W.E.B 2013

WEB Windenergie AG

Integrated Business and Sustainability Report 2013

Wind Energy Pays Off – and that for all of us
Clear Commitment to Sustainability

Nova Scotia Model
Political Will to a Decentralized Energy Transition

Electromobility
A new W.E.B-Business Field is on its Way

Business Model Citizen Participation
Why Investing in W.E.B Creates a Win-Win Situation

Decentralized Energy Transition

Energy from us – for us!

Front gatefold cover

Key Figures
W.E.B Wind Energy Group

Business Management	2013	2012	2011	2010	2009
Million EUR					
Sales revenue	48,1	47,2	40,9	35,9	32,3
Operating results	15,5	16,4	13,2	13,3	10,9
Financial results	-7,2	-6,5	-5,6	-6,6	-5,2
Results from normal business activity	8,3	9,9	7,6	6,7	5,7
Group earnings	6,1	6,4	5,7	4,4	4,1
Total assets	316,9	278,9	261,6	244,1	246,0
Equity capital	86,9	82,8	79,9	76,0	66,3
Equity capital ratio (%)	27,4	29,7	30,5	31,1	26,9
Cash flow From operations	38,6	27,2	21,6	21,9	18,2
Investments[1]	58,6	39,9	26,7	23,0	29,5
Return on equity (%)	7,2	7,9	7,3	6,4	6,2

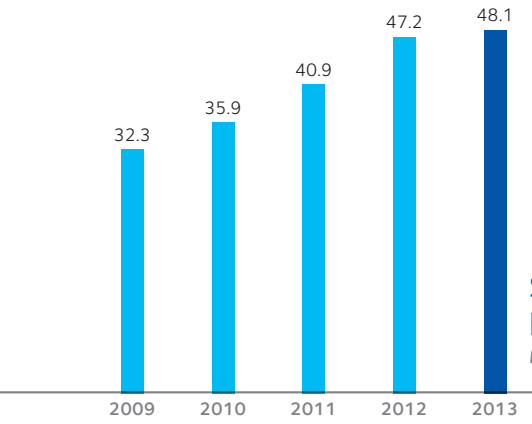
[1] Including assets from company acquisitions

Power Generation[2]	2013	2012	2011	2010	2009
MWh					
Power generation total	**558,834**	**547,378**	**474,387**	**444,367**	**420,460**
Wind power	538,903	528,378	456,737	430,063	414,705
Hydroelectric power	8,781	7,612	6,625	8,592	4,850
Photovoltaic power	11,150	10,639	9,841	4,741	89
Other	0	749	1,184	971	816

Power Plants	2013	2012	2011	2010	2009
Number as of Dec. 31					
Power plants total	**189**	**176**	**153**	**141**	**140**
Austria	103	90	83	76	75
Germany	55	55	55	51	51
Czech Republic	8	8	7	7	7
France	21	21	6	6	6
Italy	2	2	2	1	1

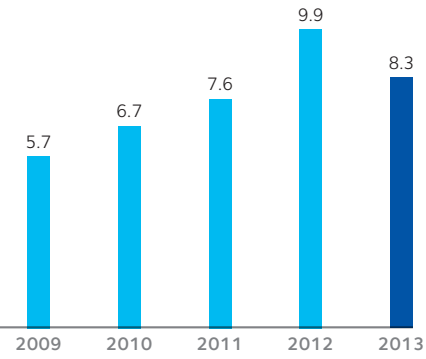
Generating Capacity[2]	2013	2012	2011	2010	2009
MW as of Dec. 31					
Generating capacity total	**286.6**	**264.9**	**238.9**	**220.9**	**219.0**
Austria	163.9	142.2	130.8	118.3	116.4
Germany	82.4	82.4	82.4	80.6	80.6
Czech Republic	9.1	9.1	7.3	7.3	7.3
France	24.8	24.8	12.0	12.0	12.0
Italy	6.4	6.4	6.4	2.7	2.7

[2] Including participations



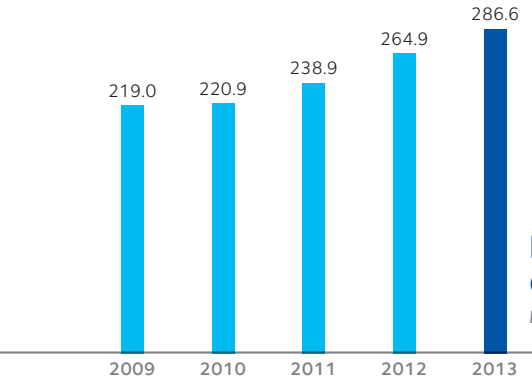
Sales Revenue

Million EUR



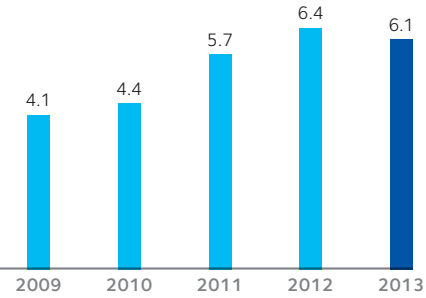
Pre-Tax Earnings

Million EUR



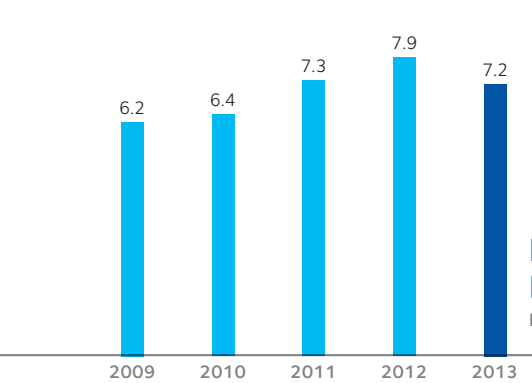
Installed Capacity

MW



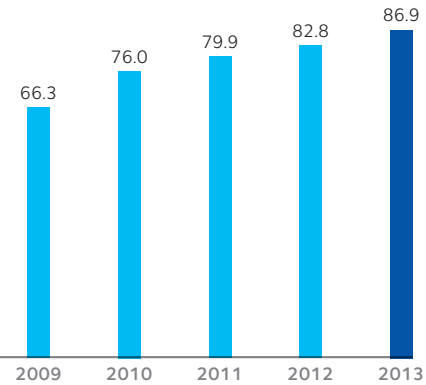
Group Earnings after Taxes

Million EUR



Return on Equity

Percent



Equity

Million EUR

Key Figures »

Wind turbines to power the region

Contents

W.E.B already operates three wind power plants in this windy Canadian province.

Sophisticated Technology for Practical Employee Testing by DI (FH) Roman Prager.

CEO Andreas Dangl gained "first-wheel" experience of how a car can run on W.E.B Green Energy as produced by W.E.B wind turbines.

When Wind Turbines are Powering Cars

Decentralization – Democratization of the Energy System

After the great wind year of 2012, Mother Nature was a little less generous with fuel for our power plants in 2013. Nevertheless, we were still able to increase our energy production once again. This success is primarily based on the startup of new wind energy and photovoltaic power plants last year. In addition, our high total production capacity continued to set new industry benchmarks.

The present Business Report does not only shine in new splendor but also presents a new milestone in terms of content. We have been keeping up with changing trends and added a certain magazine character to this Business Report to make it more attractive to readers. I hope that our stories and pictures are to your liking and successfully portray both the diversity and complexity of WEB Windenergie AG. It is also the first time that we have integrated a Sustainability Report into our Business Report. What would have been more obvious for a company with a mission entirely devoted to sustainability than to bear witness to this topic as well?

The energy transition has always been the driving force behind WEB Windenergie AG. As so many energy companies have already adopted the idea of an energy transition, our focus turned to the decentralization of the energy transition this year. Important opinion leaders are convinced that a successful energy transition includes the generous expansion of the power grid as well. We, however, believe that it is a much better idea to try producing energy right where it is needed. On the following pages, you will read more about the charm of the decentralized energy transition, its deeply democratic approach, and the contributions of W.E.B in 2013.

Sincerely Yours,

Andreas Dangl
Chief Executive

Highlights 2013

From 15 July to 26 September
Installation and startup of photovoltaic power plants at Perbersdorf, Heidenreichstein and Weikendorf

3 March
Resident survey at Groß Siegharts: 56 percent are in favor of building the wind park Predigtstuhl

2 May
Lower Austria announces stop of wind power expansion

17 September + 21 December
Wind parks Deutsch-Wagram and Matzen/Klein-Harras put into operation

25 March + 29 April + 26 November
Start of construction at the Austrian sites Deutsch-Wagram, Matzen/Klein Harras and Neuhof

Revenue:
EUR 48,093,931.02

Production result:
559 GWh

Corporate Group result:
EUR 6,246,985.29

1

3

1 October
Market launch of
W.E.B-Grünstrom

Total capacity:
97.8 %

21 August
Start of road construction for
the first Canadian wind power
plants at Parker Mountain,
Little River and Saint Rose

Interview with the Board

In conversation with the members of the Board of Directors of WEB Windenergie AG, Andreas Dangl, Dr. Frank Dumeier and DI Dr. Michael Trcka.

The Business Report of 2012 was dedicated to the motto "For Clean Energy - Please Turn Here!" However, not everybody is willing to change the set course. How would you assess the current situation?

> » ... big energy producers will close their central power plants, ...

Andreas Dangl: My many years of experience tell me that the proverbial pendulum always swings in both directions – sometimes more, sometimes less. It is also understandable that big energy companies try to run down the energy transition. Our idea of a decentralized energy transition would question today's entire central structure of providers. In 2013, for example, the German energy giant RWE presented the worst results in history and admitted that they had not recognized the trend towards renewable energy sources in time. We still believe that it should be possible to realize this objective within one single generation.

What about the production of energy? As we all know, W.E.B reached the 300 MW line in late 2013.

Frank Dumeier: Our power plants showed results that remained a little below expectations with 1.3% energy production below target. Although the weather conditions were not favorable to the production of wind energy, we were able to generate 559 GWh of electricity in 2013 – more than ever before in company history.

In 2013, the W.E.B-power plant park was significantly expanded and its technology further developed. In September, for example, the first three »

megawatt plants were successfully put into operation at wind park Deutsch-Wagram. Similarly, the photovoltaics division has grown considerably. Photovoltaic rooftop installations were connected to the power grid at as many as three locations: Perbersdorf, Heidenreichstein and Weikendorf. Finally just before Christmas, W.E.B added one of its most efficient wind parks located at Matzen/Klein-Harras. These expansion activities continued in the following spring as well: four more three megawatt plants were built at wind park Neuhof III and the first three turbines were set up in Canada. Therefore, we expect another production increase in W.E.B-Grünstrom for 2014.

How did the slightly weaker wind year affect the result?
Michael Trcka: In comparison to the great year 2012, the wind division came short by about 6%. In terms of figures, this would amount to more than EUR 2.5 million.

Nevertheless, the new wind parks Deutsch-Wagram and Matzen/Klein-Harras as well as the first all-year production result of wind park Dürnkrut-Götzendorf made it possible to produce more energy than in 2012. Our corporate group result was almost as good as in 2012. I think that the result of almost EUR 22 per share is quite impressive and speaks for itself.

In 2013, the grid expansion stop set back W.E.B and its projects in Lower Austria by at least 18 months. When we take into account this development, is your 2010 growth target – 450 MW by 2015 – still possible?
Andreas Dangl: It will certainly take us longer to reach this goal. Of course the main reason for the delay was the grid expansion stop. And there is another factor that is slowing us down whether we want to or not: in eastern Austria, the expansion of the power grid can generally not be implemented as quickly as previously expected. This expansion, however, is crucial for the implementation of wind energy projects. W.E.B was able to perfectly use the expansion stop period and advanced its project planning primarily in Austria but also in Canada, Germany and France.

So your project pipeline is filled for the next few years to come? What are the developments we should expect for that period?
Andreas Dangl: The project pipeline is virtually bulging with 500 MW, 300 MW of which could actually be implemented, given that the conditions are appropriate. After several years at breathtaking speed, we would like to use the year 2014 to take a deep breath, optimize internal processes, and rally our strength for the challenges of the next few years.

Needless to say, the connection of the first Canadian turbines was one of the highlights in 2013. How did you experience this milestone?
Frank Dumeier: As our power plants at St. Rose, Parker Mountain, and lately also Little River have been put into operation, the first construction phase of W.E.B's commitment in Canada is completed. The W.E.B power plants have been realized as part of the so-called "COMFIT Program" which requires a minimum of 25 local citizens to participate in the project in return for an attractive feed-in tariff. Once again, W.E.B could demonstrate its pioneering spirit. The St. Rose power plant was the first COMFIT plant in Nova Scotia to be connected to the power grid. Moreover, W.E.B is the first Austrian wind power operator to realize projects in Canada.

How will the story go on in Canada?
Frank Dumeier: In principle, W.E.B and its partner have already obtained feed-in permissions for 40 MW in Nova Scotia. From an engineering point of view, the plants could be realized immediately. Still, the auditing process of Canadian banks is very different, and much longer to begin with, from what we are used to in Europe. As the COMFIT Program is also new to investors and grid operators, everything is, of course, checked and double-checked.

Sun, wind and water are available at regionally different qualities. In consequence, our energy transition concepts as well as the decentralized energy supply differ from region to region.

...and change to decentralized, renewable energy production ...

I am still confident that we will soon see more W.E.B turbines turning in Canada.

Opponents to wind power are getting louder and more aggressive. What do you think about this hardly positive development?

Andreas Dangl: Insufficient reasons do not become any truer just because they are voiced louder and more often. In fact, there is only one valid discussion: do we want to produce clean and environmentally friendly energy in the future or not?
Of course we cannot hide our wind power plants but we could strip them down, if necessary, and establish the former status quo.

The energy transition continues as the motto of the Business Report 2013 but with a focus on decentralization? Why?

Frank Dumeier: The sources of renewable energy production are decentralized, so the production is decentralized as well.

This decentralized energy transition is based on the regional coordination of producers and consumers, the regional storing of excess energy, and the use of national supply structures only as a last resort. In our case this means that we always implement regional, decentralized project structures with as many locals involved as possible despite our international position.

Decentralized energy generation can be both extremely citizen-oriented and successfully realized by means of citizen participation concepts. In the course of the further implementation of the energy transition, this advantage can and will force the "old" energy industry to change their way of thinking.

... an "electrifying" idea using the energy produced by wind turbines to power our cars ...

On the one hand, big energy producers rage against the energy transition while on the other hand, they are wrapping it up in fine words. How does all of that fit together?
Frank Dumeier: As long as these fine words are only used to disguise the old, fossil and nuclear supply structures, it is a defense strategy to protect the existing business model of centralized and almost oligopolistic structures.

This is going to change in the course of the energy transition. In more drastic words: just as the dinosaurs became extinct at one point in history, big energy producers will have to close their fossil, centralized power plants and change to decentralized, renewable energy production sooner or later.

The Prokon insolvency contributed to a mood swing against the energy transition in Germany. When wind energy companies get in trouble, the consequences will be dire in some places – to put it mildly. Do we have to fear a similar fate at W.E.B?
Michael Trcka: Prokon grew very quickly and probably realized unprofitable projects as well. In terms of financing, the company did not consider that the financing term of power plants - usually about 15 years – needs to be adjusted to the period of the provided capital. In addition, their participation rights were terminable at will.

In contrast, we select our projects with meticulous care and do not grow at any cost. We also pay utmost attention to our financing structure: bonds with a maturity period of 5 to 10 years and equity capital with an indefinite maturity period.

W.E.B obviously understands its business – the past year set a new record in total availability as well. Why is that such an important issue at W.E.B?
Frank Dumeier: Total availability is an indicator for stable plant operations. Therefore, it is our most important parameter in terms of energy production. Only power plants that are both available in the grid and ready for operation can produce green energy.

One percent of total availability represents almost an additional half million euro in results, 3,740 tons less CO_2 emissions, and 5,600 MWh more green energy. I think these are excellent reasons for stable plant operations to take top priority.

In 2013, W.E.B also became a provider of electricity. What is the first assessment of W.E.B-Grünstrom?

Frank Dumeier: The exclusive rate W.E.B-Grünstrom is only available to W.E.B shareholders. Aside from a stable dividend, we wanted our owners to enjoy another W.E.B added value. Now they are able to consume the green energy that was produced by means of their deployed equity in the first place.

In addition, the rate is really low. We have developed a price model that awards energy savers and allows them to consume smaller amounts of energy at lower rates. Since the program was established in the fourth quarter of 2013, over 300 shareholders have taken up this opportunity. Moreover, I am especially pleased that the new program enabled us to welcome almost 100 new shareholders.

Will you endeavor to explore any other new business fields in the future? What about e-mobility, for example, that has made great strides in the last few months?

Andreas Dangl: That is literally an "electrifying" idea. I feel like in the good old days when we constructed the first wind turbine in Michelbach.

New technology, new business model, and a spirit of optimism! In 1995, we were among the first to boost the production of wind and solar energy. Everybody could participate in the production of clean energy. As green energy from renewable power plants is finally available in the homes of people, we are now addressing the issue of mobility. Parts of our public transportation system are very clean and powered by electricity (subway, trains). Our next step is to use the energy generated from the "wheels" of wind turbines to be used "behind the wheel" of cars. Once again, W.E.B can assume its pioneering role.

Do you have any concrete plans in mind?

Andreas Dangl: Our first public charging station at highway rest stop Kaiserrast, A22 exit Stockerau Ost, clearly points in one of several possible directions. W.E.B. certainly has the potential to make use of the new technology and connect rural areas and high-population areas in a clean and environmentally friendly way.

Let us stake the Waldviertel region as an example: a few quick-charging stations positioned at strategic locations would already be enough for drivers of electric vehicles to reach Vienna, Linz or St. Pölten – and get back - without having to fear that they could run out of electricity on the road.

It is also the first time that a Sustainability Report is part of the W.E.B Business Report. In line with current trends, leading Austrian companies are committing themselves to social responsibility and sustainable development. What does W.E.B think about that?

Michael Trcka: As our mission is entirely devoted to sustainability, corporate social responsibility is our daily business. From our point of view, our commitment was so obvious that we did not even think of shouting it from the rooftops. We have realized two things, however: first, there are so many exciting stories related to this issue; and second, we also wanted to tell these stories in an appropriate format – this year's first integrated sustainability report. ▮

Wind Energy Pays Off – and that for all of us!

In the early 1990s, a vacation in northern Germany served as an inspiration to Andreas Dangl to found WEB Windenergie AG. It was the first time that the company founder and current CEO came into contact with wind energy. Right from the start, wind energy cast a spell on the visionary. Andreas Dangl recognized the potential of converting the indefinite and free energy of wind into electricity. In 1995, the direct participation of about 100 individuals enabled Andreas Dangl to build the first wind power plant of today's W.E.B.

As of 31 December 2013, W.E.B operates 175 wind energy, eleven photovoltaic and three small hydroelectric power plants. Their established nominal output of 287 MW and the produced energy of 559 GWh made it possible for W.E.B to provide almost 200,000 households with electricity in 2013.

WEB Windenergie AG at a glance

- 189 W.E.B power plants provide electricity for 200,000 households.
- W.E.B rounds out its philosophy of decentralized, renewable production by operating photovoltaic and hydroelectric power plants.
- The international W.E.B-power plant park includes facilities in Austria, Germany, France, the Czech Republic, Italy and Canada.
- Around 3,600 shareholders participate in W.E.B, making it the largest citizen participation company in the field of wind energy in Austria.

Core Competence Sustainability

W.E.B proverbially lives sustainability. Every new power plant and every kilowatt hour of electricity that is produced by WEB Windenergie AG saves climate-damaging CO_2 and is, therefore, an active contribution to climate protection.

Visionary

W.E.B is not „only" an energy producer the company is also committed to the regional energy transition. This is also confirmed by the ambitious corporate vision "We strive to assume a leading role in the energy transition." Such a leading role in the energy transition, however, requires the continuous development of both renewable energy sources and new business fields. W.E.B has always been defined by a stable company base and its innovative strength. Once again, the corporate mission supports this approach by stating, "As a wind energy pioneer as well as an international, profitable operator of wind and solar plants, we have strong roots in the Waldviertel region and enjoy the support of by a wide field of shareholders."

Values

The sustainable green energy company is guided by the following core values to ascribe significance to its growth:

- Reliability and sustainability
- Open communication
- Consideration for people and the environment
- Responsible use of capital
- Citizen participation for joint success

These core values define all corporate activities and are significantly reflected in the W.E.B-Code of Conduct.

Internal Code of Conduct

- We conform to existing rules and laws.
- We are active and assume responsibility every day.
- We accept mistakes as long as we learn from them.
- We enable employees to find corporate tasks that are adequate of their competences and promote their personal development.
- We provide an environment where our employees feel comfortable.
- We treat each other with respect, fairness, and actively appreciate the accomplishments of others.
- We are loyal to the company and positively represent it to the outside world.
- We communicate the vision and goals of W.E.B in such a way that our employees are encouraged to contribute to their implementation.

External Code of Conduct

- We are open and honest in communicating with our shareholders and business partners because their trust is our capital.
- We are careful and responsible in using the capital placed at our disposal.
- We create sustainable values, including the conservation of resources and the promotion of local value added.
- We are true to our word and live integrity and reliability.
- We realize and operate our power plants in consideration of people and the environment.
- We share our success with people.

Commitment to Transparency

WEB Windenergie AG strives to keep the company transparent to all stakeholders. All relevant corporate developments and financial figures are communicated on the homepage, in newsletters and the shareholder's magazine. Moreover, W.E.B offers shareholders the opportunity to get into direct contact with the Board at various events. WEB Windenergie AG is also voluntarily committed to applying the Austrian Code of Corporate Governance. See page 68 for a detailed report on applying the Austrian Code of Corporate Governance.

Strategic Focuses

All activities of W.E.B focus on the decentralized energy transition.

- **Operation and expansion of power plants:** WEB Windenergie AG converts the power of the sun, wind and water into clean electricity. This is how W.E.B provides sustainable energy to about 200,000 households, while saving 373,301 tons of CO_2. Climate-damaging grey electricity can only be cut out of the power grid when power plants are efficiently operated and expanded.
- **Electricity marketing:** In October 2013, W.E.B initiated its W.E.B-Grünstrom program and, for the first time, provided consumers with clean electricity. This step enables the profitable marketing of electricity whose subsidized rates have already expired. Moreover, W.E.B-Grünstrom offers shareholders the opportunity to consume electricity from regional wind parks.
- **Raising awareness:** The transition to a sustainable energy system depends on the support and commitment of many. Therefore, W.E.B continuously strives to raise awareness and present new ways for everybody to contribute to the realization of the energy transition.

The tools to achieve this goal are a wide range of events, publications, and the company's presence in social media.

- **Development of new business fields:** The year 2013 was shaped by preparations for developing new business fields. One such example would be the planned infrastructure of charging stations for electric vehicles in Austria.

Critical Factors of Success

- Influence of the "old" energy system
- Subsidies
- Legislation by the EU as well as national and regional authorities
- Resident acceptance of wind energy
- Awareness of the necessity for an energy transition
- Progress in the development of electricity storage technologies

Awareness of the Necessity for an Energy Transition

The transition of our energy systems depends on the support and commitment of every single one of us. Therefore, raising awareness and encouraging the general public are essential for the implementation of the energy transition!

How the energy transition is realized

- **Energy efficiency and energy saving**
  Your contribution: Save precious energy in your own household.
- **Regional energy production:** Decentralized energy sources need to be expanded to replace the fossil energy system.
  Your contribution: Install a photovoltaic system, build a different small power plant, or support the expansion of regional, renewable power plants by purchasing a W.E.B-share.
- **Intelligent energy consumption:** Consuming electricity when it is generated.
  Your contribution: Combine your photovoltaic system with a smart home system to increase your own-use proportion of electricity.
- **Intelligent energy transport:** The energy transition requires an optimized power grid for the regional distribution of electricity. As power grids need to be continuously maintained and renewed to guarantee to ensure their sustainable performance, the necessary grid expansion would not be that significant.
- **Storing electricity:** The last technological challenge of the energy transition is how to efficiently store the cyclically produced renewable energy. The required storage technology is expected to be developed in the next few years. In this context, the regulation of wind power plants in case of a surplus of electricity is another option as a provisional solution until the required storage concepts are available.
- **Further measures:** Transition to electromobility to reduce our dependence on oil.
  Your contribution: Take an electric car for a test drive and change to electromobility when you buy your next car.

Resident Acceptance of Wind Energy

A large majority of Austrians accepts wind power. This was confirmed by market research company Motivforschung Karmasin which conducted a survey with the following results in 2013:

- 89 percent of Austrians agree that the combination of domestic renewable energy and energy efficiency is an important contribution to the future development of Austria.
- 82 percent of those surveyed in the federal provinces of Lower Austria and Burgenland as well as 84 percent in Styria and Carinthia welcome the further expansion of wind parks. The lowest support for wind power was registered at 68 percent in Upper Austria and Salzburg.
- In the opinion of those surveyed, about 16 percent of the future Austrian energy demand should be covered by wind power. Currently wind energy covers 4.5 percent of Austria's electricity supply.

The "Not in My Backyard" - Syndrome:
Wind power is often challenged in regions where actual wind park projects are planned. Although the expansion of wind parks is welcomed in general, it is experienced as a disturbing factor in our own living environment.

Source: Karmasin Motiv- und Meinungsforschung „Windkraft Österreich", survey period: 24 April – 10 May 2013.

Board Members

Supervisory Board

The Supervisory Board is formed by the elected representatives of W.E.B shareholders. It both advises and supervises the Board of Directors of the joint stock company. In regular meetings, the W.E.B Supervisory Board is informed of corporate activities and backs significant company decisions.

From left to right:
Martin Zimmermann,
Mag. Josef Schweighofer,
Dr. Reinhard Schanda,
DI (FH) Stefan Bauer

Mag. Josef Schweighofer

Chair of the Supervisory Board

- until 30 June 2013: Business Unit Controller responsible for the area of circuit breakers and distributors, Division of Power Distribution Components for Eaton GmbH, Schrems/Vienna
- as of 1 July 2013: exclusively Supervisory Board WEB Windenergie AG

Member of the Supervisory Board since 5 July 2002 after re-election in the shareholder's meeting 2011, current term of office until the shareholder's meeting in 2016

Dr. Reinhard Schanda

Substitute Chair of the Supervisory Board

- Attorney at law and expert in energy law; Chair of the Company Advisory Committee of IG Windkraft

Member of the Supervisory Board since 19 June 2009; current term of office until the shareholder's meeting in 2014

DI (FH) Stefan Bauer

- Senior Analyst Manufacturing PDCD, Electrical Sector at Eaton Industries (Austria) GmbH, Schrems

Member of the Supervisory Board since 1 May 2005; current term of office after re-election in the shareholder's meeting 2011 until the shareholder's meeting 2016

Martin Zimmermann

- Farmer, Chairman of the Weinviertel Farm Machinery Co-Operative; commander of the volunteer fire brigade Weikendorf

Member of the Supervisory Board since18 June 2011; current term of office until the shareholder's meeting 2016

Board of Directors

The three-man Board of Directors of WEB Windenergie AG combines competence from various fields: pioneering spirit, extensive know-how, technical experience and analytic-economic expertise.

Andreas Dangl
Chair of the Board of Directors

Born: 2 November 1962

- Born in the Waldviertel region, he is the founder of WEB Windenergie AG and co-founder of the Interest Group for Wind Power Austria (IGW).

Current term of office:
1 January 2010 to 30 June 2014

Dr. Frank Dumeier
Chief Technical Officer

Born: 29 March 1962

- Holding a doctorate in Mechanical Engineering, Frank Dumeier left an international corporate group to join W.E.B. He is co-owner of a wind power plant and contributes comprehensive experience in business management.

Current term of office:
1 April 2010 to 31 March 2015

DI Dr. Michael Trcka
Chief Financial Officer

Born: 10 November 1970

- Holding a doctorate in Business Management, Michael Trcka manages the financial division of W.E.B.

Current term of office:
1 May 2009 to 30 April 2014
(lately extended to 2019)

From left to right: DI Dr. Michael Trcka, Andreas Dangl, Dr. Frank Dumeier

Organizational Structure

WEB Windenergie AG applies a matrix organization structure which combines two reporting lines. Therefore, W.E.B is simultaneously structured according to functions and countries.

W.E.B benefits from matrix management because of two reasons: its managing directors can focus on the individual characteristics of different markets, while the central concentration based on functional areas ensures optimal efficiency.

Participations

W.E.B business activities are shaped by constant change. In the course of the company's history, W.E.B explored new countries for possible locations, founded new subsidiaries to manage them, and established new cooperations with external partners.

The following table portrays the various forms of participation:

100 % Subsidiaries	
WEB Windenergie Betriebsgesellschaft Deutschland GmbH	Germany
WEB Windenergie Loickenzin GmbH	Germany
WEB Energie du Vent SAS	France
Parc eolién Champigneul - Pocancy SAS	France
WEB Větrná Energie s.r.o.	Czech Republic
Friendly Energy s.r.o.	Czech Republic
WEB Italia Energie Rinnovabili s.r.l.	Italy
WEB Wind Energy North America Inc.	Canada

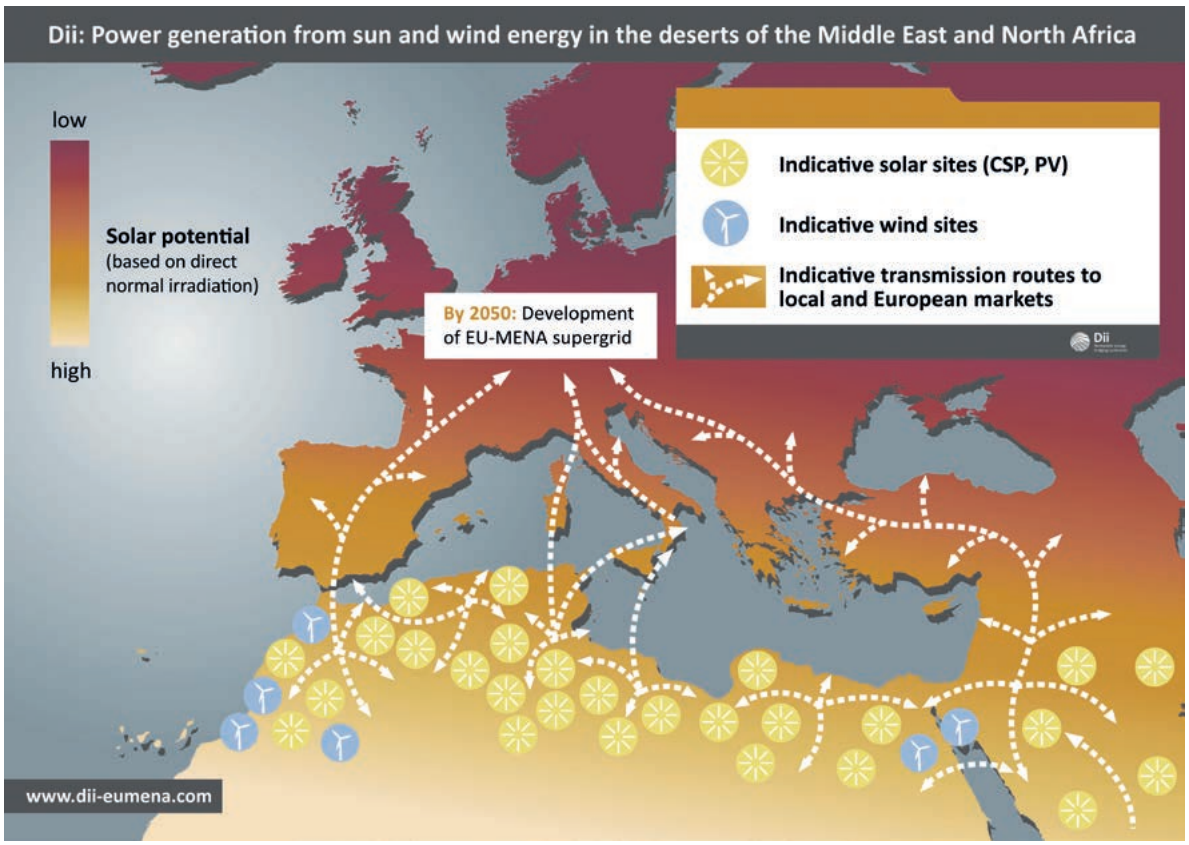
> 25 % Participation	
Sternwind Errichtungs- und BetriebsgmbH	Austria
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Austria

< 25 % Participation	
Tauernwind Windkraftanlagen GmbH	Austria
Weinviertler Energie GmbH & Co KG	Austria
oekostrom AG	Austria
Windkraft Simonsfeld AG	Austria
GESY Green Energy Solution GmbH	Germany

The Democratization of Energy Generation

Desertec, Sahara solar power, Norway's fjords with their pumped storage hydroelectric power plants as the battery of Europe, and the gigantic offshore wind parks in the North Sea – at first glance, all these examples seem to be attractive opportunities to press ahead with the energy transition on a grand scale. In contrast, the suggestions of pioneering spirits – a photovoltaic rooftop system, virtual power plants, a wind park at your doorstep – seem to be rather unrewarding, almost pitiful. On the following pages, we will explain why it is still better (and more democratic) for our whole society to generally produce electricity where it is needed.

The origins of the energy transition date back to the oil crisis of the 1970s. In the United States under President Jimmy Carter, an early movement championed the transition of the energy system and the expansion of renewable energies. In 1976, the US-American physicist Amory Lovins coined the term *Soft Energy Path* and described ›



This figure gives us an idea of how many thousands of kilometers of electricity highways would be needed for a centralized electricity generation system ...

the path of gradually turning away from a centralized energy system based on fossil and nuclear fuel. In his opinion, energy efficiency and renewable energy sources would ultimately replace the former energy system. One year later, he published *Soft Energy Paths. Toward a Durable Peace* which was then used by the anti-nuclear movement in Germany. Later in 1980, a published scientific projection developed by Öko-Institut – a private institute for applied ecology based in Freiburg in the German Breisgau region – addressed the complete abandonment of nuclear and fossil energy. Adopting Lovins' approach and applying it to Germany, "Energie-Wende. Wachstum und Wohlstand ohne Erdöl und Uran" (Energy Transition. Growth and Prosperity without Oil and Uranium) was the first time that the term energy transition was used.

Since then, the term energy transition has been wandering around like a ghost in various manifestations in the social and political energy sphere. What does energy transition actually mean today? Wikipedia offers a first clue: *The Energy transition (German: Energiewende) is the shift to sustainable economies by means of renewable energy, energy efficiency and sustainable development.*

Of course our energy supply was originally decentralized. Here we can see a historical wind mill at Vallekilde, Denmark in 1905. (Source: Wikipedia)

Renewable energy encompasses wind, biomass (such as landfill gas and sewage gas), hydropower, solar power (thermal and photovoltaic), geothermal, and ocean power. These renewable sources are to serve as an alternative to fossil fuels (oil, coal, natural gas) and nuclear fuel (uranium).

In a nutshell, the energy transition is based on three pillars:

1. energy efficiency
2. the production and storage of renewable energy and
3. the intelligent transport, consumption and data management of electricity ❱

» It almost seems that the producers of renewable energy have begun making it awful tough for the "old" energy world.

Step by step, all energy suppliers are turning to clean electricity and head in procession towards the energy transition.

Our energy supply was shaped by a decentralized energy system well into the 20th century. The system was thrown out of balance and shifted towards the centralized supply of energy when the first large power plants emerged in the second third of the 20th century. The first wind power plants were built just a few years after the first coal-fired power plant as soon as the late 19th century. These wind power plants continued the decentralized tradition of countless wind and water mills that were rather common at the time of industrialization and remained the most important commercial power source - even before the expensive steam engine – far into the second half of the 19th century. In fact, German historians believe that the wind and water mills which were only used as mechanical power sources climaxed as late as the 1880s. In niches, e.g. remote or relatively inaccessible regions, these decentralized energy sources survived up to the 1950s. Therefore, the centralized energy supply system was invented in the last 50 to 60 years. Today there are countless excellent reasons why we should seriously challenge the centralized supply structures of our outdated energy system. If we want to abandon these old mechanisms, the regions need to learn how to cover a major part of their energy demand themselves.

