W.E.B

WEB Windenergie AG

Integrated Sustainability and Business Report 2015

2015

Front gatefold cover

Key Figures W.E.B Group

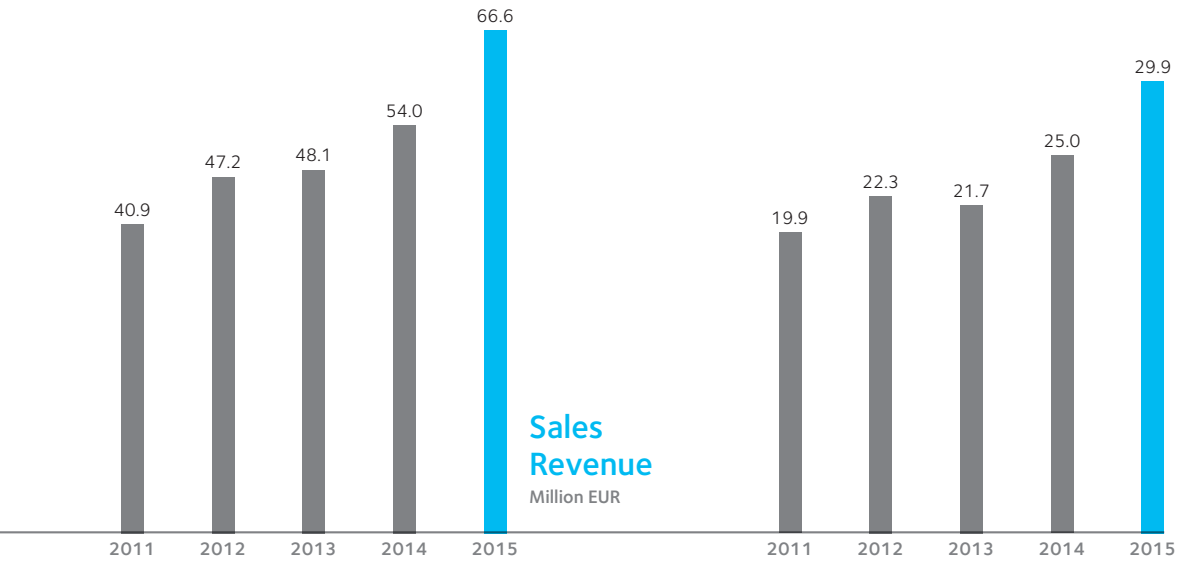
Key Financial Figures	2015	2014	2013	2012	2011
Million EUR					
Sales revenue	66.6	54.0	48.1	47.2	40.9
Operating results	21.5	16.5	15.5	16.4	13.2
Financial results	–8.4	–7.0	–7.2	–6.5	–5.6
Results from normal business activity	13.1	9.5	8.3	9.9	7.6
Group earnings after income tax	9.3	7.1	6.1	6.4	5.7
Total assets	415.8	387.7	316.9	278.9	261.6
Equity capital	107.4	99.9	86.9	82.8	79.9
Equity capital ratio **(%)**	25.8	25.8	27.4	29.7	30.5
Cash flow from operations	46.4	34.7	38.6	27.2	21.6
Investments[1]	53.0	68.6	58.6	39.9	26.7
Return on equity **(%)**	9.0	7.6	7.2	7.9	7.3
Profit per share **(EUR)**	29.9	25.0	21.7	22.3	19.9

Power Generation[2]	2015	2014	2013	2012	2011
MWh					
Power generation total	**718,210**	**616,654**	**558,834**	**547,378**	**474,387**
Wind power	698,580	598,119	538,903	528,378	456,737
Photovoltaic power	12,475	11,230	11,150	10,639	9,841
Hydroelectric power	7,155	7,306	8,781	7,612	6,625

Power Plants	2015	2014	2013	2012	2011
Number as of 31 Dec.					
Power plants total	**219**	**199**	**189**	**176**	**153**
Austria	117	107	103	90	83
Germany	57	58	55	55	55
France	21	21	21	21	6
Canada	14	3	0	0	0
Czech Republic	8	8	8	8	7
Italy	2	2	2	2	2

Installed Capacity[2]	2015	2014	2013	2012	2011
MW as of 31 Dec.					
Generating capacity total	**338.0**	**308.2**	**286.6**	**264.9**	**238.9**
Austria	193.9	176.2	163.9	142.2	130.8
Germany	88.4	88.4	82.4	82.4	82.4
France	24.8	24.8	24.8	24.8	12.0
Canada	15.4	3.3	0	0	0
Czech Republic	9.1	9.1	9.1	9.1	7.3
Italy	6.4	6.4	6.4	6.4	6.4

[1] Including assets from company acquisitions
[2] Including investments in associated companies

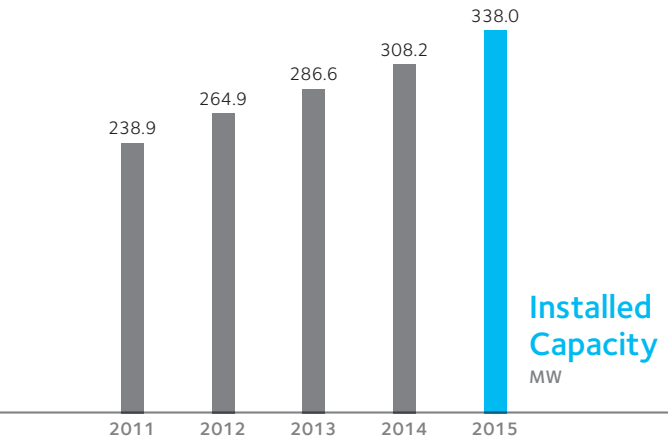


Sales Revenue

Million EUR

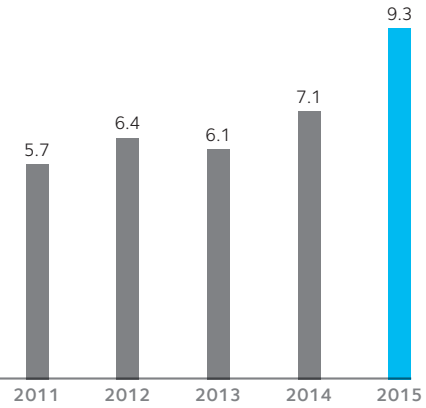
Profit per Share

EUR



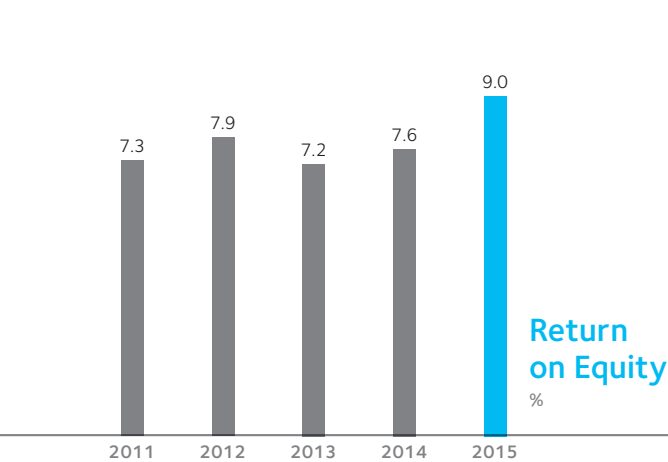
Installed Capacity

MW



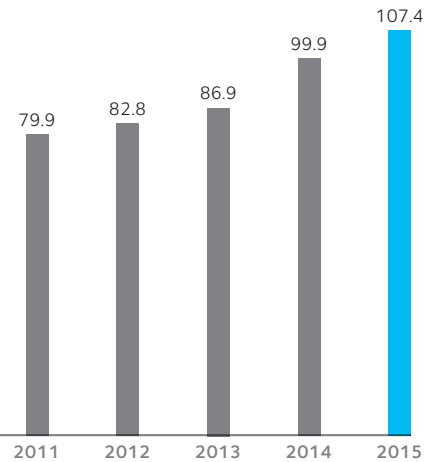
Group Earnings after Taxes

Million EUR



Return on Equity

%



Equity

Million EUR

A Year of Endorsements

An exciting year lies behind us and the strategic direction of W.E.B has been affirmed in many ways. In 2015, we received several prestigious awards including the Austrian Climate Protection Prize. Receiving external recognition for our leadership in the energy transition shows that we are on the right track. Additionally, the results of the World Climate Conference in Paris, which was taking place at the end of 2015, provided us with further encouragement on our path forward: that the transition to a CO_2-neutral world is possible and wind energy is playing a major role in this strategy with a share of up to 50 % by 2050 in global electricity production. And this is exactly the core business in which we have been operating successfully for 20 years. We are determined to continue with our proven strategy: Besides the professional operation of our existing plants, we focus on the continuous, moderate expansion of our generating capacity and the innovative marketing of the green energy that we generate. Together, with our shareholder, investors and all the other stakeholders of our company, we can make a significant contribution to minimize climate change. We are looking forward to this challenge and invite you to continue working with us for the energy transition.

Kindly

Frank Dumeier

Michael Trcka

The Austrian Climate Protection Award proves: W.E.B is a leading partner in terms of energy transition.

