, www.ewea.org). This corresponds to a drop of 84 percent.

Nevertheless, Spain’s share of total installed capacities in Europe is still high at 20 percent as a result of the high level of investment in the past. In a European comparison, only Germany had more wind power than Spain with around 34 gigawatts (29 percent of installed capacity in Europe) compared to 23 gigawatts. However, as there are virtually no new turbines being built in Spain at the moment, the government’s aim to achieve 35 gigawatts by 2020 seems to be rather ambitious. The wind industry draws hope here that there may be a new compensation structure that would make new projects possible.

3.1.1.5 Republic of Ireland

According to statistics from the European Wind Energy Association EWEA, 228 megawatts of wind power came online in Ireland in 2013. This means that double the number of turbines was built this year compared to the previous year. 2,000 megawatts are now in operation on the Emerald Isle (source: European Wind Energy Association, “Wind in power, 2013 European Statistics”, www.ewea.org).

Bottlenecks in grid capacities in particular are preventing a faster pace of growth. There is, however, considerable potential. The European Wind Energy Association forecasts an increase in the Irish wind energy output from 6,000 to 7,000 megawatts by 2020.

3.1.1.6 Bulgaria

The expansion of wind energy in Bulgaria has practically stopped. Only seven megawatts came online in the previous year – after 158 megawatts in 2012 (source: European Wind Energy Association, “Wind in power, 2013 European Statistics”, www.ewea.org). This is the result of the national energy policy. As of 1 July 2012, the Bulgarian government cut the feed-in tariff for new wind farms by 23 percent, pulling the economic basis out from under the projects. The climate protection goal for Bulgaria postulated at a European level requires an expansion of wind power capacities from 681 megawatts today to approximately 3,000 megawatts by 2020. In order to achieve this, politicians must make a fundamental change to the framework conditions.

3.1.1.7 Finland

Wind power has only just started to undergo expansion in Finland. 448 megawatts of nominal output have been installed up to now, of which 162 megawatts was installed in 2013. This equates to almost double the number of wind turbines as in the previous year (source: European Wind Energy Association, “Wind in power, 2013 European Statistics”, www.ewea.org). Finland has had a fixed compensation for fed-in power of EUR 83.50 per megawatt hour for the first twelve years of operation since 2011. This tariff applies to 2,500 megawatts of installed wind capacity, which is to be achieved in 2018 at the earliest.

Finland is characterised by political stability, good wind conditions and a low population density (16 inhabitants per square kilometre, in Germany: 226). The work of the authorities is marked by the political will to install wind power capacity of 2,500 megawatts to begin with as quickly as possible.

3.1.2 Argentina

Eight percent of Argentinian power should be generated from renewable source by 2016. This is the ambitious target of the Argentinian government. At the same time, demand for energy and spending on energy imports are growing rapidly. Net imports have multiplied from USD 500 million in 2008 to an estimated USD 16 billion in 2013. At the same time, there are only around 120 megawatts of installed output from wind power in operation; many older wind farms from the nineties are standing still. Wind power is still in its infancy in Argentina, although the country has excellent wind conditions with a permanent, strong-blowing wind. The country is also home to IMPSA, an international manufacturer of wind turbines and hydropower turbines. Given that wind power is booming in other countries belonging to the common market known as Mercosur, it makes particular sense from an economic standpoint for Argentina to promote this.

Argentina basically has two large reserves of energy: shale gas and wind power. Wind power projects can be implemented more quickly and safely, and enable low costs for the producers in view of the excellent wind conditions. However, up to now there has been no feed-in compensation, which would enable both the construction and financing. External finance is hard to come by as a result of Argentina's poor credit rating. The only projects built up to now were financed either via the balance sheet of a large company, paid for with money from pension funds or are so small that they were supported by small cooperatives across the entire country. Tenders from 2009 have still not been definitively awarded today in part for unknown reasons. Given that the foreign currency reserves of Argentina for the import of crude oil are running dry, it is safe to assume that, in order to be able to keep pace with the growing demand for energy, wind power will be given the state support required to implement such projects.

3.2 business trend

ABO Wind covers the entire value added chain in the development of wind farms and biogas plants – from site acquisition to turnkey construction. The company's own specialists perform the greatest share of planning and organisational work. In the 2013 financial year and in the first quarter of 2014, these activities developed as follows:

3.2.1 New projects

In the annual report of the previous year, new business of around 620 megawatts was forecast for the 2013 calendar year. In fact, ABO Wind acquired new wind power projects across the Group (excluding Argentina) with a total output of more than 800 megawatts in the 2013 calendar year. 300 megawatts of this is in Germany, 160 megawatts in the UK and 150 megawatts in France. The entry into the Finnish market is also showing signs of promise: in 2013, ABO Wind acquired projects with a development potential of up to 230 megawatts of total output.

In the first quarter of 2014, more than 193 megawatts were acquired across the Group – 90 megawatts of which are in Germany.

In addition to this, around 200 megawatts were acquired in Argentina from the beginning of 2013 to the end of March 2014. However, the land secured in Argentina represents a lower value than in other countries as a result of different underlying conditions.

3.2.2 Construction applications

An impressive performance was achieved in respect of the approval of wind power facilities: In 2013, employees of the ABO Wind Group made construction applications for 218 megawatts in Germany, 84 megawatts in France, 56 megawatts in Ireland and 24 megawatts in the UK. Furthermore, applications for a total of 50 megawatts were submitted in the newly developed market of Finland. In addition, there are applications for large-scale projects with a total of 410 megawatts in Argentina and Spain.

In the first quarter of 2014, a total of around 78 megawatts of approval applications was submitted – all of these in Germany.

3.2.3 Approvals

In the 2012 annual report, the forecast for the 2013 calendar year was to receive approvals for at least 200 megawatts in Germany, 70 megawatts in France and potentially some approvals in the UK and Spain. In fact, ABO Wind obtained approval in the 2013 calendar year for a total of 118 megawatts of wind power output – 87 megawatts of which in Germany and 16 megawatts in France. Furthermore, ABO Wind received approval in Ireland for the first time for a project developed entirely in-house (15 megawatts).

The deviations from the forecast were primarily attributable to the issue mentioned at the beginning concerning the German Renewable Energies Act (EEG), but this could be improved upon slightly in the first quarter of 2014: Approval for 89 megawatts was obtained across the Group up to 31 March 2014 – all in Germany.

3.2.4 Construction

Of the 159 megawatts constructed by ABO Wind in the 2013 calendar year, 86 megawatts are in Germany, 58 megawatts in France and 15 megawatts in Ireland.

In the first quarter of 2014, wind turbines with a total nominal output of 8 megawatts were built and brought online.

3.2.5 Project financing and sales

In 2013, long-term credit agreements totalling around EUR 205 million were arranged for approximately 150 megawatts. Of this, around 90 megawatts with a credit volume of approximately EUR 128 million for German projects.