The concept of decentralization can even be applied to the individual household which will more or less be able to generate its own electricity. Today plus-energy houses already demonstrate how this goal could be achieved.

The benefits of the energy transition are quite obvious: the virtually unlimited availability of primary energy from the sun, wind and water clearly reduces the economic risks of an energy shortage or even an energy crisis, e.g. the oil crisis; armed confrontations and conflicts over resources, such as recent examples in the Middle East, can be avoided; we can stop importing fossil fuels and uranium which improves Europe's net product and results in both economic and political independence from exporters.

In the future, the exploitation and combustion of fossil fuels will be contained, while nuclear waste and other nuclear energy risks will be avoided. Limited resources, such as oil, coal and natural gas, will be conserved.

This basically means that the idea remains the same but the difference in efficiency is tremendous. Also in the past, power plants were built at locations where primary energy was available (example: coal mining and plants in Germany's Ruhr region).

In the meantime, production units have grown immensely and require sophisticated and comprehensive transport and distribution structures to get the electricity from producers to consumers. Similarly, the decentralized approach also builds power plants where primary energy is available. The sun shines and the wind blows everywhere, though, which enables the production of electricity very close to consumers. In consequence, the extensive transport and grid expansion loses its importance and could even be removed to some extent. Aside from considerable investments that are required to expand the power grid, various other difficulties could arise in the future. Let us turn back to the example of the great offshore wind parks in the North Sea for a moment: most of the electricity is needed by industrial undertakings in southern Germany. After the recent experiences with citizens' initiatives against wind power, W.E.B CEO Andreas Dangl settles back and comments with a slight chuckle,

Nevertheless, there are still differences in perception: is the massive power grid expansion really the universal remedy or does it make more sense to generate electricity right where it is needed?

"I wonder how long it would take for the electricity highway through all of Germany to be realized. When we keep in mind that each and every municipality can exercise its veto right and that each veto has to be dealt with, I am looking forward to this spectacle."

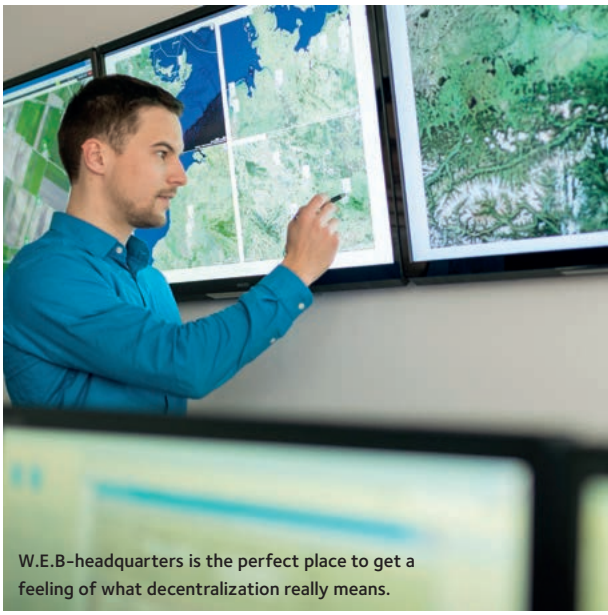
The way to the Norwegian fjords is not that much longer and who would like to imagine all the possible political imponderabilities related to the Saharan Project Desertec since the onset of the "Arab Spring" when militant Islamists occupied a major gas production facility and took hundreds of employees hostage in northern Mali in 2012.

The greatest appeal of the decentralized energy transition could perhaps be best described as the *Democratization of the Energy Generation*. Up to now, large power plants as well as power grids were established according to the deductive "top-to-bottom" approach where the consumer is the last item in the chain.

So now let us turn the tables and focus on consumer needs. The first step for consumers is to lay the foundation for generating energy for one's own use. In a next step, the consumer connects the system to the local and regional grid to compensate peaks in consumption. It is only the third level that requires supra-regional structures to compensate peaks in regional consumption. In contrast to our current centralized and authoritarian energy regime, the generation of energy is democratized. Since the first wind power plant was built almost 20 years ago, WEB Windenergie AG has been the ultimate citizen participation company with an inherently decentralized business model.

The bottom line is that energy transition with all the efforts it requires comes with enormous benefits that cannot be simply assessed by means of a short-term cost review.

The production of electricity that is entirely based on renewable energy sources – and decentralized – prevents the destruction of the world as we know it – and that is not only a question of cost! ▮



W.E.B-headquarters is the perfect place to get a feeling of what decentralization really means.

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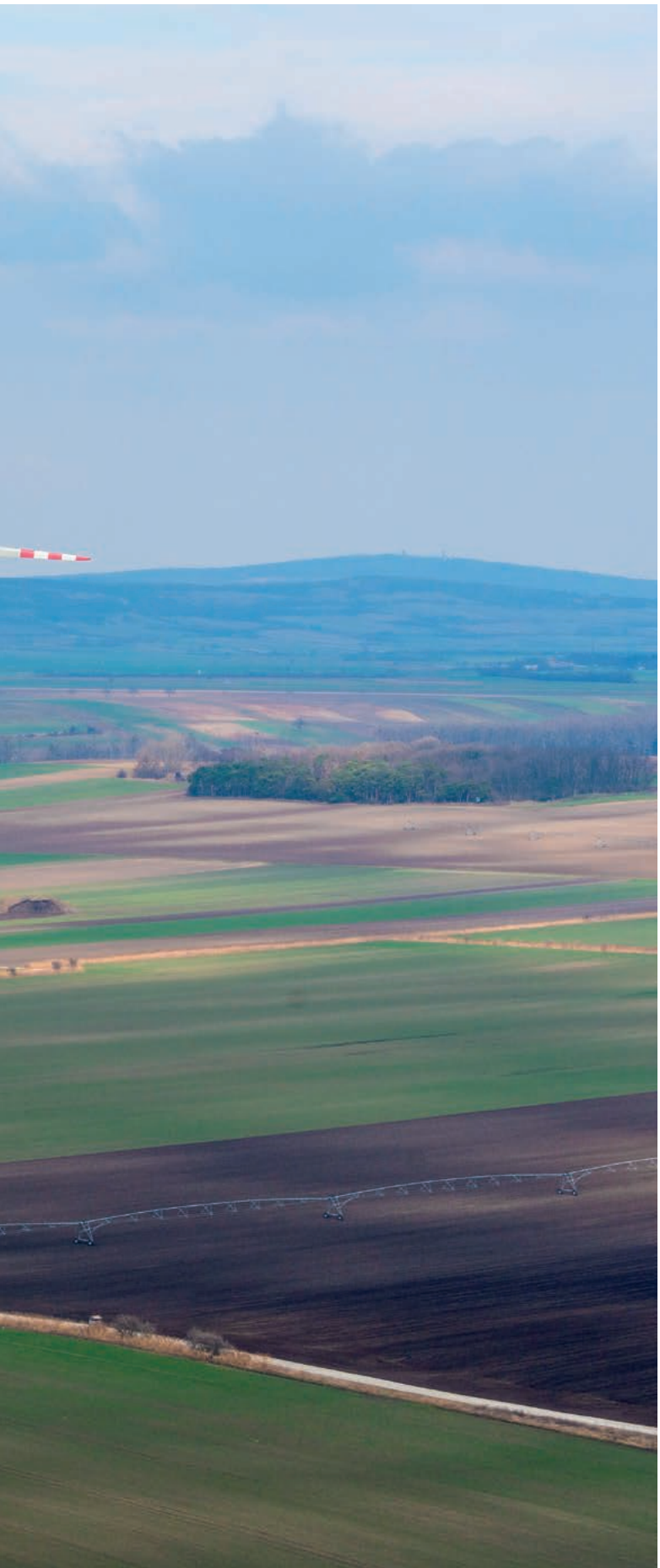


W.E.B-Project Planning

In 2013, W.E.B Project Planning & Management experienced various ups and downs. On the one hand, construction works for three Austrian wind parks as well as for the first three Canadian wind power plants began in the second half of 2013, while on the other hand W.E.B had to cope with a serious planning setback in Lower Austria in May. The expansion stop announced by the provincial government of Lower Austria delayed the planning and management of more than five projects at a single stroke. As W.E.B always strives to rise to its challenges, W.E.B-Project Planning & Management focused its work on other regions, e.g. by securing two wind park projects in France.

W.E.B does not only pay attention to project planning but also to continuous plant and facility maintenance.

W.E.B is committed to always consider both people and environment when realizing a power plant. In consequence of the company's high standards and the particular characteristics of each new project, there is always an array of new challenges and activities to manage. Sometimes it may take several years and countless steps from the first intention of initiating a project to its actual implementation. Projects need to be proposed and approved, contracts signed, and the required infrastructure built or extended.

Steps towards the Ground-Breaking Ceremony of a new Wind Power Project

- In the beginning of every project planning process, W.E.B needs to come to an agreement with local communities. After the project area has been determined and the first feasibility studies conducted, a licensing agreement is concluded which entitles the operating company to plan and realize the licensed project.
- As soon as the first steps of the planning process are carried out, W.E.B and the relevant municipality organize information events to let land owners and residents know that the area is evaluated for a possible wind park project. If the mood amongst community citizens is rather critical, W.E.B supports the municipality in conducting a resident survey because the company does not want to implement any projects against a majority of residents. In this process, W.E.B helps the municipality to organize information events, provide information material, and offer information trips to other wind parks as may be necessary. In the end, each and every citizen should have the means to form a well-founded opinion.
- Further steps in the planning process include the commissioning of various expert opinions for relevant authorities.
- The required set of expert opinions is highly diverse and varies from project to project: expert opinions on the distance to residential areas, expert opinions on environmental protection with an ornithological focus, expert opinions on noise impact, and much more. The expert opinion on nature conservation alone needs up to two years of preparatory work (mapping).
- At the planned project location, wind measurements are used for a first earnings assessment, which in turn is used for the first performance audit.
- At the same time, the relevant municipality usually conducts a strategic environmental impact assessment and adapts the zoning plan, while then necessary agreements with land owners and grid operators are concluded.
- The required project license is granted within the framework of either a focused EIA procedure or the relevant administrative law licensing procedure.
- EIA procedure: assessing any direct and indirect impact on the subjects of protection humans, animals, plants, their habitats, soil, water, air, climate, landscape as well as cultural and material assets. The EIA procedure is obligatory for all wind park projects of 20 or more MW electrical output.
- Smaller projects are assessed and licensed in various individual procedures based on electricity, forest and conservation law.
- After the project has been successfully licensed as well as approved by community residents, the wind power project is ready to be realized.

The construction phase has very little impact on the environment. All access roads are expanded or replaced as necessary to be wide enough for the transport of wind power plant components. The individual components are delivered within a short period of time.

If wind parks are realized in forestland, each wind turbine requires an area of around 3,000 m^2 for the cane to be set up, storage space and access roads. Further provisional storage space is usually situated outside of the forest. A wind turbine is constructed in up to three months – from the foundation to the

final installation of the turbine. After the construction works are completed, the foundation is covered with humus and greenery is planted. The wind turbine itself and the set-up area for cranes remain as the only visible impact on the environment. Moreover, past experience has shown that both local wild game and birdlife accept a wind power project rather quickly and do not change their behavior or way of living because of a wind park.

Wind power project Predigtstuhl

The first strategic discussions of planning a wind park project at Predigtstuhl (district Waidhofen an der Thaya respectively) date back to the year 2011. Based on first ornithological studies and promising earnings assessments, W.E.B came to the conclusion that the Predigtstuhl location would be perfect for a wind park project and set an example for the entire Waldviertel region.

In 2012, W.E.B intensified both its wind measurements and ornithological studies at the Predigtstuhl location. As the positive results confirmed the first promising assumptions, the project was further developed from a technological point of view.

The Predigtstuhl wind park project was critically discussed by community residents at Groß-Siegharts. Therefore, then Mayor Maurice Androsch initiated a resident survey that was conducted on 3 March 2013. At a turnout of 66.35 percent, 56 percent of those surveyed in favor of the wind park Predigtstuhl.

Despite the positive outcome of the resident survey, any further project development was put on hold due to a wind power expansion stop for Lower Austria on May 2013. Although a majority of the regional population voted in favor of the project and various mayors worked together across political parties to realize the Predigtstuhl wind park, the provincial government of Lower Austria deleted the project from the zoning plan just before printing.

Unfortunately, the region and its residents have to bear the damage.

Communication activities

In 2013, W.E.B organized 27 events to inform residents about planned wind power projects. W.E.B resident information included the following activities:

- Information events
- Panel discussions
- Events at community centers
- Information by mail
- Information on W.E.B Facebook: www.facebook.com/WEBWindenergie
- Information on the websites www.prowindenergie.at and www.windenergie.at
- Media service

Transparency is W.E.B's watchword and W.E.B doesn`t spare confrontations. In the picture you see Andreas Dangl and Arnold Kainz in a conversation with municipality representatives and wind energy critics in a podium discussion.

Wind power project Matzen/Klein-Harras

The wind park Matzen/Klein-Harras was built in 2013. Its project plans, however, date back to 2008. As the local population of Klein-Harras welcomed the wind park plan right from the start, the project was realized in cooperation with consideration for local hunters.

The wind park project Matzen/Klein-Harras was initiated by Markus Weiss who had already planned and implemented numerous W.E.B wind parks. Katharina Thomson joined him in managing the construction phase of the project.

Our ecosystem benefits in two ways from the implementation of this wind park: Matzen/Klein-Harras is expected to produce 40,903,000 kWh of electricity per year, resulting in CO_2 savings of 27,323 tons and clean electricity for 11,686 households.

In addition, W.E.B laid out over 12 acres of fallow land and rescued 20 old trees for the conservation of small birds, bats and birds of prey as a balancing measure of environmental protection. These measures amount to EUR 5,350 per year, a sum that W.E.B gladly invests into environmental protection.

Stakeholder Analysis

Whenever a wind park is constructed, different groups are affected in different ways. The following table provides an example of this array of stakeholders:

Stakeholder	Impact / Type of Contact
Residents (population)	Changes in scenery and landscape
Land owners	Income from leasing land
Hunters	Impact on wild game during construction phase - animals get used rather quickly though
Nature conservation associations / NGOs	Interested in avoiding negative consequences for the environment – projects are checked and evaluated, e.g. Birdlife
Resident initiatives	Very critical of wind power, negatively affect the mood of residents and try to persuade them of their opinion
EU	Develops directives that need to be implemented by EU member states
National government	Delegation of competence to federal provinces
Provincial government	Controls the expansion of wind power by means of minimum distances, area dedication, zoning etc.
Municipalities	The required area needs to be appropriately zoned for wind energy use. Wind power means new income for municipalities
Micro regions	Wind power means new income for micro regions
OeMAG	Grants subsidies exclusively in form of fixed feed-in tariffs (13 years, 9.4 ct per kWh in 2013)
Climate and energy model regions	Their goal is to have energy-autonomous regions. They raise awareness and contribute to a positive image
Vestas	Sell wind power plants to W.E.B
Vestas suppliers	Creation of value for suppliers of Vestas. Example: Linz-based company Exel supplies components for rotor blades
Regional companies	Regional creation of value by commissioning contracts. Example: Gmünd-based construction company Leyrer & Graf, or Waidhofen-based metalworking company Uitz

Resident Safety

Wind power plants ensure high safety standards. This fact is also confirmed by low insurances for wind turbines. The liability insurance for a wind turbine amounts to as little as EUR 100 – the same insurance for a small two-seater motorbike amounts to about EUR 120.

- **Prevention of falling ice:** The risk of being hit or injured by ice dropping off a wind turbine is not higher than most risks of everyday life. If ice forms on the rotor blades, the wind turbines are automatically shut down for safety reasons. In such a case, the area below the wind turbine is secured by an alerting system that warns everybody not to enter the risk area.

- **Prevention of fire:** The risk of a burning wind turbine is hardly worth mentioning. In forestland, wind turbines must be equipped with an automatic fire extinguishing system that is able to stop the fire in case of emergency. In almost 20 years of W.E.B history, there has never been a single burning wind turbine.

- **Minimum distance:** In Austria, the minimum distance of wind turbines to residential areas is determined by the federal provinces which ensure that the quality of life of all residents is protected.

Distance Provisions to Residential Areas

Ample minimum distances ensure the environmentally friendly production of electricity as well as the protection of the local population's quality of life.

Minimum distances in the Austrian federal provinces:

- The strictest minimum distance provisions are found in Lower Austria. When wind power plants are to be constructed, a minimum distance of 1,200 meters from residential building land must be observed. Moreover, a plan with suitable areas designated in Lower Austria is currently in its decision phase.
- In Upper Austria, the minimum distance is based on the nominal capacity of the wind power plant: 500 meters at a capacity of up to 1 MW, 800 meters at a capacity of 1 MW and above.
- Burgenland stipulates a minimum distance of 1,000 meters to residential areas. In addition, the federal province has designated suitable areas for the construction of wind turbines.
- Carinthia is currently developing a new regulation.
- There are no legal provisions on minimum distances in Styria.

The creation of value by wind power plants constructed in 2013	Deutsch-Wagram	Matzen/ Klein-Harras	Neuhof III	Austria in total	Canada (St. Rose, Parker Mountain, Little River)
Employment due to construction	36	84	72	192	12
Permanent employment	3.24	7.56	6.48	17.28	3.24
Value creation based on construction	EUR 1,410,000	EUR 6,580,000	EUR 5,640,000	EUR 13,630,000	EUR 2,820,000
Annual value creation	EUR 165,000	EUR 770,000	EUR 660,000	EUR 1,595,000	EUR 330,000
Value creation based on , operations and lifespan	EUR 3,300,000	EUR 15,400,000	EUR 13,200,000	EUR 31,900,000	EUR 6,600,000
Projected annual production for 2014	16,115,600 kWh	40,903,000 kWh	33,796,000 kWh	90,814,600 kWh	22,190,000 kWh
Household equivalent*	4,604	11,686	9,656	25,947	6,340
CO_2 savings**	10,765 t	27,323 t	22,576 t	60,664 t	14,823 t

* Calculations based on the projected annual production for 2014 as well as on the average electricity consumption of an Austrian household of 3,500 kilowatt hours.
** Calculations based on the projected annual production for 2014 as well as CO_2 savings of 668 gram per produced kilowatt hour of green electricity.

Environmental Protection Expenditures Wind Parks

W.E.B contributes to the protection of our environment by producing clean energy. In this context, W.E.B invests in numerous basic studies to ensure that the production of electricity by W.E.B power plants is really sustainable. Such basic studies are, for example, expert opinions on ornithology and bats. In 2013, W.E.B invested EUR 200,000 in expert opinions for ten wind power projects, which in turn means that between EUR 30,000 and 50,000 were spent for each project area.

Wind park projects are only realized when the results of the environmental impact assessments and expert opinions are positive.

Furthermore, W.E.B has committed itself to invest in accompanying environmental protection measures, amounting to EUR 33,200 in 2013. See the table below for more detailed information.

Environmental Protection Expenditures per location	Purpose	Measure	Expenditure
Langmannersdorf	Laying out of 2,500 m² of copses	Biotope improvement measures and ecological forest edge development	EUR 250 per year
Maustrenk	Laying out of 5 acres of permanent fallow land	Compensating measures for hunting grounds	EUR 2,100 per year
Auersthal	Laying out of 2.5 acres of fallow land per wind turbine	Feeding grounds for birds of prey, habitat for the Imperial Eagle	EUR 6,600 per year
Dürnkrut-Götzendorf	6 acres of agricultural land per wind turbine are turned into fallow land	Breeding area for the Corn Crake, feeding grounds for birds of prey, ecological corridors for wild game	EUR 15,500 per year
Matzen/Klein-Harras	Laying out of a total of 12 acres of fallow land, securing of 20 old trees, mainly oaks	Protection of birds of prey as well as small birds and bats	EUR 3,750 per year for fallow land and EUR 1,600 for securing old trees
Deutsch-Wagram	5 acres of fallow land per wind turbine for the Saker Falcons, and 1 acre of fallow land for the Vanellus	Breeding area for the Vanellus and feeding grounds for the Saker Falcon	EUR 3,400 per year
Total for 2013			**EUR 33,200**

Nova Scotia Supports the Decentralized Energy Transition

80 percent energy generation from imported coal prompted the government of the Canadian province Nova Scotia to change their mind: 40 percent of the province's energy production shall come from renewable sources by 2020. The government's incentive programs follow quite a decentralized approach. One the one hand, the new feed-in tariffs require some form of regional involvement in the project, while project licenses, on the other hand, are granted depending on the local base load. These measures guarantee that the locally produced energy physically stays in the region. This windy province is the home of three W.E.B wind power plants, and more will follow.

After a relatively short project planning period of only two years, construction on the first three Canadian W.E.B-wind power plants began in 2013 (and ended with their connection to the power grid just after New Year). As the rotor blades of all three wind turbines at St. Rose, Parker Mountain, and Little River are finally rotating, the first construction phase of W.E.B's commitment in Canada has been completed.

The story is always the same in unchartered waters and the implementation of our overseas projects turned out to be extremely challenging. The W.E.B-power plants were realized as part of the so-called "COMFIT Program" which requires the direct participation of citizens in the project in return for an attractive feed-in tariff. Once again, W.E.B could demonstrate its pioneering spirit. The St. Rose power plant was the first

COMFIT plant in Nova Scotia to be connected to the power grid.

So what does COMFIT actually mean? While the idea of decentralization has been watered down to some extent in ›

A sight that has become rather uncommon in our own landscape in the course of the last century: wooden power poles in Nova Scotia. Still, it's W.E.B-electricity running through the wires ...

"Nova Scotia is a great example for the decentralized energy transition. There is still an alternative to Brussels' centralized energy concepts." (Frank Dumeier)

Canada's other provinces, Nova Scotia still holds on to the idea of citizen participation. In Ontario, for example, a new regulation on feed-in tariffs has been completely discounted. Now wind park projects are granted on the basis of a bare-knuckle bidding process. "We have to directly compete with all the wind-giga-watt companies. The principal argument for granting a project is its price. Our strength – citizen participation – will not even amount to ten percent. So the game has become much tougher", as W.E.B-Canada CEO Detlef Krollpfeiffer critically comments on this special development in Ontario. In contrast, everything is working out wonderfully in Nova Scotia. All you need is a Canadian business partner – in case of W.E.B this is Scotian Windfields – as well as 25 citizens from the region to participate in the project. And we are talking about 25 real human beings, not legal entities!

Nevertheless, the most important aspect of Nova Scotia's COMFIT Program is the direct link between granted projects and base load levels. First of all, COMFIT projects are not connected to the transport grid but to the regional distribution grid. At each local substation, the so-called minimum load is determined and linked to feed-in limits. If you apply for a 2 MW plant and the base load level is only 1.6 MW, you will only be licensed for 1.6 MW. These two measures – distribution grid and base load rule – actually guarantee that energy physically stays in the region where it is both produced and consumed – an unbelievably efficient step towards decentralized energy production.

Moreover, W.E.B is the first Austrian wind power operator to realize projects in Canada. As W.E.B has always been a citizen participation company right from the start in Austria, the COMFIT Program is more than welcome. Another key factor to success is a reliable local partner. "When it comes to roots in the region and citizen participation, we could not have found a better partner than Scotian Windfields", Krollpfeiffer praises their cooperation. And he continues, "Needless to say, our team has done a great job as well."

So what are we going to do next in Canada? In principle, W.E.B and its partner have already obtained feed-in licenses for 40 MW in Nova Scotia, and that with a potential for 50 MW. This is quite an impressive achievement because the COMFIT Program had originally been laid out for a total of 100 MW wind power projects. From an engineering point of view, the plants could be realized immediately but as the COMFIT Program is also new to investors and grid operators, everything is, of course, checked and double-checked. In consequence, every step needs a little more time. "Although our eager drive is slowed down by lots of red tape, the W.E.B-Supervisory Board is fully aware of the situation and has approved of short-term bridge financing. This is why I am confident that we will soon see more W.E.B-turbines rotating in Canada", as Frank Dumeier, board member in charge of Canadian projects, explains in an upbeat mood about the future. And Krollpfeiffer adds, "Based on our current progress, we expect the next W.E.B-plants to be connected to the Canadian grid at the latest in the first quarter of 2015." And so the W.E.B-success story in Canada continues! ▮

Citizen Participation
Why investing in W.E.B actually produces real profit

Some people may think about where it might be safe and profitable to invest their money. Let's be honest: do you really pay attention to investing your money in something meaningful? We are living in times when it has become necessary for us to change our energy system. The implementation of this energy transition will have a decisive impact on the prosperity of our society. Against this backdrop, your environmentally meaningful investment could play an active part in the energy transition. "Two shares already 'produce' more (clean) electricity than the average Austrian household consumes in a year", explains Andreas Dangl, Chair of the Board of Directors at WEB Windenergie AG.

W.E.B citizen participation: a win-win situation

Sustainable business practices are the only way for companies to be successful in the long run. Direct citizen participation models that enable people to profit from corporate success are the alternative of our time. W.E.B offers two kinds of citizen participation: W.E.B-shares and W.E.B-bonds.

W.E.B-share = direct sharing of earnings

The W.E.B-share is a green investment option for everyone. It is a solid form of investment whose value largely remained stable even in times of financial crisis.

The following facts underline why the W.E.B-share makes sense from an economic point of view:

- You invest in material values (power plants).
- W.E.B boasts a broad equity base and continuously positive results.
- W.E.B applies a clear dividend strategy: about one third of its corporate earnings are distributed as an annual performance-based dividend.
- The international distribution of W.E.B-power plants means additional economic security.
- State-guaranteed feed-in tariffs ensure W.E.B-earnings.
- The pioneering role of W.E.B has enabled the company to gather years of experience in wind power. Only profitable projects are realized.

As the W.E.B-share is not listed on the stock exchange, there are no deposit and trading fees. All trading takes place via the online platform www.traderoom.at.

W.E.B traderoom

W.E.B-bond = attractive investment

WEB Windenergie AG will only issue bonds when there is a concrete need for financing, so investors enjoy an additional opportunity to benefit from corporate growth. As the W.E.B-bond is characterized by fixed interest and fixed maturity periods, it is a secure and profitable form of investment.

The W.E.B Legal Department ensures that all capital measures comply with legal provisions.

Successful Bond Issue W.E.B-Windspartage 2013

From 31 January to 29 March 2013, W.E.B issued a bundle of three new bonds at interest rates between 4 and 5.5 percent and at maturity periods of five and ten years. In total, a bond volume of EUR 24.5 million EUR was sold by the end of the subscription period and financed the wind park projects Matzen/Klein-Harras, Deutsch-Wagram, Neuhof III, and the first W.E.B-plants in Canada.

This positive result reflects the trust of the people in WEB Windenergie AG and also confirms the attractive appeal of this green investment product.

Highest Precept: Transparency

W.E.B lives transparency by openly communicating with its shareholders. All important dates of the fiscal year are published in the financial calendar one the website www.windenergie.at. The quarterly net financial results are made accessible on the corporate website.

"We always have a sympathetic ear for our shareholders", CFO Michael Trcka explains. And CTO Frank Dumeier adds, "We always welcome ideas from our shareholders and strive to answer all questions and concerns of our co-owners."

The year 2013 was characterized by ample direct contact to the population. Numerous interesting, encouraging but also critical discussions took place at W.E.B-fireside chats, bond road shows, trade fairs, construction site visits, and the shareholder and employee party. The W.E.B-Facebook page is a platform for open communication as well. And W.E.B has even gone a step further: shareholders were invited to the company in focus groups and asked about the visitor center, the Energy Transition Kit, and e-mobility.

We are interested in your opinion. Come and visit us at trade fairs and other events.

W.E.B-Communication Channels, particularly for Stakeholders

- Business Report
- W.E.B aktuell
- Website
- Newsletter
- Facebook fan page
- Events (annual general meeting, road shows, trade fair appearances, construction site visits, Wind Day, fireside chats, trips, shareholder and employee party, house tours)
- Personal communication

Andreas Dangl talking to interested shareholders and visitors during the construction site visit of Deutsch-Wagram.

The W.E.B-Grünstrom team is always happy to offer assistance and handles your switching of electricity providers both competently and quickly.

Share more attractive every day
W.E.B-Grünstrom – since 1 October 2013

The group of W.E.B-shareholders is primarily comprised of interested individuals who have recognized the need for a transition from our energy system to a renewable one. Being a W.E.B-shareholder means so much more than simply investing your money.

In 2013, W.E.B supported its shareholders' intention to contribute to the energy transition by offering measures, such as the "Energy Transition Kit". The most successful component, W.E.B-Grünstrom, is continued in 2014 and provides shareholders with "their own" green electricity. The attractive rate is tailor-made for low energy consumption. Thus, W.E.B rewards energy saving.

The electricity rate of up to 5.6 ct ct/kWh* clearly has its finger on the pulse of time. In contrast to competitors where the kilowatt hour gets more expensive with lower consumption, it gets even cheaper with the W.E.B-Grünstrom exclusive rate. At an annual electricity consumption of up to 1,000 kWh, the price per kilowatt hour goes down to as little as 2.96 ct.*

"This is how we are rewarding our shareholders who value energy efficiency in the own four walls because personal commitment should be rewarded", Matthias Moldaschl, Innovation Manager at WEB Windenergie AG explains.

And by the way: W.E.B-Grünstrom is 86-percent wind power. Only when there is hardly any wind, our electrical energy comes from the hydropower plant Imst, Tyrol.

W.E.B-Grünstrom means twice the profit for W.E.B-shareholders: on the one hand, they profit from the low electricity rate while on the other hand, they profit from the economic marketing of electricity produced in power plants that are no longer receiving subsidized rates.

* Rate excluding value-added tax, as of 31 December 2013

Interviews Shareholders

Peter Derl
Facebook Fan from Day One

How would you summarize the W.E.B-year 2013? Did you have any personal highlights?
The year 2013 was characterized by several personally positive events: first of all, W.E.B surprised me with its Facebook page. Then I was rewarded with a nice dividend for my W.E.B shares. And in late 2013, I switched to W.E.B-Grünstrom which helps me to save money every single month.

What are the strengths and opportunities of W.E.B?
I have come to know W.E.B as a professional, economical and business-oriented company. I completely agree with the corporate philosophy "Business Activity in Harmony with Environmental Factors". It is one of the reasons why I began investing in W.E.B-shares in the first place. As long as W.E.B stays true to its principles and focuses on its core competences, I see a future with great prospects for W.E.B.

What do you think about W.E.B's commitment to the energy transition?
In my opinion, W.E.B's commitment to the energy transition is extremely positive. The book "V=Z+S die letzte Gleichung der Energiewende" (V = Z + S – The Last Equation in the Energy Transition) proves that the board of W.E.B wants to assume a leading role in the energy transition. Personally I am against nuclear power and I believe that our combined strength will ultimately succeed against the nuclear-power lobby.

Beatrix Buxbaum
Resident Predigtstuhl

How would you summarize the W.E.B-year 2013? Did you have any personal highlights?
In 2013, my husband and I joined a W.E.B-Shareholders' trip to France – a really interesting journey, lots of culture and exciting wind power stories ... the Eiffel Tower was still the highlight though!!!
Of course another highlight was the positive outcome of the resident survey on "Wind Power at Predigtstuhl" at Groß-Siegharts on 3 March 2013.

What are the strengths and opportunities of W.E.B?
The strength of W.E.B, at least in my opinion, is its many years of experience in consequently pursuing the same goal – the energy transition. Therefore, W.E.B has the opportunity to convince others that we can only continue by changing our minds and producing energy in a way that allows future generations to live in an environment that is also worth living in.

What do you think about W.E.B's commitment to the energy transition?
W.E.B's commitment to the energy transition and the whole debate on wind turbines in the Waldviertel region has influenced our conscious energy consumption at home in the most positive way. It has certainly accelerated our own "small energy transition at home". Still, we have not come to the end of the road yet. There are always new opportunities to generate energy sustainably, save energy reasonably, and use energy consciously.

Werner Nessler
First W.E.B-Grünstrom Customer

How would you summarize the W.E.B-year 2013? Did you have any personal highlights?
Crossing the ocean to Canada was without doubt one of the cornerstones in 2013. I hope that this expansion will also be successful. Anyway, the first figures are quite promising.

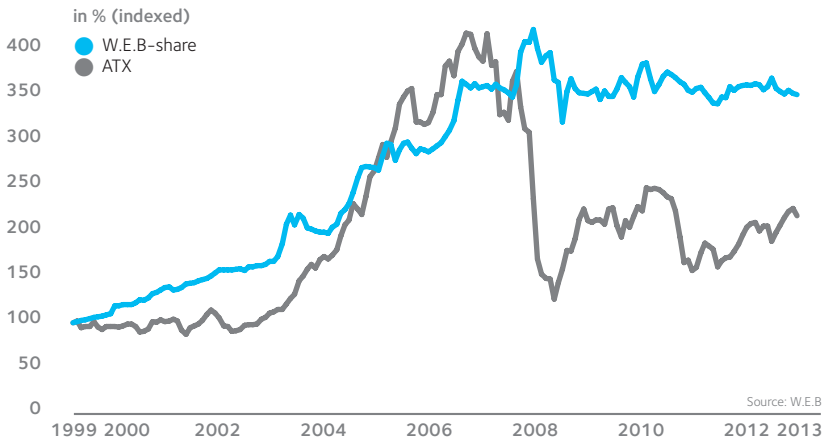
What are the strengths and opportunities of W.E.B?
I would say that the strengths of W.E.B are found in its core business wind energy. This is also what the company should continue to intensely yet carefully focus on.

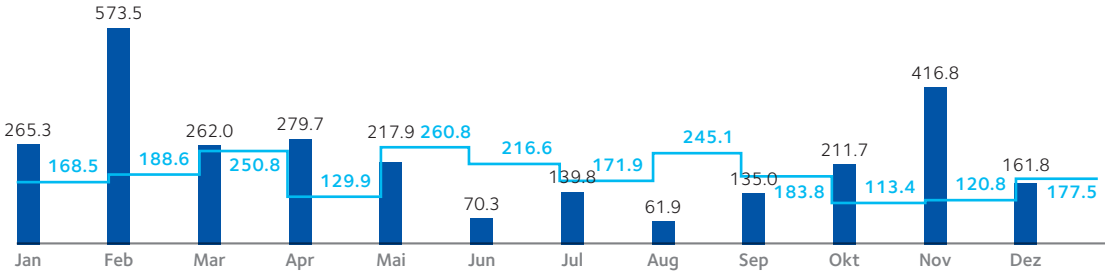
What do you think about W.E.B's commitment to the energy transition?
W.E.B is highly committed to the energy transition, as we can see by looking at "W.E.B-Grünstrom" pricing for small customers. Unfortunately, European energy subsidies rather obstruct than support the transition. Despite all the beautiful promises of supporting the energy transition, European energy-policy makers are turning into another direction. While politicians are feeling the grueling pressure of the industry, both parties are driven by "greed" and refrain from any long-term planning.