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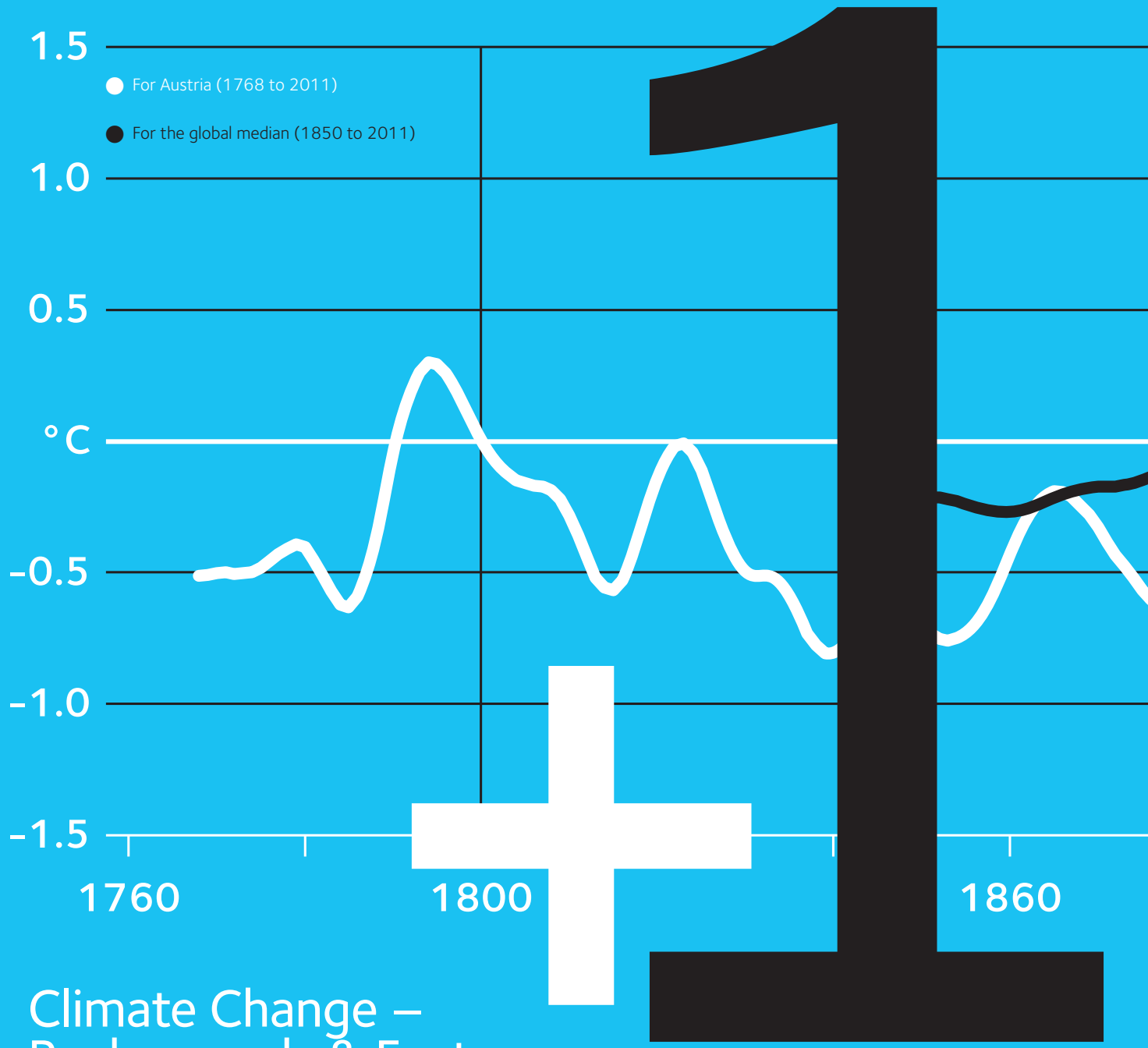


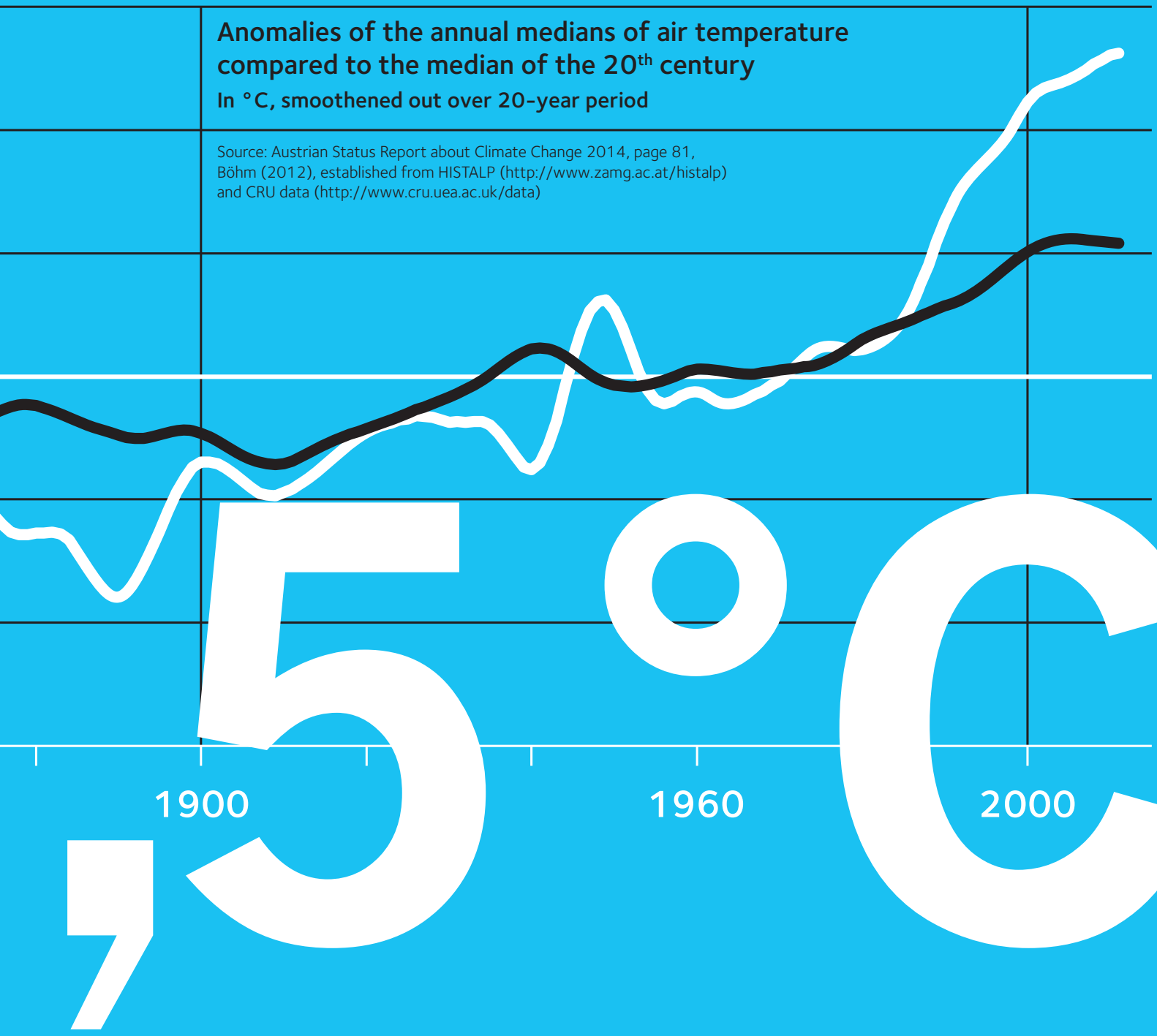
Climate Change – Backgrounds & Facts

Guest commentary from Professor Helga Kromp-Kolb

Climate Change: From Abstract Science to Harsh Reality

In 2015, one temperature record after another was broken globally and impacts that were predicted for the future are already becoming more noticeable. This has changed people's perception of climate change. Climate change is no longer just an abstract phenomenon evoked by scientists. Not least because of the refugees from Syria, where climate change was a significant cause of the civil war, people are realizing how we are or can be affected in many ways by climate change.

How climate change has altered and will alter Austria is shown in the Austrian Status Report



about Climate Change, published in 2014. Since 1880, the temperature in Austria has risen by almost 2 °C, compared to a global increase of 0.85 °C. The far-reaching consequences already felt today will amplify in the future: glacial melting, increased occurrence of extreme weather events such as hot spells, floods, landslides, increase of wildfire risk. All this does not just cause high economic costs but will also severely impact our everyday life. We have to start adjusting to the changing climate conditions.

It is recognized, little by little, that we no longer have the time to let years go by without any action. Instead we have to take action now as the years of reflecting and ignoring are over – our time has run out.

Climate Protection: Technological Measures

2015 was an important year for climate policy with the promising treaty at the Climate Conference in Paris as a highlight at year-end. Progress in global climate politics and the reduction of CO_2-emissions were emphatically demanded from decision makers at numerous demonstrations worldwide. The encyclical of the pope 'laudato si', in mid 2015, emphasized climate protection and brought it in the context of an economy and social system that require change, including criticism of the currently dominating system of values. Thereby, the pope picked up on the increasing demand of society in his own way: 'System change, not climate change!'