In the first quarter of 2014, loans with a total volume of around EUR 25 million were arranged for around 18 megawatts.

All projects which were taken into service in 2013 could be sold

as planned. The same applies to facilities taken into service in the first quarter of 2014.

3.2.6 Operational management

The new facilities taken into service made a positive contribution to the development of the business sector. As per 31 March 2014, ABO Wind now manages 355 wind power facilities in 78 projects with a total of 601 megawatts in Germany (375 megawatts), France (147 megawatts), Ireland and the UK (75 megawatts) and Bulgaria (4 megawatts).

3.2.7 Bioenergy

The discussion about the future shape of the EEG is well under way. The industry is hoping for some significant changes before the law comes into effect. The development in materials used is a definite departure from traditional agricultural products in favour of energy plants, agricultural by-products and organic waste.

ABO Wind is well prepared for these changes. The projects currently in the pipeline have been designed in such a way that, technically and from the perspective of how substrate contracts are designed, new regulations can be complied with as quickly and effortlessly as possible. Furthermore, the development of dedicated waste fermentation plants was continued and the necessary expertise set up.

3.2.8 Human resource development

The average number of employees at ABO Wind AG increased in the calendar year from 252 to 316. A major reason for this increase was the planned staffing of the German offices in Berlin, Hannover and Nuremberg. The number of employees in the foreign subsidiaries remained largely stable.

3.3 Turnover and earnings situation

Of the total earnings of EUR 92.1 million for the 2013 financial year mentioned at the beginning, EUR 89.0 million was attributable to turnover and EUR 3.1 million to increases in the stock or finished goods and work in progress. Turnover is comprised of EUR 21.2 million from planning services and EUR 62.4 million from the construction of projects. The management of the facilities generated EUR 3.9 million of turnover. Other revenue amounted to EUR 1.6 million.

The development of the cost of materials and other expenses are the result of the higher volume of projects and growth in personnel. At 57.7 percent, the ratio of materials in 2013

was above the previous year's level of 50.3 percent thanks to the greater share of material-intensive construction work. Personnel costs include a special payment to employees.

The write-down of EUR 2.4 million on projects included EUR 0.7 million for the share in the Bulgarian project Sliven. Other expenses also include another value adjustment related to the Sliven project in the amount of EUR 3.6 million:

In 2012, the Bulgarian projects under planning were completely written off as a result of policy changes. In contrast, the Sliven project could be constructed in the first half of 2012 under commercially viable conditions and subsequently taken into service. Wind yields are as planned.

In 2013, the Bulgarian government decided to burden wind farms in operation with new charges, including a tax of 20 percent on energy feed-in income. The equity value of the Sliven project was therefore cut to practically zero overnight. Even if the tax has been contested before the Bulgarian Constitutional Court by none other than the country's president, it is unclear whether the capital paid into this project will ever be earned back. Currently, the fear is that the payments designated for this will instead be taken entirely by the state.

Aside from the corrections in respect of Bulgaria, a value adjustment was also made against receivables from affiliated companies for a German project. EUR 0.7 million had to be included in other expenses for approval reasons.

In addition to the individual value adjustments made at a project level, a general value adjustment process was launched at a country level in the 2013 financial year as a result of the negative experiences with the Bulgarian market. The systematic measurement and classification of country risks led to a general value adjustment on work in progress totalling EUR 1.2 million in 2013. The general value adjustment had a corresponding reducing effect on the change in inventories.

Interest income after netting results in interest expense of EUR 1.7 million (previous year: EUR 2.0 million). This therefore reflects the more favourable loan conditions achieved in the renegotiations and the largely excellent liquidity situation in the course of the year.

Overall, despite the aforementioned and unexpected value adjustments, the company reported positive earnings on ordinary activities of EUR 6.9 million (previous year: EUR 15.0 million). While the net profit for the year of EUR 4.0 million fell well short of the record level seen in the previous year, it was still well within the multi-year average.

3.4 Financial and asset statement

The increased amount of investment in wind measuring masts for German sites resulted in an increase in property, plant and equipment of EUR 0.3 million to EUR 2.4 million.

Of the EUR 38.5 million of work in progress carried on the balance sheet, around EUR 11.5 million was attributable to projects under construction as at the balance sheet date of 31 December 2013.

Finished goods amounting to EUR 1.4 million relate to two German transformer stations and a German cable tract. In all cases, the capacities are designed for several wind farms that are set to be built in the coming months. The share of costs attributable to unsold capacities was included in the balance sheet. These available capacities are due to be sold in the foreseeable future.

Advance payments received which were deducted from inventories in the amount of EUR 23.3 million included EUR 0.5 million for advance payments for development services. The remaining amount relates to payments on account that relate to a service which has been performed or a delivery provided.

Amounts owed by group undertakings totalling EUR 26.7 million (previous year: EUR 50.8 million) were largely attributable to German projects not yet sold at 31 December 2013 (approximately EUR 24.7 million). The remaining amount relates to non-consolidated foreign subsidiaries of ABO Wind AG, which use these funds to provide interim financing for project costs. EUR 11.9 million of amounts owed by group undertakings were received in the first quarter of 2014.

On the equity side, a small capital increase was carried out with the issue of 75,700 new shares. The sole subscriber is Mainova AG, which has thereby increased its shareholding in ABO Wind AG to a little over ten percent.

The equity ratio including mezzanine funds remained high at 61 percent (previous year: 62 percent) thanks to the good result and the capital increase and despite the larger balance sheet volume of EUR 97.2 million (previous year: EUR 91.1 million). Adjusted for the total mezzanine funds, the equity ratio remains on a par with the previous year at 43 percent.

On the borrowed capital side, the company negotiated an increase to the respective credit lines in place with the current house banks. In this vein, ABO Wind has reached bilateral agreements amounting to approximately EUR 29 million. In addition to the higher volume of financing, the negotiations resulted in an improvement to the financial conditions thanks to the good credit rating of ABO Wind. The unused credit lines amounted to a total of EUR 29.2 million as at 31 December 2013.

Given the inflow of liquidity from projects at the end of the year, liabilities to credit institutions of EUR 13.1 million as at 31 December 2013 related almost entirely to low-interest

repayment loans. The threshold values of key financial figures agreed with the credit institutions – so-called covenants – were all complied with in the reporting period.

4. Supplementary report

In February 2014, an additional current account overdraft facility of EUR 2.0 million was agreed with an existing house bank.

The profit-share holders of cancellable mezzanine funds as at 31 December 2014 were made an offer to extend their financial investment in the first quarter of 2014. The investors are able to reinvest their funds for a further 2 or 5 fixed-year period at new conditions that are based on current market conditions. The response to this offer was positive as expected and gives ABO Wind the desired medium-term planning security.