All facts at a glance
W.E.B-share

Number of shareholders as of 31 December 2013:
3,553

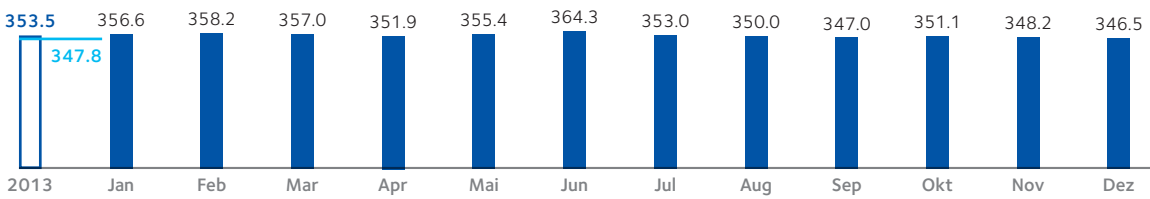
Price Performance of W.E.B-Traderoom Compared to ATX





Trading volume in the Traderoom in 2013
TEUR
2013 — 2012
Total in 2013:
2,795,871 EUR

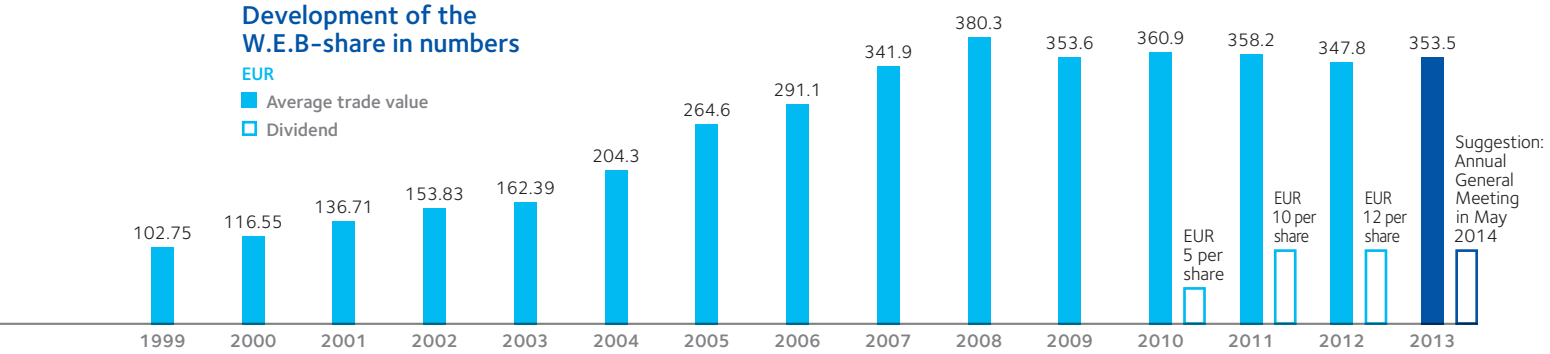
The trading volume outside the Traderoom amounted to EUR 634,569 in 2013.



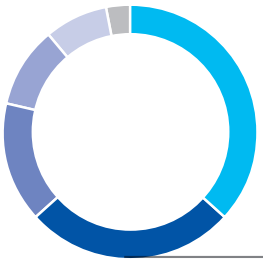
Average price per share in the Trade Rooms in 2013
EUR
2013 — 2012

Of a total of 3,671 privately traded shares, 1,862 shares were transferred (in these cases, W.E.B does not know the trade prices). 1,809 shares were privately traded at an average price of EUR 350.80.

Development of the W.E.B-share in numbers

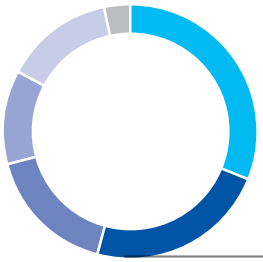


Distribution of capital by region (share)



Shares	Percentage	Region
106,057	36.77 %	Waldviertel
77,235	26.78 %	Lower Austria without Waldviertel
44,088	15.28 %	Austria without Upper A., Lower A
29,547	10.24 %	Vienna
22,879	7.93 %	Upper Austria
279,806	**97.00 %**	**All of Austria**
8,647	3.00 %	Abroad
288,453	**100.00 %**	**All shareholders**

Distribution of shareholders by region



Shareholders	Percentage	Region
1,123	31.39 %	Waldviertel
820	22.92 %	Lower Austria without Waldviertel
596	16.66 %	Vienna
430	12.02 %	Upper Austria
495	13.83 %	Austria without Upper A., Lower A
3,464	**96.81 %**	**All of Austria**
114	3.19 %	Abroad
3,578	**100.00 %**	**All shareholders**

Shareholder and owner structure (as of 11 March 2014)

Number of shares	From	To	Shares	%	Shareholders	%
Less than 0.1% of shares	1	288	147.719	51.21%	3,383	94.55%
0.1 – 0.5% of shares	289	1,442	95,812	33.22%	179	5.00%
0.5 – 1% of shares	1,443	2,885	24,763	8.58%	13	0.36%
1 – 2% of shares	2,886	5,769	9,988	3.46%	2	0.06%
2 – 3% of shares	5,770	8,654	0	0.00%	0	0.00%
3 – 4% of shares	8,655	11,538	10,171	3.53%	1	0.03%
4 – 5% of shares	11,539	14,424	0	0.00%	0	0.00%
More than 5% of shares	14,423	288,453	0	0.00%	0	0.00%
Total			**288,453**	**100.00%**	**3,578**	**100.00%**

All facts at a glance
W.E.B-bond

Bonds

Year	Issue
2010	EUR 10.16 million
2011	EUR 6.5 million
2013	EUR 24.5 million

Bond details

Year	Interest rate	Maturity period	Type
2010	5.00 %	5 years	bullet repayment
2011	5.00 %	5 years	bullet repayment
2013	4.00 %	5 years	bullet repayment
2013	5.25 %	10 years	ann. part. amortizing
2013	5.50 %	10 years	bullet repayment

Employee in service of the Energy Transition

Working for a clean energy system

Working at W.E.B is more than just a profession, it is a calling. Each employee's commitment is a small step further towards a clean energy system. Our vision of striving "to assume a leading role in the energy transition" is not only omnipresent but also highly encouraging.

WEB Windenergie AG places great emphasis on sustainable personnel development because the success of any company is fundamentally shaped by satisfied employees.

Only satisfied employees are good employees

The management of employee satisfaction begins as soon as a position is filled. W.E.B likes to take ample time and energy to select new employees. The very first step of the recruiting process is the personnel requirement plan. After the executive managers of each department have submitted their personnel requirements, the Board determines in coordination with the Personnel Department which

vacant positions will be advertised. The actual recruiting process pays special attention that all potential employees get to know the full picture of both the relevant position and the company, so they are able compare this picture with their expectations beforehand.

The W.E.B-recruiting process includes the following stages:

- Informational interview with the Personnel Department and the future line manager to get a first idea of each other.
- Assessment Center: After a first selection round, a maximum of four applicants is invited. The Assessment Center is comprised of the following elements:
  - Presentation of oneself and a task in front of the Board
  - Competence profile interview with an external expert
  - Open round with potential, future colleagues
  - fulfillment of a task from the future field of work

W.E.B-employees can look forward to sustainable, stable and secure employment. At your first day of work, a rose welcomes you at your new workplace – of course everything you need for your work, such as a computer, notebook and cell phone, are ready and waiting. On our homepage, the new employee is immediately present as a team member.

Our success proves us right

In 2013

- 15 employees were recruited
- the average recruiting process took 2.3 months
- the personnel turnover rate was 1 percent; only one W.E.B-employee terminated his/her employment

Clear communication creates satisfied employees

As W.E.B want to keep its employees and their know-how, the company offers individual development opportunities to employees. In this context, the strengths and talents of each single employee are considered. In annual employee interviews, W.E.B-executive managers rely on the uniform ABC-Method. The interview is structured to evaluate the employee's performance and reflect on shared perceptions. Moreover, the employees are offered individual development plans and targeted training and continuing education programs.

Employee Interview Contents

- Evaluation in the following areas:
- Skills & expertise
- Further training & continuing education
- Commitment
- Cooperation
- Attitude towards the company and its management
- Flexibility
- Work on improvement processes
- Work speed
- Quality of work
- Planning & independence
- Relation to business partners & shareholders (external and internal)
- Achieving goals
- Communication
- Strengths
- Potential for improvements
- Satisfaction with position
- Change within the company
- Further training & continuing education
- Eligibility for a promotion
- Suggested personal improvement

Employee Satisfaction Survey 2013

In 2013, W.E.B conducted its second employee survey. At a response rate of 85 percent, the white and blue-collar workers of W.E.B assessed the prevailing mood within the company as extremely positive. Individual statements were assessed using a scale of six points ranging from completely true to completely false. The employee survey was based on questions of the Gallup study on employee motivation. Gallup is an internationally leading consulting company that conducts numerous recognized personnel studies and surveys. Below you will find the clear answer to the question whether or not the employees are convinced to have the right job or not.

A single W.E.B employee terminated his/her employment in 2013. This confirms the company's successful and sustainable personnel policy.

Lifelong Learning

It is always important to have one's finger on the pulse of time. This is particularly true in such a dynamically growing company as W.E.B. Therefore, W.E.B explicitly welcomes further training and continuing education. W.E.B offers the following opportunities of lifelong learning to its employees:

- Group training (e.g. imparting of expert knowledge or technical training for facilities)
- W.E.B-Academy (imparting of knowledge beyond department lines)
- External training (e.g. at Wifi, BFI, ARS, Controlling Institut etc.)
- External training at companies (e.g. Vestas etc.)
- Part-time degree programs

Roses create a sustainably pleasant workplace atmosphere

W.E.B expects a lot from its employees but the W.E.B-Roses Program also offers an important compensation for their challenging workday. The program includes a diverse range of activities to a sustainably pleasant workplace atmosphere.

The following measures are among the highlights of the W.E.B-Roses Program:

Office building: The W.E.B-office building is a place where everybody feels comfortable. Open spaces, living-room atmosphere in the lobby, elegant wall decorations and various elaborate details create a positive mood.

Catering: All employees may help themselves to a great variety of free fruit, energizing sweets and candy as well as tea and coffee. In 2013, W.E.B-employees consumed:

- 1,500 kg fruit (apples, pears, bananas etc.)
- 375 kg sweets and candy
- 250 kg coffee beans
- 900 l milk
- 2,000 tea bags

Regional lunch menu: The Pfaffenschlag-based butcher Bauer provides W.E.B with fresh, regional lunch menus every day. Employee may choose between vegetarian and traditional cuisine. In 2013, 6,300 lunch menus were delivered from Pfaffenschlag to W.E.B. And by the way, all meals are delivered in recyclable containers.

In addition, W.E.B commissions regional companies to provide catering for meetings with external parties.

Occupational safety

- W.E.B-service engineers have to complete a rappelling and rescuing training exercise as well as an 8-hour refresher course in first aid. In addition, W.E.B offers a medical check-up for service engineers every other year.
- Occupational physicians and safety experts inspect all workplaces once a year.
- In 2013, W.E.B offered an eye examination as well as a 16-hour first-aid course to all employees.

Employee Interviews

Mag. Johann Schmutz

You have been working at W.E.B for 8.5 years. How would you summarize the W.E.B-year 2013?
Just like in any other year, a lot has happened at W.E.B in 2013. My work never gets boring.

Did you have any personal W.E.B-highlights?
My personal highlight was the market launch of our own electricity, which opened up an entire new range of duties. The construction and start-up of numerous new wind and photovoltaic power plants both in Austria and abroad, and for the first time in Canada, were further highlights promising lots of opportunities in the future.

What are the strengths and opportunities of W.E.B?
In my opinion, one of W.E.B's strengths is certainly its focus on our core business. The wind energy industry is a highly dynamic business field, in which we are well positioned with numerous profitable projects.

Heidi Schönbauer

You have been working at W.E.B for 2.5 years. How would you summarize the W.E.B-year 2013?
The year 2013 was characterized by continuous change. There was always something going on at W.E.B-Project Planning & Management, sometimes it was quite stressful as well.

Did you have any personal W.E.B-highlights?
2013 was the year of construction sites, three of them in Austria: Deutsch Wagram, Matzen/Klein-Harras, and Neuhof III. I was able to learn a lot in terms of the administration of land owner agreements, especially while working on the wind park project Matzen/Klein-Harras.

What are the strengths and opportunities of W.E.B?
A clear strength of W.E.B is the company's versatility. I think it is a great idea that W.E.B is now selling its wind power to end consumers and has committed itself to the area of e-mobility.

Sascha R. Brauner

You have been working at W.E.B for 1 year. How would you summarize the W.E.B-year 2013?
The year 2013 was very interesting and exciting for me. I was recruited in mid-2013 and have been a member of the "W.E.B family" right from the beginning.

Did you have any personal W.E.B-highlights?
One highlight was experiencing how a wind park is constructed. I was particularly impressed, when the first 3 MW turbines were put into operation at Deutsch-Wagram. Moreover, my personal highlight was developing the graphic design of the product W.E.B-Grünstrom.

What are the strengths and opportunities of W.E.B?
I see the great potential that W.E.B will position itself as an energy transition expert. The transition itself includes the production of clean electrical energy as one of its pillars and as another source of potential.

Mag. Melanie Kolm

You have been working at W.E.B for 2 years. How would you summarize the W.E.B-year 2013?
As the wind year 2013 was somewhat weaker than the year 2012, we intensively monitored each month's production results and were happy whenever they were positive. We also focused much more on projects abroad due to our increased international business activities. Aside from all that, I think 2013 was just like 2012. The entire W.E.B-team is constantly improving existing new projects or developing and acquiring profitable new projects both in Austria and abroad.

Did you have any personal W.E.B-highlights?
My personal highlight was the start-up of the wind parks Deutsch-Wagram and Matzen/Klein-Harras because it clearly demonstrated the great teamwork at W.E.B.

What are the strengths and opportunities of W.E.B?
I am thrilled that W.E.B has the opportunity to realize wind park projects in the region where it is from. Therefore, the company is able to give fresh economic impetus to the region. Another strength of W.E.B is the company's international character which enables W.E.B to be more independent from the political decisions of individual countries. I also believe that the team of W.E.B is very strong and professional, which provides the company with both the capacity and flexibility to successfully follow the path of intense growth.

Personnel data at a glance
Indicators (W.E.B Group)

Employee structure	31 Dec. 2012	31 Dec. 2013
White collar	**57**	**69**
male	31	38
female	25	31
Blue collar	**16**	**15**
male	16	15
Apprentice	**1**	**1**
male	1	1
Group total	**74**	**85**
Maternity leave	3	3
Full-time	65	72
Part-time	8	13
Full-time equivalent	64	74.29
Share of women	34%	36%
Labor turnover rate	9%	1%
Average/MA number of sick leave or medical treatment days	4,81	5,57
Average/MA training costs[1]	1,159 EUR	1,252 EUR
Occupational accidents	0	2

Foreign countries in detail

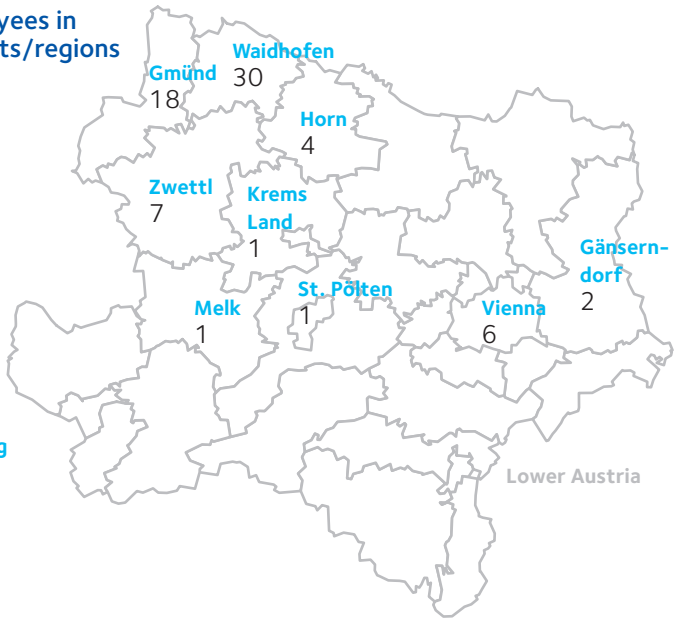
Germany	7	7
Canada	2	4
Czech Republic	1	1
France	1	2
Italy	1	1

[1] incl. board

Gender-based distribution in functions

	Men	Women
Team member	60%	40%
Staff unit manager	100%	—
Department manager	62%	38%
Board	100%	—

Employees in districts/regions



Nationality and number of employees without Austrian citizenship (at WEB Windenergie AG in Austria)

Citizenship	Number
France	1
Czech Republic	1
Poland	1
New Zealand	1
Germany	1

Energy Transition at Home

The "home power plant" is certainly the beating heart of the decentralized energy transition. Ideal case: the electricity from your own photovoltaic system can be stored and consumed when the sun is not shining. In 2012, W.E.B launched the project "Energy Transition Kit" which includes various modules to come close to realizing realize this ideal case at home. W.E.B-Operational Manager DI (FH) Roman Prager is one of this project's "test pilots". These are his first experiences.

Roman Prager and his family (one child, soon to be two) live in a low-energy house in the district of Gmünd, Waldviertel. Just like all of Waldviertel, this region is generally not predestined for the production of solar energy. Low-energy building and sustainability already played a key role in the planning period. Windows, room ventilation, exposure to the sun – Prager tried everything to consider all available components on the way to his personal energy transition. All lights are LEDs and his measures proved to be successful.

Roman Prager and his family live on 196 m² and consume 6,500 kWh for per year. And this number includes heating and hot water: quite an achievement! He does not only place great value on cost reduction but also on environmental protection.
"I have a house in wooden frame construction with cellulose insulation. You can trash the entire house in 60 years – or whenever. The environment will not be harmed anymore", Prager states as a matter of fact. His statement makes something else very clear: Prager is an engineer, not a romantic. But this is also the reason why his experiences with the "W.E.B-Energy Transition Kit" are that more valuable and significant. Let us not forget: the "W.E.B-Energy Transition Kit" is comprised of the following modules:

Module 1 – Energy transition consulting: The competent W.E.B-consulting team tells those interested everything they always wanted to know but never dared to ask about the energy transition. They learn about LED lights, opportunities to save electricity, e-mobility and, of course, about the best ways to realize the energy transition at home.

Roman Prager sets up the PV tracker with W.E.B-colleague Markus Höllrigl.

Module 2 – Own energy generation: A rooftop or garden photovoltaic system produces electricity at home and reduces the amount of electricity you have to pay for.

Module 3 – Intelligent storage: A battery storage ensures that you do not lose excess electrical energy from your photovoltaic system. Therefore, you can increase the share of electricity from your own production. In addition, intelligent control systems help to optimize your energy consumption.

Module 4 – 100% W.E.B-Grünstrom: W.E.B-Grünstrom guarantees that all your household electricity comes from renewable sources. The electricity

price is lower than the rates of other comparable providers. Moreover, the less electricity is consumed, the cheaper each kilowatt hour gets.

So much for the theory but how does its practical application work out? In December 2012, Roman Prager set up a 3.43 kW photovoltaic tracker on his property. Then in April 2013, he integrated a lead gel battery storage into his system. Prager is excited about the PV tracker, "This technology is highly sophisticated and automatically follows the sun without any problems. The only drop of bitterness is a hill that shadows my PV panels for about one hour in the morning and delays my production of domestic electricity." When asked why he has not already gotten rid of the troublemaker, he answers with a wink, "Unfortunately it is not on my property. Otherwise I would have already dealt with it." This tells us a lot about how important a clear view towards east and west really is for a tracker. If the conditions are right, a tracker certainly makes sense. As the PV system is able to follow the course of the sun, its production volume increases by about 30 percent in comparison to a conventional static rooftop system of similar size. Roman Prager's 3.4 kW system produces about 5,000 kWh per year.

In contrast, Prager is much more critical of the battery storage and its functionality. Aside from initial hardware problems (it had to be replaced within the warranty period), Prager's special situation offers a general problem. As he uses a heat pump to heat his low-energy house, his energy consumption is significantly higher in winter. Needless to say, this is exactly the period when the PV system produces much less storable electricity. "In fact, the storage only helps me to cushion a few rainy days in summer. That's nice but considering the battery storage's - still - extremely high cost price, it does not really pay off for a household", Prager explains.

This technology is highly sophisticated and automatically follows the sun without any problems. (Direct quote Prager)

Furthermore, our test pilot thinks that the used software needs to be significantly improved. As the storage is integrated right into the PV system, the following phenomenon comes to light: when a major energy consumer, such as the oven or the heat pump, is turned off, the storage reduces the electricity so a point where the inverter is disconnected from the grid. It takes a few minutes until it resumes storing electricity. If this happens a few times per day, you lose enough capacity for the storage's efficiency to become critical. Despite its high cost price and various growing pains, Prager can still imagine useful applications, "Battery storages certainly make sense, wherever enough energy is produced and grid charges can be saved, thus in the industrial sector. They still have to become cheaper to get interesting for households. And when your home is equipped with a smart meter, the whole thing gets really worthwhile." In the next few years, grid operators will equip every household with a smart meter, which makes it possible to identify every single minute of energy consumption. In consequence, you can control your consumption and adjust it to more reasonable rates. In the future, the battery storage will play a vital role in saving money because the domestically produced electricity can be consumed whenever you wish. "Currently an intelligent smart home system is probably more effective than a storage", Prager sums up. "I fully recommend the PV tracker but the battery storage is still something for energy transition pioneers."

Not everything works for everybody. If you think about getting your home ready for the energy transition, it is essential to meticulously examine your conditions and only then think about what to realize and how. The experts of W.E.B are always on hand with help and advice. Despite the ups and downs Roman Prager experienced with the storage, he still believes that the "Energy Transition Kit" is an attractive offer to W.E.B-shareholders who would like to initiate their very own energy transition. Nevertheless, the "Energy Transition Kit" would have to be combined with well-founded energy transition consulting on how to increase energy efficiency. And then there is W.E.B-Grünstrom where energy efficiency really pays off. W.E.B-Grünstrom exclusive is the only rate in Austria, where the price of each kilowatt hour goes down when you reduce your energy consumption. What does W.E.B always say? We reward energy savers!

Sustainability in Daily Operations

Sustainability is part of W.E.B's core business, the generation of climate-friendly electrical energy. We are proud to guarantee that our company has a negative carbon footprint. Needless to say, all other W.E.B-business activities pay utmost attention to sustainability.

Poster Child Office Building

The Pfaffenschlag office is a low-energy building. Medium-term planning concepts have designed it to be transformed into as a virtual power plant.

Electrical Energy

W.E.B operates four photovoltaic trackers as well as a firmly mounted PV system at its headquarters. In 2013, these systems generated 18,648 kWh of electricity, corresponding to about 22 percent of the

The W.E.B-office is still a low-energy building. Soon it will produce more electricity than it consumes.

headquarters' consumption. The remaining electricity the building requires is covered by green energy as well. An additional total volume of 69,400 kWh electrical energy were bought. It is the current goal of W.E.B to produce sufficient electricity from PV systems to meet the building's daily energy needs on sunny days.

Heat from the Waldviertel region

The office building is heated with pellets by Eigl, a company that is based and has its pellets factory in the district of Zwettl, Waldviertel. Aside from a 25 kW pellets stove combined with an air heat pump, an additional wood-fired stove with a fire window creates a warm and comfortable atmosphere in the lobby. Pfaffenschlag's Mayor Willibald Pollak himself provides WEB Windenergie AG with firewood.

Consuming Energy Sources for Heating

- **Pellets needed in 2013:** 10,400 kg, corresponds to a heat value of 49,400 kWh
- **Heat pump electricity consumption:** 6,100 kWh, corresponds to a heat value of 16,670 kWh
- **Wood needed in 2013:** 1.75 cubic meters, corresponds to a heat value of 2,800 kWh
- **Total consumption for heating and cooling:** 68,670 kWh

Water consumption

W.E.B purchases 249 cubic meters of water from Pfaffenschlag every year. In addition, the company consumes about 50 cubic meters from the rainwater collection basin. Thus, W.E.B consumes a total of 299 cubic meters of water per year, which also corresponds to the volume of wastewater that is treated at the Pfaffenschlag sewage treatment plant.

Waste Separation

W.E.B is committed to strict waste separation. Plastic, paper, cardboard, residual waste, compost, tetra packs and batteries are all collected separately.

W.E.B-Waste Arising

Plastic: 1,100 kg
Paper: 8,000 kg
Cardboard: 2,500 kg
Residual waste: 3,000 kg
Compost: own compost pile on company grounds
Tetra pack: 50 eco boxes
Batteries: 4 battery collecting boxes

Other

W.E.B uses crushed stone for road gritting instead of salt. Furthermore, everything inside of the office building is cleaned ecological detergents.

W.E.B drives on electricity

The regional production of clean energy is not enough to achieve the energy transition! We also have to change our mobility patterns to become independent in terms of energy supply. This is why W.E.B has a fleet of electric vehicles. At the end of 2013, the fleet included the electric cars Renault Zoe and Opel Ampera as well as two electric scooters. In March 2014, W.E.B added a BMW i3 to the fleet, while a new VW E-Golf will join the fleet in August 2014.

In 2013, W.E.B drove 14,170 km in electric vehicles, corresponding to CO_2 savings of 2,479 tons[1]. As new cars will be added to the W.E.B electric fleet, the number of kilometers driven will increase dramatically.

Moreover, W.E.B used its electric scooters on 1,200 km in 2013. In comparison to conventional scooters, this amounts to a CO_2 saving of 115 kg.

W.E.B operates electric vehicle charging stations at its headquarters in Pfaffenschlag. Although they are intended for the company's own use, they are also accessible to business partners driving electric vehicles to get to their meetings.

Kilometers driven in W.E.B-electric vehicles in 2013

Renault Zoe: 1,530 km, corresponds to an energy consumption of 275 kWh[3]
Opel Ampera: 12,640 km (exclusively electric), corresponds to an energy consumption of 2,275 kWh[1]
Scooter: 1,200 km, corresponds to an energy consumption of 72 kWh

The total of 15,370 kilometers driven is amounts to a CO_2 saving of 2.6 tons[2]

[1] Calculations based on the emissions figures of the Austrian Federal Environment Agency and recommendations by the Austrian Wind Energy Association IG Windkraft. Reference value at a CO_2 emission of 175 g/km for a car with combustion engine.
[2] Calculations based on the Austrian Federal Environment Agency. Reference Value of 96g/km for a motorcycle with combustion engine.
[3] Calculations refer to an average consumption of 18 kWh per 100 km (summer and winter mix, including charge loss)

The following charging stations are available on our premises:

- three charging stations of type 2, two equipped with a 3.7 kW outlet (standard) and one with an 11 kW fast-charge outlet. The outlet of type 2 will become the new standard and fits for electric vehicles by Tesla, BMW, Renault, VW, Smart and Mercedes.
- one charging station type 1 equipped with a 3.7 kW outlet (standard) for Nissan, Mitsubishi i-MIEV, Peugeot-Ion, Citroen-Zero, Chevrolet Volt and Opel Ampera.
- 1 Schuko outlet (13A-3.0 kW) for other kinds of charging by using an adapter.

Positive Environmental Effects of W.E.B

	produced volume	CO_2 savings
Total production (wind, photovoltaic and hydropower)	558,834,000 kWh	373,301 t[4]

W.E.B-shareholders play an active role in environmental protection. In 2013, the W.E.B-share "produced" 1,937 kWh of clean energy. As little as 1.8 shares are enough to cover the average energy consumption of an Austrian household – 3,500 kWh. Each W.E.B-share saves 1.3 tons of CO_2.[5]

[4] In 2013, the basis for calculating the CO_2 equivalent per produced kilowatt hour of electricity was adjusted from 840 to 668 g of CO_2 savings in comparison to electricity produced from fossil fuels. This amount corresponds to the recommendation by the Austrian Wind Energy Association IG Windkraft which is based on the EWEA study Pure Power III. In consequence, the indicated CO_2 savings for 2013 are lower than in 2012 despite increased production.
[5] 288,453 W.E.B shares are in circulation.

W.E.B-Emissions

Energy source/carrier	Amount/Units	GHG emission total (in CO_2 equivalent)
Electricity (power plants)	758.534 kWh	507 tons*
Green energy (power plants)	1,542.843 kWh	0 t
Green energy (building)	88,048 kWh	0 t
Wood pellets	10,400 kg	2.4 t
Wood	560 kg	10.64 kg
Cars (company fleet + privately-owned cars)	1,334,069 km	20.01 t
Train	18,502 km	0.27 t
Bus/Taxi	7,126 km	0.39 t
Airplane	579,483 km	110.10 t
Total		**640.18 t**

The calculations have been made based on the key figures of the Austrian Federal Environment Agency and the Austrian Wind Energy Association IG Windkraft.

Erna Dangl is fueling the wood-fired stove in the lobby. A workplace to feel comfortable.

W.E.B Energy Balance Sheet 2013

CO_2 savings based on the production of green energy: 373,301 tons
+ CO_2 savings from e-mobility: 2.594 tons
– CO_2 emissions: 640.18 tons
= CO_2 savings: 372,663 tons

These CO_2 savings correspond to the CO_2 emission of 162,682 cars.

Energy Amortization

Wind power plants are a sustainable form of generating electrical energy. A wind turbine is energetically amortized within three to six months, depending on wind conditions at the location and the actual plant type. In a nutshell, a wind power plant just needs this short period of time to produce all the energy that was needed for its construction.

And by the way, a wind turbine is usually operated for about 20 years. So each plant produces 40-70 times the energy that was originally needed for its construction. If we consider recycling the wind power plant, each turbine generates up to 90 times more energy.

A photovoltaic system is energetically amortized within 2-4 years.

» CO^2 savings through W.E.B: 372.663 tons

Of Wind and Car Wheels

On a beautiful Sunday afternoon last fall, W.E.B CEO Andreas Dangl cruised in the company's Renault Zoe (Dangl insists that it is a girl) along the country roads of the northern Waldviertel. He had not seen another car in quite some time, when a Tesla Model S passed by in a bend at the 52-soul town of Haslau. Dangl was literally "electrified". There is an entire world of signs and gut feelings alongside the world of market research and economic "tipping points". ›

The volatile and decentralized character of renewable energy sources requires fundamentally new methods and components for operating and controlling the power grid. In this context, electric vehicles can play a significant role as mobile electricity storage. W.E.B has been painstakingly gained experience in electro-mobility for two years. One the one hand, W.E.B uses the company's own photovoltaic systems at Pfaffenschlag to charge the batteries, on the other hand W.E.B intensively tried to develop concepts on how to transfer W.E.B-Grünstrom from W.E.B-wind turbines to cars at a large scale.

In the remote Waldviertel outback, this lonely encounter of two electric vehicles proved to the Austrian wind pioneer once again that his good feeling had been right. While the story began with the Opel Ampera in 2012, W.E.B has continuously added new vehicles to the fleet: two electric scooters, the Renault Zoe, and now the BMW i3 and the VW E-Golf. The company has gained lots of e-mobility experience and not just because the technology is exciting but also to check whether or not there might be the potential for a new W.E.B-business field.

The answer is a clear "yes". The opening of the first W.E.B charging station at A22 highway rest stop Kaiserrast near Stockerau is the first visible sign of this new development. In 2014, the next charging stations will follow to connect rural areas and high-population areas in e-mobility style.

Recently BMW, VW, Renault and other renowned automobile manufacturers have increasingly turned their focus to e-mobility and launched medium-segment cars for everyday use and at quite reasonable prices.

Conventional gas stations are usually fading away in the rearview mirror. Stopping there is not an option. Well, maybe for a chewing gum.

In Norway, American electric -vehicle pioneer Tesla's sporty Model S has replaced the VW Golf at the top of the licensing list. In addition, the company is going to open a gigantic battery plant in the United States. The Tesla share has gone up sevenfold in the past year.

E-mobility seems to be just one step away from the big breakthrough.

The individual transport system faces without a doubt its greatest transformation in decades. Both industry and policy-makers invest hundreds of millions of euros into the development of electric cars and batteries. And if it was up to German politicians, one million electric vehicles could be driving on the roads of our favorite neighbor by 2020. At the same time, these vehicles could store electricity and pave the way towards more renewable power plants.

As a matter of fact, electric vehicles are hiding a great potential that just waits to be unlocked. Particularly urban traffic could become quieter and free of emissions. The technology is also quite interesting for rural areas as the successful example of a solar taxi in Heidenreichstein (district of Gmünd) and many other but similar projects demonstrate. At the end of the day, this technology is so much more climate-friendly when the electricity comes from renewable wind, solar or biomass power plants instead of simply burning brown coal. The electric vehicle will play a key role in the coming energy transition.

As the power grid cannot store any electricity itself, pumped storage and compressed air reservoirs are not the only ways to store energy. In the future, the lithium-ion battery and other suitable storage media found in electric vehicles will store excess kilowatt hours, just to release them with growing demand while on the parking lot and connected to the power grid. The German consulting company B.A.U.M. Consult estimates that 2.5 million electric vehicles would already have sufficient storage capacity to balance the fluctuations between production and consumption.

We are not there yet but you know the story: if one marble nudges another one, the result will not be spectacular. If these two marbles give other ones a push, there will be a lot going on soon. We all know these tipping processes from our cell phone providers. Although there no numbers to continue the research in Austria, we can assume that one tenth of the cars would suffice for our country.

And this is just where W.E.B comes into play. Needless to say, W.E.B is a green energy producer and, therefore, highly interested both in the development towards electric individual transport and a system that is powered by clean green energy.

VW and E.On are not the only ones to consolidate new alliances in Germany. BMW and Vattenfall, Daimler and RWE – they are all following hard on the heels. Now two industries without any prior history have to combine their know-how and create reliable standards as well as profitable marketing models for both sides. Of course W.E.B will not manufacture cars anytime soon but the company could offer its green energy and the charging-station infrastructure to underline its leading role in the energy transition.

The first sign of this new development was the opening of the first W.E.B charging station at highway rest stop Kaiserrast, A22 exit Stockerau Ost. The station – a fast charger – is equipped with all outlets to supply all the common electric vehicles with electricity. While the driver enjoys the coffee and relaxes at rest stop Kaiserrast, the batteries of his car are fully loaded and cannot wait to get back on the road. The result of a W.E.B-test program on e-mobility. Both private and business trips in the region were used to take a closer look at the issue of everyday use. The first experiences were not encouraging at all. We were bitten by every single bug of the new technology. "When it was raining, we had to drag the charging cable through sludge and mud, and then still get it back into the car.

We followed a list of alleged electric vehicle charging stations but they turned out to be ❱

normal outlets in private homes. And in the beginning we were always worried how long we could drive without recharging…", as Dangl looks back with a smile. They did not always find the next charging station in time. So it happened that two thirds of the W.E.B Board of Directors had to accept that the charging indicator of their Chinese scooters could not keep up with their permanently putting the pedal to the metal. When they pushed their scooters through idyllic Waldviertel cornfields, they may have asked themselves whether it was really such a good idea to take a test drive so far away from the mother ship.

Oops-a-daisy! In retrospect, however, the test pilots cannot stop chuckling about their still mainly positive experiences.

"Aside from playing with all the - admittedly really intriguing - technology, I was most impressed by the opportunity to coast through the landscape without making any noise. This silence changed my entire way of driving. My daily rushing from one appointment to the next turned into a relaxed cruising to the next meeting", as Gerald Simon, in charge of communication at W.E.B explains.

Operational Manager Roman Prager adds, "The cars' driving performance is extraordinary. Our next second car will be an electric one, for sure!" Operational Photovoltaics Manager Markus Höllrigl finds even less words but is just as enthusiastic, "Surprisingly powerful, surprisingly suitable or daily use!"

Andreas Dangl: Our charging infrastructure connects people from rural areas and high-population areas.

The W.E.B-project team around Andreas Dangl took up these experiences and developed a concept that optimally supports those who choose the new technology. Recharging your electric vehicle somewhere else but home has become as easy and quick as possible. So what does all of this mean for our Waldviertel example? In the near future, a few strategically positioned fast-charging stations could be enough for drivers of electric vehicles to head for Vienna, Linz or St. Pölten without having to worry that they might end up with an empty battery somewhere in desolate potato country. A beautiful idea that is best realized using nothing but clean W.E.B-Grünstrom.

In 2014, the electric-vehicle fleet of W.E.B will get at least one new E-Golf.