What does the climate treaty of Paris exactly mean? The maximum global warming should not exceed 2 °C compared to a pre-industrial level, even efforts are supposed to be made not to exceed 1.5 °C. Greenhouse gas emissions and reduction of it are supposed to be even in the second half of the century. Globally, the trend of increasing emissions is supposed to switch to a decreasing trend rather quickly, if possible. The so-called budget approach indicates that, in order to reach the 2 °C goal, a maximum of 1,000 giga-tons of CO_2 can be emitted in the atmosphere. Based on the current emission level, that quota will be reached within 20 to 30 years. As it is hard to imagine that the world is able to function without fossil fuels in such a short period of time, it is crucial to implement measures to reduce emissions quickly, in order to extend this timeframe. Assuming an equal distribution of the quota amongst all humans on this planet, Austria will have already used up its quota in 14 years.

What are the required measures? Obviously, a transformation from fossil fuels to renewable energy sources is a key piece. And pioneers of change, such as W.E.B, already convert ideas of energy transition into climate-friendly actions and business models. There are still subsidies necessary in order to incentivise investment in renewable energy however, in the medium-term the energy sector has to become self-sustainable without funding. When unsustainable energy is not being funded anymore the sustainable energy becomes economically viable. In order to transform the energy sector, the necessary radical structural and technical changes require cooperation, not competition. A renewable energy sector – wind, solar, and bio mass – that acts united could, supported by NGOs, society and science, contribute a lot to the sophisticated development of climate policy in Austria! This is the only sustainable energy policy for a country that does not have its own fossil resources. A contribution to a greater distributive justice and a reduction of air pollution, at the same time, should also be mentioned in passing. Although, these two latter reasons alone should already be enough to promote the energy transition at full force.

An urge for renewable and alternative ways alone is not enough to get rid of the use of fossil fuels within 20 to 30 years. Energy and resource efficiency have to be increased simultaneously. In most areas, this is not an issue technologically – in many cases, such as the thermal insulation of houses, this would be a welcome measure for the economic structure in Austria, as it promotes small and medium sized businesses. Efficiency measures involve two types of risk: exaggerated efficiency of systems threatens their resilience, a value that is of great importance in increasing times of uncertainty, and the so-called

rebound effect makes them lose effectiveness. This means that the energy saved is immediately used for something else – for example, the greater comfort in automobiles, which has also translated into higher weights, has basically cancelled out the efficiency improvements of the engines. The rebound effect is inherent for an economic system which relies on continuous growth for its stability.

The Actual Challenge

Therefore, besides renewable energies and increases in efficiencies, it is also a question of values: is the preservation of an economic system, which has failed in essential social areas and threatens our livelihood, justifiable? Is it a matter of maximizing profit or quality of life? Is it about securing as much as possible for oneself, the company, the city, the country or is it about common solutions for problems that affect us all?

Pioneers of change – citizens, companies, communities, states – have a task that is twofold: on the one hand, to be as climate-friendly and sustainable as possible in their area, their products and their behavior, and on the other hand, influence change of systems that are obstacles for a social transformation such as institutions, laws and thought patterns. This has to continue until sustainable behavior is becoming natural as it is the easier, and short- and long-term more affordable option.

Three questions for Professor Helga Kromp-Kolb:

1. Has the attitude towards climate change changed in Austria? Is the threat being taken seriously enough?
The threat is being taken seriously by an increasing number of people and economic sectors. A process of rethinking has begun particularly among young people. It is primarily the representatives who do not appear to understand the gravity of the situation.

2. What are the three most important steps that need to be taken in your opinion?
Fast ratification and subsequent implementation of the Paris treaty by the Austrian government.
Profound discussions about values within the Austrian population as part of a participative process to develop transformation strategies. Development of catchy images on how everyday life of the future can look like – not based on abstinence but more on quality of life. What is my work? What do I eat? How am I mobile? How do I spend my time for leisure activities and vacation? Etc.

3. What can each individual do to contribute?
Lead by example: live in a sustainable manner.
Expose false myths in the energy and climate discussion and highlight the numerous positive examples of transformation.
Influence system changes: in school, in businesses, in the community and at elections.

Professor Helga Kromp-Kolb is the head of the Center for Global Change and Sustainability at Vienna's University of Natural Resources, member of several scientific societies and various advisory bodies, both nationally and internationally.

The UN Climate Conference 2015 in Paris

Guest commentary from Federal Minister Andrä Rupprechter

A Milestone for Climate Protection.

On 12 December 2015, the international community made history in Paris. At the 21st UN-Climate Conference, a total of 196 contracting parties, 195 countries and the

COP

European Union, declared to work together in favour of climate protection. For the first time, almost all countries in the world agreed to a treaty which obligates them to sustained efforts in the fight against climate change.

The goal is to limit global warming noticeably below 2 °C. The measures taken by individual countries shall be examined and updated on a regular basis in order to move step by step towards a future with less CO_2. Developing countries are supported by wealthier nations along this common path.

This success was anything but granted. The starting position was difficult as industrial countries, emerging countries and less developed countries had very opposite opinions. I was personally involved in the negotiations of the Paris treaty and was able to witness the great diplomatic challenges, at first hand and until late into the night.

Together with the environment ministers from Sweden, the Netherlands and Finland, I was able to introduce the viewpoint of the European Union. More specifically, we were involved in work concerning specific text sections regarding the adaption of climate change, the cooperation in climate protection, questions related to forestry and the preamble of the treaty.

Coalition of Ambitious Nations

The negotiations were tough and fascinating but always constructive. The European Union formed with other progressive countries a 'Coalition of Ambitious Nations' which functioned as arbitrator between negotiating parties that had extreme positions. I remember the moment when all EU Ministers entered the plenum together – in doing that, we were able to further underline the leading role of the European Union.

Federal Minister Andrä Rupprechter declares his support for a binding world climate treaty at the World Climate Conference in Paris – COP21.

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A clear signal was also my invitation of Arnold Schwarzenegger to speak by my side and address the international community from the viewpoint of a successful actor and former governor, but mainly a representative of the civil society. In an emotional speech he addressed the politicians and held them accountable.

The entire last conference day was unforgettable. Before noon there was no agreement in sight. The French President François Hollande and the Secretary-General of the United Nations, Ban Ki-Moon, tried with emotional pleas to loosen stale bargaining positions. Until the late afternoon, the success hung by a single threat, or more precisely, it came down to a few words in the document. It was close to 7:30pm when we were able to reach the liberating agreement. Under thunderous applause of all delegates, that lasted for minutes, the historical treaty was approved.

Valuable Know-how from Austria

An important focus of numerous bilateral meetings was on the expansion of renewable energy sources and energy efficiency. I was able to peak interest, especially with ministers from developing countries, for Austrian know-how in the area of innovative environmental technologies. Our country possesses exceptional expertise and modern technologies which are in demand worldwide and can make an important contribution to climate protection. The export of modern environmental technologies does not only benefit nature and the climate but also benefits tremendously the local economy and creates

Hollywood star, Ex-Governor of California and activist for renewable energy at the invitation of **Federal Minister Rupprechter** in Paris: In his speech at the UN Climate Conference **Arnold Schwarzenegger** called on the international community: 'Global warming is an extremely important topic, the most important topic of all.'

new jobs. We support Austrian companies actively to expand to new markets with our export initiative 'Best of Austria'.

The treaty not only deals with measures against climate change but also with the adaption of its consequences. It is a matter of simplifying life and economic activities based on the changing environmental circumstances. To this, Austrian science offers valuable expertise, enhancing the discussion on specific issues in mountain areas caused by climate change.

For a Liveable Future

The Paris treaty has shown that success is possible when there is a strong enough will and all parties work together. We are not at the end, but rather at the beginning of our joint journey. The treaty is meant to be the start for an ambitious global climate policy. We need a decarbonisation by 2050. Casually speaking: 'Get rid of coal. Put the money on the table' to help the poorest countries with their efforts of climate protection. Besides the necessary financial support, it is our duty to lead by example.

My motto for a liveable future is clear: We must get out of using fossil fuels in Austria by 2050. Already by 2030 the energy supply is supposed to be generated 100% from renewable energy. Not only does the environment benefit from that but also the economy. Investments in innovative environmental technologies are not only necessary to protect the climate, they also create a competitive advantage internationally.

I am proud that I was able to contribute actively to the historical treaty of Paris. Now it is up to each one of us to support the implementation of the common goals as much as possible – for example, by consciously supporting renewable energy such as wind power.