Aside from this, there were no other events occurring after 31 December 2013 which were of significance to the operations or the assets, financial and earnings position of ABO Wind and which could lead to a change in how the company's position is assessed.

5. Opportunities and risks

5.1 Liquidity risks

The project development of renewable energies is characterised by high pre-operating costs for small quantities. Inflows from project financing and sales need to be carefully planned and coordinated with the outflows for planning and constructing the projects. Liquidity is managed at the Group level. The long-term demand is regularly reviewed by means of a multi-year business plan. Suitable capital measures are initiated and seen through centrally by ABO Wind AG where necessary. Short and medium-term liquidity is constantly managed via a Group-wide liquidity planning system. Incoming payments are pooled and outgoing payments approved across the Group via a manual cash pooling system at ABO Wind AG.

5.2 Foreign exchange risks

ABO Wind AG is exposed to foreign exchange risks through its operations in South America and the United Kingdom. Currently, foreign exchange risks are of minor importance at ABO Wind. Most of its business is conducted in the euro zone.

5.3 Interest rate risk

Rising interest rates represent a risk to the profitability of projects. Action can be taken to mitigate this risk through suitable interest rate hedging transactions. In the medium-to-long term, rising interest rates may need to be offset by lower investment and operating costs, as well as adjusted compensation rates.

5.4 Regulatory risks

By its very nature, wind energy cannot be generated at the press of a button. The most significant ongoing costs come from the initial investment costs and from long-term credit and lease agreements. As a result of volatile electricity yields – due to the dependence on the weather – and long-term fixed costs, the economic viability of wind energy projects depends heavily on the framework conditions underpinning the sale of the energy produced. Clarity and reliability over the investment period must exist concerning the applicable compensation rules for new facilities to ensure confidence. There must also be a degree of reliability for the applicable compensation rules for facilities in operation over the economic useful life of the wind power facilities.

Other regulatory risks for renewable energy projects can be found in the approval process and the conditions for network connections and the feeding in of electricity. Time delays and regulatory requirements with regard to operating and connecting the facilities to the grid can have a significant impact on the economic viability of a project.

Overall, the greatest risk for wind energy projects lies in the political and administrative design and implementation of the framework conditions.

5.5 Opportunities and strategy

In general, the policymakers at the European level agree that it is desirable and necessary for the use of renewable energies to be increased. It is also undisputed that onshore wind power is by far the most cost-effective way to generate environmentally friendly electricity. Any reform to current energy policy, which leads to a cost-sensitive increase in the use of renewable energies, should boost onshore wind power.

Project developers occupy a key role in carrying out the energy transition. It is only possible to implement projects to the extent intended with their expertise and their capacities during the planning and construction phases. The current plans of the Federal Government to expand the use of onshore wind power anticipate an increase of around 2,500 megawatts a year. ABO Wind's business plan is focused on making a reasonable contribution to the success of the energy transition.

This means working solidly, like in any industry. Our business philosophy to ensure long-term success has been to treat our partners fairly and openly – from landowners and suppliers to banks and investors. Despite the setbacks in Bulgaria, ABO Wind is staying true to its strategy of international growth. A greater number of projects, spread across different wind regions and countries, reduce the importance of individual risk factors. The short decision-making times at ABO Wind make it possible to react quickly to changes and to adjust the business model where necessary. The Management currently does see any need to do this.

6. Forecast

Given the extensive project pipeline, it can be assumed that at least 300 megawatts will be approved in Germany alone in 2014 and 2015. On top of this there will be at least 80 megawatts in France and, as things stand, approvals in the UK, Ireland and Finland.

Around 200 megawatts is expected from facilities coming on-line in 2014, spread across 16 projects in Germany and France.

The company expects total earnings to exceed EUR 100 million in the current financial year. In view of the number of start-ups intended, the material ratio is set to be above 55 percent again in 2014. The number of employees is set to grow at a much slower pace than in previous years. This means that personnel costs will stabilise in relation to total earnings, if not reduce. In view of write-downs and other expenses, the higher value of the past two years is carried forward in the business plan in line with commercial prudence. However, the anticipated net profit for the current financial year depends crucially on the final provisions of the amended Renewable Energies Act (EEG). In particular on the rule regarding the cut-off date for using

the new tariff. Taking all of the factors into consideration, the management expect a slight increase in the net profit for the 2014 financial year over the 2013 financial year.

The new business of more than 1,000 megawatts forecast for 2014 and 2015 will help to ensure that comparatively good results will continue to be generated in 2015 and beyond.

Wiesbaden, April 2014

ABO Wind AG

The Executive Board



Consolidated Balance Sheet

Assets

	As of 31.12.2013 / in kEUR	2013	previous year
A.	Fixed assets	6,277	5,022
I.	Intangible assets	286	271
II.	Tangible assets	2,441	2,093
1.	Land, similar rights and buildings	319	315
2.	Other equipment, factory and office equipment	2,122	1,778
III.	Financial assets	3,550	2,659
1.	Shares in group undertakings	158	155
2.	Participating interests	3,393	2,504
B.	Current assets	89,734	84,678
I.	Inventories	20,862	15,316
1.	Work in progress	38,462	37,069
2.	Finished goods and goods for resale	1,382	1,533
3.	Payments on account	4,326	5,366
4.	Received payments for orders	-23,308	-28,652
II.	Debtors and other assets	43,331	58,398
1.	Trade debtors	7,520	6,216
2.	Amounts owed by group undertakings	26,714	50,811
3.	Amounts owed by undertakings in which the company has a participating interest	3,869	0
4.	Other assets	5,229	1,372
III.	Securities	9,234	4,255
1.	Shares in group undertakings	5,674	4,255
2.	Other securities	3,560	0
IV.	Cheques, Cash in hand, Central Bank and postal giro balances, bank balances	16,307	6,708
C.	Prepaid expenses	74	91
D.	Deferred taxes	1,138	1,320
	Total assets	97,224	91,111

Equity and liabilities

	As of 31.12.2013 / in kEUR	2013	previous year
A.	Equity	42,197	38,875
I.	Subscribed capital	7,646	7,570
II.	KonzernkaCapital reserves	13,542	12,823
III.	Revenue reserves	16,973	9,514
1.	Statutory reserve	490	215
2.	Other revenue reserves	16,483	9,299
IV.	Foreign currency translation differences	7	-4
V.	Profit for the year	4,029	8,973
B.	Mezzanine capital	17,166	17,457
C.	Provisions	10,432	13,890
1.	Tax provisions	870	5,586
2.	Other provisions	9,562	8,304
D.	Creditors	27,428	20,888
1.	Bank loans and overdrafts	13,100	10,206
2.	Trade creditors	4,498	3,688
3.	Amounts owed to group undertakings	322	323
4.	Amounts owed to undertakings in which the company has a participating interest	319	0
5.	Other creditors	9,189	6,672
	Total liabilities and equity	97.224	91.111