Corporate Governance

Commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance provides Austrian joint stock companies with a framework of rules for the management and supervision of the company. It is based on common international standards, relevant EU-recommendations as well as on the regulations of Austrian law governing stock companies. Stock companies apply the Code voluntarily. For WEB Windenergie AG, the Code is an important building block for strengthening the trust of shareholders, business partners, employees, and the public.

Since mid-2006, WEB Windenergie AG has voluntarily committed itself to comply with the Austrian Code of Corporate Governance, which is subject to the following explanations.

The Code (as amended in July 2012) contains a total of almost 100 rules that impose a different degree of obligation for each company that subjects itself to them:

- **L-Rule (Legal Requirement):** Rule refers to on mandatory legal requirements.
- **C-Rule (Comply or Explain):** Rule is to be followed; any deviation must be explained and the reasons stated.
- **R-Rule (Recommendation):** Rule of recommendation nature; any failure to comply requires neither disclosure nor explanation.

Implementation of the Code of Corporate Governance by WEB Windenergie AG in Fiscal Year 2013

The Board of Directors and the Supervisory Board constantly strive to comply with all of the rules of the Code as much as possible and to continually optimize the company's internal standards. In case full compliance is not established in individual cases, the reasons for such failure are stated. As the company is not listed on the stock exchange and is in regular individual communication with its shareholders - all of which are registered shareholders - the starting point for WEB Windenergie AG departs considerably (aside from the relatively small size of the company) from that of other publicly listed companies. In consequence, not all L-Rules are binding for WEB Windenergie AG because several provisions are only mandatory for companies listed on the stock exchange.

WEB Windenergie AG refrains from publishing a separate Corporate Governance Report because it is not obliged to do so as an unlisted joint stock company. The essential contents of the Corporate Governance Report are included in this Business Report. However, in keeping with the fact that WEB Windenergie AG voluntarily subjected itself to the Code of Corporate Governance, any deviations from the rules set down in the Code are briefly explained below and published on the homepage.

The following rules of the Austrian Code of Corporate Governance (as amended July 2012) were not or not entirely observed in the course of the fiscal year:

C-Rule 18: "Depending on the size of the enterprise, a separate staff unit is to be set up for internal auditing, which shall report to the management board, or the task of conducting internal audits may be contracted out to a competent institution. At least once a year, a report on the auditing plan and any material findings are to be presented to the audit committee."

WEB Windenergie AG does not have an internal auditing department due to its size. Both the Legal Department and Controlling are concerned with relevant fundamental tasks.

L-Rule 20: "To prevent insider dealings, the company shall issue internal guidelines governing the passing on of information, shall monitor compliance with said guidelines and keep a list of persons who are in the company's employ under a work contract or otherwise, and regularly or on ad hoc basis have access to inside information (list of insiders). The company shall apply the provisions of the Compliance Decree for Issuers issued by the Financial Market Authority."

The group of insiders at W.E.B is well-known and there are internal guidelines governing the passing on of information. All employees are informed in writing, e.g. by means of W.E.B intern (employee newsletter), about when to stop trading W.E.B shares. However, there is no explicit list of insiders.

C-Rule 31: "The fixed and variable performance-linked annual remunerations of each individual management board member are to be disclosed in the Corporate Governance Report for each financial year. This shall also apply if the remuneration is paid through a management company."

The compensation of the entire Board of Directors as well as the corresponding basic rates for the amount of variable compensation are disclosed in the business report. There will be no separate publication for the individual members of the Board of Directors in order to protect the privacy of the persons affected.

C-Rule 36: "The supervisory board shall discuss the efficiency of its activities annually, in particular, its organization and work procedures (self-evaluation)."

The Supervisory Board does not perform any explicit self-evaluation. However, the Supervisory Board regularly discusses and assesses the efficiency of its work and its effects on the company in the course of its meetings.

C-Rule 39 (as well as analogously C-Rules 41 and 4): "The supervisory board shall set up expert committees from among its members depending on the specific circumstances of the enterprise and the number of supervisory board members. These committees shall serve to improve the efficiency of the work of the supervisory board and shall deal with complex issues. However, the supervisory board may discuss the issues of the committees with the entire supervisory board at its discretion. Each chairperson of a committee shall report periodically to the supervisory board on the work of the committee. The supervisory board shall ensure that a committee has the authorization to take decisions in urgent cases.

The majority of the committee members shall meet the criteria for independence of the C-Rule 53. The Corporate Governance

Report shall state the names of the committee members and the name of the chairperson. The Corporate Governance Report must disclose the number of meetings of the committees and discuss the activities of the committees."

In accordance with Sect. 12 Articles of Incorporation, the Supervisory Board of WEB Windenergie AG consists of up to nine members, currently of only four members though. Due to the small number of members, but also owing to the company's specific circumstances, the formation of committees is not deemed expedient so that the Supervisory Board undertakes its duties as a whole organizational unit. Even the Code of Corporate Governance provides for the obligatory establishment of a nominating

committee only starting at six members of the Supervisory Board pursuant to Rule 41 or a compensation committee pursuant to Rule 43 and assumes a "critical size" which WEB Windenergie AG does not have with four members of the Supervisory Board. The rules of the Supervisory Board, however, do provide for the formation of committees so that this would be possible, if it were necessary. In selecting the members of the Supervisory Board, the company does take the distribution of the necessary competences into account (finances, law, engineering, social competence).

C-Rule 49: "The company shall disclose in the Corporate Governance Report the object and remuneration of contracts subject to approval pursuant to L-Rule 48. A summary of contracts of the same kind shall be permitted."

As there is no legal obligation of disclosure, the company does not publish a Corporate Governance Report. However, information about contracts requiring approval pursuant to L-Rule 48 is included in the appendix to our Annual Financial Statement. This includes a contract of mandate with the law firm of Sattler & Schanda (Supervisory Board Member Dr. Schanda is a partner of this law firm), the hire purchase agreement with WEB Windenergie AG with QR Dumeier Köbis GbR (the shareholders of QR Dumeier Köbis GbR are close relatives of members of the Board of Directors and executive managers), and the leasing of agricultural land for environmental measures carried out by Martin Zimmermann in Auersthal and Deutsch-Wagram.

C-Rule 53: "The majority of the members of the supervisory board elected by the general meeting or delegated by shareholders in accordance with the articles of incorporation shall be independent of the company and its management board. A member of the supervisory board shall be deemed independent if said member does not have any business or personal relations to the company or its management board that constitute a material conflict of interests and therefore suited to influence the behavior of the member. The supervisory board shall define on the basis of this general clause the criteria that constitute independence and shall publish them in the Corporate Governance Report. The guidelines in Annex 1 shall serve as further orientation. According to the criteria defined, it shall be the responsibility of every member of the supervisory board to declare its independence vis-à-vis the supervisory board. The Corporate Governance Report shall clearly explain which members are deemed independent according to this assessment."

The majority of the members of Supervisory Board are to be seen as independent in the sense of this rule. There is an exception in the sense of DI (FH) Stefan Bauer, who was first elected to the Supervisory Board in 2005. Stefan Bauer is a nephew of Andreas Dangl. He carries out his office with the same diligence as every other member and also refers to the components under liability law. If setting the criteria of independence by the Supervisory Board is not completed, the company, however, will of course follow the very clear legal guideline.

L-Rule 60: "The company shall prepare a Corporate Governance Report that contains at least the following information:

- [...]
- the measures taken to promote women to the management board, supervisory board and to top management positions."

Currently WEB Windenergie AG does not have a woman as a member of the Board of Directors or the Supervisory Board. There are no special measures carried out to increase the share of women in these top management positions. However, several women are employed at the second management level.

C-Rule 68: "The company shall publish annual financial reports, half-yearly financial reports and any other interim reports in English and German, and shall make these available on the company's website. If the annual financial report contains consolidated financial statements, the financial statements in the annual report pursuant to the Business Code must only be published and made available in German."

The company will make its annual financial reports available for download in both German and English on the homepage. The annual financial report is available in German. Semi-annual financial reports and other interim reports are published on the website in German.

C-Rule 74: "A calendar of corporate financial events shall be posted at least two months before the start of the new business year on the website of the company and shall contain all dates of relevance for investors and other stakeholders such as the release of the annual and quarterly reports, annual general meetings, ex-dividend day, dividend payout day and investor relations activities."

WEB Windenergie AG publishes the important dates of the fiscal year in the financial calendar on the website www.windenergie.at. WEB Windenergie AG constantly strives to keep shareholders and other interested parties up to date. The relevant dates in this sense will be announced at the earliest possible date on the website and kept updated. The two-month period is observed for the most part.

C-Rule 83: "In addition, the auditor shall make an assessment of the effectiveness of the company's risk management based on the information and documents presented and shall report the findings to the management board. This report shall also be brought to the notice of the chairperson of the supervisory board. The chairperson shall be responsible for ensuring that the report is dealt with by the audit committee and reported on to the supervisory board."

WEB Windenergie AG does not engage explicit risk management. However, a risk assessment and its discussion are part of the statutory audit.

You will find the Code of Corporate Governance at: www.corporate-governance.at

Corporate Group Management Report Fiscal Year 2013

General, Business Area

W.E.B Wind Energy Group (short: W.E.B Group or W.E.B) plans and operates power plants based on renewable energy, primarily wind power. The group is active in Austria, Germany, France, Italy, the Czech Republic and Canada.

Renewable sources of energy, such as wind and solar energy, are sustainable sources, which, unlike fossil or nuclear energy sources, are available in unlimited quantities. Their conversion into electricity does not reduce the reserve raw materials and is therefore in line with the concept of sustainable and responsible economic activity. Especially in light of the constantly increasing need for energy world-wide, measures for a future-oriented basic supply of energy must be as much in focus, as the preservation of irreplaceable habitats and natural structures.

The parent company of W.E.B Wind Energy Group is WEB Windenergie AG, Pfaffenschlag. The consolidated companies are referred to in the consolidated notes.

Market and Industry

The implementation of the EU-Guideline for increasing the share of renewable energy in total power generation to 20% by 2020, enacted in December 2008, continues to be the most important driver in the expansion of renewable energy use in Europe. Country- specific implementation varies significantly.

General Framework

National Economic and Energy Economic Framework

The trend of decreasing electricity prices continued in 2013. In the course of the year the electricity price (EEX base load future, delivery period 2014) dropped from 45 €/MWh to 38 €/MWh[1]. This reduction can be partly attributed to the low prices of CO^2 emission rights and the contextually linked record production of electricity from climate-damaging brown coal in Germany[2]. The following figure shows the base load futures in 2013 for delivery periods 2014, 2015 and 2016.

[1] Source: EEX
[2] Source: Die Welt, 7.1. 2014

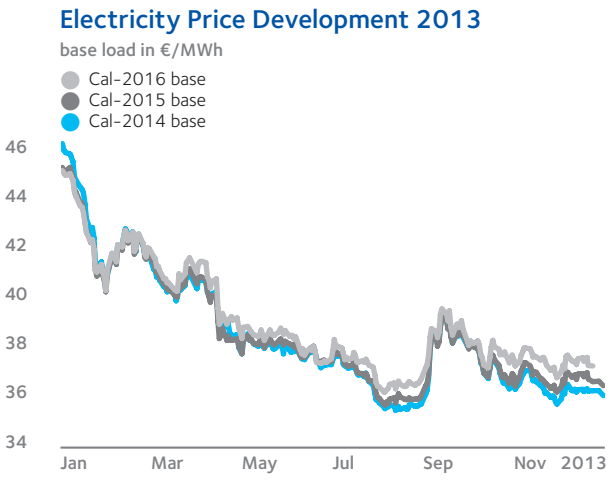


Figure 1: Development of electricity prices – base load futures

Regulatory Framework

In November 2010, the European Commission presented the European Energy-Strategy 'Energy 2020 – A Strategy for Competitive, Sustainable and Secure Energy'. It defines five priority action areas for reaching the energy goals for the year 2020: Achieving an energy-efficient Europe; Building a truly pan-European integrated energy market; Empowering customers and achieving the highest level of safety and security; Extending Europe's leadership in energy technology and innovation; Strengthening the external dimension of the EU energy market.

The European Commission directs its main attention to achieving the energy efficiency targets set out in the EU-Energy- and Climate Package: Europe has accepted the obligation of reducing its primary energy consumption by 20% compared to the projections for the year 2020. Among other things, energy suppliers are required to motivate their customers to save energy. Energy efficiency should also be a central assessment criterion in the approval of new generating capacity.

Financial Markets – Interest Rates

In 2013 W.E.B profited from generally low interest rates. Both the 3-month- and the 6-month-EURIBOR stayed on very low levels throughout the entire year.

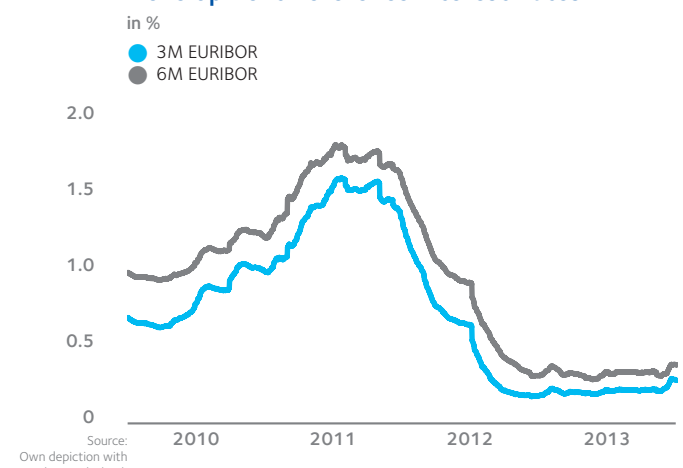


Figure 2: Development of 3M und 6M EURIBOR

Development of relevant FX-rates

In 2013 the Euro gained, in comparison to other currencies relevant for W.E.B's operation, significant in value. The EUR/CAD rate rose from roughly 1.31 to 1.47; the EUR/CZK rate raised from 25.9 to 27.4. The development of exchange rates is portrayed in the following figure.

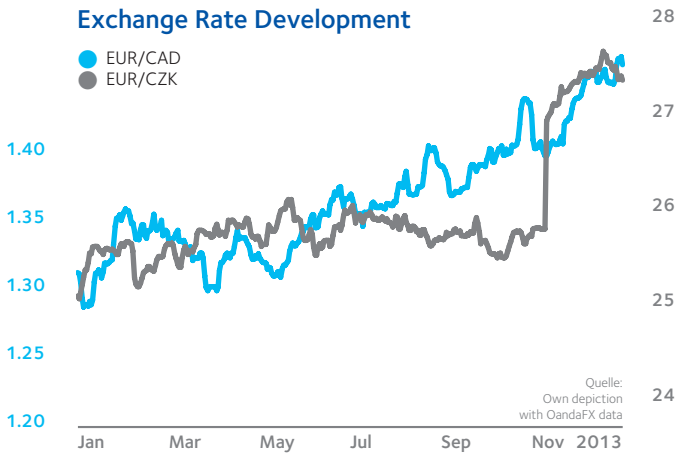


Figure 3: Relevant exchange rates

Country-Specific Subsidy Conditions

For the core market **Austria**, the Green Energy Act of 2012 as well as the current feed-in rates for electricity from wind power continue to provide a stimulus for new wind power projects. Wind energy plants, for which the subsidized feed-in tariff were requested in 2013, receive a compensation of 9.45 c/kWh, for applications submitted in 2014, the compensation will amount to 9.36 c/kWh and applications submitted in 2015 will receive a remuneration of 9.27 c/kWh.

With the Renewable-Energy Act (EEG) **Germany** still offers a stable framework for the expansion of wind and photovoltaic projects also through the system of direct marketing. The reference location model secures furthermore the economic viability at less attractive locations. Subsidies are provided especially through feed- in and premium rates.

Due to a change in the law in the **Czech Republic** and the therewith associated taxation of projects in the area of renewable energy, the Czech market lost some attractiveness for investors. Renewable energy sources are primarily subsidized through feed-in tariffs in the Czech Republic. Instead of the required feed-in tariff, it is possible to switch to the premium tariff, if there is an acceptance contract with a participant in the electricity market (e.g. electricity trader). Operators receive a "green bonus" for electricity from renewable energy in addition to the market price.

In **Italy** the laws and tariff reductions passed in recent years are leading to a more difficult framework; the continuously high number of sunny days should, however, make the development of profitable projects in the photovoltaic area even under the given regulatory framework possible. Also in Italy there are subsidized feed-in tariffs as well as premium tariffs.

Although **France** is already among the largest wind-energy nations in Europe, there is still great potential for new projects. Renewable energy sources are subsidized using feed-in tariffs and tax advantages. The threatening revocation of the tariff ordinance on formal grounds has led to some hesitancy in investments in spite of repeated reassurances from the French government that it will continue to actively support the expansion of renewable energy.

In several provinces of **Canada** there are feed-in rules with fixed tariffs similar to European subsidy regimes. The resulting predictable economic viability of new projects makes this market attractive for W.E.B as well.

Business Performance

The fiscal year 2013 adds a record production to W.E.B.'s corporate history.

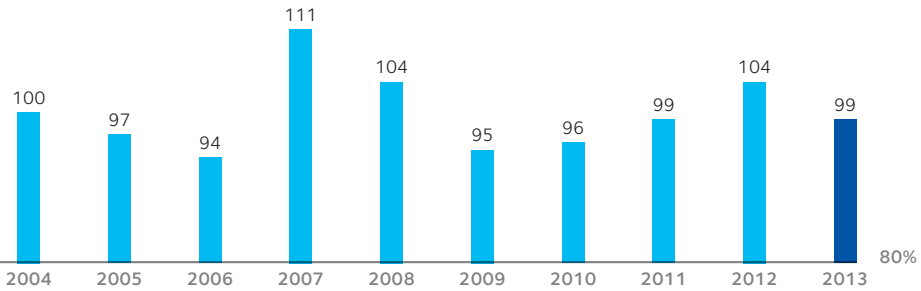
Furthermore, the growth path of the company continued with investments of around 60 Mio EUR. During the fiscal year, wind farms and photovoltaic power plants were commissioned, for another wind farm the construction phase started. In Canada the construction started for the first W.E.B. wind power plants. With the formation of new subsidiaries in Germany and France the foundation was laid for further project development activities in these countries.

Influence Factors

Despite challenging framework conditions the production was increased once again during the course of 2013. The power plant portfolio of W.E.B was able to create electric energy amounting to 526,556 MWh, thus realizing an additional 11,848 MWh compared to the previous year. The general wind occurrence was compared to the strong previous year roughly 6% weaker. This however was overcompensated by the production of new plants in Deutsch-Wagram, as well as the first full year of production in Dürnkrut and a concurrent record high in terms of plant-availability. Compared to an average wind year, the production remained 1.5% below plan. Also the pleasant results from the PV- and hydro power plants added a positive contribution in this respect.

W.E.B Wind Energy Group continues to rely on earnings risk management through the distribution of its wind, hydroelectric and photovoltaic power plants throughout Europe. Due to varying meteorological conditions, positive or negative deviations of the budgeted amounts can frequently be observed in the actual figures. Whereas the Austrian plants generated 2.4% more electricity than expected, the German plants remained 7.3% below plan. Also in France (-2.5%) and in the Czech Republic (-0.7%)

Production results: W.E.B.- Plant Portfolio
Percent of budgeted amounts



the budgeted production values could not entirely be reached owing to the prevalent weak wind conditions during the year. With +0.3% Italy slightly exceeds the planned amount. Noteworthy is the balancing effect among technologies. In this sense the weak result from the wind sector (-1.2%) was partly compensated by the good performance of photovoltaics (+2.3%) and the extraordinary hydro production (+8.8%).

Profit Situation

The result after income tax in 2013 falls short the previous year's result by 274.7 TEUR. This reduction is based on the lower wind revenues compared to the previous year, an increase in expenses triggered by the expansion of the plant portfolio and a higher interest burden caused by the issuance of bonds in the spring of 2013 as well as financing arrangements of new power plants.

Corporate Group – Profit and Loss Statement	2013	2012
TEUR		
Revenues	**48,093.9**	**47,239.5**
Other operating income	1,651,8	2,492.4
Operating income	**49,745.8**	**49,732.0**
Costs of material and purchased services	-1,412.4	-1,298.6
Personnel expenses	-4,993.4	-4,333.3
Depreciation	-18,147.0	-17,752.6
Other operating expenses	-9,688.6	-9,965.2
Sub-total	**-34,241.4**	**-33,349.7**
Operational result (EBIT)	**15,504.4**	**16,382.3**
Net financial result	**-7,171.5**	**-6,471.2**
Earnings before income tax	**8,332.9**	**9,911.1**
Income tax expense	-2,215.6	-3,519.2
Earnings after income tax	**6,117.3**	**6,392.0**

Revenues

Compared to 2012, the revenues could be improved by roughly 0.9 Mio EUR to 48.1 Mio EUR in 2013. This increase is owed to production increases that were made possible by the newly installed plants in 2013, as well as the increased plant availability.

	2013		2012	
Power Generation	Capacity	Production	Capacity	Production
	kW	kWh	kW	kWh
Austria	147,241	313,473,569	126,252	300,360,692
Germany	82,364	136,908,329	82,364	152,130,697
France	24,000	52,173,569	24,000	39,182,410
Czech Republic	9,080	15,012,127	9,080	13,670,064
Italy	6,427	8,988,352	6,427	9,364,268
Total	**269,111**	**526,555,946**	**248,123**	**514,708,131**

Other Operating Income

The other operating income for the year 2013 dropped by 840.6 TEUR to 1,651.8 TEUR.

Costs of Material and Purchased Services

This item records the costs for electricity, grid loss compensation, grid use fees (1,147.8 TEUR, prior year: 881.3 TEUR) and material costs.

Personnel Expenses

The personnel expenses for 2013 amounted to 4,993.4 TEUR and were around 660.1 TEUR higher than in 2012.

Other Operating Expenses

The other operating expenses for 2013 decreased by 276.6 TEUR to 9,688.6 TEUR. This development is essentially attributable to a write-down of receivables in the previous year.

Net Financial Result

The interest expenses for the reporting year were higher than the prior year. This is primarily attributable to the increase in financial obligations and the issuance of bonds in the spring of 2013.
The negative financial result increased in total by around 700.3 TEUR to 7,171.5 TEUR.

Asset Situation	31.12.2013		31.12.2012	
	TEUR	%	TEUR	%
Long term assets	292,445.5	92	254,242.1	91
Short term assets	24,436.9	8	24,622.0	9
Total Assets	**316,882.4**	**100**	**278,864.1**	**100**
Equity capital	86,900.9	27	82,839.9	30
Long term debts	193,008.0	61	161,712.5	58
Short term debts	36,973.5	12	34,311.7	12
Total Liabilities and Equity	**316,882.4**	**100**	**278,864.1**	**100**

The changes in the consolidation group are referenced to in Section 2.2.1 of the Corporate Group Appendix.

For a detailed description of the balance sheet items, see Appendix, Chapter 3.

Financial Situation	2012	2011
TEUR		
Operating Cash flow	38,572.9	27,181.2
Cash flow from financing	22,798.7	2,119.3
Cash flow from investing activities	-57,492.4	-36,501.8
Cash flow total	**3,879.2**	**-7,201.3**

For a detailed description of the cash flow statement, see Appendix, Chapter 7.1.

Dividend and Distribution Policy

In 2013 a dividend amounting to EUR 12.00 per share was approved in the shareholders' meeting (in total 3,461.4 TEUR). The payout was completed at the end of July 2013.
In accordance with the strategic direction with regards to distribution policy that was first taken in 2010, in the upcoming shareholders' meeting of 2014 the payout of a significant portion of the result of the parent company WEB Windenergie AG as a dividend will be proposed.

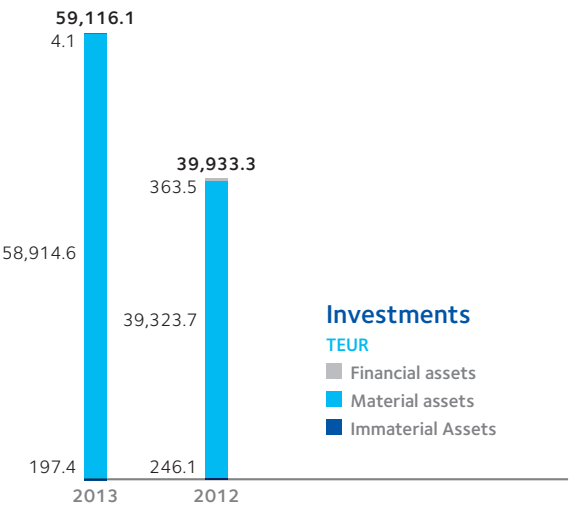
Investments	2013	2012
Investments (incl. assets from acquisitions of companies)	TEUR **59,116.1**	TEUR **39,933.3**

The main investments of the fiscal year 2013 concern the wind farm Deutsch Wagram, Matzen/Klein-Harras and Neuhof, Austria, the photovoltaic plants located in Perbersdorf, Weikendorf and Heidenreichstein, Austria, the wind power plants located in St. Rose, Little River and Parker Mountain, Canada and wind farms at the planning stage in Austria, France and Canada.

Financing

Long-term loans were taken out in Euro for the construction of the wind farms Deutsch Wagram, Matzen/Klein-Harras und Neuhof, Austria. The erection of the photovoltaic power plants in Perbersdorf, Weikendorf and Heidenreichstein, Austria as well as the wind power plants in Canada were financed by available cash flow.

In the fiscal year 2013 bonds with a nominal value of 1,000.00 EUR were issued. The issue price for the bond was set to 100% of the nominal amount, thus 1,000.00 EUR per bond. The bonds were issued from 1.31.2013 to 3.29.2013, whereby an extension or reduction of the subscription period would have been possible. Three different bonds were issued – with an interest rate of 4% p.a. and a maturity period of 5 years (bullet repayment), with an interest rate of 5.25% and a maturity period of 10 years (partially amortizing) and an interest rate of 5.5% and a period of 10 years (bullet repayment). The interest will be due and payable on the 4.8. of each year. The first interest payment date is 4.8.2014. In total, bonds amounting to 24,556,000.00 EUR were issued.



Performance Indicators

Key Figures	2013	2012
EBIT Margin	30.25%	33.36%
Net Gearing	211.39%	188.26%
Return on Equity	7.21%	7.86%

EBIT Margin

The EBIT margin puts the EBIT in relation to the revenues and therefore shows the profitability of the company independent of financial results, extraordinary items and taxes.

With 30.25% W.E.B Wind Energy Group was able to keep its EBIT margin at a very high level in 2013.

Net Gearing

Net Gearing constitutes the ratio of the net debt, calculated from the long-term financial debts minus liquid assets, to the company's equity capital. This makes it a key figure for assessing the company's ability to weather a crisis.

The increase of W.E.B's Net Gearing is attributable to investments in new power plants and the associated increase in debt necessary to finance these projects.

Return on Equity

The return on equity sets the annual profit in comparison to the equity capital used. It indicates how high the interest was on capital provided by the equity investors minus taxes on earnings in a given period.

In 2013 the return on equity for W.E.B amounted to 7.21%.

Employees

For a rapidly-growing company such as W.E.B Wind Energy Group employees are an essential key resource. Their commitment and know-how contribute significantly to the overall success of the company.

In accordance with the growth of the company, W.E.B is also constantly investing in the training and continuing education of its employees.

	2013	2012	2011	2010
Personnel as of 12.31. (head count)	85	74	59	52
Direct education expenses per employee (EUR)	1,285	470	660	524
Average age as of 12.31. (years)	37	36	37	36

W.E.B Wind Energy Group uses the 'ABC- Method' for structured employee evaluation and development. The objective of this system of strategic personnel development is to expand skills and prepare employees for current and future challenges facing the company. In this context, development plans are worked out in collaboration with the employee.

In the internal series of continuing education events 'W.E.B-Academy', the team is regularly informed about current topics relevant to the company and the industry and trained if necessary. Furthermore, the company's internal newsletter, 'W.E.B intern' is sent out at least every 14 days. It provides all employees with up-to-date information about current developments in the company.

The satisfaction and dedication of the employees have a direct effect on corporate success. For W.E.B Wind Energy Group, open, respectful and responsible interpersonal interactions are very important. The employees' ideas and impressions are collected and discussed in annual employee interviews and in the framework of the annual anonymous employee satisfaction survey, so that specific needs can be discussed in detail.

The 'W.E.B-Rose Program' includes voluntary activities such as company ski days, offers such as 'Fruits for Employees' and the organization of lunches and provides for a balanced and pleasant workplace atmosphere.

Planned Development

Risks and Uncertainties

Opportunity and Risk Management for W.E.B Wind Energy Group

WEB Windenergie AG conceives opportunity and risk management as an essential instrument of corporate management. The goal of opportunity and risk management is to secure the asset, financial and earnings situation of the Group as well as existing and future potentials for success and growth and react to changes in the business framework in a timely fashion.

In the framework of a formalized risk management process, the company's decision makers discuss significant risk factors and assess the likelihood that they will occur and their likely effects on the corporate result.

Measures for dealing with the identified risks are developed and implemented. The measures aim both at reducing the possible extent of the damage and the likelihood of occurrence.

Risk information and measures are saved in a central database and updated regularly.

Price Risk and Political Risk

Feed-in tariffs are guaranteed for a majority of the power generated by the plants of W.E.B Wind Energy Group. W.E.B has therefore minimal exposure to market price risks and economic risks.

Guarantee period	Share of planned generation 2013	Share of planned generation 2012
no guaranteed tariff	6.3 %	6.8 %
Up to 1 year	0.2 %	0.2 %
1 to 5 years	25.9 %	12.6 %
More than 5 years	67.6 %	80.4 %

These tariffs are locked in under existing laws. A modification of these laws and/or the abolition of the tariff subsidies would be a significant threat to the economic viability of the generating plants. It is however highly unlikely. In the German subsidiary direct marketing contracts have been concluded, allowing for a higher feed-in tariff than the feed in tariff guaranteed by law. This direct marketing framework is regulated by law, so that in the event of bankruptcy of the direct marketing partner it is possible to switch back to the legally guaranteed tariffs. Nevertheless, the revenues created by these tariffs don't fall under the category of subsidized revenues.
For periods after the expiration of guaranteed tariffs and for the portion of total production without a guaranteed tariff, the market price of electricity has a significant meaning.

The tariff situation in France was challenged by wind power opponents because of procedural errors in the decree. It is expected that France abolishes the current tariff in March 2014 and submits the tariff assignment mechanism to be certified by the EU. The confirmation is expected in the first half of 2014. It is expected that the repeal of the tariff only affects future approvals, but the possibility of a retroactive correction of tariffs cannot be entirely ruled out.

In the province of Ontario, Canada, a new tariff model is in preparation. This will continue to include a government-backed tariff over 20 years once the feed-in tariff contract is awarded. It is anticipated that a bidding process, led by the regulatory

authority of the province of Ontario, will decide which applicant gets awarded with a contract. Before being allowed to participate in the bidding process, the project developer must apply through a qualification process for participation. This process involves, among other things, development experience, financial strength, support of the community and residents, preliminary environmental studies and the like. After successful qualification a bidding process starts, taking into account the respective progress of the projects. According to local management, the probability that W.E.B will receive guaranteed feed-in tariffs for its projects in development is 70%.

Technical Risks

WEB Windenergie AG and its subsidiaries operate a total of 189 power plants as of 12.31.2013: 175 wind power plants, three hydroelectric power plants and eleven photovoltaic plants. 149 wind power plants were built by the world market leader, Vestas (including the plants from NEG Micon which has since merged with Vestas), 26 plants from the German manufacturer Enercon. By using wind power plants from manufacturers with many years of market experience, W.E.B Wind Energy Group keeps the technical risk as low as possible.

Foundations

Some of the Vestas plants of the 2-MW-class in Austria suffered damage to their foundations in the form of cracks. An agreement was made with the manufacturer in which Vestas assumes the responsibility for maintenance and monitoring of the foundations and makes sure that the foundations are durable and stable.

Large Components

In the experience from recent years, an increase in damages to the gearboxes and generators of plants produced by Vestas can be noted. In this context both the internal skills in damage prevention as well as technical and logistic preconditions for repairing large components in case of breakdown have been improved.

Climatic and Meteorological Framework

Generating energy from wind power- and photovoltaic plants is highly dependent on weather conditions. Wind is subject to great seasonal and annual variations. Management takes this risk into consideration when selecting project locations.

Rotor Blades

No notable problems were observed with the rotor blades during the reporting period. Inspections were carried out by independent experts and environmental damages remediated by our own special team. The blades' condition is state of the art.

Operational Management

Despite the prevailing trend in the industry that in connection with an aging plant portfolio the availability and maintenance expenses deteriorate, it was once again possible to increase the total availability of the plants from 97.6% in the previous year to a new all-time high of 97.8%. With an average turbine age of 8.6 years, efficient service structures and the successful implementation of the operation strategy are a requirement for this excellent value. The new availability record was made possible on all five service layers of W.E.B's operation strategy by the involved employees and their excellent performance.

W.E.B's operation strategy provides the first level through site guards of wind farms. The help of local observations allows for rapid reactions and an efficient operation of the scattered, decentralized power plants. The second level of the operation strategy ensures a good state of generating plant by high-quality manufacturer maintenance efforts, which are supported by inspections and preventive removal of defects of our own, well-trained technicians. The operation control of the third level concerns system monitoring and efficient incident management in case of damage. In order to avoid unexpected damage, the operating data of the plants are analyzed and the system behavior is assessed. Should there still be events of damage - the fourth level provides consistent repair measures. In this respect, there are specialized service teams, an extensively stocked spare parts storage and appropriate special tools. Partnerships with component manufacturers, transport- logistics- and crane- companies provide appropriate security. In the case of resource constraints, it is contractually secured to fall back on the manufacturer's service. The fifth stage of the operating strategy focuses on technical improvements, large component replacements and large component repairs and servicing of rotor blades. Maintaining the high standards and innovative repair approaches that have been used recently should secure this high technical level in the future.

Photovoltaic

Since 2010 a large photovoltaic farm is under the operational management of the W.E.B Wind Energy Group. After dealing with defects in construction and the deficiencies under warranty, the browning of modules was identified as a long-term risk and an agreement was concluded with the manufacturer to assume guarantee responsibilities if the modules fail. Additionally, climate chamber and aging tests are performed in advance of constructing new photovoltaic farms.

Project Development

Developing new power plant locations is an essential component of the business activity of WEB Windenergie AG. As a consequence thereof, W.E.B has the opportunity to invest in new wind and photovoltaic power plants at profitable locations. In each phase of evaluation, from planning to obtaining construction and operating permits, however, there is the danger that a project may be cancelled and the project expenditures to-date may be lost. Strict cost management and regular evaluations of project costs, project cost efficiency and the probability of receiving the construction and operation permits keep this risk as low as possible. In the past it has been possible to realize more than 70% of planned projects.

Financial Risks

Currency Risk

Financing of plants owned by W.E.B Wind Energy Group is done in the national currency for the plants located in the Czech Republic. This creates a natural hedge that reduces the currency risk for feed-in compensation considerably, since feed-in compensation, loan interest and principal repayment are all in the same currency. The same principle will be applied for financing the plants in Canada.

In addition, one loan in Swiss Francs exists. The share of this loan in the total volume of financing of W.E.B Wind Energy Group is relatively small. Additional detailed information is presented in the Appendix in explanation (11) Financial Obligations and section 6.1 Currency Risk.

Interest Rate Risk

Loans for financing power plants are for the most part subject to variable interest rates. Due to the fixing of earnings (fixed feed-in rates) for the power plants, there is a considerable risk of interest rate changes. For around 43% of the existing financial obligations subject to variable interest rates, this risk was hedged through fixed interest rate agreements (interest rate swaps). Thus as of 12.31.2013, 57% of the financial obligations are subject to fixed interest rates.
An increase of the interest rate by 1%-point would reduce the company's results by approximately 716 TEUR p.a.