Yours, Andrä Rupprechter
Federal Minister for Agriculture, Forestry, Environment and Water Management

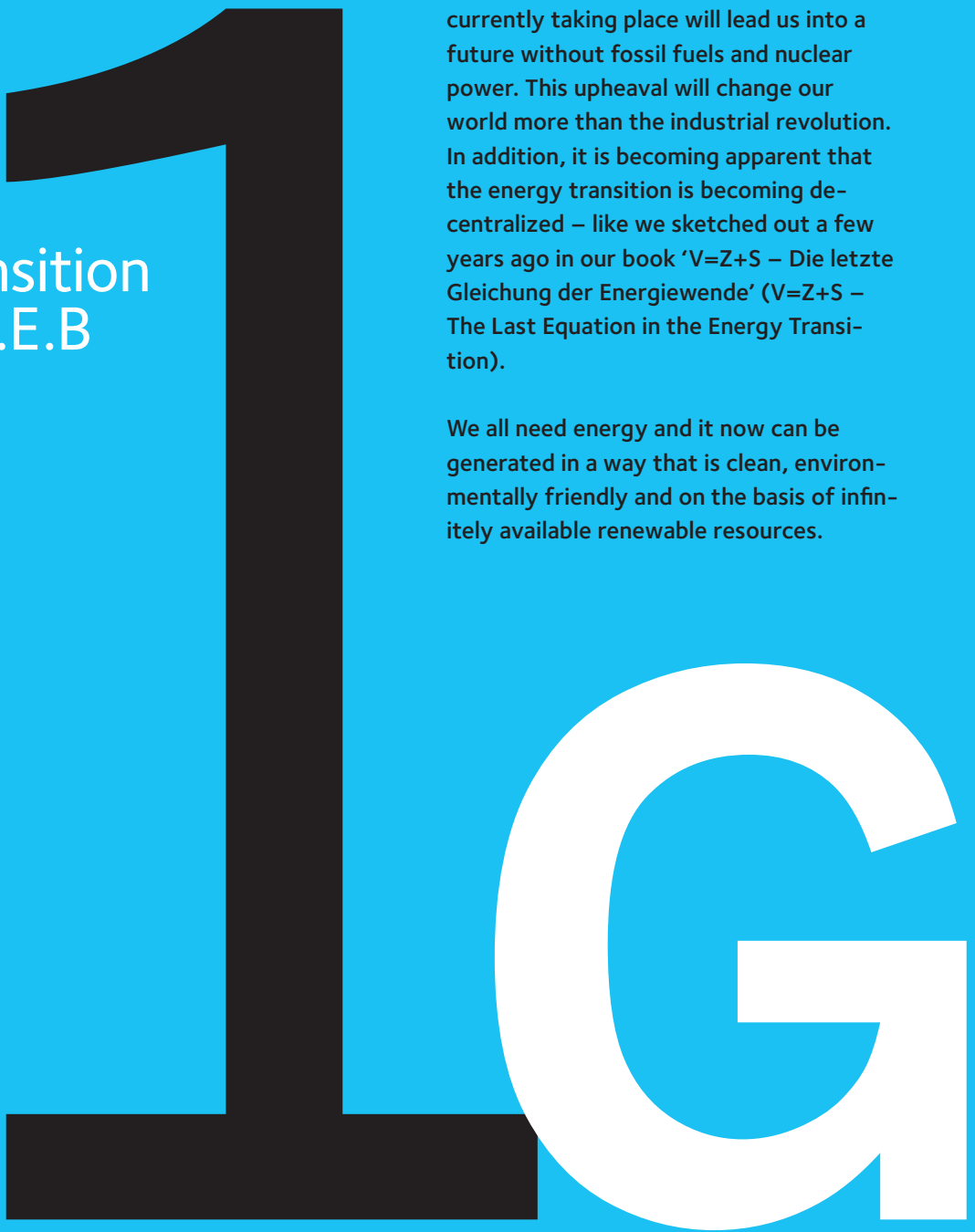
'Already by 2030 the energy supply is supposed to be generated 100% from renewable energy.'

Energy Transition made by W.E.B

W.E.B is more than a green energy producer. In 2010, we mapped out our vision to adopt a leading role in the energy transition and we have taken numerous well-thought-out steps in that direction.

We are convinced that the profound change of the old energy system that is currently taking place will lead us into a future without fossil fuels and nuclear power. This upheaval will change our world more than the industrial revolution. In addition, it is becoming apparent that the energy transition is becoming decentralized – like we sketched out a few years ago in our book 'V=Z+S – Die letzte Gleichung der Energiewende' (V=Z+S – The Last Equation in the Energy Transition).

We all need energy and it now can be generated in a way that is clean, environmentally friendly and on the basis of infinitely available renewable resources.



Energy transition means in our opinion that the required amount of energy will be generated entirely from renewable sources. Therefore, wind energy, followed by photovoltaic and hydroelectric energy, will play an essential role in order to achieve the necessary exit from fossil fuels and nuclear power generation within one generation.

The energy transition can be divided into three main elements:

- Reduction of energy consumption by means of new technologies
- Renewable energy production and substitution of consumption patterns of fossil fuels
- Achieve a stabilization of volatile productions from wind and sun

However, energy transition also means a shift from a centralized system of energy supply that is currently applicable, towards many decentralized production units. Times of large electricity highways from large power plants to the end consumer are over. The decentralized approach requires a rather controlled expansion of our regional distribution grid.

Along with the decentralized energy transition, a revolutionary change is taking place from the monopolistic energy suppliers that emerged over the last century towards small, people-oriented ownership structures: In the future, the people who consume the energy will own the production infrastructure themselves. At W.E.B, we have operated this type of citizen participation very successfully for more than 20 years and we have the future aspiration to produce the energy where it is needed.

Therefore, our strategic focus is on:

- a steady, long-term operation of our more than 200 installed power plants that are decentralized
- the continuous expansion of decentralized energy production with citizen participation
- the increasingly broader supply of 'Grünstrom' (green energy)
- the setup of powerful storage and stabilization infrastructure

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Our Projects for the Energy Transition

In order to implement our ideas of energy transition, we have completed several specific projects over the last few years and we are in the process of working on the realization of others:

- **Sun4free** was the first pilot project in 2011 where decentralized photovoltaic systems were installed for the consumers' own use, without investment of the consumer.

- In the **energy transition tool-kit**, we gave our shareholders an understanding about the essential elements of the energy transition and offered the respective, necessary technologies (photovoltaic systems, electrical storage systems for the household, W.E.B Grünstrom access). We were aiming to prove that energy transition at home is pleasure-giving and possible without restrictions and at low cost. This is what we achieved.

- With the **publishing of the book 'V=Z+S – Die letzte Gleichung der Energiewende' (V=Z+S – The Last Equation in the Energy Transition)** in 2012, the Board of Directors of W.E.B (Dumeier, Dangl, Trcka) have presented the fundamental strategic position of W.E.B regarding the decentralized energy transition to the broad public. Storage technology was thereby identified as the 'missing link' for a successful transition to renewable energy within one generation.

- With the introduction of the product **'W.E.B-Grünstrom'** in 2013, we offered the most affordable green electricity in Austria for many months. The tariff model 'We reward energy savers' turns the existing pricing models of the traditional energy industry upside down and reduces the price for electricity with a decreasing consumption. Today, W.E.B-Grünstrom is very successfully established with four product lines in Austria. Its introduction through pilot projects in Germany is already planned for 2016.

- Innovative **financial instruments that include citizen participation** – shares, bonds and hybrid bonds – allow us to **finance** a moderate expansion of the green electricity production through the construction of new wind farms in Austria. Shares allow a direct participation in the company. In addition, the payout of an attractive dividend as well as the special offer of green electricity provide, besides the idealistic benefits, financial advantages. Our bonds as well as hybrid bonds yield annual fixed interest income of 2.75–6.5%. Generally, we attach great importance to detailed and transparent financial reports for our investors and inform them continuously through multiple channels. Our most important tools for the communication with owners and stakeholders are, besides the annual Integrated Sustainability and Business Report, the quarterly published magazine 'W.E.B Aktuell', regular newsletters, our Facebook presence, as well as the personal dialog at our annual shareholders' meeting, 'construction site' days, fireside chats and roadshows.

'What distinguishes us, is certainly the open dealings with the challenges of energy transition. We consider this a chance that we like to take advantage of in order to operate in the best possible way and always up-to-date on behalf of our 3,700 shareholders.'

Michael Trcka

Reduction of Operating Costs by Introducing the '5-Step Operating Model'

The internal competency of W.E.B in remote monitoring, maintenance and repairs is continuously expanded and solidified. With this, we achieve industry benchmarks in the areas of repair costs and total plant availability. Many minor and major innovations are applied within our operating model because, in order to belong to the world's best in this sector, one has to reach deeply in the 'bag of tricks'. In addition, this type of professionalization creates numerous green jobs in the area of technology and service, where about one quarter of our almost 100 employees are employed.

Pilot Project Imst: Wind Power as Balancing Energy

The stabilization of the power grid represents an important function towards the energy transition– and along with it the necessary balancing energy. There is currently a pilot project ongoing in our hydroelectric plant in Imst that uses hydroelectric power as balancing energy. Based on the experience we have gained thus far, wind energy is also to be used as balancing energy going forward, once it meets the requirements of the energy market. In the future, grid stability and security are also to be supported by the plan that, if necessary (e.g. overproduction of electricity), wind power plants are operated on a power-reduced level according to the requirements of the APG (Austrian Power Grid) in Austria.

Expand and Promote Electromobility

We have already been testing electromobility at W.E.B since 2012. We acquire continuously new electric vehicles in order to gradually replace our current fleet that consists of vehicles with combustion engines. In order to reduce potential reservations and gain our own experiences, our employees are also allowed to test the vehicles in private.