Consolidated profit and loss account

	From 1.01.2013 to 31.12.2013 / in kEUR	2013	previous year
1.	Turnover	89,095	68,371
2.	Change in finished goods and work in progress	3,052	13,442
3.	Total output	92,147	81,813
4.	Other operating income	1,311	883
5.	Cost of materials	-53,214	-41,188
a)	Cost of raw materials, consumables and goods for resale	-565	-526
b)	Cost of purchased services	-52,650	-40,662
6.	Staff costs	-17,676	-14,587
a)	Wages and salaries	-14,716	-12,223
b)	Social security, pension and other benefits	-2,961	-2,364
7.	Depreciation and amortisation	-3,117	-4,596
a)	of fixed intangibles and tangible assets	-667	-586
b)	Exceptional amounts written off current assets	-2,450	-4,010
8.	Other operating expenses	-10,797	-5,310
9.	Other interest receivables and similar income of which 328 from group undertakings, previous year: 4	623	318
10.	Interest payable and other similar charges of which to group undertakings 4 previous year: 261,	-2,359	-2,324
11.	Profit on ordinary activities	6,918	15,009
12.	Tax on profit	-2,851	-6,004
13.	Other taxes	-38	-32
14.	Net profit	4,029	8,973

Statement of shareholders equity

In kEUR	As of 01.01.2013	Issues of shares	Dividends paid	Other changes	Profit for the year	As of 31.12.2013
Subscribed capital	7,570	76	-	-	-	7,646
Capital reserves	12,823	719	-	-	-	13,542
Revenue reserves	18,487		-1,514	0	4,028	21,001
Currency conversion	-4	-	-	11		7
Group equity	38,875	795	-1,514	11	4,028	42,197

Consolidated cash-flow statement for ABO Wind Group

In kEUR	2013	previous year
Current operating activities		
Net profit or loss for the period	4,029	8,973
+/- Depreciation / Write-up of fixed assets	667	586
+/- Change in provisions	-3,458	4,798
+/- Result from the disposal of fixed assets	-325	-220
+/- Change in stock	-5,546	1,509
+/- Change in debtors and other assets that cannot be attributed to investment and financing activities	10,368	-21,814
+/- Change in trade payables and other liabilities that cannot be attributed to investment and financing activities	3,646	-1,143
= Cash flows from current operating activities	9,381	-7,313
Investment activities		
+ Cash received on disposal of tangible fixed assets	19	77
- Investments in tangible fixed assets	-847	-1,244
- Investments in intangible assets	-204	-218
+ Cash received on disposal of financial assets	3,724	4,805
- Cash paid for the purchase of financial assets	-4,370	-3,800
= Cash flows from investing activities	-1,679	-380
Financing activities		
+ Cash receipts from issue of capital (capital increases, sale of own shares, etc.)	795	11,729
- Cash payments to owners and minority shareholders (dividends, acquisition of own shares, equity repayment and other distributions)	-1,514	-1,076
+ Cash proceeds from loans and short or long-term borrowing	6,053	18,082
- Cash repayments of loans or short or long-term borrowings	-3,449	-15,113
= Cash flows from financing activities	1,884	13,622
= Net change in cash and cash equivalents	9,587	5,929
Change in cash funds from exchange rate movements, changes in group structure and in valuation procedures for cash funds	12	3
Cash funds		
At the start of the period	6,708	776
At the end of the period	16,307	6,708

Notes to the consolidated financial statements

I. General information

The consolidated financial statements of ABO Wind AG are prepared in accordance with the accounting regulations applicable for corporations of the German Commercial Code (Handelsgesetzbuch; HGB), with due consideration being given to the law relating to corporations (Aktiengesetz; AktG).

The profit and loss account has been prepared in accordance with the cost summary method set out in Section 275 (2) HGB.

The financial year corresponds to the calendar year.

In the interests of better clarity and transparency, the information to be provided in accordance with the legal regulations for the items of the balance sheet and profit and loss account and also the information to be provided either in the balance sheet or in the profit and loss account respectively or in the notes is to a large extent set out in the notes to the consolidated financial statements.

In accordance with §244 of the commercial code, the consolidated financial statements 2012 are prepared in euro.

II. Scope of consolidation

Aside from the parent company ABO Wind AG, nine (previous year: nine) subsidiaries are included in the consolidated financial statements over which ABO Wind AG can exercise a direct, indirect or majority influence as defined by Section 290 of the German Commercial Code (HGB). No companies were added to or left the scope of consolidation in the reporting year.

The following companies were **fully consolidated** in the reporting year:

Company	Capital share
ABO Wind Betriebs GmbH, Wiesbaden, Germany	100%
ABO Wind Biogas-Mezzanine GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind Mezzanine GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind Mezzanine II GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind España S.A., Valencia, Spain	100%
ABO Wind Ireland Ltd., Kildare, Ireland	100%
ABO Wind SARL, Toulouse, France	100%
ABO Wind Bulgaria EOOD, Sofia, Bulgaria	100%
ABO Wind UK Ltd., United Kingdom	100%

Not included within the consolidation scope were shares in group undertakings which are being held with the sole purpose of resale (§296 par. 1 Nr. 3 of the commercial code) along with group undertakings which are of minor importance regarding the appropriate presentation of a true and fair view of the net assets, financial position and results of operations of the group (§296 par. 2 of the commercial code). An overview of material not included group undertakings can be found in the appendix.

III. Consolidation principles

General information

Financial statements included in the consolidation are prepared in accordance with accounting policies. The conversion of financial statements in foreign currency is carried out following the modified closing rate method.

Capital consolidation

Capital consolidation for those entities already fully consolidated in the previous year, continues to follow the book value method, according to §66 par. 3 p. 4 of the commercial code, through offsetting acquisition costs of investment with the (prorated) equity of the group undertaking.

The revaluation method is applied for companies newly entering the consolidation scope for the reporting year. In the process, acquisition costs of shares in subsidiaries are offset by equity, valued for the present value at the moment of first consolidation, allotted to the particular group undertaking. Active balances stemming from capital consolidation are in principle – after consideration of disclosed hidden reserves/ hidden liabilities as well as deferred taxes apportioned to each – capitalized as goodwill. For the ABO Wind Group, such differences in calculation do not occur.

Debt consolidation

In the scope of debt consolidation, all amounts owed by and owed to group undertakings that are included in the consolidated financial statement are offset in accordance with §303 par. 1 of the commercial code.

Cost and income consolidation

Within the scope of cost and income consolidation in accordance with §305 par. 1 of the commercial code, income from services rendered and other income between the consolidated companies were consolidated with the corresponding costs. The same principle applies for other interests and similar income, which were offset with the corresponding expenditures.