Financial Instruments

The main originating financial instruments used by W.E.B Wind Energy Group are participations, bonds, loans, receivables for goods and services, balances held at institutions of credit, financial obligations and trade payables. The existing derivative financial instruments at balance sheet date are interest swaps and are described in detail in the Appendix in (15) Derivative Financial instruments.
As of 12.31.2013 there are no contingent liabilities.

The amounts reported on the asset side represent the maximum credit and default risk at balance sheet date.

Apart from the concluded interest swaps (see Appendix, Explanation (15) Derivative Financial Instruments) no specific securitizing transactions were completed 2013.

Financial Futures Transactions/Derivatives

Concerning contracts existing on balance sheet date and their valuation/accounting treatment, refer to Explanation (15) Derivative Financial Instrument in the Appendix.

Default Risk

W.E.B Wind Energy Group supplies the energy generated in its plants to partially nationalized and private electricity traders with the highest creditworthiness.

The majority of revenues in 2013 in Austria (ca. 93%) were generated from the OeMAG Abwicklungsstelle für Ökostrom AG, the rest with a private company with which a good business relationship exists for years.

The subsidiaries in Germany, the Czech Republic, France and Italy also deliver to electricity companies responsible for dealing with green energy.

Counterparty Risk – Suppliers

W.E.B Wind Energy Group operates wind power plants from two main suppliers. Both companies are internationally active manufacturers holding considerable market shares of wind power plants in the world market. For new plants, advance payments are made to the manufacturers, for existing plants there are in part guarantee and warranty claims as well as availability guarantees from maintenance agreements. Should one of these manufacturers get into financial distress, this circumstance could have negative effects on the receivables of W.E.B.

Liquidity Risk

All power plants owned by the Group have long-term financing agreements with credit institutions or are financed by medium/long-term bonds, with the result that no liquidity risk arises from the construction or from the acquisition of additional power plants.

For the existing financial arrangements, comprehensive liens on plants and assignments of receivables have been arranged with the financial institutions. Furthermore, W.E.B Wind Energy Group has obligated itself to maintain certain financial key figures. The failure to maintain these figures could entitle the financial institutions to immediately call the loans. The effects of fluctuations of operating cash flows (primarily fluctuations of electricity earnings on the basis of the wind situation) are minimized through active liquidity management.

Company Development

The Green Energy Act currently in force in Austria continues to make building wind power plants financially viable in this market. Due to the zoning moratorium imposed in 2013, many projects of W.E.B (especially in our home region, the Waldviertel) are delayed. The expected new spatial regulation for 2014 gives us hope that the majority of planned projects in Lower Austria can continue to be developed.

Aside from Austria, W.E.B was in 2013 active in foreign projects (mainly France and Canada). In Canada, our first three wind power plants were commissioned in February of 2014. The contracted commitments amount to 55,208.8 TEUR at balance sheet date and are directly connected to the further expansion of power generation capacity in Austria and Canada.

Research and Development

W.E.B Wind Energy Group constantly works on minimizing the operating costs for existing plants and maximizing earnings. In this context, significant development projects were brought to practical implementation. To this end, new repair concepts are developed and tested in a nacelle of the 2-MW-class installed in Pfaffenschlag.

R&D work continued to be intensified – the innovation management-team is working intensively on analyzing systems to improve the stabilization of cyclically produced renewable energy. The innovation management team has developed new areas of application for existing wind farms which are beyond their fixed feed-in tariff period. The possibility of direct supply to nearby industrial customers (wholesale market) with a direct cable turns out to be a viable alternative.

Furthermore, the R&D work concentrated on possibilities for optimization through energy storages, demand-side management and operation of an energy management system in terms of a demand-oriented energy supply.

W.E.B continues its participation in the research project “Rotor De-Icing”, subsidized by FFG and pursues the goal of reducing outages in wind energy production caused by icing. Concretely, three innovative technologies are being tested: Use of sublimation and minimizing of ice formation, development of special blade surface coatings as well as active electrical de-icing.

Since October 1st, W.E.B fulfills the desire of many shareholders, to be able to obtain their ‘own’ electricity from wind and hydro power plants of W.E.B. For the commercial launch of W.E.B-Grünstrom (Green Energy supplied by W.E.B) all necessary steps have been taken and required skills have been developed to perform the activities of an electricity trader in Austria.

Beyond this there are no research and development activities.

Branch Offices

WEB Windenergie AG does not have any branch offices.

Events after the Reporting Date

At the beginning of February 2014, the turbines of the expansion of the wind farm Neuhof, Austria were commissioned; preparatory work for the commissioning of the four Vestas V112 was already done in 2013.

Also in February 2014, the first W.E.B wind power plant in Canada was commissioned. The 2 MW turbine located in Saint Rose is the cornerstone of W.E.B's successful market entry in Canada.
The other plants in Little River and Parker Mountain also reached operational status in the course of February 2014. Likewise for the plants in Canada, the preparatory work has been carried out already in 2013.

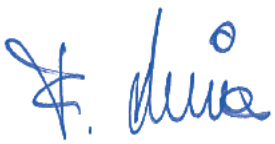
With the commissioning of plants at the beginning of 2014, W.E.B reached 300 MW of total production capacity.

Beyond this, no significant events are to be reported after the balance sheet date.

Pfaffenschlag, April 4th 2014
The Board of Directors

Andreas Dangl

DI Dr. Michael Trcka



Dr. Frank Dumeier

Corporate Group Financial Statements (IFRS)

Corporate Group Profit and Loss Statement 1.1.–12.31.2013

TEUR	Note	2013	2012
Revenues	**17**	**48,093.9**	**47,239.5**
Other operating income	18	1,651.8	2,492.4
Operating income		**49,745.8**	**49,732.0**
Costs of material and purchased services	19	-1,412.4	-1,298.6
Personnel expenses	20	-4,993.4	-4,333.3
Depreciation	21	-18,147.0	-17,752.6
Other operative expenses	22	-9,688.6	-9,965.2
Sub-total		**-34,241.4**	**-33,349.7**
Operating result (EBIT)		**15,504.4**	**16,382.3**
Share of earnings from equity-accounted associated companies	3	-79.5	245.8
Results from other investments	4	147.5	-632.0
Interest income	23	220.6	266.2
Interest expenses	24	-6,216.8	-5,847.8
Other financial result	25	-1,243.2	-503.4
Net financial result		**-7,171.5**	**-6,471.2**
Earnings before income tax		**8,332.9**	**9,911.1**
Income tax expense	13	-2,215.6	-3,519.2
Earnings after income tax		**6,117.3**	**6,392.0**
thereof attributable to owners of the parent company		6,247.0	6,443.3
thereof attributable to non-controlling interests		-129.6	-51.4
Earnings per share in EUR[1] (EUR)		**21.7**	**22.3**

[1] Diluted is the same as undiluted

Corporate Group Statement of Comprehensive Income

TEUR	2013	2012
Earnings after income tax	**6,117.3**	**6,392.0**
Items that are or can be reclassified to profit or loss		
Changes from currency conversions	-657.5	-3.5
Market value changes financial instruments available for sale	135.4	60.5
Financial assets available for sale - reclassification to profit or loss	-38.2	0.0
Market value changes of cash flow hedges	1,183.1	-824.4
Income tax on other comprehensive income	-322.0	192.7
Total other comprehensive income	**300.8**	**-574.8**
thereof attributable to owners of the parent company	271.6	-581.3
thereof attributable to non-controlling interests	29.1	6.5
Total income after income tax	**6,418.1**	**5,817.2**

Corporate Group Balance Sheet as of 12.31.2013

TEUR

	Note	12.31.2013	12.31.2012
Assets			
Intangible assets	1	3,812.6	3,965.8
Tangible assets	2	283,901.6	245,435.1
Shares in associated companies	3	1,898.5	2,590.7
Other financial assets	4	2,197.1	2,064.7
Other long-term assets	5	13.1	30.0
Deferred tax assets	13	622.6	155.8
Long-term assets		**292,445.5**	**254,242.1**
Inventories	6	2,197.2	1,933.5
Trade receivables	7	7,241.7	7,102.7
Receivables from affiliated companies	8	101.1	3,462.0
Other receivables and assets	9	4,883.8	6,494.9
Income tax receivables		702.8	24.2
Cash and cash equivalents	10	9,310.4	5,604.8
Short-term Assets		**24,437.0**	**24,622.0**
Total assets		**316,882.4**	**278,864.1**

Corporate Group Balance Sheet as of 12.31.2013

TEUR	Note	12.31.2013	12.31.2012
Equity and liabilities			
Registered capital		28,845.3	28,845.3
Capital reserves		23,323.8	23,323.8
Other reserves		-1,056.5	-1,328.1
Retained earnings		34,856.4	32,070.8
Share owned by WEB AG shareholders		*85,969.1*	*82,911.9*
Non-controlling interest		931.9	-71.9
Equity	**Chapter 3.3.**	**86,900.9**	**82,839.9**
Long-term financial obligations	11	136,597.9	130,266.5
Bonds	12	39,725.9	16,346.2
Deferred tax liabilities	13	11,150.2	9,857.5
Long-term provisions	14	5,291.5	4,787.2
Other long-term obligations	12	242.5	455.0
Long-term liabilities		**193,008.0**	**161,712.5**
Short-term financial obligations	11	23,578.0	24,222.1
Bonds	12	1,009.4	0.0
Obligations from income tax	13	1,240.1	521.0
Trade payables and other payables	15,16	11,146.0	9,568.6
Short-term liabilities		**36,973.5**	**34,311.7**
Total liabilities		**229,981.5**	**196,024.2**
Total equity and liabilities		**316,882.4**	**278,864.1**
Equity per share (EUR)		**301.3**	**287.2**

Corporate Group Cash Flow Statement

TEUR		2013	2012
Earnings before income tax		**8,332.9**	**9,911.1**
+/–	Depreciation/appreciation (tangible and intangible assets)	18,147.0	17,752.6
+	Interest balance	6,233.9	5,581.6
+/–	Non cash effective result of associated companies included at equity	-79.5	-209.4
+/–	Depreciation/appreciation of financial assets	137.3	524.5
–/+	Profits/losses from disposal of financial assets and other long-term assets	-37.6	34.1
–/+	Profit/loss from asset disposals	302.1	82.5
+ –	Increase/ decrease of long-term provisions	0.0	539.3
+/–	Other non cash changes	711.2	474.8
Cash flow from operating activities		**33,747.4**	**34,691.1**
– +	Increase / decrease in inventories and receivables	-354.8	2,131.2
– +	Increase / decrease of receivables from affiliated companies	3,360.9	-3,269.1
– +	Increase / decrease of other receivables	1,611.1	-3,536.1
+ –	Increase / decrease of trade payables and other payables	1,494.6	-666.9
–	Income tax	-1,286.2	-2,169.0
Operative cash flow		**38,573.0**	**27,181.2**
+	Inflows from asset disposals	204.8	43.5
+	Inflows from disposal of financial assets and other long-term assets	143.7	73.5
+	Interest inflows	149.4	173.8
–	Net cash flow from the acquisition of fully consolidated subsidiaries	0.0	-1,740.3
+	Disposal of consolidated subsidiaries	0.0	303.0
+	Disposal of associated companies	0.0	10.9
–	Outflow for investments in intangible and tangible assets	-58,598.9	-35,456.6
–	Outflows for the acquisition of financial assets and other long-term assets	-4.1	77.5
+	Dividends received	612.7	12.9
Cash flow from investing activities		**-57,492.4**	**-36,501.8**

+	Inflows from non-controlling shareholders	1,104.3	0.0
–	Dividends paid	-3,461.4	-2,884.5
–	Interest outflows	-5,426.7	-5,610.4
+	Inflows from the assumption of financial obligations	65,201.3	35,855.8
–	Outflows for repayment of principal	-34,618.8	-25,241.6
Cash flow from financing activities		**22,798.7**	**2,119.3**
Total cash flow		**3,879.3**	**-7,201.3**
Change in funds[1]			
Liquid assets at the start of the period		5,604.8	12,802.8
Currency differences		-173.6	3.2
Total cash flow		3,879.2	-7,201.3
Liquid assets at the end of the period		**9,310.4**	**5,604.8**

[1] For additional information please refer to 7.1 corporate group cash flow statement

Development of Corporate Group Equity Capital

TEUR

	Registered capital	Capital reserves	Retained income	AFS reserves	Hedging reserve	Difference from currency translation	Shareholders WEB	Shares of other shareholders	Total
Status as of 1.1.2012	**28,845.3**	**23,323.8**	**28,511.9**	**20.7**	**-786.2**	**18.7**	**79,934.2**	**-27.0**	**79,907.2**
Results included directly in the equity capital after income taxes from									
Currency differences	0.0	0.0	0.0	0.0	0.0	-10.0	-10.0	6.5	-3.5
Market valuation of securities	0.0	0.0	0.0	43.8	0.0	0.0	43.8	0.0	43.8
Cash flow hedges and other hedging transactions	0.0	0.0	0.0	0.0	-615.1	0.0	-615.1	0.0	-615.1
Total results included directly in the equity capital after income taxes	**0.0**	**0.0**	**0.0**	**43.8**	**-615.1**	**-10.0**	**-581.3**	**6.5**	**-574.8**
Result after income tax	0.0	0.0	6,443.4	0.0	0.0	0.0	6,443.4	-51.4	6,392.0
Total result for the period	**0.0**	**0.0**	**6,443.4**	**43.8**	**-615.1**	**-10.0**	**5,862.1**	**-44.9**	**5,817.2**
Dividend	0.0	0.0	-2,884.5	0.0	0.0	0.0	-2,884.5	0.0	-2,884.5
Status as of 1.1.2013	**28,845.3**	**23,323.8**	**32,070.8**	**64.5**	**-1,401.3**	**8.7**	**82,911.8**	**-71.9**	**82,839.9**
Results included directly in the equity capital after income taxes from									
Currency differences	0.0	0.0	0.0	0.0	0.0	-686.6	-686.6	29.1	-657.5
Market valuation of securities	0.0	0.0	0.0	74.8	0.0	0.0	74.8	0.0	74.8
Cash flow hedges and other hedging transactions	0.0	0.0	0.0	0.0	883.5	0.0	883.5	0.0	883.5
Associated companies included at equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total results included directly in the equity capital after income taxes	**0.0**	**0.0**	**0.0**	**74.8**	**883.5**	**-686.6**	**271.7**	**29.1**	**300.8**
Result after income tax	0.0	0.0	6,247.0	0.0	0.0	0.0	6,247.0	-129.6	6,117.3
Total result for the period	**0.0**	**0.0**	**6,247.0**	**74.8**	**883.5**	**-686.6**	**6,518.7**	**-100.5**	**6,418.1**
Capital contribution from non-controlling shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,104.3	1,104.3
Dividend	0.0	0.0	-3,461.4	0.0	0.0	0.0	-3,461.4	0.0	-3,461.4
Status 12.31.2013	**28,845.3**	**23,323.8**	**34,856.4**	**139.3**	**-517.8**	**-677.9**	**85,969.1**	**931.9**	**86,900.9**

Corporate Group Appendix (IFRS) for the Fiscal Year 2013

1 The Company

WEB Windenergie AG (short: W.E.B) is headquartered in 3834 Pfaffenschlag, Davidstraße 1, Lower Austria, commercial registry court: District Court of Krems an der Donau (FN 184649v), and, together with its subsidiaries, forms W.E.B Wind Energy Group, for which the Corporate Group Financial Statements for 2013 were prepared according to IFRS as it is applied in the EU.

W.E.B Wind Energy Group defines its core area of business as project development and operation of power plants in the renewable energy sector. The company's international focus and technological diversification through projects in the areas of wind power, photovoltaic and hydroelectric power form the basis for a professional management in dealing with the challenges of a sustainable energy supply – a task that is becoming increasingly important for ecological reasons along with the long-term expectation of increasing energy demand as well as decreasing fossil fuel resources.

2 Principles of Accounting, Financial Reporting and Valuation Methods

2.1 Principles of Accounting

2.1.1 General

The Corporate Group Financial Statements of W.E.B Wind Energy Group as of 12.31.2013 were prepared according § 245a UGB in agreement with the International Financial Reporting Standards (IFRS), as they apply in the EU, and the supplemental, applicable regulations of corporate law § 239 and § 243 UGB.

The balance sheet date for all fully consolidated and at equity included companies is 12.31.2013. The accounting system of the companies included in the Corporate Group Financial Statement is based on uniform principles of balance sheet accounting and valuation. The profit and loss statement was prepared according to the aggregate cost method.

The Corporate Group Financial Statements were prepared in Euro.

All values in comments and tabular overviews are, if not stated otherwise, presented in thousands of Euro (TEUR). In the summation of values and percentage values presented, differences compared to the presented calculated amounts may occur due to the use of automated computational aids.

The Corporate Group Financial Statements were prepared according to the historical cost principle except for the following significant balance sheet items:

- Derivative financial instruments are carried at fair value
- Financial instruments of the category At Fair Value through Profit or Loss are carried at fair value
- Financial assets of the category Available-for-Sale are carried at fair value

2.2 Consolidation Scope and Consolidation Methods

The Corporate Group Financial Statements include WEB Windenergie AG and subsidiaries under the control of W.E.B. A controlling influence exists if the parent company is directly or indirectly able to determine the financial and business policies of the company and is entitled to the variable returns thereof. The inclusion of the subsidiaries begins at the date on which the controlling influence is obtained and ends when it is lost.

In case the corporate group loses control over a subsidiary, the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity are booked out. Any gain or loss thereof is charged against income. Any retained interest in the former subsidiary will be valued at fair value at the date when control is lost.

Both associated companies as well as joint ventures are accounted for according to the equity method.

Shares in investments accounted for using the equity method are reported on the balance sheet initially at the acquisition cost and in the subsequent period with the updated pro-rata net asset value. In the course of this, the book values are annually increased or decreased subject to the proportional results, distributions and all other changes in equity.
If an investment balance evinces a negative net asset value, the investment is listed as zero and the deficit amount required to obtain a positive net asset value is listed in the Appendix.
Corporate group internal transactions, receivables, obligations and significant unrealized profits (interim profits) are eliminated. Unrealized losses are only eliminated to the extent that the unrealized loss does not represent the result of a decline in value.

2.2.1 Consolidation Scope

The Consolidation Scope includes:

Name	Corporate Group Share	Accounting Method
WEB Windenergie AG (AT)		Full consolidation
WEB Windenergie Betriebsgesellschaft Deutschland GmbH (DE)	100%	Full consolidation
WEB Windenergie Betriebs GmbH (AT)	100%	Due to subordinate status not included in the framework of a full consolidation
WEB Windenergie Loickenzin GmbH (DE)	100%	Full consolidation
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG (DE)	100%	Full consolidation
WEB Italia Energie Rinnovabili s.r.l. (IT)	100%	Full consolidation
Società di gestione impianti fotovoltaici s.r.l. (IT)	100%	Full consolidation
WEB Větrná Energie s.r.o. (CZ)	100%	Full consolidation
Friendly Energy s.r.o. (CZ)	100%	Full consolidation
WEB Energie du Vent SAS (FR)	100%	Full consolidation
Société d'Electricité du Nord SARL (FR)	100%	Full consolidation
WP France 4 SAS (FR)	100%	Full consolidation
Parc eolien de Champigneul Pocancy SAS (FR)	100%	Full consolidation
WEB Wind Energy North America Inc. (CAN)	100%	Full consolidation
WEB Wind Energy Development Inc. (CAN)	100%	Full consolidation
WEB Duart North Community Wind Farm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
SWEB Development Inc. (+ Limited Partnership Vertrag) (CAN)	51%	Full consolidation
WEB Wheatley Community Wind Farm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
WEB Duart South Community Wind Farm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
WEB Wallaceburg Community Wind Farm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
WEB Centralia Community Wind Farm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
WEB Zurich Community Wind Farm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
WEB Constance Community Windfarm GP Corp. (+ Limited Partnership Vertrag) (CAN)	100%	Full consolidation
ScotianWEB Inc. (+ Limited Partnership Vertrag) (CAN)	55%	Full consolidation
Regenerative Energy Bulgaria EOOD (BG)	100%	Due to subordinate status not included in the framework of a full consolidation
SASU Energie Verte Plaine d'Artois (FR)	33%	at Equity
Tauernwind Windkraftanlagen GmbH (AT)	20%	at Equity
Sternwind Errichtungs- und BetriebsgmbH (AT)	49%	at Equity
Sternwind Errichtungs- und BetriebsgmbH & Co KG (AT)	49%	at Equity

In July 2013, WEB Energie du Vent SAS acquired the company WP France 4 SAS (FR), in whose possession are rights for wind farm development exclusively. Currently, these projects are being developed further. In achieving contractually agreed project progress milestones, additional payments may be due in 2014. These payments are recognized upon achievement of said project progress milestones.

Furthermore, the company Parc eolien de Champigneul Pocancy SAS was established in France; the companies WEB Centralia Community Wind Farm GP Corp. (+ Limited Partnership Contract), WEB Zurich Community Wind Farm GP Corp. (+ Limited Partnership Contract), WEB Constance Community Windfarm GP Corp. (+ Limited Partnership Contract) und ScotianWEB Inc. (+ Limited Partnership Contract) were established in Canada. These companies were incorporated to realize specific projects.

In December of the reporting year 2013 the companies WEB Windenergie Loickenzin GmbH and WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG were established with the purpose of erecting and operating wind power plants.

Due to the fact that the changes in the consolidation scope in 2013 relate to either newly established companies (startups) or the economic content corresponds to the pure acquisition of assets, no acquisitions in the sense of IFRS 3 are reported.

2.3 Currency Conversion

Business Transactions in Foreign Currency

Corporate group companies recorded their business transactions in foreign currencies with the currency exchange rate on the date of the specific transaction. The conversion of the existing monetary assets and liabilities existing on the balance sheet date into Euro was prepared using the currency exchange rates (bid/offer rates) valid on that day. Foreign currency profits and losses resulting from this are recorded as affecting profits in this fiscal year.

Conversion of Separate Financial Statements in Foreign Currency

The functional currency of the subsidiaries located outside of the Euro Zone is the specific national currency (CZK, CAD). The conversion of all assets and liabilities listed in all individual financial statements of these companies is done using the ECB-exchange rate on the balance sheet date. The positions in the profit and loss statement are converted using the average exchange rate for the fiscal year. Any resulting foreign currency profits or losses are recorded in the equity capital under 'currency conversion reserve'.

Exchange rates as of 12.31.2013	ECB-Valuation rate	Average rate 2013
CZK	27.427	25.898
CHF	1.2276	—
CAD	1.4671	1.3647

Exchange rates as of 12.31.2012	ECB-Valuation rate	Average rate 2012
CZK	25.151	25.469
CHF	1.2072	—
CAD	1.3137	1.3176

2.4 Accounting and Valuation Methods

2.4.1 2.4.1 Newly Applied Standards (IFRS) and Interpretations (IFRIC)

IIn the following section, the newly relevant standards/interpretations for W.E.B Wind Energy Group as per 12.31.2013 are represented. In case the areas of regulation do not concern W.E.B Wind Energy Group and/or are not yet applicable in the EU, the respective information is shown in Appendix 3.

- **IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements und IFRS 12 Disclosure of Interests in Other Entities**
  IFRS 10, IFRS 11 and IFRS 12 form the new consolidation package, which was published by the IASB in May 2011. IFRS 10 establishes rules for the preparation and presentation of consolidated financial statements and includes a new, uniform definition of 'control'. Going forward, IAS 27 only contains rules for separate financial statements under IFRS. IFRS 11 replaces IAS 31 and includes two forms of Joint Arrangements: Depending on the rights and obligations arising from the agreement for the dominant parties, a differen-

tiation between joint ventures and joint operations is made. Under IFRS 11, jointly controlled entities that meet the definition of a joint venture are to be accounted for according to the equity method. IFRS 12 provides guidance on all disclosure requirements for interests in other entities. The effects of the application of the new consolidation standard are currently analyzed in detail.
With the new definition of the concept of control in IFRS 10, no significant changes in the group of consolidated companies arise.

- **IFRS 13 (Fair Value Measurement)**
  The new standard IFRS 13 establishes uniform guidelines on how fair values are to be determined. Only for IAS 17 (Leases) and IFRS 2 (Share-based Payment) there are still separate regulations. The cases in which a measurement at fair value is required or the fair value has to be disclosed in the notes are still regulated in the respective thematic IFRS. Under IFRS 13 Fair Value is defined as the price that would be achieved through the sale of an asset, or would have to be paid to transfer a liability. For this purpose, the standard provides for a three-level hierarchy system that is subdivided with respect to the dependence of observable market prices. If there is a difference between the bid and ask price, the most suitable price is used for valuation purposes. Unless stated otherwise, the average of bid and ask price is used.
  The adoption of IFRS 13 in the current fiscal year in W.E.B. Wind Energy Group resulted in no significant deviations in the determination of fair values. In accordance with the transitional provisions of IFRS 13, W.E.B. Wind Energy Group has prospectively applied the new rules for fair value measurement and provides no prior-year comparative information for new information available.

- **IAS 1 (Presentation of Financial Statements)**
  In the fiscal year 2013 the change 'Presentation of Items of Other Comprehensive Income' of IAS 1 has been implemented for the first time.
  This specifies that in the reconciliation of period- to the overall result, the items of other comprehensive income must be divided as to whether they are reclassified in the future, if the relevant conditions apply, as affecting profit and loss or whether they remain in equity permanently. In addition, the related tax effects for these two new categories of other comprehensive income must be shown separately. W.E.B Wind Energy Group has adapted the presentation to fit this standard.

2.4.2 Intangible Assets

Commercially purchased intangible assets are listed in the balance sheet at the acquisition costs minus cumulative planned write-offs and depreciation expenses.

The intangible assets of W.E.B Wind Energy Group consist primarily of water rights and IT-software. Their useful life was determined and the acquisition costs will be subject to planned linear amortization over the useful life:

The useful lifes of said intangible assets amount to:

	Amortization period
Rights of use, Water rights	16–40 years
Software	2–3 years

Commercially purchased rights of use are amortized over the residual life of the right of use. Intangible assets generated in-house will be reviewed for possible capitalization. To date, no intangible assets generated in-house were capitalized.

2.4.3 Research and Development

Expenditures on research activities are recognized in profit or loss as incurred.

Development costs are capitalized only if these development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are likely and the Group intends and has sufficient resources to complete the development process in order to use or sell the asset. Capitalized development expenditures are valued at acquisition or production cost less accumulated amortization and accumulated depreciation expenses. So far, no development expenses were capitalized.

2.4.4 Tangible Assets

Tangible Assets are valued using acquisition or manufacturing costs minus cumulative planned write-offs and depreciation expenses. The like applies for the hidden reserves and liabilities that are identified during the acquisition of a company, that are assigned to the fixed assets in the framework of purchase price allocation, as well as the demolition costs that are to be capitalized with their cash value.

Obligations to carry out demolition and/or re-cultivation of the production locations are set down in writing in the lease and rental agreements with the property owners. The expected costs are calculated depending on the total investment and/or on the basis of the recommendation of the German Federal Association for Wind Energy (Bundesverband WindEnergie e.V.) at 30.0 TEUR per megawatt installed capacity and/or other experience-driven values.

Acquisition and/or manufacturing costs of fixed assets encompass all costs that accumulate in order to bring the asset into operational status for the planned application. This includes costs of project development that are capitalized upon adequate concretization. This is documented by a project planning contract from the board of directors. The costs of the general project development phase are not capitalized. Likewise costs that arise from significant deviations from the original project plan are recorded in expenses.

In W.E.B Wind Energy Group, plants are not constructed in-house or the share of the group's own performance in construction is of minor importance. If the construction phase for fixed assets extends over a longer period of time and is relating to those projects that were initiated after 1.1.2009, the accumulating external capital interest is capitalized in accordance with IAS 23 as a component of the manufacturing costs through completion. Depreciation expenses are recognized in a linear fashion over the expected economic useful life of the respective plant.

The following useful lives are the basis for the linear depreciation within the corporate group:

	Depreciation period
Wind power plants	20 Years
Photovoltaic plants	20 Years
Hydroelectric power plants	20–30 Years
Office buildings	50 Years
Hydroelectric power plants (building), operating hall	33 Years
Equipment on land	10–15 Years
Other equipment, operating and office equipment	2–20 Years

If components of an asset have different useful lives, they are accounted for as separate items (major components) of these tangible assets.

One-time public grants are deducted from the acquisition costs of the respective fixed assets.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Any gain or loss on the disposal of an asset is recognized in profit or loss.

2.4.5 Financial Assets

Financial Instruments

A financial instrument is a contract that simultaneously establishes a financial asset for one company and a financial liability or an equity instrument for another company.

Original Financial Instruments
The following valuation categories are applied in W.E.B Wind Energy Group:

- AFS - financial assets Available-for-Sale
- LAR - Loans and Receivables
- FAAC - Financial Assets at Amortised Cost
- FLAC - Financial Liabilities at Amortised Cost

The sub-classification of original financial instruments into classes for the disclosure in the Appendix required by IFRS 7– and the related valuation categories– is shown as follows for W.E.B Wind Energy Group:

Classes and Valuation Categories for original and derivative Financial Instruments

Assets	
Securities	AFS
Participations (not consolidated)	FAAC
Receivables, loans	LAR
Derivative financial assets	Hedging
Liabilities	
Financial obligations and bonds	FLAC
Obligations	FLAC
Other Obligations	FLAC
Derivative financial debts	Hedging

Securities are classified as Available-for-Sale. The valuation is done using the fair value at the date of sale that is determined on the basis of market prices. Changes in value are adjusted to be profit-neutral in the reserves in accord with IAS 39 until they are sold. Reductions in value will be recorded as affecting results if significant objective evidence of their effects exists. Securities are recorded on their respective settlement date.

Other participations for which a fair value cannot be determined without considerable effort are reported at historical cost.

2.4.6 Derivative Financial Instruments

To financially limit and control the risk of interest rate changes, W.E.B Wind Energy Group uses interest swaps. These derivative financial instruments are valued at acquisition costs on contract conclusion and valued at the current market value in the following periods.

For interest swaps, the current market value corresponds to the amount that the corporate group would either retain or be required to pay on balance sheet date for termination of the financial instrument. This is calculated applying the relevant interest rates and term structure of interest rates on the balance sheet date.

The market valuation of derivative financial instruments that are to be classified according to IAS 39 as cash flow-hedge-instruments will be booked as P/L neutral in the equity capital in the valuation reserves acc. to IAS 39. Once the securitization transaction is realized, it will be recorded as affecting company results.

Positive fair values are recorded in the Receivables and Other Assets, negative values in Other Obligations.

W.E.B meets the requirements of IAS 39 for the application of hedge accounting as follows: At the time of signing the contract of the hedging instrument, both the relationship between the financial instrument used as an instrument of securitization and the basic transactions as well as the strategy and goal of securitization are documented. This includes both the concrete assignment of the securitization instruments to the corresponding assets and obligations or (firmly arranged) future transactions as well as the measurement of the effectiveness of the securitization instruments used. Existing securitization measures will be constantly monitored for effectiveness, which must lie between 80% and 125%. If a securitization arrangement becomes ineffective, it will be dissolved.

2.4.7 Capital Leasing

Wind and photovoltaic power plants leased by means of a capital lease are capitalized at fair value or with the cash value of the minimum leasing rates, whichever value is lower. They are subject to linear amortization over the planned useful life or the shorter contract period. The payment obligations resulting from the leasing contracts are classified as liabilities under financial obligations.

2.4.8 Inventories

Inventories will be valued at the lower value of the acquisition costs or manufacturing costs and the net sales value on balance sheet date.

Acquisition costs include all costs of purchasing, processing as well as other costs that are incurred in order to bring the inventories to their current location and in their current condition.

2.4.9 Assets Available for Sale and/or Groups of Assets

Assets that can be sold in their current condition and whose sale is highly likely are listed as 'Assets Available for Sale'. These can be individual long-term assets, groups of assets or business divisions (activities that have been terminated or discontinued operations). Debts that are to be sold along with the assets in a single transaction are a component of a group of assets intended for sale or a discontinued activity and will be listed separately as 'Debts Available for Sale'.

2.4.10 2.4.10 Receivables from Goods and Services, Other Receivables and Assets

Receivables from goods and services and other receivables will be recorded in the balance sheet at acquisition costs minus loss in value for any expected uncollectible items. The valuation of other assets is done at acquisition costs minus loss in value.

A loss in value occurs as soon as objective criteria signal a loss event and this event has a reliably estimable negative effect on the expected future payment streams. Objective criteria for the loss in value of receivables can be default, dereliction or insolvency of a debtor, unfavorable changes it debtor repayment patterns as wells a financial conditions that lead to loss of receivables.

2.4.11 Cash and Cash Equivalents

Cash equivalents include bank accounts and short-term monetary investments with institutions of credit with a residual period of up to three months. They are valued at the fair value, which ordinarily corresponds to the nominal value.

2.4.12 Reduction in value of Non-Financial Assets

Non-financial assets which fall in the scope of IAS 36 are reviewed for any reduction in intrinsic value in case there is an indication of a potential loss in value, to determine if their book value can be retained (impairment test).
For goodwill, intangible assets with unspecified useful lives and physical assets that are not yet ready for use must be tested for impairment annually, regardless of whether there is any indication of a reduction in value. A reduction in value emerges if the book value exceeds the recoverable amount.

The recoverable amount is the higher of the value in use and the fair value minus sales costs. The value in use is determined using a cash-value oriented procedure according to the Discounted-Cash flow-Method (DCF-Method).

The relevant payments streams are determined based on financial plans. In these financial plans, the annual cash flow for the entire useful life of a power plant is planned. The starting point for this planning exercise are (wind or PV) resource assessments, information from plant manufacturers as well as expert and industry experience that are supplemented by estimates derived from the experiences of W.E.B Wind Energy Group.

The capitalization interest rate is the pre-tax interest rate that reflects the current market estimates of the time value of money and the specific risks of the asset. An impairment loss is recognized at the amount by which the book value exceeds the recoverable amount. If the reasons for the impairment cease to be in effect in subsequent periods, appreciation in value will be recorded with the exception of goodwill.

2.4.13 Provisions

Provisions are created for all existing legal or de facto obligations to third parties existing on balance sheet date that stem from prior events and will likely lead to a loss of resources in the future and whose total amount can be reliably estimated. Provisions are set at the likely settlement amount and are not balanced with claims to reimbursement. If the provision to be valued encompasses a large number of items, the obligation will be estimated by weighting all possible events with their respective likelihoods of occurrence (expected value method).

In case the calculated cash value of the provision applying a discount rate of 5% differs significantly from the nominal value, the cash value of the obligation will be used. Expenses from compounding of interest on provisions will be recorded as interest expenses.

2.4.14 Taxes

The income tax expense or income comprises current and deferred tax. In the case of transactions recorded directly in equity, the related income tax will be recorded as not affecting profits and losses in equity as well. The current taxes of the individual companies of W.E.B Wind Energy Group are calculated from the companies' taxable income and the tax rate applicable in the respective country.

The calculation of deferred taxes is performed for all temporary differences between the valuations of assets and debts in the IFRS-Corporate Group Financial Statements and their tax values in the individual companies. Furthermore the likely realizable tax advantage from existing loss carry-forwards will be included in the calculation. Exceptions from this comprehensive tax deferral are found in differences from goodwill that is not tax-deductible as well as temporary differences associated with participations. Deferred tax assets are not capitalized if it is not likely that the inherent tax advantage is realizable. As in the previous year, the calculation of deferred taxes was based on the taxes rates of 25% in Austria, 30% in Germany, 33.33% in France, 31% in Canada and 19% in the Czech Republic. Due to the fact that the income tax rate was raised in Italy, a tax rate of 36.5% was used in the calculation of deferred taxes (previous year: 30%).

2.4.15 Financial Obligations

Financial obligations are recorded on payment in the amount of the actually received sum. Obligations in foreign currency are valued with the exchange rate on the balance sheet date.