In addition, in October 2015, we built one of the most modern charging stations in Austria at our company headquarters in Pfaffenschlag, with 20 regular charging stations and two quick charging stations which are now available for all e-cars.

In 2014, we founded the subsidiary ELLA AG, in order to encounter the challenge of limited range of electric cars. The objective of the company is the development of an Austrian-wide comprehensive charging station infrastructure for electric vehicles, including 25 quick charging stations at conveniently situated traffic locations. To this end, the financing is in line with the company's philosophy of citizen participation: anyone can participate and benefit through shares and qualified subordinated loans.

'It is our aspiration to be leaner, faster and more efficient than the 'old dinosaurs' of the energy sector. Therefore, we have a clear vision for tomorrow and we already make a push today where we can advance the decentralized energy transition in the best possible way and reach our goal of an energy supply consisting of 100% renewable energy.'

Frank Dumeier

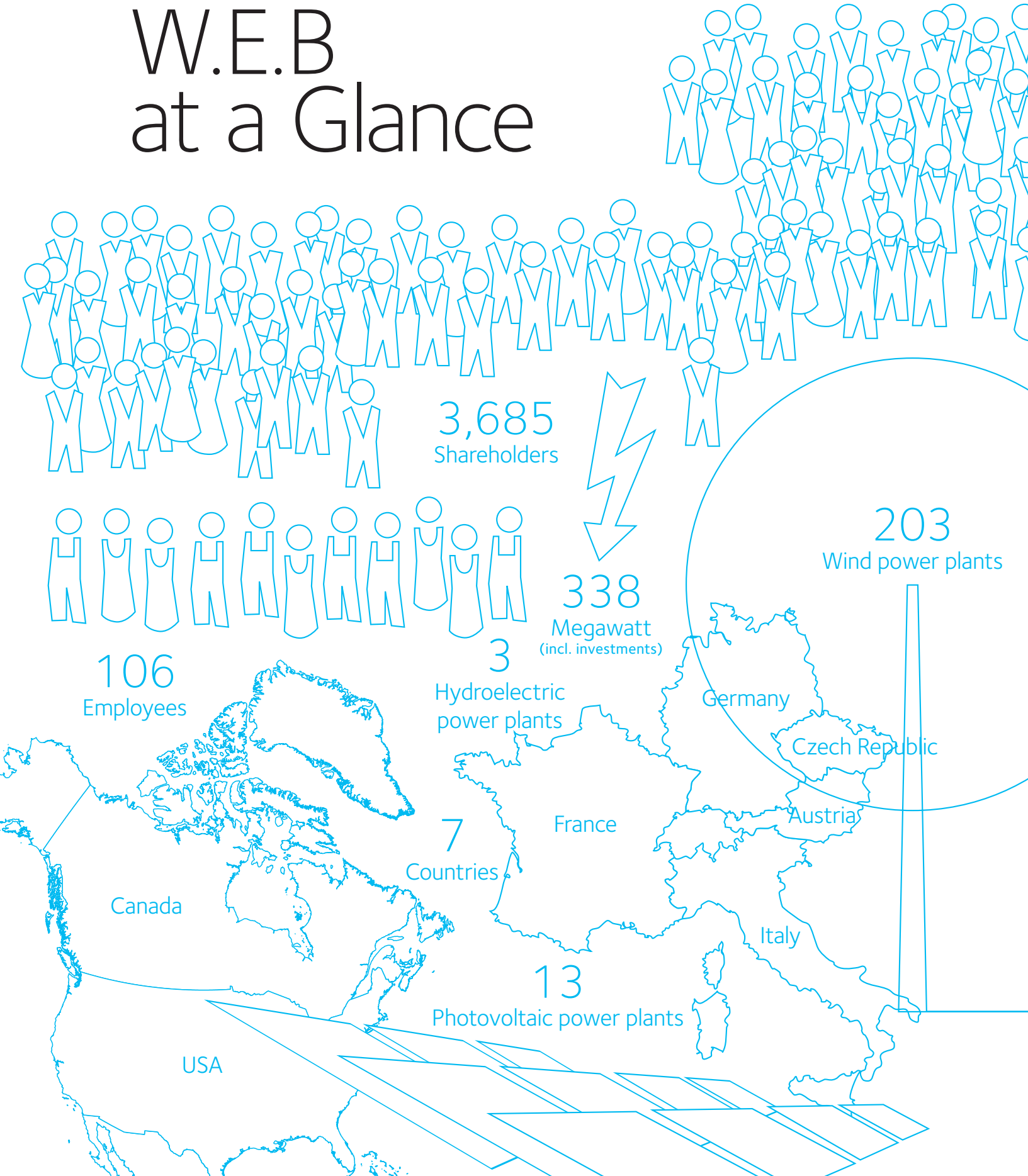
Prototype Application of Energy Storage at our Headquarters

W.E.B. continuously follows and tests new developments in the field of storage technologies. Therefore, we started a pilot project using future-oriented energy sources by installing photovoltaic systems and energy storage systems at our newly constructed warehouse at our headquarters in Pfaffenschlag. The generated solar power is either directly consumed or stored for a consumption at a later time. This prototype provides the foundation for the development of electricity storage options for wind farms. This is a crucial progress because the energy supply is independent from the wind occurrence and can be adjusted according to the demand.

Development of the W.E.B Headquarters into a 'Plus-Energy' Location

Our company building in Pfaffenschlag was built as a low-energy construction in 2007. By means of photovoltaic systems that are integrated in the facade of the warehouse built in 2015, more energy is generated at this location than is consumed. Thus, the W.E.B headquarters is its own power plant in the W.E.B portfolio. Besides the aforementioned concepts, we are, of course, also able to accomplish this by using the energy efficiently.

W.E.B at a Glance



An Innovative Climate that Creates Success

The Board of Directors of W.E.B, Frank Dumeier and Michael Trcka, in conversation about visions, energy transition, and sustainable growth.

> „ ... the resolutions of Paris provide us with work for the next 30 years ...

In many respects, 2015 was an exciting year for you. You again increased production, revenue, earnings and generating capacity and thereby continued your growth strategy as planned. And just before year-end, the World Climate Conference in Paris has not only endorsed your business model, but it also provided you with work for decades ...

Frank Dumeier: Absolutely. If all this actually comes to fruition as decided in Paris, we will be busy for years to come. At least, this conference will have a positive impact on our general strategy and our country specific strategies. Although this is exciting, a lot is still up in the air. Let's first look back at our performance for the past year. This was also very satisfactory: We have reached an all-time high in our production with 718,210 MWh. Compared to the previous year, this is a substantial increase of 16%. This performance can be attributed to the very consistent operation of our plants: The technical availability was at a high level of 98.9% based on our proven '5-Step Operating Model'. In addition, we were able to add ten new locations to our network and integrate them seamlessly in our operating model. The wind occurrence was slightly above average with 101.2%. Our international setup has proven to be advantageous in this case. While the wind conditions were rather mediocre in Austria, this deficiency was compensated by our locations in France, Canada and northern Germany. This alone proves that our international strategy is paying off.

How is such a satisfying production development reflected in the operational figures?

Michael Trcka: Very clearly: We were able to increase revenue by about 23% to EUR 66.6 million, and earnings improved by about 32% to EUR 9.3 million. This corresponds to almost EUR 30 per share. At the same time, we invested approximately EUR 55 million in power plants and connected about 30 MW to the grid. Obviously, this has positively impacted the development of our production, revenue and earnings and aligns well with our strategy which is based on sustainable, moderate growth. Building very profitable power plants in general, gives our numbers an additional boost, of course.

External parties confirmed that W.E.B is on a good path, as you received several prestigious awards in 2015 ... Generally, what were the most important events this year?

Michael Trcka: A major highlight was certainly the 'Climate Protection Prize' which we won in the category 'Company Energy Transition'. We consider this as an endorsement of our core activities by a highly reputable external party. In other aspects, 2015 was a 'year of awards' as well. In the course of the Austrian Quality Awards we were rated and listed as an excellent company. In addition, our business report 2014 scored a first and second place at the two most important Austrian rankings. As mentioned before, we recognize these awards as

an endorsement of our strategy, but even more so as motivation to live and breathe our company values consistently and actively pursue our goals.

Frank Dumeier: Another highlight was certainly our explicit and continued commitment to our region Waldviertel, as we invested more than two million euros in the expansion of our headquarters. This also means permanent assurance for our operation as we now have access to a professional repair shop and warehouse for large components, resulting in us becoming more independent in the implementation of our situation-specific maintenance model. In addition, we create and maintain jobs in an economically challenged region. As part of the expansion we are advancing our headquarters into a 'Plus-Energy'building at the same time.

As mentioned at the beginning, the World Climate Conference in Paris was very important in 2015. What impacts do you see specifically for W.E.B?

Frank Dumeier: While affirming our strategy, the resolutions of Paris can provide us with work for the next 30 years – who can say that about their business model? Wind power will be an important pillar of the power generation during the shift to a CO_2-neutral world as it could generate approximately half of the total power production by 2050. And that is our core business. Therefore, our strategy remains unchanged and it even got the blessing from the international community.

That means, the focus, even more so now, remains on growth?