Intercompany profit elimination

In accordance with §304 par. 1 of the commercial code, unrealised gains on transactions between group undertakings are eliminated.

IV. Balancing and evaluation methods

1. Balancing and evaluation of assets

Intangible assets acquired from third parties for a monetary consideration are capitalized at cost of purchase, and are depreciated using the straight-line method over their probable useful life; depreciation is recognized on a pro-rata basis in the year of acquisition. EDP programs acquired for a monetary consideration are written down over a standard useful life of three years. One exception in this respect are EDP programs with costs of purchase of less than € 410; these are recognized immediately and in full in the profit and loss account. If the fair values of individual intangible assets are lower than their corresponding carrying amounts, additional impairments are recognized if the reduction in value is probably of a permanent nature.

Tangible assets are measured with cost of purchase or cost of production less straight-line depreciation over a period of 3 – 15 years. Depreciation in relation to additions to tangible assets are recognized on a pro-rata basis. If the fair values of individual assets are lower than their corresponding carrying amounts, additional impairments are recognized if the reduction in value is probably of a permanent nature.

With regard to the recognition of **minor-value assets**, the tax law regulation of Section 6 (2) and (2a) EStG has been used. The costs of purchase or production of depreciable moveable fixed assets which are capable of being used independently are recognized in full as business expenses in the financial year in which the assets are purchased, produced or contributed if the costs of purchase or production, less any amount of VAT included in the amount, of the individual asset do not exceed € 410.

Under **financial assets**, the shares in group undertakings and the equity participations are measured at cost of purchase.

Loans are always recognized with their nominal value.

Work in progress and finished goods are measured at cost of production. The costs of production contain the components of Section 255 (2) HGB which have to be capitalized. Furthermore, reasonable amounts of administrative costs as well as reasonable costs of social facilities of the operation and for voluntary social services are also included in the costs of production if they are attributable to the period of production. Moreover, in accordance with §255 par. 3 of the commercial code, interest on borrowed capital were capitalized - as long as they are attributable to the period of production. In all cases, inventories are measured at the lower of cost or market value, i.e. if the probable selling prices less the costs incurred up to the point at which the inventories are sold result in a lower fair value, corresponding impairments have been recognized.

Debtors and other assets are shown at the lower of nominal value or fair value as of the balance sheet date. Reasonable impairments are recognized in the case of receivables if a recognizable level of risk is associated with the recoverability of such receivables; irrecoverable receivables are written off.

The **marketable securities** are shown with the lower of cost of purchase or fair value.

Liquid assets are shown with their nominal value on the balance sheet date.

Prepaid expenses show expenditure incurred before the reporting date if such expenditure relates to a period after that date.

2. Recognition and valuation of liabilities and equity

Subscribed capital is shown with its nominal value.

The group recognized **Mezzanine capital** as an item between equity and loans, exercising its option from §265 par. 5 of the commercial code. Mezzanine capital is shown with its nominal value.

The **provisions** were recognized with the settlement amount necessary in the opinion of a prudent businessman. Provisions with a remaining term of more than one year are discounted using the average market interest rate of the past seven years corresponding to the remaining term of the provisions.

Liabilities are recognized with their settlement amount.

In order to offset opposite changes in value or cash flows arising from interest rate risks, liabilities and financial instruments are combined (valuation unit).

Conversion of foreign currency

Foreign currency transaction are in principle translated into the group currency using the exchange rates prevailing at the dates of transactions. Balances from such transactions at the balance sheet date are recognized as follows:

Short-term foreign currency debtors (with a remaining term of one year or less) as well as liquid assets or other short-term assets in foreign currency are converted using the spot mid-rate applicable on the balance sheet date. **Short-term foreign currency liabilities** (with a remaining term of one year or less) are translated using the spot mid-rate on the balance sheet date.

For group undertakings included in the consolidated financial statements and whose currency is not equal to that of the group, the following applies:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet, **costs and income** are converted at average exchange rates and equity using the historic exchange rate. A resulting currency gap from the conversion is recognized in equity as the item "equity gap from currency conversion".

Deferred taxes

Deferred taxes are recognized in relation to the differences between the figures shown in the commercial accounts and the tax accounts if such differences will probably be reversed in subsequent financial years.

The expense and income arising from the change in recognized deferred taxes since January 1, 2012 are shown in the income statement under the item "Taxes on income" and explained separately in the notes to the consolidated financial statements.

The deferred taxes are calculated using an effective tax rate which will probably be applicable at the point at which the differences are reversed.

V. Information on the balance sheet

Unless otherwise mentioned, the previous year's figures relate to the balance sheet as at 31 December 2012.

Fixed assets

The development of the individual items of fixed assets is shown in the schedule of assets, with details of depreciation recognized in the financial year. The schedule of assets is enclosed as an exhibit to the notes.

Shares in group undertakings and equity participations shown under financial assets – meaning companies of which ABO Wind directly or indirectly owns at least 20 percent of the shares – are further considered in the list of shareholdings in the appendix.

Debtors and other assets

Information on debtors and other assets can be obtained from the following claims analysis:

	31.12.2013	residual maturity	
	in kEUR	< 1 year	1-5 Jahre
Trade debtors	7,520	7,520	0
(previous year)	(6,216)	(6,216)	(0)
Amounts owed by group undertakings	26,714	26,714	0
(previous year)	(50,811)	(50,811)	(0)
Amounts owed by undertakings in which the company has a participating interest	3,869	3,869	0
(previous year)	(0)	(0)	(0)
Other assets	5,228	5,129	99
(previous year)	(1,372)	(1,276)	(95)
	43,330	43,232	99
(previous year)	(58,398)	(58,303)	(95)

Amounts owed by are mainly the result of deliveries and services exchanged.

Deferred taxes

The unbalanced and separately recognized item "deferred taxes" in the balance sheet mainly results from the following temporary differences and/or tax loss carry-forwards:

- Adjustments due to group accounting policies
- Elimination of intercompany profits
- Tax loss carry-forwards

The evaluation of deferred tax assets and liabilities is carried out using the following, company individual tax rates:

- Germany 30 %
- Spain 30 %
- Ireland 12,5 %
- UK 21 %
- France 33 %
- Bulgaria 10 %

Shareholders' capital

The subscribed capital for ABO Wind AG is divided into 7,645,700 shares valued at one euro per share and with a corresponding share of the capital stock.

On 28 August 2013, the company increased its subscribed capital by EUR 76 thousand by issuing 75,700 new shares. The income of EUR 719 thousand extending beyond the capital increase was added to the company's capital reserves. The Executive

Board has the power to increase the issued capital on one or more occasions with the agreement of the Supervisory Board by 31 May 2017 by issuing new shares in exchange for cash and/or material deposits, however by no more than a maximum nominal amount of EUR 524 thousand. In doing so, it shall determine the details of the shares and the terms of issue (authorised capital 2012/II).