The financial obligations are determined on the basis of effective interest method and recognized accordingly.

2.4.16 Obligations from Goods and Services and Other Obligations

Obligations from Goods and Services and Other Obligations are valued at amortized cost.

2.4.17 Revenue Recognition

Revenues and Other Operational Earnings are recognized once the service is performed or the passage of risk has occurred under the precondition that a financial benefit will likely result and can be reliably quantified.

The revenues from the sale of energy generated with our own wind farms are recognized at the time the electricity is delivered according to the 'Completed-Contract-Method'.

Revenues for operations management and other commercial and technical services are also recognized according to the 'Completed- Contract-Method' at the date of complete fulfillment of the service.

User fees and license revenues are either recognized immediately or deferred and recorded pro-rata depending on the economic substance of the underlying contracts.

2.4.18 Interest Expenses and Other Financial Result

The interest expenses encompass the interest on any external financing arrangements and capital lease transactions as well as expenses of an interest like nature.

Included in the item 'Other Financial Results' are charges, results from securities transactions, results from disposal of participations as well as results from changes in foreign currency exchange rates affecting financial obligations.

The interest is recorded according to the effective interest method.

The recognition of dividends is done at the date on which the decision on dividend distribution is made.

2.4.19 Uncertainties in Accounting Estimates and Assumptions

Preparation of the Corporate Group Financial Statements in conformity with IFRS requires discretionary judgements and assumptions about future developments by the company management which can significantly influence the valuation and the value of assets and debts, the declaration of other obligations on the balance sheet date and the disclosure of earnings and expenses during the fiscal year.

Inherent to following assumptions there is a considerable risk that they could lead to a significant adjustment of assets and liabilities in the coming fiscal years:

- The assessment of the intrinsic of the hydroelectric power plant Imst with a book value of 7,889.0 TEUR as of 12.31.2013 is done based on a cash flow forecast over the planning horizon and a discount rate reflecting the investment risk. In the reporting year this interest rate was 6.35% after taxes. The value of the power plant therefore depends to a considerable degree on the future development of electricity prices.

- The valuation of provisions for demolition costs with a book value of 5,280.2 TEUR as of 12.31.2013 is done based on expert assessments and experiences concerning costs for demolition of comparable plants as well as under the assumption that a part of the material to be disposed of can be reused.

- The assessment of the intrinsic value of investments in project planning of wind farms (advances paid and plants under constructions, book value as of 12.31.2013: 35,482.9 TEUR) is performed on the basis of the likelihood of realization of the respective wind farm. Inadequate acceptance in the population or approvals that cannot be achieved can rapidly change this likelihood of realization. To substantiate the intrinsic value, cash flow forecasts over the 20-year planned period of operation are created for each individual project considering a discount rate reflecting the respective investment risk. This discount rate was 6.35% after taxes in the reporting year. For wind farms that do not have a fixed feed-in tariff over their entire useful life, the assessment depends largely on the future development of electricity prices.

- Currently, a tax audit is being performed. The financial implications cannot yet be reliably determined because the final result of the audit is still pending at this time. Since the circumstances of the case involve a cross-border situation, it is assumed that the potential additional tax claim of one tax administration is offset by a claim for restitution against the tax authority of the other state.

3 Notes to the Balance Sheet

3.1 Long-Term Assets

(1) Intangible Assets

TEUR	Software	Rights of use	Total
2013			
Historical cost per 1.1.2013	**512.9**	**6,755.2**	**7,268.1**
Currency effects	-1.0	0.0	-1.0
Additions	102.2	95.3	197.5
Disposals	0.4	0.0	0.4
Account transfers	4.5	0.0	4.5
Historical cost per 12.31.2013	**618.2**	**6,850.5**	**7,468.7**
Cumulative changes in value per 1.1.2013	**348.3**	**2,954.0**	**3,302.3**
Currency effects	-0.9	0.0	-0.9
Depreciation	77.1	277.8	354.9
Disposals	0.2	0.0	0.2
Cumulative changes in value per 12.31.2013	**424.3**	**3,231.8**	**3,656.1**
Net book value per 12.31.2013	193.9	3,618.7	3,812.6
Net book value per 12.31.2012	164.6	3,801.2	3,965.8
2012			
Historical cost per 1.1.2012	**384.1**	**6,639.4**	**7,023.6**
Additions	130.4	115.8	246.1
Disposals	1.6	0.0	1.6
Historical cost per 12.31.2012	**512.9**	**6,755.2**	**7,268.1**
Cumulative changes in value per 1.1.2012	**292.5**	**2,620.9**	**2,913.4**
Depreciation	57.4	333.1	390.5
Disposals	1.6	0.0	1.6
Cumulative changes in value per 12.31.2012	**348.3**	**2,954.0**	**3,302.3**
Net book value per 12.31.2012	164.6	3,801.2	3,965.8
Net book value per 12.31.2011	91.6	4,018.6	4,110.1

The main components of intangible assets are water rights in Imst, Austria (1,034.3 TEUR) and license agreements with Wörbzig, Germany (899.4 TEUR). As of 12.31.2013 the remaining amortization period for the water rights in Imst was 32.5 years and 6 years for the licensing agreements with Wörbzig.

(2) Tangible Assets	Land and Buildings	Technical plants and machines	Capital Leasing	Other equipment, operating and office equipment	Advance payments, plants under construction	Total
TEUR						
2013						
Acquisition/Production costs Status 1.1.2013	**11,113.6**	**276,258.6**	**57,984.0**	**2,454.0**	**8,835.5**	**356,645.7**
Currency effects	-10.3	-1,443.2	0.0	-9.8	-1,054.0	-2,517.3
Additions	112.4	2,562.8	482.7	328.4	55,428.3	58,914.6
Disposals	92.7	199.3	395.1	66.2	15.6	768.9
Account transfers	0.0	27,613.0	0.0	93.7	-27,711.2	-4.5
Acquisition/Production costs Status 12.31.2013	**11,123.0**	**304,791.9**	**58,071.6**	**2,800.1**	**35,483.0**	**412,269.6**
Cumulative depreciation Status 1.1.2013	**2,021.4**	**90,817.6**	**17,290.8**	**1,080.8**	**0.0**	**111,210.6**
Depreciation	157.4	14,353.2	2,923.0	355.8	0.0	17,789.4
Currency effects	0.0	-317.8	0.0	-4.7	0.0	-322.5
Disposals	0.0	93.4	164.6	51.5	0.0	309.5
Cumulative depreciation Status 12.31.2013	**2,178.8**	**104,759.6**	**20,049.2**	**1,380.4**	**0.0**	**128,368.0**
Net book value per 12.31.2013	8,944.2	200,032.3	38,022.4	1,419.7	35,483.0	283,901.6
Net book value per 12.31.2012	9,092.2	185,441.0	40,693.2	1,373.2	8,835.5	245,435.1
2012						
Acquisition/Production costs Status 1.1.2012	**10,448.5**	**236,374.6**	**57,973.6**	**2,174.9**	**12,362.8**	**319,334.4**
Currency effects	0.8	296.4	0.0	0.7	5.9	303.8
Additions	540.2	17,239.9	10.4	457.5	16,962.5	35,210.5
Additions from company-acquisitions	20.2	4,093.0	0.0	0.0	0.0	4,113.2
Disposals	0.2	407.2	0.0	181.5	464.1	1,053.0
Disposals from changes to the consolidation group	1.1	0.0	0.0	0.0	1,262.1	1,263.2
Account transfers	105.2	18,661.9	0.0	2.4	-18,769.5	0.0
Acquisition/Production costs Status 12.31.2012	**11,113.6**	**276,258.6**	**57,984.0**	**2,454.0**	**8,835.5**	**356,645.7**
Cumulative depreciation Status 1.1. 2012	**1,872.3**	**77,142.5**	**14,381.4**	**855.0**	**220.3**	**94,471.5**
Depreciation	149.1	12,700.1	2,909.4	349.1	0.0	16,107.7
Currency effects	0.0	69.1	0.0	0.5	0.0	69.6
Impairment	0.0	1,054.4	0.0	0.0	200.0	1,254.4
Disposals	0.0	148.5	0.0	123.8	420.3	692.6
Cumulative depreciation Status 12.31.2012	**2,021.4**	**90,817.6**	**17,290.8**	**1,080.8**	**0.0**	**111,210.6**
Net book value per 12.31.2012	9,092.2	185,441.0	40,693.2	1,373.2	8,835.5	245,435.1
Net book value per 12.31.2011	8,576.2	159,232.1	43,592.2	1,319.9	12,142.5	224,862.9

The main additions to the position 'Land and buildings' refer to the purchase of land in Austria for the wind farm Matzen/Klein-Harras and purchase of land in Canada for plants under construction (98.1 TEUR).

The main additions to the position 'Technical plants and machines' refer to the wind farms Deutsch-Wagram and Matzen/Klein-Harras, Austria (25,521.1 TEUR) and the photovoltaic power plants sited in Perbersdorf, Weikendorf and Heidenreichstein, Austria (909.1 TEUR).

The position ‚Advance payments, plants under construction' mainly consists of the projects Neuhof III and Parbasdorf II, Austria the projects Bucklaw, Isle Madame, Parker Mountain, Little River, Saint Rose, Melbourne and Martock Ridge, Canada and the Project Les Gourlus, France.

Statements concerning Leased Power Plants

From the book value of the tangible assets for this fiscal year, 38,022.4 TEUR can be attributed to assets leased by means of capital leasing. These concern the wind power plants of the wind farms Langmannersdorf, Neuhof and Stattersdorf as well the photovoltaic power plants Montenero I and Montenero II of WEB Italia.

Obligations from capital lease contracts have the following maturities after being offset with advance payments in the amount of 7,219.9 TEUR (previous year: 7,219.9 TEUR):

Obligations from capital lease contracts

Maturities of the minimum lease payments	12.31.2013			12.31.2012		
TEUR	Nominal-Value	Discounting	Cash Value	Nominal-Value	Discounting	Cash Value
Due in up to 1 year	4,229.8	1,000.3	3,229.5	4,248.9	1,148.7	3,100.2
Due in 1 to 5 years	15,829.3	2,892.5	12,936.8	16,696.5	3,415.2	13,281.3
Due in more than 5 years	12,946.8	1,586.7	11,360.1	16,661.4	2,130.8	14,530.6
Total	**33,005.9**	**5,479.5**	**27,526.4**	**37,606.8**	**6,694.7**	**30,912.1**

The residual periods of the lease contracts held by W.E.B Wind Energy Group were in a range of more than three to roughly 15 years as of 12.31.2013. The leased assets serve as collateral for the lease obligations.

(3) Shares in Associated Companies

The following table shows the reconciliation of the carrying amounts of the at equity accounted participations:

	2013	2012
TEUR		
Book value as per 1.1.	2,590.7	2,081.9
Distributions	-612.7	0.0
Disposals	0.0	-22.8
Additions from changes in the consolidation group	0.0	285.8
Appreciations	-79.5	245.8
Book value as per 12.31	**1,898.5**	**2,590.7**

The reported book values are essentially those of Sternwind Errichtungs- und Betriebs GmbH & Co KG.

A collection of the proportionate profit / loss of at equity included companies can be found in Appendix 2, 'Financial information'.

(4) Other Financial Assets

The development of the reported financial investment proceeded as follows:

	Shares in affiliated companies	Securities[1]	Investments	Loans	Total
TEUR					
2013					
Value before depreciation					
Status 1.1.2013	37.6	889.8	1,371.3	514.5	2,813.2
Reclassification	0.0	0.0	0.0	0.0	0.0
Additions	0.0	4.1	0.0	0.0	4.1
Disposals	0.0	-56.8	0.0	-73.5	-130.3
Status 12.31.2013	37.6	837.2	1,371.3	441.0	2,687.1
Cumulative depreciation/ appreciation					
Status 1.1.2013	0.0	-276.9	-421.9	-49.8	-748.6
Impairments	0.0	-15.7	0.0	0.0	-15.7
Appreciations	0.0	136.7	124.5	12.9	274.1
Disposals	0.0	0.2	0.0	0.0	0.2
Status 12.31.2013	0.0	-155.7	-297.4	-36.9	-490.0
Book value status 1.1.2013	37.6	612.9	949.4	464.7	2,064.6
Book value status 12.31.2013	**37.6**	**681.5**	**1,073.9**	**404.1**	**2,197.1**
2012					
Wert vor Abschreibungen					
Status 1.1.2012	13.9	890.1	2,552.4	588.0	4,044.4
Reclassification	-10.0	0.0	0.0	0.0	-10.0
Additions	35.0	4.0	38.7	0.0	77.7
Disposals	-1.3	-4.3	-1,219.8	-73.5	-1,298.9
Status 12.31.2012	37.6	889.8	1,371.3	514.5	2,813.2
Cumulative depreciation/ appreciation					
Status 1.1.2012	0.0	-312.9	-912.1	-64.4	-1,289.4
Impairments	0.0	-28.1	-500.0	0.0	-528.1
Appreciations	0.0	64.1	0.0	14.6	78.7
Disposals	0.0	0.0	990.2	0.0	990.2
Status 12.31.2012	0.0	-276.9	-421.9	-49.8	-748.6
Book value status 1.1.2012	13.9	577.2	1,640.3	523.6	2,755.0
Book value status 12.31.2012	**37.6**	**612.9**	**949.4**	**464.7**	**2,064.6**

[1] These are exclusively ‚Available for Sale'

Of the loans reported as of 12.31.2013, an amount of 73.5 TEUR (previous year: 73.5 TEUR) is due within one year.

The investments are composed as follows:

	12.31.2013	12.31.2012
TEUR		
oekostrom AG für Energieerzeugung und -handel	622.5	498.0
Windkraft Simonsfeld AG	286.2	286.2
Weinviertler Energie GmbH & Co KG	150.0	150.0
GESY Green Energy Systems GmbH	15.2	15.2
Total	**1,073.9**	**949.4**

The investment in oekostrom AG was appreciated due to the positive development of the company over the last years. The result from other investments in the previous year mainly consists of the depreciation of 'The Wind Company' and 'BEB Bioenergie AG'.

On balance sheet date a reciprocal shareholding situation existed with Windkraft Simonsfeld AG (2.09%); it held 1,095 shares of WEB Windenergie AG.

With regards to the declarations made in conformity with § 238 Z 2 UGB concerning the investments, please refer to Appendix 1. A list of the proportional profits/losses from investments is found in Appendix 2 'Financial Information'.

(5) Other Long-term Assets

	12.31.2013	12.31.2012
TEUR		
Loan Eschenau	13.1	30.0
Total	**13.1**	**30.0**

The loan listed as of 12.31.2013 was granted to Windpark Eschenau GmbH and shows the following development:

Loan Windpark Eschenau GmbH	12.31.2013			12.31.2012		
TEUR	**Updated AC (BV after VC)[1]**	**Effective rate**	**Cash Value**	**Updated AC (BV after VC)[1]**	**Effective rate**	**Cash Value**
Due in up to 1 year	0.0			16.9		
Due in over 1 year	13.1			13.1		
	13.1	**5.00%**	**13.1**	**30.0**	**7.00%**	**30.0**

[1] AC ... Acquisition costs
BV ... Book values
VC ... Value corrections

3.2 Short-term Assets

(6) Inventories

TEUR	12.31.2013	12.31.2012
Consumables and replacement parts	2,197.2	1,933.5

The inventories primarily consist of replacements parts for wind power plants since they can be used not just in connection with tangible assets.

(7) Trade Receivables

TEUR	12.31.2013	12.31.2012
Receivables from electricity supply	7,010.2	6,440.7
Receivables from leasing and renting	211.2	336.4
Other	20.3	325.6
Total	**7,241.7**	**7,102.7**

The item 'Other' primarily includes receivables from a wind power plant manufacturer in connection with compensation for loss of earnings.

Receivables from goods and services are neither impaired nor overdue.

(8) Receivables from Affiliated Companies

TEUR	12.31.2013	12.31.2012
Receivables from non-consolidated affiliated companies	0.0	1.1
Receivables from SASU Energy Verte Plaine d'Artois	101.1	3,460.9
Total	**101.1**	**3,462.0**

Additional Disclosures

2013	Updated Acquisition costs (BV after VC)[1]	Fair Value	Interest		Updated Acquisition costs
TEUR	12.31.2013	12.31.2013	Fix/ variable	Due in up to 1 year	Due in over 1 year
Receivables from associated companies					
SASU Energie Verte Plaine d'Artois	101.1	101.1	Fix	101.1	0.0

2012					
TEUR	12.31.2012	12.31.2012	Fix/ variable	Due in up to 1 year	Due in over 1 year
Receivables from associated companies					
SASU Energie Verte Plaine d'Artois	3,460.9	3,460.9	Fix	3,460.9	0.0

[1] BV ... Book Values
VC ... Value correction

(9) Other Receivables and Assets

The remaining Other Receivables are composed as follows:

	12.31.2013	12.31.2012
TEUR		
Receivables from Finance Authorities	1,576.4	3,382.7
Pre-paid fees	1,939.7	2,187.8
Clearing accounts	366.0	386.2
Receivables from investment subsidies	139.3	0.0
Receivables from foreign input tax	114.7	0.0
Other	747.7	538.2
Total	**4,883.8**	**6,494.9**

Analysis of impaired financial assets

Impaired receivables and loans	Book value before value adjustment	Individual value adjustment	Book value after value adjustment
TEUR	12.31.2013	12.31.2013	12.31.2013
Due in up to 1 year	705.4	705.4	0.0
Total	**705.4**	**705.4**	**0.0**

TEUR	12.31.2012	12.31.2012	12.31.2012
Due in up to 1 year	705.4	705.4	0.0
Total	**705.4**	**705.4**	**0.0**

The receivables were reviewed for recoverability using the probability of default as the basis of the assessment. There are no significant receivables that are overdue but have not been adjusted in value.

For the positions cash and cash equivalents, trade receivables as well as for short-term other receivables, the book values are deemed to be realistic estimates of their current fair values due to the short residual period.

Restrictions on the use of the amounts included in this item were not in effect on the balance sheet date.

The liquid assets match the funds of liquid assets at the end of the period in the cash flow statement.

(10) Cash and Cash Equivalents

	12.31.2013	12.31.2012
TEUR		
Short-term deposits with credit institutions	9,301.2	5,595.0
Cash	9.2	9.8
Total	**9,310.4**	**5,604.8**

3.3 Equity

The changes in equity are shown in 'Development of Corporate Group Equity Capital'.

The capital stock of WEB Windenergie AG is composed as follows: 28,845,300.00 EUR (previous year: 28,845,300.00 EUR) in 288,453 shares (previous year: 288,453). The capital stock was paid in full.

The capital stock of W.E.B consists of registered shares with restricted transferability, whose nominal value is 100.00 EUR per share. Their transfer is generally subject to the company's approval according to the articles of association. This approval is granted by the Board of Directors in consultation with the Supervisory Board.

The capital reserves amount to 23,323,840.56 EUR (previous year: 23,323,840.56 EUR) and results from contributions of the shareholders (and contributions in kind) minus the allocated issuance costs.

The other reserves are comprised of the difference from the currency translation in the amount of -677.9 TEUR (previous year: 8.7 TEUR) and the valuation reserve according to IAS 39 in the amount of -378.5 TEUR (previous year: -1,336.8 TEUR). The valuations of the securities and the securitizing transactions are also included in the valuation reserve.

The result per share was determined by dividing the corporate group result by the weighted number of shares in circulation in 2013 (288,453 units). Options rights to the issuance of new shares or other circumstances leading to diluting effects did not exist.

The retained earnings encompass the profits earned in the corporate group less the profit distributions. The amount that can be distributed to the shareholders from these results is the item 'balance sheet profit' in the individual financial statements of WEB Windenergie AG per 12.31.2013 in accordance with Austrian GAAP.

WEB Windenergie AG is subject to the minimum captial requirements of the Austrian Stock Corporation Act. These minimum capital requirements were fulfilled in the fiscal year.

3.4 Long and Short-term Debts

(11) Financial Obligations

Obligations towards financial institutions	12.31.2013	12.31.2013	12.31.2013
TEUR	Total	Interest	Amortization
Due in up to 1 year	23,236.5	2,887.9	20,348.6
Due in 1 to 5 years	76,374.2	7,598.7	68,775.5
Due in over 5 years	47,336.3	3,810.8	43,525.5
Total	**146,947.0**	**14,297.4**	**132,649.6**
Obligations from capital lease contracts	33,005.9	5,479.5	27,526.4
Total	**179,952.9**	**19,776.9**	**160,176.0**

	12.31.2012	12.31.2012	12.31.2012
TEUR	Total	Interest	Amortization
Due in up to 1 year	23,743.1	2,621.2	21,121.9
Due in 1 to 5 years	71,085.9	6,829.1	64,256.8
Due in over 5 years	41,875.0	3,677.1	38,197.9
Total	**136,704.1**	**13,127.5**	**123,576.6**
Obligations from capital lease contracts	37,606.8	6,694.7	30,912.1
Total	**174,310.9**	**19,822.2**	**154,488.7**

A list of the due dates of the obligations from capital lease contracts can be found under (2) Tangible assets, Statements concerning Leased Power Plants.

The following additional collaterals are in place for obligations towards financial institutions and obligations from capital lease contracts:

- Chattel mortgages of the power plants
- Rights to enter into electrical supply contracts, purchasing agreements, rights of use contracts and leasing contracts
- Assignment of claims from the feed-in contracts with energy utilities
- Assignment of claims from business interruption insurances and machinery breakdown insurances
- Limited personal easements to the operating properties
- Cadastral registration of ownership

The rate fixation and conditions of financial obligations are broken down as follows:

Rate fixation until	Effective interest rate	Currency	Book value 12.31.2013
			TEUR
2014	EURIBOR + 1.00% margin	EUR	342.3
2014	4.50%	EUR	438.8
2016	from EURIBOR + 1.25% margin to EURIBOR + 1.55% margin	EUR	4,736.7
2017	from EURIBOR + 1.00% margin to EURIBOR + 1.91% margin	EUR	9,778.5
2017	2,35%	EUR	700.0
2017	2.60%	EUR	3,295.7
2018	from EURIBOR + 1.00% margin to EURIBOR + 2.10% margin	EUR	14,831.4
2018	2.60%	EUR	1,143.7
2018	5.92%	EUR	7,259.0
2019	from EURIBOR + 0.90% margin to EURIBOR + 1.00% margin	EUR	11,541.5
2019	3.35%	EUR	7,732.7
2019	LIBOR + 1.00% margin	CHF	411.1
2020	PRIBOR + 1.20% margin	CZK	1,841.3
2020	EURIBOR + 1.38% margin	EUR	6,177.2
2021	from EURIBOR + 0.90% margin to EURIBOR + 1.50% margin	EUR	5,614.6
2024	EURIBOR + 1.30% margin	EUR	11,504.1
2025	from EURIBOR + 1.625% margin to EURIBOR + 1.65% margin	EUR	17,388.1
2025	PRIBOR + 2.20% margin	CZK	2,442.7
2026	PRIBOR + 3% margin	CZK	1,858.3
2026	3.55%	EUR	13,163.8
2026	EURIBOR + 2.125% margin	EUR	1,094.3
2027	from EURIBOR + 2.00% margin to EURIBOR + 2.20% margin	EUR	27,522.5
2028	EURIBOR + 2.40% margin	EUR	9,357.7
			160,176.0

(12) Bonds and Other Long-term Obligations

	12.31.2013	12.31.2013	12.31.2013		12.31.2012
TEUR	Nominal amount	Issuance costs	Book value	thereof short-term	Prior year
Bond 2010–2015	10,163.0	-124.3	10,038.7	0.0	9,976.6
Bond 2011–2016	6,464.0	-70.8	6,393.2	0.0	6,369.6
Bond 2013	24,556.0	-252.6	24,303.4	1,009.4	0.0
Total Bonds	**41,183.0**	**-447.7**	**40,735.3**	**1,009.4**	**16,346.2**
Other Long-term obligations			**242.5**	**0.0**	**455.0**
			40,977.8	**1,009.4**	**16,801.1**

As of 12.10.2010 WEB Windenergie AG issued the first wind power bond in Austria. The total issuance amount was 10,000.0 TEUR with a possible increase up to 20,000.0 TEUR. The denomination was 1.0 TEUR with an issue price of 100% (1.0 TEUR nominal). The maturity period for the first wind power bond in Austria is five years – from 12.10.2010 to 12.9.2015. The bond is 100% due on 12.9.2015 at the nominal value. The interest is fixed at 5% p.a. of the nominal value. The subscription period was from 11.2.2010 to 12.3.2010. The bond is traded on the third market of the Vienna stock exchange with ISIN AT0000AOK1K9 and is registered as a collective certificate with the Austrian Kontrollbank Aktiengesellschaft. Issuance costs of 310.6 TEUR were incurred which were distributed over the bond's maturity period using the effective interest rate method. As of 12.31.2013, the total amount of the subscribed bond amounts to 10,038.7 TEUR after adjusting for issuance costs.

On 12.16.2011 WEB Windenergie AG issued another wind power bond. The issue volume was 5,000.0 TEUR with a possible increase of up to at 8,000.0 TEUR. The denomination was 1.0 TEUR with an issue price of 100% (1.0 TEUR nominal). The maturity period for the wind power bond is five years – from 12.16.2011 to 12.15.2016. The bond is 100% due on 12.16.2016 at the nominal value. The interest rate is fixed at 5% p. a.. The subscription period was from 10.12.2011 to 12.9.2011. The bond is listed on the third market of the Vienna stock exchange (ISIN: AT0000A0QZH8) and is registered as a collective certificate with the Austrian Kontrollbank Aktiengesellschaft. Issuance costs of 118.1 TEUR were incurred which were distributed over the bond's maturity period using the effective interest rate method. As of 12.31.2012, the total amount of the subscribed bond amounts to 6.393,2 TEUR after adjusting for issuance costs.

On 4.8.2013 WEB Windenergie AG issued another package of wind power bonds. The issue volume was 5,000.0 TEUR respectively (in total 15,000.0 EUR) with a possible increase of respectively up to 15,000.0 TEUR (in total 45,000.0 EUR). The denomination was 1.0 TEUR with an issue price of 100% (1.0 TEUR nominal). The maturity periods for the wind power bonds are five years – from 4.8.2013 to 4.8.2018 and ten years - from 4.8.2013 to 4.8.2023. The bonds are 100% due on 4.8.2018 and 4.8.2023 at the nominal value. One bond is due annually with one tenth of its nominal value; the last due date is 4.8.2023. The interest rate is fixed at 4% p.a., fixed at 5.25% p.a. and fixed at 5.5% p.a., respectively of the nominal value. The subscription period was from 1.31.2013 to 3.5.2013. The bonds are listed on the third market of the Vienna stock exchange (ISIN: AT0000A0Z7A0, AT0000A0Z785, AT0000A0Z793) and are registered as collective certificates with the Austrian Volksbanken-Aktiengesellschaft. Issuance costs of 280.5 TEUR were incurred which were distributed over the bonds' maturity periods using the effective interest rate method. As of 12.31.2013, the total amount of the subscribed bonds amount to 24,303.4 TEUR after adjusting for issuance costs.

The remaining long-term obligations include other Loans in the amount of 30.0 TEUR (previous year: 30.0 TEUR) and an obligation to a wind power plant manufacturer in connection with the refitting of wind power plants in the amount of 212.5 TEUR (previous year: 425.0 TEUR) with a residual period of over one year.

(13) Income Taxes, Tax Deferrals

The net amount of the corporate group's deferred taxes, derived from the balance sheet items, is calculated as follows:

	12.31.2013	12.31.2012
TEUR		
Active deferred taxes	622.6	155.8
Passive deferred taxes	-11,150.2	-9,857.5
Net position	**-10,527.6**	**-9,701.7**

Income Taxes	2013	2012
TEUR		
Expenses current period income taxes	-1,648.4	-1,694.9
Current income taxes from prior periods	-60.4	-428.0
Change in deferred taxes	-506.8	-1,396.3
Income Taxes	**-2,215.6**	**-3,519.2**

The tax expenses for the years 2013 in the amount of 2,215.6 TEUR (previous year: 3,519.2 TEUR) is 132.4 TEUR higher (previous year: 1,041.4 TEUR) than the calculated tax expenses in the amount of 2,083.2 TEUR (previous year 2,477.8 TEUR), which results from the application of the tax rate of 25% on the profit before income taxes.

The sources of the difference between the calculated and reported tax expenses of corporate group are composed as follows:

Tax Reconciliation	2013	2012
TEUR		
Profit before tax	8,332.9	9,911.1
Tax rate	25%	25%
Calculated income tax	-2,083.2	-2,477.8
Adjustment to foreign tax rates	-199.2	-294.7
Tax reductions due to		
Income from investments	438.0	352.5
Other	181.2	0.5
Tax increases due to		
Non-deductible interest	-507.6	-387.4
Non-deductible fees	-48.0	-45.6
Other	33.0	-93.5
Income tax of the period	**-2,185.8**	**-2,946.0**
Current income taxes from prior periods	-60.4	-428.0
Adjustment to the valuation allowance of deferred taxes	40.6	-145.2
Change in tax rate	-10.0	0.0
Reportet tax expense	**-2,215.6**	**-3,519.2**
Effective tax rate	**26.6%**	**35.5%**
Effective tax rates (adjusted for aperiodic effects)	**26.3%**	**29.7%**

The differences between the tax balance sheet and the IFRS balance sheet, as well as the capitalized loss-carry forwards as of balance sheet date have the following effects on the deferred taxes reported in the balance sheet:

Deferred taxes	12.31.2013	12.31.2012
TEUR		
Assets		
Tangible fixed assets	-21,965.5	-21,265.4
Shares in associated companies	-88.3	-127.3
Other long-term assets	610.4	577.3
Other short-term assets	1.050.1	915.7
	-20,393.3	**-19,899.7**
Liabilities		
Financial obligations	8,865.7	8,601.0
Bonds	-111.9	-75.5
Long-term provisions	317.9	265.2
Other short-term obligations	106.8	391.2
	9,178.5	**9,181.9**
Loss carry-forwards	**687.2**	**1,016.1**
Net amount of deferred taxes	**-10,527.6**	**-9,701.7**

The net position for deferred taxes has changed in the reporting period as follows:

Deferred taxes	2013	2012
TEUR		
Opening balance 1.1.	-9,701.7	-8,476.1
Foreign currency difference	2.9	-2.2
Additions, changes in the consolidation group	0.0	-149.1
Disposals, changes in the consolidation group	0.0	129.3
P&L-neutral changes	-322.0	192.7
P&L-affecting changes	-506.8	-1,396.3
Closing balance 12.31.	**-10,527.6**	**-9,701.7**

In the calculation of deferred tax assets, the corporate tax rate of 25% applicable in Austria was applied. Foreign taxation will be calculated with the tax rates of the respective foreign countries (see 2.4.14.).

The utilization of deferred tax assets on taxable loss carry-forwards is generally dependent on the existence of taxable profits in future periods. Moreover, there is a surplus of accrued deferred tax liabilities arising from other items. In the forecast figures, assumptions of positive tax-effective results are applied correspondingly.

The other P&L-neutral changes essentially refer to the profits and losses directly recorded in equity from financial instruments available for sale and cash flow hedges.

	2013			2012		
TEUR	Pre-tax amount	Income Tax	After tax amount	Pre-tax amount	Income Tax	After tax amount
Changes from currency conversion	-657.5	0.0	-657.5	-3.5	0.0	-3.5
Changes in market value of available for sale financial instruments	97.2	-22.4	74.8	60.5	-16.6	43.9
Changes in market value of cash flow hedges	1,183.1	-299.6	883.5	-824.4	209.3	-615.1
Total other result	**622.8**	**-322.0**	**300.8**	**-767.4**	**192.7**	**-574.7**

As of 12.31.2013 there are no significant temporary differences or tax loss carry-forwards for which no deferred tax assets were applied.

No tax deferrals were formed on temporary differences between the tax valuation of investments and the proportional equity capital from shares in the subsidiary, since it cannot be assumed that these differences will reverse in the foreseeable future.

(14) Other Provisions

The position **other provisions** are composed as follows:

Provisions schedule 2013	Status	Additions	Reversals	Usage	Interest portion	Currency adjustment	Status
TEUR	1.1.2013						12.31.2013
Demolition costs	4,777.7	279.7	0.0	0.0	237.6	-14.8	5,280.2
Provision for severance	9.5	1.8	0.0	0.0	0.0	0.0	11.3
Total	**4,787.2**	**281.5**	**0.0**	**0.0**	**237.6**	**-14.8**	**5,291.5**
thereof long-term	4,787.2						5,291.5

Since there were only contribution-driven pension commitments in place on the balance sheet date and the respective ongoing payments were made, no pension provisions were reported on balance sheet date.

The provision for demolition costs is a long-term provision. It was discounted at 5% for reasons of contractual obligations to tear down plants at the end of their useful life. The additions include P&L-neutral capitalizations of demolition costs in the amount of 279.7 TEUR.

(15) Derivative Financial Instruments

As of 12.31.2013 the following financial derivative transactions were in place:

	Name	Description	Volume 12.31.2013	Term	Hedge-Accounting	Market value 12.31.2013	Market value 12.31.2012
			TEUR			TEUR	TEUR
1)	IRS EUR	Interest rate swap EUR/3M Euribor >> 2.63% fix (TEUR 20.000)	20,000.0	10.6.2014	Cashflow Hedge	-364.5	-860.6
2)	IRS EUR	Interest rate swap EUR/3M Euribor >> 1.905% fix (TEUR 10.000)	10,000.0	5.25.2015	Cashflow Hedge	-224.1	-395.8
3)	IRS EUR	Interest rate swap EUR/3M Euribor >> 1.1225% fix (TEUR 7.500)	5,914.6	7.1.2019	Cashflow Hedge	-54.7	-130.9
4)	IRS EUR	Interest rate swap EUR/3M Euribor >> 1.60% fix (TEUR 13.581)	12,732.2	12.31.2024	Cashflow Hedge	-51.6	-411.4
5)	IRS CZK	Interest rate swap CZK//1M Pribor >> 1.75% fix (TEUR 2,155.8)	1,858.3	8.31.2026	Cashflow Hedge	-9.8	-89.0
		Total				**-704.7**	**-1,887.7**

These securitizing measures constitute interest swaps agreements (Interest Rate Swaps – IRS) that transform financial debts subject to variable interest into financial debts subject to fixed interest.

The securitization arrangement for P&L-neutral reporting was effective with existing financing in the fiscal year due to the valuation unit; after taking the tax effects into account there were 883.5 TEUR (previous year: -615.1 TEUR) recorded in the hedging reserve.

Notes to the derivatives existing as per 12.31.2013:

1) Interest Rate Swap EUR
An interest rate swap with a basic amount of 20,000.0 TEUR and a term until 10.6.2014 was concluded in 2009. With this transaction, W.E.B swapped variable interest (3-month-EURIBOR) for fixed interest (2.63%).

2) Interest Rate Swap EUR
An interest rate swap with a basic amount of 10,000.0 TEUR and a term until 5.25.2015 was concluded in 2010. With this transaction W.E.B swapped variable interest (3-month-EURIBOR) for fixed interest (1.905%).

3) Interest Rate Swap EUR
An interest rate swap with a basic amount of 7,500.0 TEUR reducing parallel to the financing with a term until 7.1.2019 was concluded in 2012. With this transaction W.E.B swapped variable interest (3-month-EURIBOR) for fixed interest (1.1225%).

4) Interest Rate Swap EUR
An interest rate swap with a basic amount of 13,581.0 TEUR reducing parallel to the financing with a term until 12.31.2024 was concluded in 2012. With this transaction, W.E.B swapped variable interest (3-month-EURIBOR) for fixed interest (1.60%).

5) Interest Rate Swap CZK
An interest rate swap with a basic amount of 2,155.8 TEUR reducing parallel to the financing with a term until 8.31.2026 was concluded in 2012. With this transaction, W.E.B swapped variable interest (1-month-Pribor) for fixed interest (1.75%).