Frank Dumeier: Our strategy is based on three pillars which are further outlined in our business report. At a glance, they include: firstly, the long-term economical operation of our power plant portfolio, meaning the production of as much clean energy as possible; secondly, the development of new wind power and solar power plants – which means a continuous expansion of our generating capacity; and finally, as third pillar, the marketing of our regionally generated green electricity through new channels. The decentralized energy transition, meaning the shift from centralized production using conventional technology towards decentralized generation from renewable energy, is a transformation of the energy market of today. That opens up significant potential for a multitude of innovative new business models, our next milestone of an annual production of 1 million MWh is therefore within reach.

Michael Trcka: By the way, this moderate growth strategy is also seen positively by our shareholders. They appreciate that we pay sustained dividends and also that we do not change our ownership structure, for example by going public.

Does the legal framework and the current subsidy scheme support you enough on your path?

Michael Trcka: We see a transformation process from fixed tariffs towards tendering models. This rewards those who build and operate their plants efficiently, which works in our favour. If generating capacities are further expanded in the wind energy sector and we are able to do it better than the others, we do not have to worry about our future market, regardless of how the details of the basic conditions may look. Based on our international positioning, we are also able to focus on those markets that are currently favourable. Therefore, we are more active expanding in France, North America and also Germany, compared to Austria. In fact, the Climate Conference of Paris has not really made its way to our domestic market yet and thus, has no positive impact on the subsidy scheme for now. However, thanks to our international diversification, we are on a solid path implementing our strategy.

Speaking of internationalization and risk distribution –what does this actually look like?

Frank Dumeier: We currently have 14 plants under construction both domestically and, in particular, abroad. Only three are in Austria, the remaining ones are in Germany, France, Canada and the USA. This is quite broad and complex but nothing we could not manage with our great team. Strategically, we focus on continued growth, primarily in countries where we already have an existing presence, as this creates the required critical mass and also improves efficiencies. In 2015, we made the conscious decision to enter the US market, which was new for us. The USA, alongside China, will be the largest growth market for wind energy over the next years, with annual capacity increases of more than 15,000 MW and offering a stable framework. As comparison: In Austria only slightly more than 100 MW in capacity are added per year. Our first project in the USA was Pisgah Mountain in Maine and we want to continue our expansion in the New England states for now. Another target region is the Midwest.
In any case, we concentrate on regions where citizen participation seems to be an option.

> … consider this as an endorsement of our core activities by a highly reputable external party.

Besides the USA, you also mentioned construction activity in Canada, France and Germany …

Frank Dumeier: In Canada, we are concentrating on the successful conclusion of phase III in Nova Scotia as well as other project options in the Maritimes, the region in the far east of the country, namely New Brunswick. We are already working on other specific projects with citizen participation. In addition, we are assessing a cooperation with a regional partner in British Columbia.

Michael Trcka: In France, we are building the largest wind farm in W.E.B history with the project Les Gourlus in Faux-Vésigneul in the region of Champagne which will also be one of the most profitable locations. In Germany, we are currently conducting the repowering of our existing plants in Weener, East Friesland, by installing a 26 MW wind farm in which we have a 16.6% stake. We also started the partial repowering of our farms in Glaubitz, Saxony, where we are installing four new Vestas V126 by year-end 2016. Thus, we are doubling the performance and quadrupling production on the principle of 'new generation, higher performance, more return'. And in Austria, we are concluding the construction of the wind farms Parbasdorf II and Sternwald III. Simultaneously, we are installing three individual units at HB Brantner in Laa an der Thaya in 2016 which will be one of the largest photovoltaic systems on an industrial rooftop in Austria, with a total generating capacity of 500 kW_p. This is all part of an innovative direct marketing concept. Furthermore, we are preparing additional projects for wind power in Dürnkrut and Höflein.

That brings us to the topic of project pipeline: In general, how is the outlook for future projects?

Frank Dumeier: We are currently working on more than 70 projects with a total capacity of more than 700 MW. This should be sufficient to reach our goal of moderate growth …

Michael Trcka: Obviously, we are not actually realizing all of them, as many of the assessed projects are eliminated for various reasons during the process. This shows the huge volume that we are dealing with – and the enormous potential of it.

Professional management of the operation is an important success factor for W.E.B. Have there been any changes over the past year?

Frank Dumeier: One can say this both literally and figuratively; 'Everything runs smoothly, like a Swiss clockwork.' We have been working on this since 2010 and we have successfully implemented a model that is a leading example for the entire sector. As mentioned earlier, with the new repair shop and warehouse in Pfaffenschlag, where we are now also able to perform maintenance work on large components, we are in a better position to implement our situation-specific maintenance model. Thus, we are securing our good position long-term in regard to operational costs. In addition, we are able to identify further monetary potential by switching our availability calculation, as of 1 January 2016, from a technical point of view to an income-based availability calculation. This is done by moving repair and maintenance work into periods of lower costs. This means economical considerations are put above technical service-based decisions. This way we avoid, for example, weekend work or scheduling maintenance work at times with strong wind occurrences. The technical availability by itself does not take these factors into consideration.

Did you make any further progress in regard to the direct marketing of the generated electricity?

Frank Dumeier: In the spring of 2016, we will surpass the 1,000 customer mark and we previously achieved break-even, so we have therefore already reached our first goal. As a matter of principle, our direct marketing is 'only' for shareholders, investors and neighbours and not for a broader market, as this would require an adjustment of our strategy. We now offer four product lines: besides the 'Exclusive' package for shareholders, there is also the 'Investor' for bond subscribers, 'Resident' for citizens close to project locations, and 'Mobility' for drivers of e-cars who can recharge at home. In total we delivered approximately 3,000 MWh per year in Austria. Together with partners, we also deliver more than 60,000 MWh indirectly, for example through municipal utilities.

In the context of marketing, you talked earlier about innovative business models. In general, what does innovation look like at your company?

Michael Trcka: Based on our vision to play a leading role in the implementation of the energy transition, we are committed to convert innovative ideas into marketable products quickly. We analyze promising ideas by using a so-called 'Business-Innovation- Nucleus' approach, and on that basis we assess the business cases. We have an annual budget of 3% of our annual profit after taxes that is available to bring innovative projects to realization. For 2015 for example, this equates to approximately EUR 300,000. The result are projects such as the development of balancing energy for wind power, thermo active building systems, the pilot battery in our warehouse in Pfaffenschlag, as well as direct marketing models such as the one used at the Brantner company. Successful projects from the past are the successful implementation of Grünstrom,

Sun4free or ELLA – so basically business models that have been proven in practice.

How does it look in terms of financing? In 2015, you have issued again three bonds and placed them successfully in the market ...

Michael Trcka: Yes, once again the issuance of our bonds went well. Our triple offer captured a lot of interest and again gained many new investors. In total, we raised more than EUR 22 million with the issuance which provides a solid financial base for our ongoing investments. So there are currently no liquidity needs; but we are assessing several interesting projects which could result in a corporate action after the summer.

Your shareholders should also be very pleased with W.E.B ...

Michael Trcka: That is fair to say. The result of 2015 represents a remarkable return on equity of 9%, the proposed dividend of EUR 20 per share would mean a dividend yield of more than 5%. In addition, our shareholders participate in the growth of W.E.B. That the investors concur can be seen in the share price which has recovered well in the past year and is currently above EUR 380. We also consider this high share price as an endorsement of our many years of good work which is also acknowledged by the shareholders.

The recent change that was made to the Board of Directors of W.E.B, will that have any impact on the company?

Frank Dumeier: Andreas Dangl has successfully built W.E.B and now after 20 years he is increasingly dedicating his time to new matters relating to the energy transition. He has handed over his responsibilities at W.E.B to Michael Trcka and me so that we can continue to manage the company in a sustainable and professional way. Andreas Dangl is conducting pioneering work once again and his new challenge is the electromobility. I am sure that he will again inspire many people with his enthusiasm.

Michael Trcka: Andreas Dangl has laid the cornerstone of the W.E.B business model and gave the company a solid foundation with his development work. Any further development under the supervision of Frank Dumeier and myself will surely be based on the vision and mission of W.E.B as we are committed to the roots and values of the company.

Speaking about vision – what is the outlook for the coming years?

Frank Dumeier: Our vision is that we want to be a leader in shaping the energy transition and the World Climate Conference in Paris reassured us in that belief. Together with our shareholders and investors, we can contribute to minimizing climate change. We are one of the most qualified companies in Austria when it comes to the implementation of the energy transition and we may certainly say that with pride. Therefore, together with all our companions, we are looking forward to the exciting path that lies ahead. ▮

Boards and Investments

Supervisory Board

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 at Eaton GmbH, Schrems/Vienna
- As of 1 July 2013: full-time Supervisory Board Member of WEB Windenergie AG

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

Reinhard Schanda

Deputy Chair of the Supervisory Board

- Attorney at law and expert in energy law, farmer, lecturer at the Vienna University of Technology – MSc Program Renewable Energy
- Chair of the Company Advisory Committee of IG Windkraft

Member of the Supervisory Board since 19 June 2009
after re-election at the shareholders' meeting 2014
current term of office until the shareholders' meeting in 2019

Stefan Bauer

- Divisional Procurement Engineer Electrical Sector at Eaton GmbH, Schrems

Member of the Supervisory Board since 1 May 2005
after re-election at the shareholders' meeting 2011
current term of office until the shareholders' 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 since 18 June 2011
current term of office until the shareholders' meeting 2016

Supervisory Board

The Supervisory Board is formed by the elected representatives of W.E.B shareholders. It serves the supervision of management activities by the Board of Directors of the joint stock company. In regular meetings, the W.E.B Supervisory Board is informed of corporate activities. Significant company decisions require its consent.