The Executive Board has the power to increase the issued capital on one or more occasions with the agreement of the Supervisory Board by 19.06.2018 by issuing new shares in exchange for cash and/or material deposits, however by no more than a maximum nominal amount of EUR 3,185,000. In doing so, it shall determine the details of the shares and the terms of issue (authorised capital 2013).

Mezzanine capital

Participation certificates in the amount of EUR 17,166 thousand (previous year: EUR 17,457 thousand) were issued as at the balance sheet date. Of this amount, EUR 10,017 thousand (previous year: EUR 10,027 thousand) is attributable to ABO Wind Mezzanine GmbH & Co. KG, EUR 5,367 thousand (previous year: EUR 5,372 thousand) to ABO Wind Mezzanine II GmbH & Co. KG and EUR 1,783 thousand (previous year: EUR 2,059 thousand) to ABO Wind Biogas-Mezzanine GmbH & Co. KG.

Provisions

Tax provision are comprised as follows:

Tax provisions	December 31st, 2013 in kEUR	December 31st, 2012 in kEUR
Corporate tax provisions	435	2.933
Trade tax provisions	435	2.653
Total	870	5.586

Other provision are comprised as follows:

Other provisions	December 31st, 2013 in kEUR	December 31st, 2012 in kEUR
provisions for production costs without final invoices	5,349	4,297
Provisions for various project risks	425	945
Provisions for financial statements and auditing costs	154	144
Provision for warranties	69	50
Provisions for the storage of business documents	25	25
Other provisions	3,540	2,843
Total	9,562	8,304

Creditors

The breakdown of creditors according to their remaining terms can be taken from the following creditors analysis:

As of December 31st, 2013 in kEUR	Total	residual maturity		
		< 1 year	1 - 5 years	> 5 years
Bank loans and overdrafts (previous year)	13,100 (10,206)	3,308 (3,150)	9,792 (7,056)	0 (0)
Trade creditors (previous year)	4,498 (3,688)	4,498 (3,688)	0 (0)	0 (0)
Amounts owed to group undertakings (previous year)	322 (323)	322 (323)	0 (0)	0 (0)
Amounts owed to undertakings in which the company has a participating interest (previous year)	319 (0)	319 (0)	0 (0)	0 (0)
Other creditors (previous year)	9,189 (6,672)	9,001 (6,499)	188 173	0 (0)
of which taxes (previous year)	6,533 (4,344)	6,533 (4,344)		
of which which relating to social security (previous year)	156 (138)	156 (138)		
(previous year)	27,428 (20,887)	17,448 (13,658)	9,980 (7,229)	0 (0)

Amounts owed to group undertakings mainly include deliveries and services exchanged.

Deferred tax liabilities

Temporary differences, which lead to deferred tax liabilities, are mainly the result of adjustments due to group accounting policies.

VI. Information on the profit and loss calculation

Turnover

Turnover is broken down as follows to activities areas:

	2013		2012	
	kEUR	%	kEUR	%
Planning, Development and Construction	83,605	93,9	63,476	92,8
Operational Management	3,870	4,3	3,517	5,1
Other Revenues	1,620	1,8	1,378	2,0
	89,095	100,0	68,371	100,0

Structuring according to specific regional markets results follow below:

	2013		2012	
	kEUR	%	kEUR	%
Germany	54,597	61,3	37,436	54,8
France	20,685	23,2	27,239	39,8
Ireland	13,784	15,5	483	0,7
Spain	25	0,0	2,076	3,0
Great Britain	4	0,0	0	0,0
Bulgaria	0	0,0	1,137	1,7
	89,095	100,0	68,371	100,0

Depreciation

Depreciation includes unscheduled depreciation on projects that cannot be realized amounting to kEUR 1,796 (previous year: kEUR 1,504)

Tax on profit

Taxes on profits includes amounts from the recognition of deferred tax assets of kEUR 260 (previous year: kEUR 791) and deferred tax liabilities of kEUR 434 (previous year: kEUR 287).

VII. Other disclosures

Guarantees and commitments

ABO Wind AG has undertaken to purchase limited partner shares in ABO Wind Windpark Wennerstorf GmbH & Co. KG in the amount of EUR 1,279 thousand on 31.12.2015 and limited partner shares in ABO Wind Windpark Marpingen GmbH & Co. KG in the amount of EUR 1,508 thousand on 31.12.2016.

ABO Wind AG has given a capped guarantee of payment to holders of profit-share certificates in Eurowind AG for interest and repayment claims in the amount of up to EUR 125,00 respectively. This guarantee of a total of EUR 3,250 thousand enables the profit-share certificate holders to make a direct claim to the guarantor in the event that Eurowind AG is at least 60 days in arrears with its payments.

The company has taken over a guarantee declaration of a maximum of EUR 600 thousand in favour of a French investor to protect against the repayment entitlement arising out of a reservation agreement for a French wind farm project.

The company is liable for the current account overdraft in the amount of EUR 600 thousand, which has been made available for use by its subsidiary ABO Wind SARL in France by the French banks CREDIT AGRICOLE and CIC SUD OUEST.

In addition to this, ABO Wind AG has provided sureties in favour of its suppliers amounting to EUR 47,817 thousand for diverse projects to safeguard payment claims arising out of contracts relating to the delivery, assembly and commissioning of wind power facilities.

At the reporting date, there were also guarantees and sureties in the amount of EUR 5,610 thousand.

There were no provisions created for the contingent liabilities carried at nominal values, because these are not expected to take effect and impact on the Group.

Valuation units

The company is exposed to interest rate risks in the course of its business activities. Derivative financial instruments are used to hedge these risks. This included an interest rate cap in the reporting year. It is used in accordance with standardised rules, is subject to strict internal controls and is limited to hedging the company's operating business and the associated investment and financing activities. The aim of using derivative financial instruments is to reduce fluctuations in earnings and cash flows that are due to changes in exchange rates and interest rates.

To hedge underlying transactions, derivative financial instruments were used to hedge interest rate risks for variable-rate loans. If the legal requirements are met, valuation units are created as defined in Section 254 of the German Commercial Code.

The following valuation units were created:

ABO Wind AG received a variable rate loan of EUR 1,000 thousand from Nassauische Sparkasse, Wiesbaden. In order

to hedge against rising interest rates, the company took out an interest rate cap during the reporting year of EUR 1,000 thousand with Helaba, valid until 31.12.2015. As at 31 December 2013, the interest rate cap had a positive market value of EUR 0 thousand (previous year: EUR 1 thousand).

Other financial obligations and off-balance sheet transactions

The Group continues to have obligations arising out of fixed-term rental and lease agreements amounting to EUR 2,181 thousand (previous year: EUR 2,682 thousand). These obligations relate primarily to the rental of space and car leasing contracts.