(16) Trade Payables and Other Payables

The other short-term payables included, along with the derivative financial obligation that is shown under (15) derivative financial instruments, essentially trade payables in the amount of 4,112.7 TEUR (previous year: 3,270.0 TEUR).

	12.31.2013	12.31.2012
TEUR		
Market value derivative financial instruments	704.7	1,887.7
Trade payables	4,112.7	3,270.0
Subtotal	**4,817.4**	**5,157.8**
Payables Tax Authority	185.8	656.1
Obligations towards affiliated companies	925.1	649.5
Accruals for claims of employees and members of the board of directors and social security	979.3	784.7
Accruals interest bonds	896.2	0.0
Accruals of invoices	2,860.3	1,451.4
Other	481.9	869.1
Total	**11,146.0**	**9,568.6**

The position accruals for claims of employees and members of the board essentially contains a payable for unused vacation in the amount of 288.3 TEUR (previous year: 209.4 TEUR), a payable for time credit in the amount of 78.8 TEUR (previous year: 77.2 TEUR) and a payable for bonuses of 417.2 TEUR (previous year: 498.1 TEUR).

The position accruals of invoices essentially contains the payment obligation of preparing the annual financial statements in the individual companies in the amount of 8.2 TEUR (previous year: 14.0 TEUR) and for the audit of the annual financial statement in the amount of 48.6 TEUR (previous year: 50.1TEUR).

Additionally this item includes obligations for the preparations of the DCF-valuation in the amount of 18.0 TEUR (previous year: 15.0 TEUR) and the preparation of the business report in the amount of 60.0 TEUR (previous year: 35.0 TEUR) as well as the obligations for legal consulting costs in the amount of 84.6 TEUR (previous year: 113.2 TEUR).

4 Notes to the Profit and Loss Statement

(17) Revenues

Revenues break down as follows:

TEUR	2013	2012
Revenues from wind power plant electricity generation	43,218.0	42,316.8
Revenues from photovoltaic power plant electricity generation	4,370.9	4,471.9
Revenues from hydro power plant electricity generation	504.1	443.8
Other revenues	0.9	7.0
Total	**48,093.9**	**47,239.5**

Electricity revenues were recognized on the basis of credits from electricity purchasers compiled at the end of each month (largely state-owned organizations or organizations close to the state). In the reporting year 69.1% (previous year: 93.2%) of the budgeted generation was remunerated with legally regulated subsidy rates.

The other revenues result from compensation for loss of earnings from wind power plants paid by wind power plant manufacturers and insurance companies.

(18) Other Operating Income

TEUR	2013	2012
Income from previous years	315.8	0.0
Revenues from trading goods	275.8	111.2
Reimbursements, subsidies	242.4	152.2
Revenues from invoice forwarding	189.7	187.2
Revenues from direct marketing and support activities	106.0	199.1
Insurance compensation	101.2	75.0
Revenues from operations management	77.9	372.2
Revenues from invoice forwarding, diesel	54.5	67.6
Rental income	40.8	34.6
Income from the reversal of provisions	36.2	125.3
Revenues from services	32.9	35.1
Reversal contingent purchase price of SASU Energie Verte Plaine d'Artois	0.0	874.8
Other revenues and income	178.6	258.2
Total	**1,651.8**	**2,492.5**

The position revenues from invoice forwarding includes revenues from the invoice forwarding for expenses that that did not affect W.E.B Wind Energy Group.
The decline in revenues from operations management resulted primarily from the absence of sales consulting services for green power marketing in Germany which were provided in the previous year.

(19) Cost of Material and Purchased Services

TEUR	2013	2012
Grid loss charges	769.2	584.8
Energy consumption power plants	378.7	296.5
Cost of sales	264.5	99.8
Depreciation of inventories	0.0	317.6
Total	**1,412.4**	**1,298.6**

(20) Personnel Expenses

	2013	2012
TEUR		
Salaries and wages	3,952.2	3,469.0
Expenses for legally mandated fees and contributions	925.0	764.8
Contributions to staff provision fund	49.6	41.7
Expenses for retirement insurance	30.0	30.0
Other personnel expenses	36.6	27.8
Total	**4,993.4**	**4,333.3**

The development of the average number of employees proceeded as follows:

	2013	2012
Number		
Salary-earners	59.2	50.5
Wage-earners	14.1	13.0
Apprentices	1.0	0.5
Total	**74.3**	**64.0**

Part-time employees are taken into account in this list on a full-time equivalent basis.

(21) Depreciation

The depreciation/amortization of tangible assets and intangible assets in the reporting period was 18,147.0 TEUR (prior year: 16,498.2 TEUR). In the previous fiscal year there were a total of 1,254.4 TEUR in impairments reported. These were due to a decrease in value of the wind farms at Plaine de l'Artois, France, and a decrease in value of the project in Bodenthal, Austria.

(22) Other Operative Expenses

	2013	2012
TEUR		
Maintenance and operating costs, power plants	3,920.6	3,735.1
Leasing and rental expenses, power plants	1,140.0	1,007.7
Consulting expenses	1,097.3	1,017.8
Vehicle expenses	448.5	280.6
Insurance expenses, power plants	432.1	465.5
Advertising and PR expenses	361.2	320.8
Travel expenses	281.7	255.1
Project development expenses	239.3	450.7
External business services	187.4	117.2
Maintenance operations	181.4	165.4
Czech photovoltaic fee	153.8	174.0
Training and continuing education	109.2	35.7
Supervisory board compensation	87.0	52.0
Membership fees	70.9	56.9
Supplies	42.4	45.0
Impairment and write-offs of receiveables	0.0	705.6
Final consolidation results, SASU Energie Verte Plaine d'Artois	0.0	74.9
Other expenses	935.8	1,005.1
Total	**9,688.6**	**9,965.2**

The expenses for the audit of the financial statements in the fiscal year by KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and its domestic network companies amounted in total to 48.6 TEUR (previous year: 50.1 TEUR), of which 18.5 TEUR (previous year: 18.0 TEUR) were attributable to the audit of the single financial statements and 27.8 TEUR (previous year: 27.0 TEUR) to the audit of the corporate group financial statement as well as 2.3 TEUR (previous year: 5.1 TEUR) to other services.

Bad Debts

In the previous fiscal year, one receivable against a holding company was impaired since its collectability was no longer assumed to be given. Additionally another receivable from the area of project development was impaired in the previous fiscal year, since its collectability was also no longer assumed to be given.

During the fiscal year, expenses for Research and Development in the amount of 21.4 TEUR (previous year: 15.6 TEUR) were recorded.

(23) Interest Income

	2013	2012
TEUR		
Clearing accounts / hire-purchase agreement	174.3	97.2
Time deposits	43.5	68.5
Default interest	0.5	87.5
Other	2.3	13.0
Total	**220.6**	**266.2**

(24) Interest Expenses

The interest expenses in the reporting year amounted to 6,216.8 TEUR (previous year: 5,847.8 TEUR). This position includes interest on bonds in the amount of 1,685.2 TEUR (previous year: 831.4 TEUR).

In the reporting period interest expenses of 160.0 TEUR (previous year: 0.0 TEUR) as defined in the rules of the IAS 23 Borrowing Costs were capitalized as part of the acquisition costs of assets. These assets were the wind power plants located in Deutsch-Wagram, Matzen/Klein-Harras and Neuhof, Austria and Saint Rose, Little River and Parker Mountain, Canada. The capitalized interest is depreciated over the useful life of the respective asset. The borrowing costs were related to the assets and could be directly allocated.

The interest rate on financing was 2.37% on average.

(25) Other Financial Result

	2013	2012
TEUR		
Result foreign currencies	-709.1	10.7
Disposals of financial assets, valuation results, other	-296.5	-304.8
Interest demolition cost provisions	-237.6	-209.3
Total	**-1,243.2**	**-503.4**

5 Additional Disclosures on Financial Instruments

Carrying amounts, valuations and fair values by valuation category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their position in the fair value hierarchy.

It contains no information about the fair value of financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

			Valuation acc. to IAS 39				Fair value	
2013	Valuation category	Book value 12.31.2013	Nominal value = fair value	Amortized cost	Fair value P/L neutral	Fair value affecting P/L	Level 1	Level 2
TEUR								
Assets								
Cash and cash equivalents	Cash	9,310.4	9,310.4					
Trade accounts receivable	LAR	7,241.7		7,241.7				
Loan and other receivables	LAR	3,507.1		3,507.1				
thereof long-term		13.1		13.1				
thereof short-term		3,494.0		3,494.0				
Other non-derivative financial assets								
Participations (not consolidated)	FAAC	1,111.5		1,111.5				
Securities available for sale	AFS	681.5			681.5		681.5	
Loans	LAR	404.1		404.1				
Liabilities								
Financial obligations (incl. leasing)	FLAC	160,176.0		160,176.0				159,688.0
Other obligations (incl. bonds, excl. leasing)	FLAC	48,558.8		48,558.8				52,901.6
thereof long-term		39,968.4		39,968.4				
thereof short-term		8,590.4		8,590.4				
Derivative financial debts								
Derivatives with hedge-relationship	Hedging	704.7			704.7			704.7

Explanations of valuation categories:
LAR ... Loans and Receivables
FAAC ... Financial Assets at Amortized Cost
AFS ... Available for Sale
FLAC ... Financial Liabilities at Amortized Cost

2012	Valuation category	Book value 12.31.2012	Valuation acc. to IAS 39				Fair value	
			Nominal value = fair value	Amortized cost	Fair value P/L neutral	Fair value affecting P/L	Level 1	Level 2
TEUR								
Assets								
Cash and cash equivalents	Cash	5,604.8	5,604.8					
Trade accounts receivable	LAR	7,102.7		7,102.7				
Loan and other receivables	LAR	7,823.3		7,823.3				
thereof long-term		30.0		30.0				
thereof short-term		7,793.3		7,793.3				
Other non-derivative financial assets								
Participations (not consolidated)	FAAC	987.0		987.0				
Securities available for sale	AFS	612.9			612.9		612.9	
Loans	LAR	464.7		464.7				
Liabilities								
Financial obligations (incl. leasing)	FLAC	154,488.7		154,488.7				162,534.4
Other obligations (incl. bonds, excl. leasing)	FLAC	22,723.0		22,723.0				25,033.5
thereof long-term		16,780.1		16,780.1				
thereof short-term		5,942.9		5,942.9				
Derivative financial debts								
Derivatives with hedge-relationship	Hedging	1,887.7			1,887.7			1,887.7

Explanations of valuation categories:
LAR ... Loans and Receivables
FAAC ... Financial Assets at Amortized Cost
AFS ... Available for Sale
FLAC ... Financial Liabilities at Amortized Cost

In determining the fair value of an asset or a liability, W.E.B Wind Energy Group uses, to the extent possible, data observable in the markets. Based on the input factors used in the valuation techniques, the fair values are classified into different positions of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Valuation parameters, other than quoted prices included in Level 1, which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., as derivatives from prices).
- Level 3: Valuation parameters for the asset or liability that are not based on observable market data.

In case the input factors used to determine the fair value of an asset or a liability can be classified into different positions of the fair value hierarchy, the fair value measurement in its entirety is assigned to the position in the fair value hierarchy, corresponding to the lowest input factor, which is essential to the evaluation.

In the reporting year and the previous year, no transfers between Level 1, Level 2 and Level 3 occurred.

The book values of trade accounts receivable, loans and other receivables are approximately equal to their fair values as maturities are mainly short-term.

Other long-term assets include participations (1,073.9 TEUR) and shares in unconsolidated affiliates (37.6 TEUR), for which no price on an active market can be observed and whose fair value cannot be reliably determined.

Other liabilities (excluding leasing and bonds) also have mainly short maturities, which is why the book values represent approximately the fair values.

The fair values of financial liabilities (including lease liabilities) are determined by discounting with an interest rate guided by current market rates. In addition to the liabilities to credit institutions, they also contain the liabilities from finance leases.

The valuation techniques applied by W.E.B Wind Energy Group and the assumptions in the calculation of the fair values are based in the case of securities and stocks on the market values and in the case of derivative financial instruments on values derived from the current interest rate level.

Net results by valuation categories

	From the subsequent valuation						
2013	At fair value affecting P/L	At fair value P/L neutral	Currency Conversion	Value Adjustment	From Disposal	Net result	From Interest
TEUR						2013	
Cash	0.0	0.0	0.0	0.0	0.0	0.0	43.5
Loans and Receivables (LAR)	0.0	0.0	0.0	0.0	0.0	0.0	71.1
Available for Sale (AFS)	0.0	-101.5	0.0	0.0	26.7	-74.8	0.0
Financial Liabilities at Amortized Cost (FLAC)	0.0	0.0	12.5	0.0	0.0	12.5	-5,281.3
Hedging	0.0	-883.5	0.0	0.0	0.0	-883.5	-935.5
Total	**0.0**	**-985.0**	**12.5**	**0.0**	**26.7**	**-945.8**	**-6,102.2**

2012							
TEUR						2012	
Cash	0.0	0.0	0.0	0.0	0.0	0.0	68.5
Loans and Receivables (LAR)	0.0	0.0	0.0	-705.6	0.0	-705.6	19.4
Available for Sale (AFS)	0.0	-43.9	0.0	0.0	0.0	-43.9	0.0
Financial Liabilities at Amortized Cost (FLAC)	0.0	0.0	-15.4	0.0	0.0	-15.4	-5,221.4
Hedging	0.0	615.1	0.0	0.0	0.0	615.1	-626.1
Total	**0.0**	**571.2**	**-15.4**	**-705.6**	**0.0**	**-149.8**	**-5,759.6**

The carrying amounts of financial assets pledged as collateral amounted to 1,563.5 TEUR (previous year: 1,152.6 TEUR). One part of this amount served as a security for contractual obligations of W.E.B Wind Energy Group to land owners for dismantling of wind turbines at the end of their useful lives. The other part served as a security for the obligations of W.E.B Wind Energy Group to credit institutions.

6 Risk Management

6.1 Other Liabilities and Contingent Liabilities

Financial Commitments from the use of Off-Balance Sheet Tangible Assets

The total amount of financial commitments from the use of off-balance sheet tangible assets (lease payments for land) for the following year will amount to 1,181.2 TEUR (previous year: TEUR 1,032.9). Generally, the indexed fivefold value for the next five years is calculated, with an accurate statement for the next five years being impossible, since the amount of lease payments depends on uncertain factors (price index increases, adjustments linked to the revenues of wind turbines).

The contracted commitments for tangible assets amounted to TEUR 55,208.8 at balance sheet date (previous year: TEUR 99,165.0).

There were no open payment obligations concerning financial investments (previous year: 0,0 TEUR).

Buy-back Obligation for the Wind Power Plant located in Vielau, Germany

In 2008 a hire-purchase agreement was concluded with QR Dumeier-Köbis GbR, Baunatal, Germany, for the wind power plant located in Vielau in Germany with a contract term to 9.30.2017. W.E.B Wind Energy Group is the legal owner of the wind power plant for the contract term. The hire-purchase agreement includes the option of a regular cancellation on the behalf of the hire-purchaser. In the event of cancellation by the hire-purchaser, the power plant located in Vielau, Germany would revert to the beneficial ownership of W.E.B Wind Energy Group. At present, W.E.B Wind Energy Group estimates the risk of cancellation of the hire-purchase agreement by the hire-purchaser as very low.

Liquidity Risk

W.E.B Wind Energy Group met all of its payment obligations (interest and principal repayment) from loans in an orderly and timely fashion during the reporting period. This also applies to other obligations to the extent that they were free of content-related or legal objections.

The company strives to comply as quickly as possible with all its payment obligations, provided that no reasons exist that militate against the validity of the obligations.

For a presentation of the contractually agreed outflows of funds for financial obligations in the scope of IFRS 7, see Financial Obligations (11).

For existing financing arrangements, comprehensive pledges of assets and assignments of receivables are in place with the financial institutions. Furthermore, W.E.B Wind Energy Group has committed itself to meet certain financial key figures. Failure to meet these key figures could entitle the financial institutions to call the financing immediately due and payable in full. In the reporting period the contractually specified key financial figures were met. The effects of fluctuations in operative cash flows (e.g. fluctuations in revenues from electricity sale due to changing wind situations) are minimized by active liquidity management.

The investment decisions are made in consideration of the current liquidity situation as well as the future liquidity outlook. The contracted commitments for tangible assets amounted to TEUR 55,208.8 at balance sheet date. In essence, these purchase commitments concern provisional blanket orders for wind power plants from the manufacturer Vestas which would only come due in the event that projects were implemented.

Financial Risk

W.E.B Wind Energy Group is subject to market risk, interest rate risk and exchange rate risk with respect to its financial assets, liabilities and planned transactions. The objective of financial risk management is to limit these market risks through ongoing operational and finance-oriented activities. Selected derivative and non-derivative hedging instruments are used depending on the assessment of risk. In principle, only those risks are insured that could have effects on the corporate group's cash flow. Derivative financial instruments are used exclusively as instruments of securitization and not for trading or other speculative purposes.

A list of the derivative financial instruments is found under (15) Derivative Financial Instruments.

Credit Risk

W.E.B Wind Energy Group is exposed to default risk in its operative business and in certain investment and financing activities. In the investment and financing area transactions are, to the extent possible, concluded with counterparties of impeccable creditworthiness.

The maximum risk of loss corresponds to the book value of the financial asset as well as the liabilities mentioned in Chapter 6.1, since there are no other agreements such as offsetting agreements.

The risk of loss of receivables is limited by the fact that the biggest portion of revenue is generated with state or state-affiliated organizations. The risk of loss of receivables that exists nevertheless is dealt with by means of single value corrections and lump-sum single value corrections. The credit risk from receivables is low since they are predominantly short-term and based on multi-year business relationships. As of 12.31.2013 the maximum default risk in connection with receivables from goods and services was 7,241.7 TEUR (previous year: 7,102.7 TEUR) and total for all receivables and loans etc. 10,748.8 TEUR (previous year: 17,718.5 TEUR).

Interest Rate Risk

W.E.B Wind Energy Group considers fluctuations in the interest rate as a significant cash flow risk.

As of 12.31.2013 the portion of financial obligations subject to variable interest rates (taking into consideration interest rate swaps that have been concluded) for which W.E.B Wind Energy Group bears interest rate risk was 43.3%. An increase of 1 percentage point in interest would lead to lower the annual result by 716.0 TEUR p.a. before income taxes (previous year: 710.5 TEUR p.a.) with the credit portfolio as it was on balance sheet date. In the case of existing financial obligations that are subject to fixed interest rates, there is a Fair-Value-Risk in the conventional scope.

The above scenario analysis assumes that all other factors remain unchanged.

As of 12.31.2013 interest rate swaps at a nominal sum of 50,505.1 TEUR were concluded. In this matter, fixed for floating agreements were made. These interest rate swaps are designated as cash flow hedges as defined in IAS 39. A detailed presentation of the derivative financial obligations including fair values can be found in the table under (15) Derivative Financial Instruments. The average residual period is 7.0 years (previous year: 8.0 years).

Interest rate changes have effects on the valuation of the interest rate swaps and their recognition in equity capital.

Currency Risk

Currency risks arise with financial instruments that are valued in a currency other than the functional currency of the specific group company.

The currency risks of W.E.B Wind Energy Group result from investments, financing activities and operative activities. Foreign currency risks in the area of investments exist for plants and projects in non-Euro countries. At present W.E.B Wind Energy Group owns plants in the Czech Republic.

In this case a financing arrangement in the national currency provides a natural hedge between feed-in compensation and credit payments (interest and principal repayment). Currency risks in the financing area result from loans in foreign currency. At balance sheet date, credit obligations in Swiss Francs in the equivalent of 411.1 TEUR existed. For these obligations, no hedges have been concluded. Interest rate swaps that have been concluded are solely denominated in Euro.

Starting with the fiscal year 2011, investments have been made in Canada within the scope of project development and construction works. In this respect, no project financing has been taken out in the national currency. Instead a loan in the amount of 9,669.5 TEUR was given by the parent company WEB Windenergie AG. This loan is equivalent to 14,186.1 TCAD at balance sheet date. Since this transaction corresponds to a financial instrument in a currency other than the functional currency of WEB Wind Energy North America Inc., a currency risk arises. The billing was done in the functional currency of the respective group company. Receivables and liabilities from goods and services exist mainly in the functional currency of the respective group company. Thus, no currency risk arises from these positions in the sense of IFRS 7.

Information on currency risk in accordance with IFRS 7

Financial obligations	12.31.2013	12.31.2012
In thousands of units		
Amount in the reporting currency	411.1	492.8
thereof		
CHF	504.6	594.9
Amount in functional currency Canada (CAD)	14,186.1	1,428.2
thereof		
Euro	9,669.5	1,087.2

The effects of hypothetical changes of relevant risk variables on the corporate result and equity are shown in the following currency sensitivity analysis in accordance with IFRS 7. Relevant risk variables are all non-functional currencies in which the group companies enter into financial instrument contracts. The sensitivity analysis assumes that the values per balance sheet date are representative for the whole reporting period.

An increase or decrease in value of the respective functional currency compared to the following major currencies by 10% would have affected the profit before tax and equity as follows:

2013	10% appreciation	10% depreciation
TEUR	result	result
CHF	-45.7	37.4
Total	**-45.7**	**37.4**
2012	**10% appreciation**	**10% depreciation**
TEUR	result	result
CHF	-54.8	44.8
Total	**-54.8**	**44.8**
2013	**10% appreciation**	**10% depreciation**
TCAD	result	result
EUR	-1,576.2	1,289.6
Total	**-1,576.2**	**1,289.6**
2012	**10% appreciation**	**10% depreciation**
TCAD	result	result
EUR	-158.7	129.8
Total	**-158.7**	**129.8**

Unresolved legal disputes

WEB Windenergie Betriebsgesellschaft Deutschland GmbH is a defendant in an administrative dispute with a neighboring wind turbine operator because of the construction of a wind farm in 2006. Since the wind farm was constructed according to plan, the likelihood that the counterparty's complaints in this action will succeed is very low. However, the lawsuit has not been formally concluded yet and the responsible administrative court is suggesting the initiation of a mediation procedure.

7 Other Disclosures

7.1 Notes to the Cash Flow Statement

The indirect method was used for the cash flow statement. The composition of cash and cash equivalents can be found in note (10) Cash and cash equivalents.

Interest inflows are classified as part of investment activities and interest outflows are classified as financing activities.

The payments of income taxes amounted to 1,286.2 TEUR (previous year: 2,169.0 TEUR) and largely stem from operative activities.

7.2 Objectives of Capital Management

The objectives of capital management are securing the continuation of the business and the continued expansion of renewable power generation in Europe on the one hand and an adequate return on equity on the other. The aim is to achieve a long-term return on equity of between 7% and 10%.
To hedge against business risks while simultaneously ensuring an optimal use of the available equity capital, an equity ratio of 20% to 30% is set as a long-term goal. In 2013 it was possible to achieve a return on equity of 7.21% (previous year: 7.86%) with an equity ratio of 27.42% (previous year: 29.71%).

In the reporting period a dividend payout of 3,461.4 TEUR (previous year: 2,884.5 TEUR) was done - this corresponds to a dividend of EUR 12.00 (previous year: 10.00 EUR) per share. In the long run, significant portions of the consolidated net income are planned to be distributed as dividends.

In 2014 the distribution of a dividend for 2013 in the amount of EUR 12.00 per share is planned. This corresponds to around 55% of the consolidated net income.

7.3 Business Relations with Related Companies and Persons

Included in the related companies and persons (related parties) for W.E.B Wind Energy Group are all non-consolidated affiliated and associated companies and joint ventures. Furthermore the Board of Directors and members of the Supervisory Board and their close family members are considered in the related companies and persons.

A list of companies in the corporate group company is included in Appendix 1, Corporate Group Companies.

During the reporting year and the previous year there were no significant business transactions with non-consolidated subsidiaries.

With the participation in SASU Energy Verte Plaine d'Artois, recorded in the balance sheet according to the equity method, a loan contract was concluded during the year 2012 at usual market conditions. In the reporting year, interest income in the amount of 71.1 TEUR (previous year: 113.9 TEUR) was recorded – as of 12.31.2013 there were open receivables in the amount of 101.1 TEUR (previous year: 3,460.9 TEUR).

With the participation in Tauernwind Windkraftanlagen GmbH, reported in the balance sheet according to the equity-method, there was a long-term contract in place during the fiscal year that had been concluded in October 2011. The contract was concluded at usual market conditions. In the reporting year interest expense in the amount of 8.0 TEUR (previous year: 14.7 TEUR) was recorded
– as of 12.31.2013 there were no open payment obligations (previous year: 632.0 TEUR) since the loan was repaid in full during the reporting period.

There were business management contracts with the investments in Sternwind Errichtungs- und Betriebs GmbH and Sternwind Errichtungs- und Betriebs GmbH & Co KG, both reported on the balance sheet according to the equity method. They were concluded at the usual market conditions. During the reporting year revenues in the amount of 18.8 TEUR (previous year: 20.7 TEUR) were recorded – as of 12.31.2013 there were open receivables in the amount of 349.9 TEUR (previous year: 348.7 TEUR).

There is a consulting arrangement with the law office Sattler und Schanda, in which a member of W.E.B's Supervisory Board, Dr. Reinhard Schanda, is a partner. Dr. Angela Heffermann, an attorney employed in the firm, is responsible for handling the legal consulting. In its meeting held on 6.26.2009, the supervisory board approved the continuation of the consulting arrangement. During the reporting year expenses in the amount of 88.6 TEUR (previous year: 52.4 TEUR) were recorded – as of 12.31.2013 there were no open claims from the law office Sattler und Schanda (previous year: 31.0 TEUR).

A hire-purchase agreement with a company whose shareholders are close relatives of the members of the Board of Directors and executive management for the wind power plant located in Vielau, Germany exists. The contract was concluded at usual market conditions. During the reporting year revenues in the amount of 7.2 TEUR (previous year: 11.9 TEUR) were recorded – as of 12.31.2013 there were open receivables in the amount of 211.2 TEUR (previous year: 336.4 TEUR).

With a company of which a board member of an affiliated company in Canada is a partner, there are contracts for construction services for project implementation in Canada. The contract was concluded at usual market conditions. In the reporting period payments amounting to 682.0 TEUR (previous year: 0.0 TEUR) have been made - as of 12.31.2013 there were open receivables in the amount of 70.5 TEUR (previous year: 0.0 TEUR).

In the reporting period payments amounting to 1,055.8 TEUR (previous year: 0.0 TEUR) were made to a minority shareholder for administration, payroll accounting and other expenses in connection with project development in Canada.

Furthermore, payments amounting to 87.4 TEUR (previous year 0.0 TEUR) were made to a company whose partner is a member of the board of directors in an affiliated company in Canada. The payments were directly related to the project implementation in Canada.

A contract exists with the Supervisory Board member Martin Zimmermann for the construction and maintenance of fallow land in the context of wind power plants in Austria. In the reporting period expenses in the amount of 3.3 TEUR (previous year: 3.4 TEUR) were recognized - as of 12.31.2013 there were no open receivables (previous year: 0.0 TEUR).

In the fiscal year three close family members of board of directors members were employed. The total remuneration of them amounted to 123.5 TEUR (previous year 110.4 TEUR), which is in line with usual market conditions.

Executive Body

a) Board of Directors

During the fiscal year 2013 the Board of Directors consisted of the following persons:

- **Andreas Dangl**, born on 11.2.1962, Chair of the Board of Directors since 7.6.1999, collective representation
- **DI Dr. Michael Trcka**, born on 11.10.1970, CFO since 5.1.2009, collective representation
- **Dr. Frank Dumeier**, born 3.29.1962, COO since 4.1.2010, collective representation

b) Supervisory Board

During the fiscal year 2013 the Supervisory Board consisted of the following persons:

- **Mag. Josef Schweighofer**, born 8.26.1964, Member of the Supervisory Board since 7.5.2002, Chair of the Supervisory Board since 1.17.2009, will hold the function until the shareholders meeting in 2016
- **Dr. Reinhard Schanda**, born 1.16.1965, Member of the Supervisory Board since 6.19.2009, Deputy Chair of the Supervisory Board since 6.17.2011, will hold the function until the shareholders' meeting in 2014
- **DI (FH) Stefan Bauer**, born 9.20.1977, Member of the Supervisory Board since 5.1.2005, will hold the function until the shareholders' meeting in 2016
- **Martin Zimmermann**, born 12.23.1968, Member of the Supervisory Board since 6.17.2011, will hold the function until the shareholders' meeting in 2016.

c) Authorized Signatory

Claudia Redl, born 2.1.1983, was appointed as authorized signatory on 9.15.2008. Together with a member of the Board of Directors, she can represent the company.

Officer Remuneration

The members of the Board of Directors received compensation in total in the amount of 677.9 TEUR (previous year: 522.6 TEUR) in 2013. Thereof, 263.8 TEUR were variable components relating to the corporate result of 2012 (previous year: 134.9 TEUR relating to the corporate result 2011).
Criteria for the performance-related components (variable remuneration), were the number of installed MW in the respective fiscal year as well as reaching or exceeding a predefined return on equity. Ceilings for variable remuneration will be in force starting from 2015. No compensation was paid to former members of the Board of Directors during the fiscal year (previous year: 0.0 TEUR).

No advance payments were granted to legal representatives of the company in 2013 (previous year: 0.0 TEUR).

There are contribution-driven pension commitments to the legal representatives. During the fiscal year contributions in the amount of 30.0 TEUR (previous year: 30.0 TEUR) were paid into the pension fund. There are no other benefit plans.

In the reporting period, payments to the supervisory board amounted to 87.0 TEUR (previous year: 52.0 TEUR).

	2012
EUR	
Schweighofer Josef	25,000.00
Reinhard Schanda	22,000.00
Bauer Stefan	20,000.00
Martin Zimmermann	20,000.00
	87,000.00

W.E.B has concluded a directors' and officers' liability insurance policy (D&O-insurance) which coves certain personal liability risks of responsible persons acting for W.E.B and its subsidiaries. The costs are borne by the company.

8 Events after the Balance Sheet Date

In the beginning of February 2014 the wind power plants of the expansion of the wind farm Neuhof, Austria were commissioned - preparatory work for the commissioning of the four Vestas V112 were already done in 2013. Furthermore the first W.E.B wind power plant in Canada was commissioned in February 2014. With the 2 MW turbine located in Saint Rose, W.E.B managed a successful market entry in Canada. The other plants in Canada located in Little River and Parker Mountain were also commissioned during the course of February 2014. Also for the plants in Canada, the preparatory work started in 2013.

With the commissionings in early 2014, W.E.B was able to reach a total production capacity of 300 MW.

Beyond this there are no significant events to report after the balance sheet date.

The present Corporate Group Financial Statements were approved by the Board of Directors on 4.4.2014.

The individual financial statements of the parent company, which, after reconciliation with the International Financial Reporting Standards were also included in the Corporate Group Financial Statement, were presented to the Supervisory Board for review on 4.4.2014.
The Supervisory Board can approve the annual financial statements or delegate their approval to the shareholders' meeting.

Pfaffenschlag, April 4th 2014

Chairman of the Board of Directors
Andreas Dangl

Finance Director
DI Dr. Michael Trcka

Technical Director
Dr. Frank Dumeier

Appendix 1

Corporate group companies

Information on affiliated companies according to § 238 Z 2 UGB

Company	HQ	Country	Consolidation Type	Stake	Balance sheet date	Equity TEUR	Annual surplus / deficit TEUR	Foreign currency equity	Foreign currency Annual surplus / deficit	Exchange rate
WEB Windenergie AG	Pfaffenschlag	Austria	FC		12.31.2013	64,144	4,278			
WEB Windenergie Betriebsgesellschaft Deutschland GmbH	Leer	Germany	FC	100%	12.31.2013	14,933	1,988			
WEB Windenergie Loickenzin GmbH	Tützpatz	Germany	FC	100%	12.31.2013	24	-1			
WEB Energie du Vent SAS	Lezennes	France	FC	100%	12.31.2013	-5,079	239			
Parc eolien de Champigneul Pocancy SAS	Paris	France	FC	100%	12.31.2013	10	0			
WEB Větrná Energie s.r.o.	Brno	Czech Republic	FC	100%	12.31.2013	1,761	62	48,287,181 CZK	1,707,449 CZK	27.427
Friendly Energy s.r.o.	Brno	Czech Republic	FC	100%	12.31.2013	65	48	1,782,038 CZK	1,329,552 CZK	27.427
WEB Italia Energie Rinnovabili s.r.l.	Bozen	Italy	FC	100%	12.31.2013	1,513	212			
WEB Wind Energy North America Inc.	Ontario	Canada	FC	100%	12.31.2013	3,934	-827	5,771,248 CAD	-1,213,580 CAD	1.467
Regenerative Energy Bulgaria EOOD	Sofia	Bulgaria	NC	100%	12.31.2013	-50	-12	-97,504 BGN	-24,157 BGN	1.956
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EQ	20%	12.31.2013	1,325	-129			
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EQ	49%	12.31.2013	653	89			
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EQ	49%	12.31.2013	2,614	37			
WEB Windenergie Betriebs GmbH	Pfaffenschlag	Austria	NC	100%	12.31.2013	32	-3			
Società di gestione impianti fotovoltaici	Montenero	Italy	NC	100%	12.31.2013	11	10			
WP France 4 SAS	Puteaux	France	FC	100%	12.31.2013	-3	-9			
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Tützpatz	Germany	FC	100%	12.31.2013	190	0			
WEB Wind Energy Development Inc.	Ontario	Canada	FC	100%	12.31.2013[1]					
WEB Duart North Community Wind Farm GP Corp. (+ Limited Partnership contract)	Ontario	Canada	FC	100%	12.31.2013[1]					
Scotian Web Inc. (+ Limited Partnership contract)	New Brunswick	Canada	FC	55%	12.31.2013[1]					
SWEB Development Inc. (+ Limited Partnership contract)	New Brunswick	Canada	FC	51%	12.31.2013[1]					
WEB Wheatley Community Wind Farm GP Corp. (+ Limited Partnership contract)	Ontario	Kanada	FC	100%	12.31.2013[1]					

Company	HQ	Country	Consolidation Type	Stake	Balance sheet date	Equity TEUR	Annual surplus / deficit TEUR	Foreign currency equity	Foreign currency Annual surplus / deficit	Exchange rate
WEB Duart South Community Wind Farm GP Corp. (+ Limited Partnership contract)	Ontario	Canada	FC	100%	12.31.2013[1]					
WEB Wallaceburg Community Wind Farm GP Corp. (+ Limited Partnership contract)	Ontario	Canada	FC	100%	12.31.2013[1]					
WEB Centralia Community Wind Farm GP Corp. (+ Limited Partnership contract)	Ontario	Canada	FC	100%	12.31.2013[1]					
WEB Zurich Community Wind Farm GP Corp. (+ Limited Partnership contract)	Ontario	Canada	FC	100%	12.31.2013[1]					
WEB Constance Community Windfarm GP Corp. (+ Limited Partnership contract)	Toronto	Canada	FC	100%	12.31.2013[1]					
SASU Energie Verte Plaine d'Artois	Lille	France	EQ	33%	12.31.2013	649	-36			
Société d'Electricité du Nord SARL	Lille	France	FC	100%	12.31.2013	-323	-121			

FC ... Full consolidation; EQ ... Equity-Valuation; NC ... Not consolidated

[1] Included in the numbers for WEB Wind Energy North America Inc.