The W.E.B Board of Directors and Supervisory Board from left to right: Frank Dumeier (COO), Martin Zimmermann, Josef Schweighofer, Stefan Bauer, Reinhard Schanda, Michael Trcka (CFO).

Board of Directors

Andreas Dangl – Chair of the Board of Directors (CEO)
Born: 2 November 1962

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

Current term of office: 1 July 2014 to 30 April 2016

Frank Dumeier – Chief Operating Officer (COO)
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 2015 to 31 March 2020

Michael Trcka – Chief Financial Officer (CFO)
Born: 10 November 1970

- Holding a doctorate in Business Management and a graduate degree (DI) in Technical Physics, Michael Trcka manages the financial division of W.E.B. He has many years of experience working for a large Austrian power supply company.

Current term of office: 1 May 2014 to 30 April 2019

A New Team of Board of Directors

The Board of Directors has consisted of two members since the term of Andreas Dangl expired on 1 May 2016.

Since the second management level of W.E.B was strengthened by hiring experienced department heads and managing directors, the reduced team of Board of Directors will be able to manage the W.E.B group of companies efficiently and ensure the international growth strategy continues.

This management team guarantees well-thought-out decisions discussed from various angles that are key to master the challenges of the growing industry towards the energy transition.

Strategic Investments

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 and established new cooperations with external partners.

The following table portrays the most important companies in the W.E.B corporate group:

100% Participation

WEB Windpark GmbH & Co OG	Austria
WEB Windenergie Betriebsgesellschaft Deutschland GmbH	Germany
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Germany
Les Gourlus Holding SAS	France
Parc éolien Champigneul-Pocancy SAS	France
Parc éolien des Portes du Cambresis	France
WEB Energie du Vent SAS	France
WP France 4 SAS	France
WEB Wind Energy North America Inc	Canada
Società di gestione impianti fotovoltaici	Italy
WEB Italia Energie Rinnovabili s.r.l.	Italy
Friendly Energy s.r.o	Czech Republic
WEB Větrná Energie s.r.o	Czech Republic
WEB USA Inc	USA

> 25% Participation

ELLA AG	Austria
Sternwind III GmbH	Austria
Sternwind Errichtungs- und BetriebsgmbH	Austria
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Austria

< 25% Participation

oekostrom AG	Austria
Tauernwind Windkraftanlagen GmbH	Austria
Weinviertler Energie GmbH & Co KG	Austria
Windkraft Simonsfeld AG	Austria
GESY Green Energy Systems GmbH	Germany
Società Elettrica Ligure Toscana S.r.l.	Italy

Organizational Structure

We apply a matrix organization structure which combines two reporting lines. Therefore, we are simultaneously structured according to functions and countries.

The benefits of the matrix organization are twofold. On the one hand, its managing directors can focus on the individual characteristics of different markets, while the central concentration based on functional areas ensures optimal efficiency.

2015 – A Year of Awards

Many awards found their way to our region of Waldviertel in 2015. It makes us very proud and we see it as motivation to live and breathe our company values consistently and actively pursue our goals.

Austrian Climate Protection Prize 2015, Special Award 'Company Energy Transition'

The most important award for W.E.B was undoubtedly winning the Austrian Climate Protection Prize in the category 'Company Energy Transition'. The prize was presented during a gala show on Austrian national TV (ORF) in Vienna's Siemens City. W.E.B's Board of Directors Andreas Dangl, Frank Dumeier and Michael Trcka were able to accept the trophy as an endorsement of 20 years of service devoted to the energy transition from Environment Minister Andrä Rupprechter and ORF Director-General Alexander Wrabetz.

We convinced the jury of this prestigious award with our motto 'We are the energy transition' and the presentation showcasing the various measures already implemented and currently in implementation. This award is an endorsement for the entire W.E.B team from a highly reputable external party that both, our business model of a decentralized renewable energy generation that is built on citizen participation and the strategic direction that was taken years ago, are suitable for the energy transition.

www.klimaschutzpreis.at

We are the energy transition! True to this motto, employees and companions celebrated the Austrian Climate Protection Prize at the ORF gala.

Excellent Company 2015

For the second time in a row, W.E.B was added to the list of excellent companies in Austria and rated with four stars as 'very good'. In addition, in the course of the Austrian Quality Awards, our company was thoroughly examined by an independent assessment team. We received a pleasantly high point value and we were allowed to accept the internationally recognized accolade 'Recognized for Excellence 4*' of the European Foundation for Quality Management (EFQM). In addition, W.E.B will be listed under 'Excellent Companies in Austria 2015'.
www.staatspreis.com/exzellente-unternehmen/

Konrad Scheiber, CEO Quality Austria (right), presents Mathias Dangl of W.E.B the award 'Excellent Company'.

österreichischer klimaschutzpreis
ORF
PREISTRÄGER 2015

Austrian Climate Protection Prize 2015, Special Award 'Company Energy Transition'

qualityaustria
Exzellentes Unternehmen Österreichs 2015

Excellent Company 2015

Trend AAA-Award – 1st Place in the Category 'Non-Listed Companies'

The Trend-Triple-A-Award for business reports is traditionally awarded in the course of the annual meeting of C.I.R.A. (Cercle Investor Relations Austria) in Vienna. Evaluations are conducted by a prominent jury on various topics such as editorial design, business management, layout, and sustainability. Last year, with its business report 2014, W.E.B was able to secure the overall win in the category 'Non-Listed Companies', even ahead of the Österreichische Bundesbahnen (Austrian Federal Railways). Top spot for the listed companies was taken by the Österreichische Post AG.
www.cira.at/de/info-center/wissen.html

Austrian Public Reporting Award (APRA) 2nd Place 'Non-Listed Companies'

The Austrian Public Reporting Award (APRA) is another important Austrian award for business reporting. With its business report 2014 W.E.B was able to take 2nd place in the category 'Non-Listed Companies. The evaluation of business reports is conducted based on a model that includes stringency, transparency, and credibility of the business report. A detailed basic analysis of financial figures regarding completeness and informative value is conducted by the Austrian Controller-Institute and it was the prerequisite in order to advance to the second round. There, experts on financial analysis and investment, shareholder protection, CSR, corporate governance, and infographic, content & design further evaluate the business reports.
www.apra.or.at

Mathias Dangl, MAS accepts the certificate for W.E.B at the APRA.

Trend AAA-Award 'Non-Listed Companies'

Austrian Public Reporting Award (APRA): 2nd Place 'Non-Listed Companies'

Focus Innovation

Battery and Energy Storage

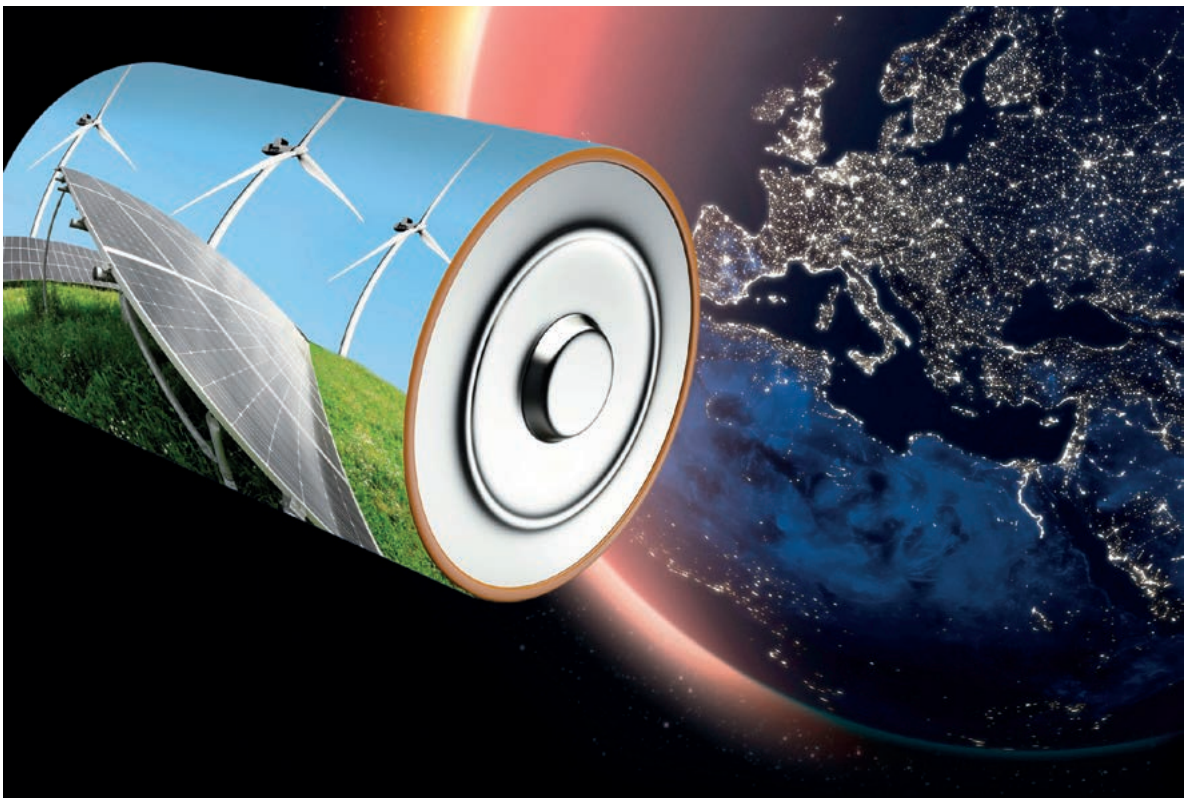
The generation of renewable energy has the fundamental disadvantage that wind and solar power are not constantly available but instead fluctuate dependent on the current wind and solar supply.