Auditor's fees

The separate and consolidated financial statements of the parent company as at 31 December 2013 were audited by RBS RoeverBroennerSusat GmbH & Co. KG, Hamburg, Germany. The fees for services relating to the audit of the financial statements came to EUR 65 thousand (previous year: EUR 68 thousand); EUR 1 thousand was paid for opinions (previous year: EUR 1 thousand).

Employees

In the 2013 financial year, an average of 316 people (previous year: 252) were employed and which can be broken down into the following groups:

Employee Group	31.12.13	31.12.12
Executives	8	3
Fulltime Employees	206	187
Parttime Employees	102	62
Total	316	252

Asset analysis for the business year 2013

	In kEUR	Acquisition costs			
		01.01.13	Currency effect	Additions	Disposals
I.	Intangible assets	666	0	204	2
1.	Acquired concessions, industrial property and similar rights	666	0	204	2
II.	Sachanlagen	3,547	- 2	847	127
1.	Land, similar rights and buildings including buildings on third-party land	322	0	5	0
2.	Other equipment, factory and office equipment	3,225	- 2	842	127
III.	Financial assets	3,165	0	4,370	3,398
1.	Shares in group undertakings	155	0	3	0
2.	Participating interests	3,010	0	4,368	3,398
	Total assets	7,378	- 2	5,421	3,527

Board

Members of the board during the 2012 business year consisted of the following:

Dr. Jochen Ahn, Dipl. chemist, Wiesbaden, responsible for project acquisition and administration

Dipl. Ing. Matthias Bockholt, Dipl. Ing. for electrical engineering, Heidesheim, responsible for technology and operational management

Andreas Höllinger, Dipl. Kaufmann, Dipl. ESC Lyin, Frankfurt am Main, responsible for financing and sales

A statement of stipends is waived in accordance with §286 par. 4 of the commercial code.

Wiesbaden, April 30th 2013

ABO Wind AG

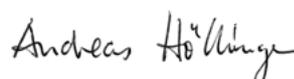
The Executive Board of ABO Wind AG



Dr. Jochen Ahn



Matthias Bockholt



Andreas Höllinger

Supervisory board

Members of the supervisory board during the business year 2013

Chairman

Attorney Jörg Lukowsky, specialized lawyer for tax and employment law, employed by the chambers of FUHRMANN WALLENFELS Wiesbaden attorney partnership, Wiesbaden

Other members

Prof. Dr. Uwe Leprich, chair of energy economics at the Saarland college of economy, Saarbrücken

Dr. Ing. Joachim Nitsch (since June 2012), scientist, Stuttgart

Supervisory board compensation came to kEUR 42 (previous year: kEUR 46)

Re-Classification	Depreciation						Book value	
	31.12.13	01.01.13	Currency effect	Additions	Disposals	31.12.13	31.12.13	31.12.12
o	868	395	o	189	2	582	287	271
o	868	395	o	189	2	582	287	271
o	4,265	1,454	- 0,4	479	109	1,823	2,441	2,093
o	327	7	o	1	o	7	319	315
o	3,938	1,447	- 0,4	478	109	1,816	2,122	1,778
- 81	4,057	506	o	o	o	506	3,550	2,659
o	158	o	o	o	o	o	158	155
- 81	3,899	506	o	o	o	506	3,393	2,504
- 81	9,190	2,355	- 0,4	667	110	2,912	6,278	5,023

ABO Wind Group's investments

Overview of major holdings of ABO Wind AG					
	Share in %	Equity in kEUR		Annual result in kEUR	
Germany					
ABO Wind Biomasse GmbH	100.0	EUR	49	EUR	2
ABO Wind Verwaltungs GmbH	100.0	EUR	124	EUR	10
ABO Wind Mezzanine GmbH & Co. KG	100.0	EUR	66	EUR	17
ABO Wind Mezzanine II GmbH & Co. KG	100.0	EUR	-24	EUR	-17
ABO Wind Biogas-Mezzanine GmbH & Co. KG	100.0	EUR	29	EUR	3
WPE Hessische Windparkges. mbH	50.1	EUR	25	EUR	52
ABO Wind Betriebs GmbH	100.0	EUR	534	EUR	127
France					
ABO Wind SARL	100	EUR	1,382	EUR	278
Spain					
ABO Wind España S.A.U.	100	EUR	218	EUR	51
Ireland					
ABO Wind Ireland Ltd.	100	EUR	-4,843	EUR	245
ABO OMS Ltd., Dublin	100	EUR	12	EUR	-2
Northern Ireland					
ABO Wind NI Ltd.	100	GBP	-289	GBP	49
Great Britain					
ABO Wind UK Ltd.	100	GBP	-643	GBP	57
Bulgaria					
ABO Wind Bulgaria EOOD	100	BGN	-1,001	BGN	492
Belgium					
ABO Wind Belgium SPRL	100	EUR	-293*	EUR	-24*
Argentina					
ABO Wind Energias Renovables S.A.	85	ARS	1,161	ARS	25
Uruguay					
ABO Uruguay SA	99	UYU	-4,020	UYU	-1,482
Overview holdings					
	Share in %	Equity in kEUR		Annual result In kEUR	
ABO Invest AG	20.8	EUR	29,654	EUR	620
WWE Wiesbadener WP Entwicklungs GmbH	50	EUR	25	EUR	0

* fiscal year 2012

Balance sheet ABO Wind AG

Assets

As of 31.12.2013 / in kEUR		2013	previous year
A.	Fixed assets	5,848	4,498
I.	Intangible assets	269	226
1.	Concession and property rights and similar rights and assets, and licences in such rights and assets	269	226
II.	Tangible assets	1,629	1,294
1.	Land, similar rights and buildings	319	315
2.	Other equipment, factory and office equipment	1,309	979
III.	Financial assets	3,951	2,978
1.	Shares in group undertakings	558	555
2.	Participating interests	3,393	2,423
B.	Current assets	81,382	71,867
I.	Stocks	19,663	10,187
1.	Work in progress	32,485	23,029
2.	Finished goods and goods for resale	1,349	1,486
3.	payments on account	3,995	5,110
4.	Received payments for orders	-18,166	-19,438
II.	Debtors and other assets	38,498	55,514
1.	Trade debtors	4,124	2,657
2.	Amounts owed by group undertakings	31,675	51,967
3.	Amounts owed by undertakings in which the company has participating interest	0	0
4.	Other assets of which with a remaining term of more than one year 94 (previous year: 93)	2,700	890
III.	Securities	8,146	230
1.	Shares in group undertakings	4,586	149
2.	Other securities	3,560	81
IV.	Cheques, Cash in hand, Central Bank and postal giro balances, bank balances	15,074	5,936
C.	Prepaid expenses of which disaggio 20, previous year: 60	20	60
	Total assets	87,250	76,425