Appendix 2

Financial information on associated companies

Company	HQ	Country	Consolidation type	Stake	Balance sheet date	Total				pro rata			
						Asset value	Liabilities	Revenues	Annual surplus / deficit	Asset value	Liabilities	Revenues	Annual surplus / deficit
						TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EQ	20%	12.31.2013	8,969	7,645	2,140	-129	1,794	1,529	428	-26
Long-term assets / liabilities						7,979	4,208			1,596	842		
Short-term assets / liabilities						990	3,436			198	687		
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EQ	49%	12.31.2013	1,253	599	325	89	614	294	159	44
Long-term assets / liabilities						781	20			382	10		
Short-term assets / liabilities						472	579			231	284		
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EQ	49%	12.31.2013	6,554	3,940	1,638	37	3,212	1,930	803	18
Long-term assets / liabilities						6,353	1,362			3,113	667		
Short-term assets / liabilities						202	2,578			99	1,263		
SASU Energie Verte Plaine d'Artois	Lille	France	EQ	33%	12.31.2013	3,771	3,002	432	-36	1,257	1,000	144	-12
Long-term assets / liabilities						3,604	120			1,201	40		
Short-term assets / liabilities						167	2,882			55	960		

FC ... Full consolidation; EQ ... Equity-Valuation; NC ... Not consolidated

Appendix 3

IFRS and IFRIC not relevant for W.E.B Wind Energy Group

1. Applicable IFRS and IFRIC without effect on W.E.B Wind Energy Group

Standard and/or Interpretation		Coming into effect[1]	Effects on W.E.B Wind Energy Group
	Revised standards		
IFRS 7	Changes: Disclosures - Offsetting of financial assets and financial liabilities	1.1.2013	none
IAS 19	Changes: interest plan assets at the discount rate of the corresponding benefit pension obligation.	1.1.2013	none
all	Improvements to IFRSs	1.1.2013	none

[1] The rules are to be applied in each case for the fiscal years that begin on or after the date of the entry into force corresponding to the respective EU ordinances.

Since January 1st 2013, the change 'Disclosures - Offsetting of financial assets and financial liabilities' of IFRS 7 (Financial Instruments: Disclosures) apply. According to this information must be disclosed on offsetting rights and related agreements in order to inform about their impact on the company's assets and financial position, as well as to make financial statements under IFRS and U.S. GAAP comparable. The disclosure obligation covers both netted financial instruments as well as those not netted financial instruments that are subject to an enforceable global netting agreement or a similar agreement. The changes arising from the adoption of this revised standard has no impact on the consolidated financial statements of W.E.B Wind Energy Group.

In June 2011, the IASB has issued amendments to IAS 19 'Employee Benefits' to be applied retroactively to January 1st, 2012 starting from 1st January, 2013. A relevant change is the abolition of the expected return on plan assets and the introduction of return on plan assets with the discount rate of the corresponding benefit pension obligation. This leads to a net valuation of net liability or the net asset and a net interest expense of benefit pension plans. The changes arising from the adoption of this revised standard has no impact on the consolidated financial statements of W.E.B Wind Energy Group.

Furthermore, improvements to IFRSs (2009–2011) were to be first applied starting from January 1st 2013. However, these had no significant impact on the present corporate group financial statements.

2. IFRS and IFRIC not yet applicable

The IASB has concluded other standards and interpretations that were accepted by the EU and published in the official register of European Union, but whose application was not yet mandatory in fiscal year 2013. The Company will not opt to make a voluntary early application.

Standard	Content	Coming into effect[1]
IFRS 14	Regulatory Deferral Accounts	1.1.2016
IAS 32	Financial Instruments: Presentation: Offsetting of financial assets and financial liabilities	1.1.2014
IAS 36	Impairment of Assets (change: Details of the recoverable amount for non-financial assets)	1.1.2014
IAS 39	Financial Instruments: Recognition and Measurement (change: novations of derivatives and continuation of hedging relationships)	1.1.2014
Diverse	Investment companies – Amendments to IFRS 10, IFRS 12 and IAS 27	1.1.2014

[1] The rules are to be applied in each case for the fiscal years that begin on or after the date of the entry into force corresponding to the respective EU ordinances.

The following standards and/or changes in standards and interpretations were concluded by the IASB but were **not yet accepted by the EU** at the time of compiling the corporate group financial statements:

Standard	Content	Coming into effect[1]
Überarbeitete Standards		
IFRS 9	Financial Instruments	Not yet determinded[2]
IAS 19	Employee Benefits (Amendment: Defined benefit plans – employee contributions)	7.1.2014
IFRIC 21	Charges	1.1.2014
Diverse	Improvements of the IFRSs 2010–2012 (2013)	7.1.2014
Diverse	Improvements of the IFRSs 2011–2013 (2013)	7.1.2014

[1] The rules are to be applied in each case for the fiscal years that begin on or after the date of the entry into force corresponding to the respective EU ordinances.

[2] At its meeting on July 24th, 2013 the IASB passed a provisional decision to postpone the date for mandatory adoption of IFRS 9 indefinitely. Up to this point the standard scheduled this date for January 1st 2015.

The impact of the future application of the above standards and interpretations on the financial statements of W.E.B cannot be estimated in advance.

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

WEB Windenergie AG,
Pfaffenschlag, Austria

for the year from **1 January 2013 to 31 December 2013**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2013, the consolidated income statement/consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year ended 31 December 2013 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Konzernabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und der vom International Auditing and Assurance Standards Board (IAASB) der International Federation of Accountants (IFAC) herausgegebenen International Standards on Auditing (ISAs) durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Konzernabschluss frei von wesentlichen Fehldarstellungen ist.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria, as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2013 and of its financial performance and its cash flows for the year from 1 January to 31 December 2013 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements.

In our opinion, the management report for the Group is consistent with the consolidated financial statements.

Mödling, 8 April 2014

KPMG Niederösterreich GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Mag. Heidi Schachinger	Mag. Dr. Eugen Strimitzer
Wirtschaftsprüfer	Wirtschaftsprüfer

(Austrian Chartered Accountants)

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Report of the Supervisory Board

Compliant with § 96 AktG

Dear shareholders,

For the fiscal year 2013 the Supervisory Board consisted of four persons: Mag. Josef Schweighofer (Chair), Dr. Reinhard Schanda (Deputy Chair), as well as members DI (FH) Stefan Bauer and Martin Zimmermann. The Supervisory Board responsible for the reporting period, held a total of seven supervisory board meetings in 2013. In these meetings it exercized the duties and responsibilities prescribed by law, and the articles of association and also issued the required declarations of approval or rejection for certain transactions.

In its meetings, the Supervisory Board discussed, on the basis of regular timely written and oral reports from the Board of Directors, the operative business policy and profit situation as well as the future strategic direction of the company, including the major subsidiaries in the corporate group. Based on the comprehensive reporting of the Board of Directors, the Supervisory Board constantly monitored the management activities of the Board of Directors. The control was performed in the context of open and constructive discussions between the Board of Directors and the Supervisory Board and did not provide any occasion for complaints.

With the Chairman of the Board of Directors, Andreas Dangl, and the other board members DI Dr. Michael Trcka and Dr. Frank Dumeier the Board of Directors was in this composition, as in the previous years, active throughout the entire year 2013. The management contract with DI Dr. Michael Trcka which expired on April 30th 2014 was prolonged by 5 additional years in February of this year. With the Chairman of the Board of Directors, Andreas Dangl, there are currently negotiations on the renewal of his management contract taking place, as his contract is due to expire on June 30th 2014. The management contract with Dr. Frank Dumeier is valid until March 31st 2015, also in this respect preliminary discussions regarding a contract extension have taken place.

In September 2013, with the two Vestas V112 – 3 MW turbines in Deutsch-Wagram, the first wind turbines belonging to the 3 MW class were commissioned in the corporate group of W.E.B. In addition to this wind farm with 6 MW of installed capacity, four photovoltaic power plants at three sites (two plants in Perbersdorf, one in Heidenreichstein and Weikendorf, respectively) were connected to the grid in 2013 with a total capacity of 838 kWp. Also in 2013 the construction of seven Vestas V90 – 2.0 MW wind turbines with a total capacity of 14 MW began in Matzen/Klein-Harras, which reached operational status in early 2014. Moreover in 2013, the erection of the second site of turbines belonging to the 3 MW class was initiated in Neuhof III: In this wind farm four turbines of the type Vestas V112 – 3 MW with a total capacity of 12 MW were connected to the grid in February 2014.

With respect to foreign activities in 2013, Canada is particularly noteworthy. In Nova Scotia the construction phase started at three locations in mid 2013 (Saint Rose, Parker Mountain and Little River), where one Vestas V100 – 2.0 MW wind turbine was erected respectively. The plants were connected to the grid one after another

in early 2014. With the successful completion of the first phase of construction in Canada, the historic milestone of 300 MW of installed power plant capacity could be reached within the corporate group of W.E.B. It is worth mentioning that the Canadian plants are not exclusively owned by W.E.B group, but they are jointly operated by a community participation, in which the North American W.E.B subsidiary holds a stake of around 50%.

With regard to the other activities in Canada, during the Supervisory Board meeting in December 2013, the request was made to approve a further investment tranche (second construction phase) for 22 MW wind power capacity in five sites with a construction cost amounting to approximately 50 million CAD. In view of this far-reaching decision and accompanied by the fact that WEB Windenergie AG had at this time already invested almost 13 million Euro in the form of equity or debt in Canada, the Supervisory Board members deemed it necessary to get a personal impression on site prior to releasing funds for the second construction phase. The Supervisory Board members Josef Schweighofer, Stefan Bauer and Martin Zimmermann traveled together with Michael Trcka and the board member responsible for Canada, Frank Dumeier, to Canada in the first week of December 2013. The purpose of the trip, in particular the inspection of the construction progress and visiting the three plants under construction and other future – potential – sites, was fulfilled. Moreover, the opportunity of a personal exchange of views was taken with the joint venture partners, local staff and business partners.

Following this trip the above-mentioned second construction phase was approved at the Supervisory Board meeting in December 2013. Conditional on obtaining adequate debt financing and connection to the grid, the construction is scheduled to start in the course of 2014. The completion of construction and the connection to the grid are planned for early 2015.

With regard to further foreign activities it is worth mentioning that currently an expansion of the wind farm Altentreptow by three 2 MW turbines is planned. An adaptation of the Renewable Energies Act (EEG) is currently under review in Germany and hopes exist that the future framework will also allow for reasonable growth in renewable energy development. Also, in France projects continue to be explored – the further expansion will depend in particular on the tariff security.

In addition to the installation of the wind turbines in Deutsch-Wagram, Matzen/Klein-Harras and Neuhof III efforts were made to keep the momentum going in the project area – regardless of the zoning moratorium in Lower Austria, extensive project activities have been carried out. After the production of the first draft of the zoning plan of Lower Austria was available, it was presented in April 2014 and is expected to be adopted in this form by the state parliament of Lower Austria. Of the 26 wind energy projects that W.E.B is developing in Lower Austria, only one wind farm was canceled by the new zoning regulations – this area was located in close proximity to the company headquarters. From the perspective of W.E.B this circumstance is part of the regular project development risk, the effects however are certainly painful at the level of the entire region. For example, the local municipality of Groß Siegharts has conducted a referendum with a positive vote for the wind farm, nevertheless the decision in the Lower Austrian capital St. Pölten turned out contrary. All things considered, we are very well represented in the home state of the company with regard the capacity of our projects.

Furthermore, the topic of electric mobility and the erection of electric charging stations gained broad attention in the strategy meeting in October 2013, and also in recent supervisory board meetings. In the supervisory board meeting in February 2014 the discussions resulted in a consistent view: It is planned

to combine the activities related to electric mobility in a separate company which, similar to W.E.B, will be set up as a broad community participation society. A sum of 500,000 Euro was released by the Supervisory Board as seed capital. Going forward, it is intended that this company is to accomplish its further growth through capital increases and debt financing. The Chairman of the Board, Andreas Dangl, will lead this field of business. In order to cope with this new challenge effectively and in particular with the necessary time resources, the decision was made that the project development team will be headed by Frank Dumeier in the future.

For the purpose of financing the equity part of the projects described earlier, the Supervisory Board has given the approval for the issuance of a bond package at the end of 2012. The bonds that were organized in three different tranches (5 year term, bullet repayment, 4% interest; 10 year term, bullet repayment, 5.5% interest and 10 year term, partial redemption, 5.25% interest) and were issued in the months of February and March 2013. This resulted in inflows amounting to 24,556,000.00 EUR in total.

With regard to the strategic direction of interest rate policy, W.E.B will continue to follow the path chosen in the past which is to hedge loans with floating rates with interest rate derivatives. The current interest rate development is taken as an opportunity to enter into long-term interest rate hedges at favorable terms. This policy may lead to partly missing out on the benefits that are inherent to the current interest levels, however it actively counteracts potential increases in interest expenses due to adverse effects in the further development of interest rates. Currently, roughly 57% of interest-bearing liabilities of the corporate group of W.E.B are either subject to fixed interest (bonds) from the start, or hedged with interest rate derivatives in order to achieve a fixed level of interest rates.

The Supervisory Board received the financial statements of WEB Windenergie AG dated December 31st, 2013 along with the management report from the Board of Directors. KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, was appointed to audit the financial statements for the fiscal year 2013, henceforth they audited the financial statements for the fiscal year 2013 along with the management report and issued an unqualified audit certificate.
The financial statements report was extensively discussed in a joint meeting of the Board of Directors, the Supervisory Board and the financial auditor.

The Supervisory Board joined the result of this audit and approved the annual financial statements dated December 31st, 2013 that had been submitted by the Board of Directors, approved the attached management report of the Board of Directors and agreed with the proposal for the appropriation of profits. Hereby the annual financial statements are determined to be compliant with § 96/4 AktG. With respect to the appropriation of profits, the Supervisory Board approved the proposal of the Board of Directors to distribute, as in the previous year, 12 (twelve) Euro per share.

The Supervisory Board received the consolidated financial statements of WEB Windenergie AG dated December 31st, 2013 along with the management report from the Board of Directors.
KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, was appointed to audit the consolidated financial statements for the fiscal year 2013, henceforth they audited the consolidated financial statements for the fiscal year 2013 along with the corporate group management report and issued an unqualified audit certificate.

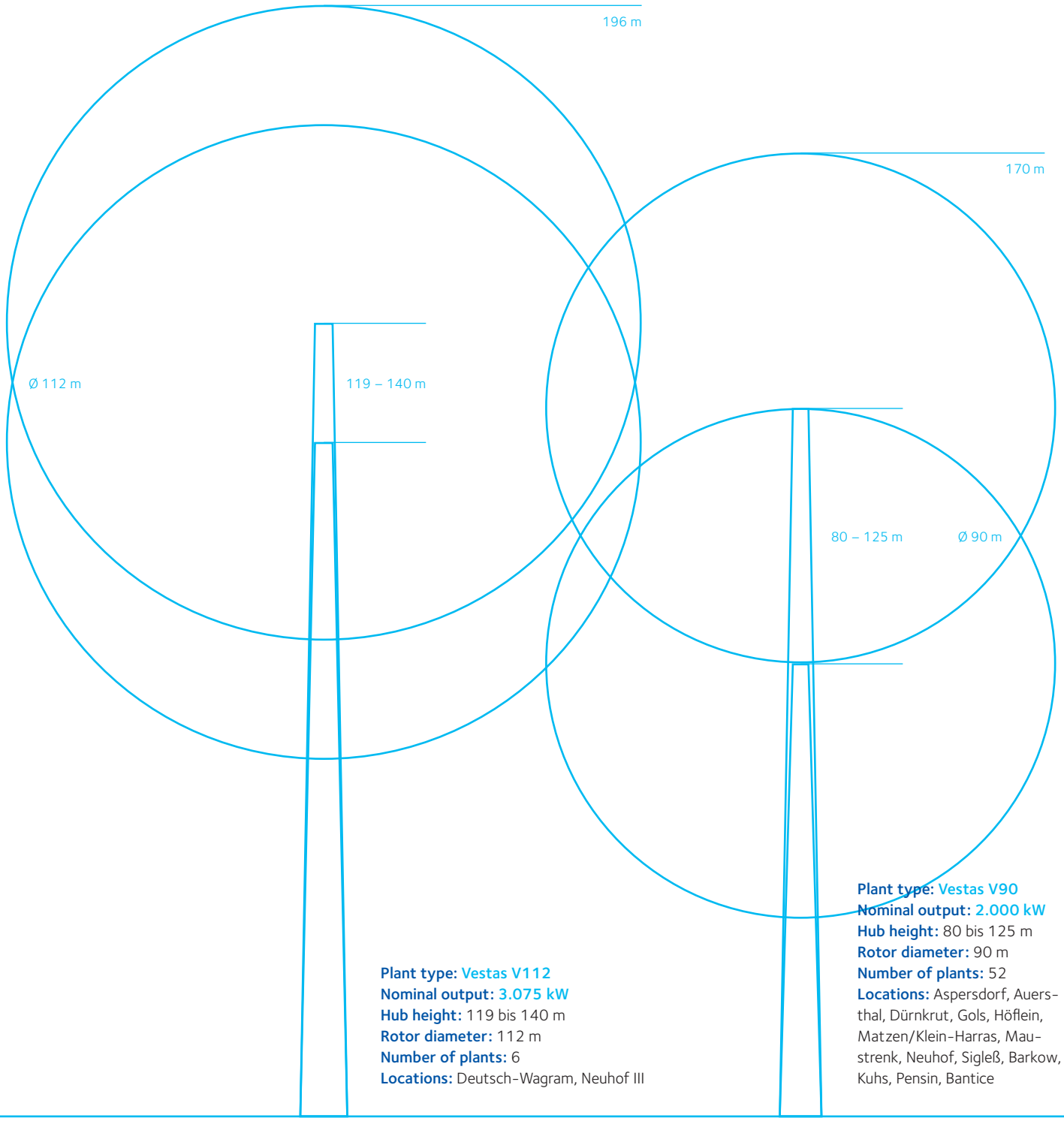
The consolidated financial statements were extensively discussed in a joint meeting of the Board of Directors, the Supervisory Board and the financial auditor. The Supervisory Board consensually took note of the consolidated financial statements and the corporate group management report.

In conclusion, the Supervisory Board thanks the Directors Andreas Dangl, DI Dr. Michael Trcka and Dr. Frank Dumeier as well as the employees for their dedication and commitment in fiscal year 2013.

For the Supervisory Board

Josef Schweighofer
Chairman of the Supervisory Board

Pfaffenschlag, April 2014



Plant type: Vestas V112
Nominal output: 3.075 kW
Hub height: 119 bis 140 m
Rotor diameter: 112 m
Number of plants: 6
Locations: Deutsch-Wagram, Neuhof III

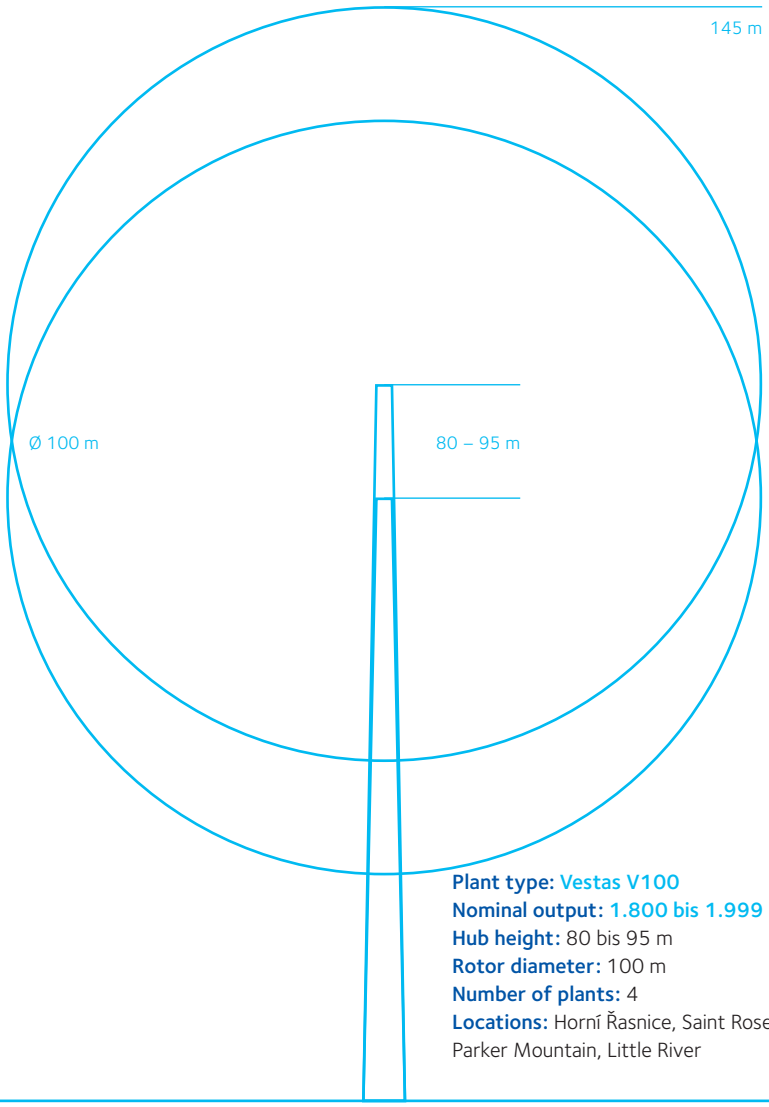
Plant type: Vestas V90
Nominal output: 2.000 kW
Hub height: 80 bis 125 m
Rotor diameter: 90 m
Number of plants: 52
Locations: Aspersdorf, Auersthal, Dürnkrut, Gols, Höflein, Matzen/Klein-Harras, Maustrenk, Neuhof, Sigleß, Barkow, Kuhs, Pensin, Bantice

Vestas V112

Vestas V90

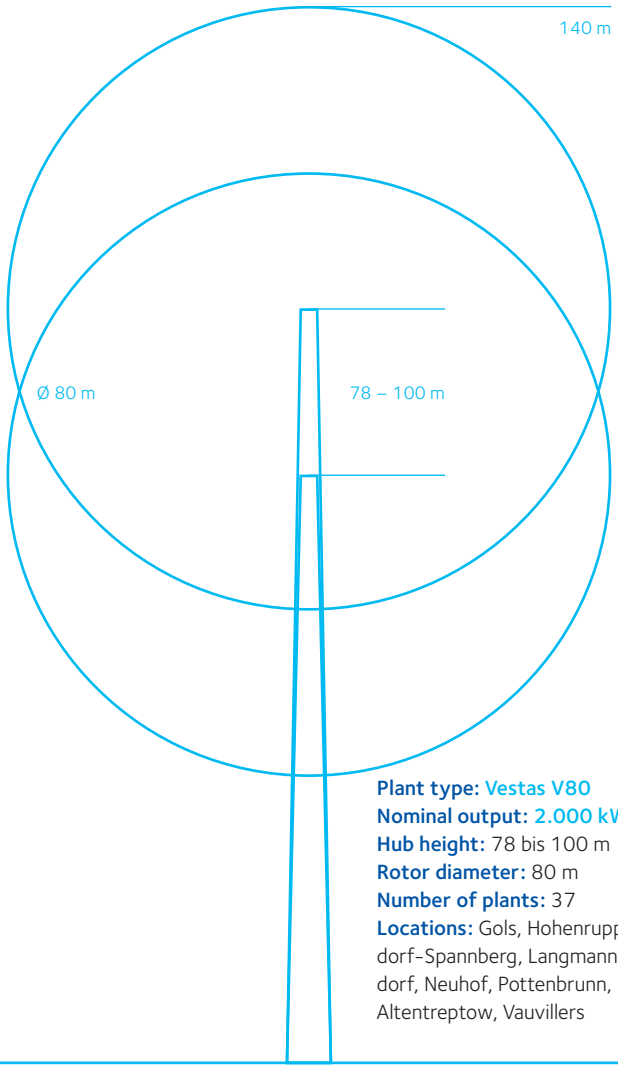
Types and Sizes
W.E.B-Wind Power Plants

Visit our website www.windenergie.at/standorte to find individual wind parks, background information and detailed technical details.



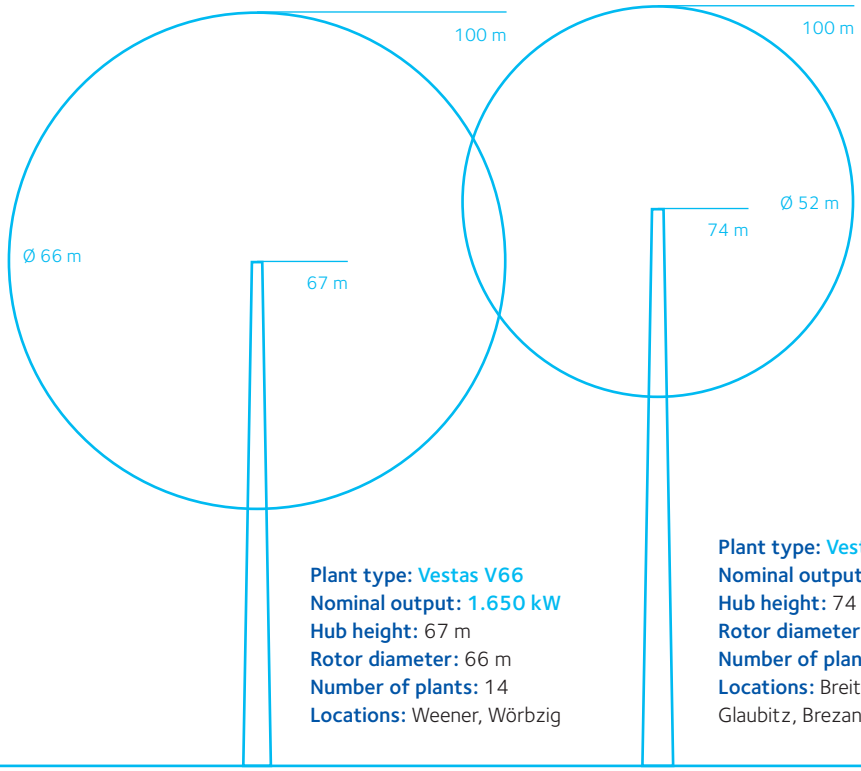
Plant type: Vestas V100
Nominal output: 1.800 bis 1.999 kW
Hub height: 80 bis 95 m
Rotor diameter: 100 m
Number of plants: 4
Locations: Horní Řasnice, Saint Rose, Parker Mountain, Little River

Vestas V100



Plant type: Vestas V80
Nominal output: 2.000 kW
Hub height: 78 bis 100 m
Rotor diameter: 80 m
Number of plants: 37
Locations: Gols, Hohenruppersdorf-Spannberg, Langmannersdorf, Neuhof, Pottenbrunn, Altentreptow, Vauvillers

Vestas V80

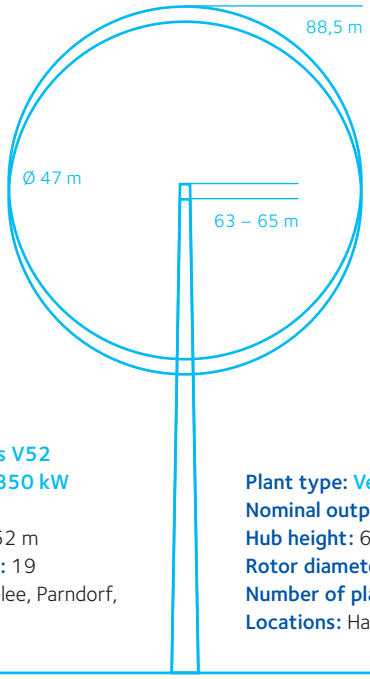


Plant type: Vestas V66
Nominal output: 1.650 kW
Hub height: 67 m
Rotor diameter: 66 m
Number of plants: 14
Locations: Weener, Wörbzig

Vestas V66

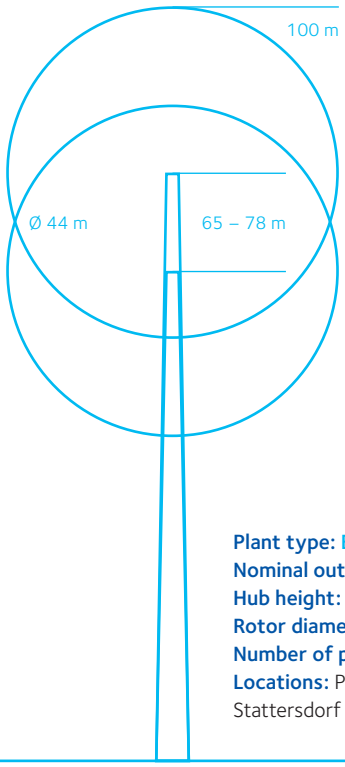
Plant type: Vestas V52
Nominal output: 850 kW
Hub height: 74 m
Rotor diameter: 52 m
Number of plants: 19
Locations: Breitenlee, Parndorf, Glaubitz, Brezany

Vestas V52



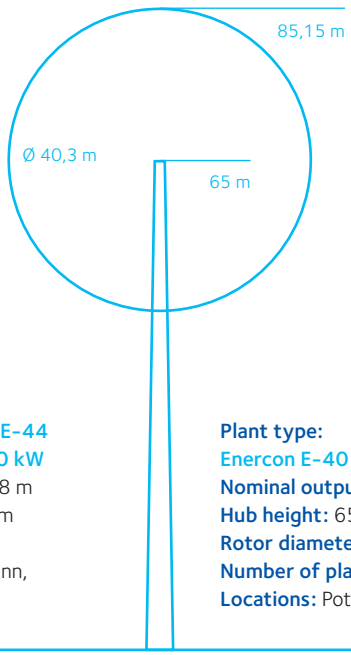
Plant type: Vestas V47
Nominal output: 600 kW
Hub height: 63 bis 65 m
Rotor diameter: 47 m
Number of plants: 4
Locations: Hagenbrunn, Görmin

Vestas V47



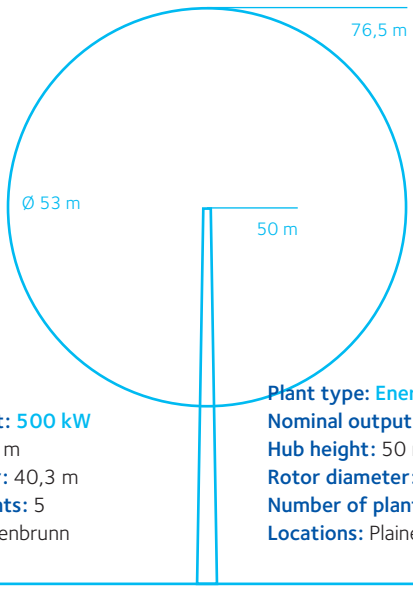
Plant type: Enercon E-44
Nominal output: 600 kW
Hub height: 65 bis 78 m
Rotor diameter: 44 m
Number of plants: 6
Locations: Pottenbrunn, Stattersdorf

Enercon E-44



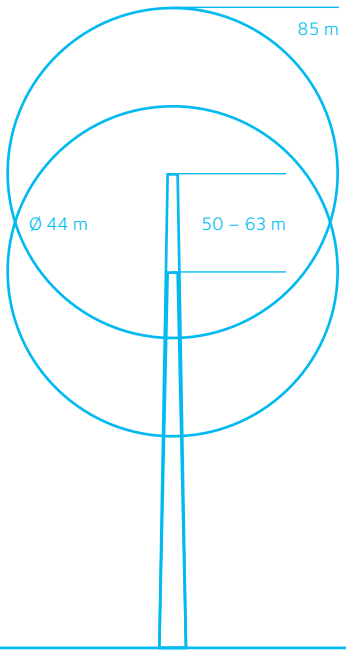
Plant type:
Enercon E-40
Nominal output: 500 kW
Hub height: 65 m
Rotor diameter: 40,3 m
Number of plants: 5
Locations: Pottenbrunn

Enercon E-40



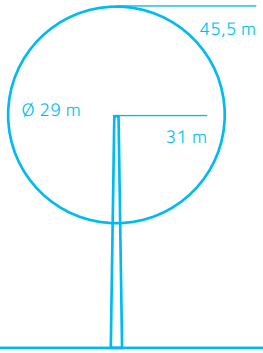
Plant type: Enercon E-53
Nominal output: 800 kW
Hub height: 50 m
Rotor diameter: 53 m
Number of plants: 15
Locations: Plaine de l'Artois

Enercon E-53



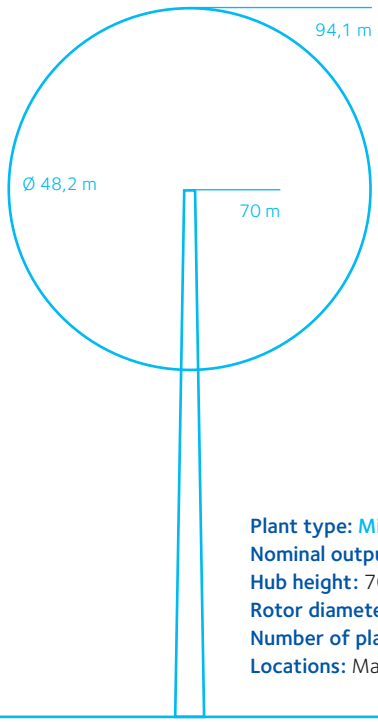
Plant type: Vestas V44
Nominal output: 600 kW
Hub height: 50 bis 63 m
Rotor diameter: 44 m
Number of plants: 13
Locations: Grafenschlag, Hagenbrunn, Oberstrahlbach, Parbasdorf, Vösendorf, Upgant Schott Schöningh, Upgant Schott Arends

Vestas V44



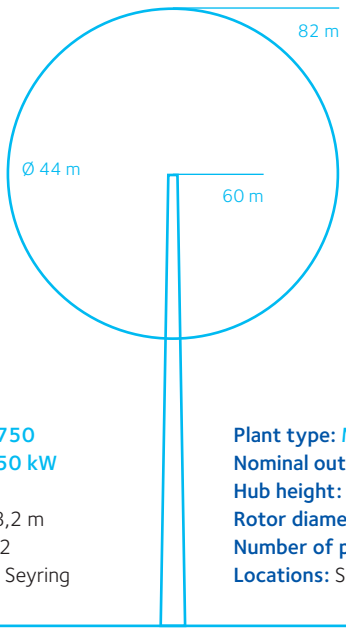
Plant type: Vestas V29
Nominal output: 225 kW
Hub height: 31 m
Rotor diameter: 29 m
Number of plants: 1
Location: Michelbach

Vestas V29



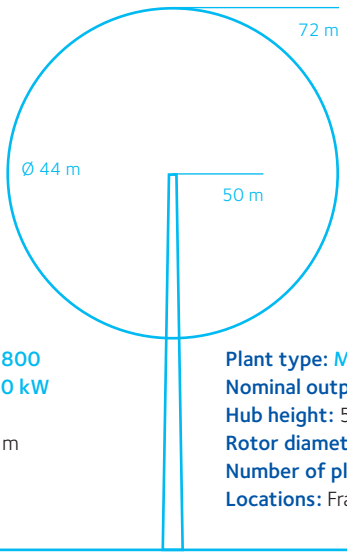
Plant type: Micon 750
Nominal output: 750 kW
Hub height: 70 m
Rotor diameter: 48,2 m
Number of plants: 2
Locations: Matzen, Seyring

Micon 750



Plant type: Micon 1800
Nominal output: 600 kW
Hub height: 60 m
Rotor diameter: 44 m
Number of plants: 1
Locations: Seyring

Micon 1800



Plant type: Micon NM1500
Nominal output: 600 kW
Hub height: 50 m
Rotor diameter: 44 m
Number of plants: 3
Locations: Francop

Micon NM1500

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This business report was prepared with great care. Typesetting and typographical errors cannot, however, be excluded. There can also be mathematical differences in the numerical information owing to the use of electronic calculating aids. This business report also contains inferences and suppositions concerning future events. They were made on the basis of all currently available information. We point out that the actual facts and results can diverge from the expectations stated in this report owing to the a very wide variety of factors. In this context, we also point out the reference to foreseeable developments as well as risks and uncertainties in the situation report starting on page 68. Translation errors cannot be excluded, too.

Any personal formulations are to be understood as gender-neutral.

Editing finalized on 22 April 2014

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W.E.B wind energy—it's our world

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