Liabilities and equity

As of 31.12.2013 / in kEUR		2013	previous year
A.	Equity	46,080	39,899
I.	Subscribed capital	7,646	7,570
II.	Capital reserves	13,542	12,823
III.	Revenue reserves	17,992	14,018
1.	Statutory reserves	490	215
2.	Other revenue reserves	17,502	13,803
IV.	Profit for the year	6,900	5,488
B.	Special item for bonuses, grants and perks	0	0
C.	Provisions	7,472	8,353
1.	Tax provisions	847	2,675
2.	Other provisions	6,625	5,678
D.	Creditors	33,697	28,173
1.	Bank loans and overdrafts which of a remaining term of up to one year 714, (previous year: 0)	13,048	10,178
2.	Trade creditors of which a remaining term of up to one year 2,569, (previous year: 1,206)	2,569	1,206
3.	Amounts owed to undertakings in which the company has a participating interest of which a remaining term of up to one year 13,682, (previous year: 14,247)	13,682	14,247
4.	Other creditors of which to associates 13, (previous year: 12) of which taxes 3,268, (previous year: 2,011) of which relating to social security 0, (previous year: 1) of which a remaining term of up to one year 4,211, (previous year: 2.369)	4,399	2,542
E.	Deferred income	1	0
	Total liabilities and equity	87,250	76,425

Profit and loss calculations of ABO Wind AG

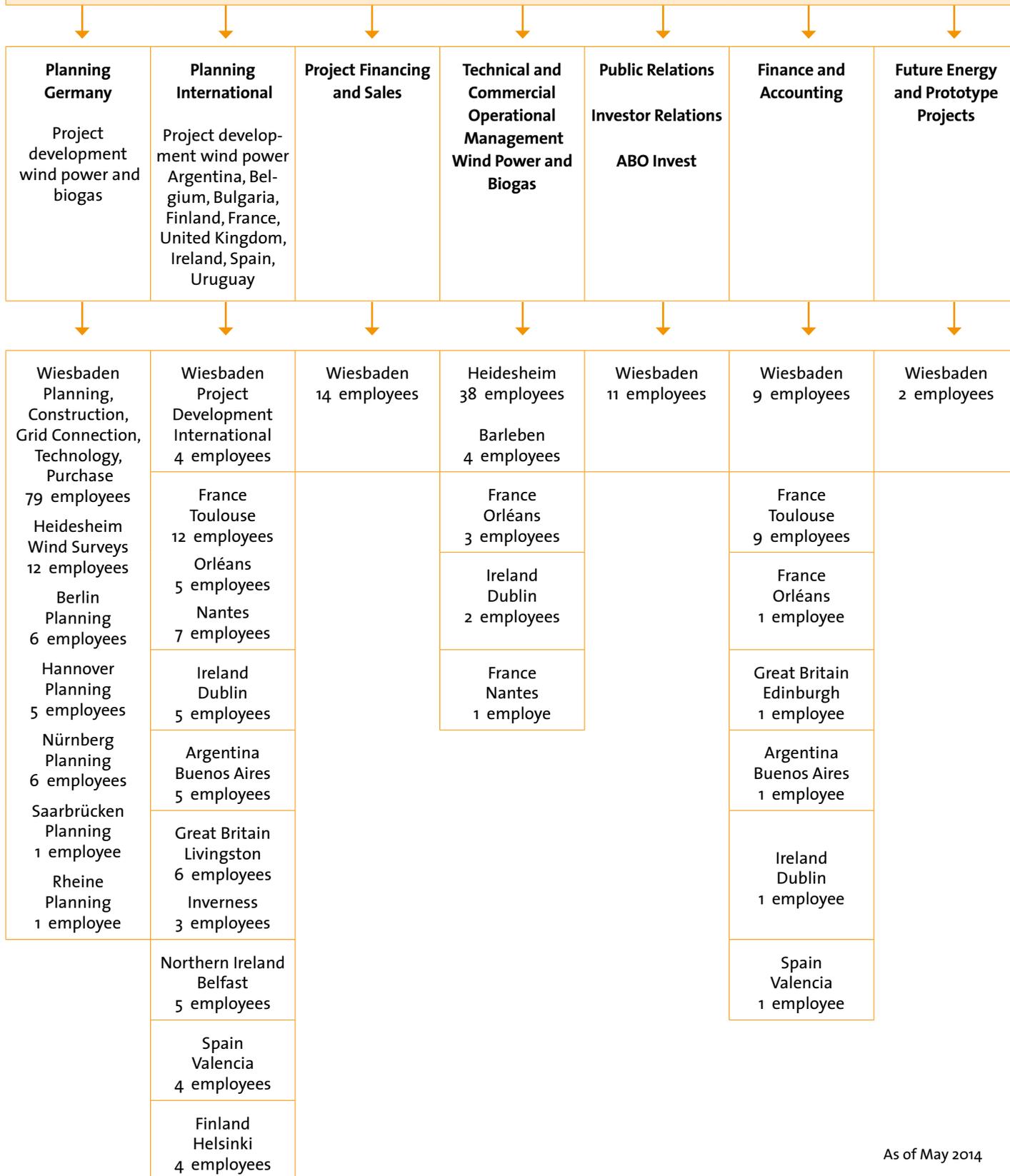
From 1.01.2013 to 31.12.2013 / in kEUR		2013	previous year
1.	Turnover	60,272	51,920
2.	change in finished goods and work in progress	11,115	6,587
3.	Total output	71,387	58,507
4.	Other operating income	1,098	529
5.	Cost of materials	-42,711	-31,886
a)	Cost of raw materials, consumables and goods for resale	-195	-117
b)	Cost of purchased services	-42,516	-31,769
6.	Staff costs	-13,746	-11,157
a)	Wages and salaries	-11,880	-9,733
b)	Social security, pension and other benefits	-1,866	-1,424
7.	Depreciation and amortisation	-2,206	-1,807
a)	of fixed intangible and tangible assets	-411	-303
b)	exceptional amounts written off current assets	-1,796	-1,504
8.	Other operating expenses	-9,410	-5,911
9.	Income from participating interests of which from group undertakings	5,000	600
10.	Other interests receivables and similar income of which from groups undertakings 712 (previous year: 842)	764	894
11.	Interest payable and other similar charges of which to group undertakings 144 (previous year: 196)	-955	-1,056
12.	Profit on ordinary activities	9,221	8,712
13.	Tax on profit	-2,306	-3,214
14.	Other taxes	-15	-11
15.	Net profit	6,900	5,488

Deviations through rounding differences.

Organisation ABO Wind Group

Group Management

Board, area management, office administration
18 employees, Wiesbaden and Heidesheim



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