We face this challenge and assess constantly potential concepts to solve these problems. During the past fiscal year, the topic 'stabilization' was a main focus point of our research and development work.

An approach which we call 'the last equation of the energy transition' is the application of batteries where electric energy is stored in times of high winds and then, in times of low winds, can be released.

Unfortunately, such batteries with the required storage capacity are currently still too expensive for an extensive application. However, a sharp decline in prices for storage systems has been noted for several years. Thus, the economically viable application of large storage systems appears to be possible in the near future.

In order to be prepared for its application, we are installing a battery storage with 150 kW/ 80 kWh in our new warehouse



at our headquarters in Pfaffenschlag. Based on that storage system, all important methods and processes can be developed which can then subsequently be implemented in large storage systems for wind farms.

Therefore, we paid special attention to the fact that the storage system and its control system – both should be operational by the end of the second quarter of 2016 – are technologically scalable. With the new system, we not only gain new experiences about the physical behavior, but we also expect to gain information with regard to storage management from its operation. In the course of this, we also take the load profile of our headquarters, including the usage of our charging stations and the production from the photovoltaic system, into consideration.

Anticipate and Manage the Demand of the Customer

Another, even more important concept to optimize the utilization of wind power is to control the demand on the customer side. Before the 'last equation of the energy transition' is completely solved, the potential of intelligent control of the energy demand is a significant contribution to compensate the fluctuating energy generation.

Through intensive collaboration with respective customers of green power, it is possible, for example, to control the need of heat pumps so that the intake of electricity corresponds with its production in the most optimal way. Our team for remote monitoring has developed a simple control mechanism that is installed at the customer and allows for automated processing. This method has the advantage that the battery storage system, which is still costly, is not necessary. However, practical experiences show that there is currently only limited potential available. This is mainly due to the slow introduction of smart-meter technology by the grid operators, missing legal requirements as well as an energy sector which is still thinking in standard load profiles.

Optimizing the Demand of Green Power using Thermo Active Building Systems

The circumstances are much more favourable when a building under construction is being equipped with a low temperature heating system. The most optimal application for modern energy storage systems are so-called 'thermo active building systems'. The term describes buildings where warm water generated by a heat pump is circulated through large concrete elements (so mostly ceilings), similar to the concept of in-floor heating. The big advantage compared to conventional construction designs is that the concrete elements store the heat up to one week (and vice versa, in the summer the coldness when cooling).

That means that there is up to one week time to recharge the battery. This creates ideal conditions for the supply of wind power. Analysis of generation profiles is supporting this theory. They show that it is always possible, in particular in the winter, to recharge the battery through wind power within one week

The application of a simple control system is being used here as well which controls the heat requirements of the house automatically in such a way so that it corresponds with the generating profile in the most optimal way. This results in a win-win situation: the customer benefits from a low energy price, and we can sell electricity at times when there is excess available.

A first model home for this concept was move-in ready at the end of 2015. Preparations are currently ongoing in order to equip a larger housing project with this type of technology.

Intelligent Charging Station

Another approach to harmonize supply and demand, which we are testing in the pilot phase, is the intelligent control of demand of private charging stations for electric cars. One could quickly realize a decent potential for load transfer. However, the needs of the car owner have to be considered in the process.

Maintenance: From Small Details to Big Picture Thinking

The sophisticated W.E.B maintenance concept that was implemented over the past years has been proven to be reliable in the past fiscal year: our plants were able to achieve terrific production results due to very stable plant operations with a technical availability of 98.9%.

First of all, the foundation for this is the deep-rooting partnership with our main supplier Vestas which conducts thorough basic maintenance on a regular basis. In addition, we implemented a situation-specific maintenance model for our capital intensive, large components. It is based on our excellent knowledge of the condition of transmission unit, generator and transformer of all our plants. The relevant information for this is retrieved from our condition-monitoring models in our control center.

The combination of this and further situation-specific maintenance models with our successful partnership with Vestas is the next step in innovation. It allows us to establish and secure competitive operating models in a still 'immature' wind power industry.

Preventive maintenance models allow repairs, if necessary, of large components in an early stage of the damage. The concept of 'open heart surgery' allows repairs directly in the turbine with short operational interruptions. All damages are repaired, taking age of a plant and current obligations into consideration.

After ten years in operation the likelihood of major damages due to wear and tear obviously increases and therefore an increase in breakdowns has to be expected. For plants with a remaining operating life of only a few years, we rely on maintenance models which use affordable refurbished components.

In case defective large components need to be replaced, we are now prepared, with the establishment of a company owned professional repair workshop, to allow for repairs at our headquarters' location. We are also already prepared to carry out repairs on large components of the next generation of turbines with a 40 ton crane in our facility.

E-mobility à la W.E.B

The introduction and the continuous expansion of e-mobility is of great importance to W.E.B. Today, one third of fossil fuels is used globally for mobility and, if a shift to renewable energy sources can be accomplished, a major problem of climate change is solved.

Due to the relatively low density of the public transport system, the commute to and from work in Waldviertel, where our headquarters is located, is a major argument for the use of individual e-mobility concepts. Being able to manage this necessary traffic volume in a climate-neutral way, aligns exactly with our idea of Corporate Social Responsibility (CSR)

Therefore, we developed an internal e-mobility concept in 2015 which is now being offered to our employees in 2016 for the first time. All employees have the option to use an electric car both for work and private purposes.

The electricity for the electric cars can mostly be generated through the photovoltaic systems at our company site. In order to optimize the utilization of the charging stations, an intelligent charging model is being developed, taking the battery management system that is being constructed into account.

In addition, the option to receive W.E.B-Grünstrom is being created at the residence of each respective employee. This means, we reach almost 100% coverage of electricity from our own renewable energy sources for our employees.

Focus Operations

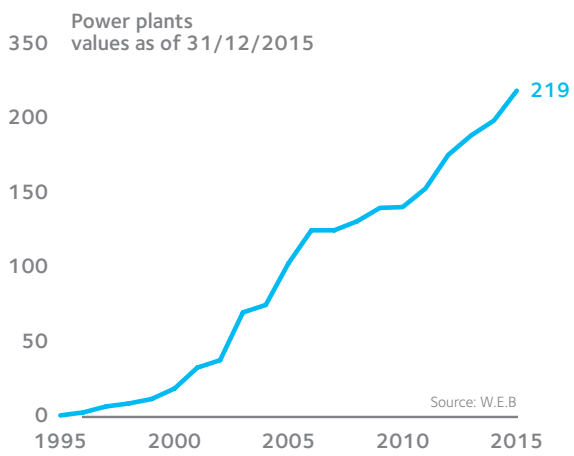
The long-term, economically viable operation of our wind power plants is the first pillar of the W.E.B business strategy. Thus, we strive to continuously optimize the income potential of our plants which already set benchmarks in regard to costs, availability and security. With our flexible solutions, we manage the challenges of the energy transition – dynamically, lean and highly efficient.

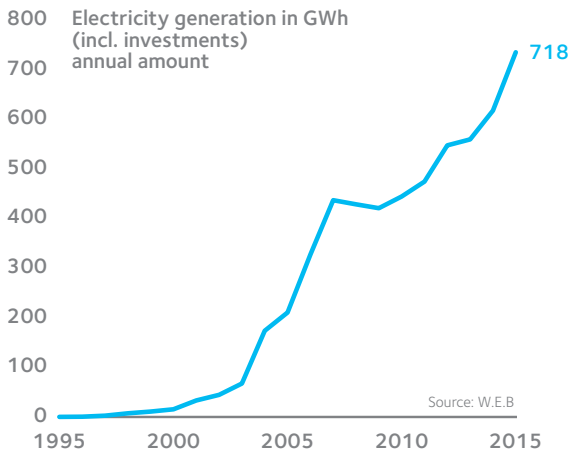
Steady Production Year 2015

All operational processes ran smoothly in 2015. Our plant portfolio produced at the highest technical level and we were able to achieve our ambitious goals with a total availability of 97.6% and a technical availability of 98.9%. This means, we are amongst the best wind power companies in Europe in terms of both availability and service costs.

With the production of 718,210 MWh of green electricity in 2015, we were again able to post a solid increase of 16% compared to the previous year. The foundation for this latest record was both a stable plant operation and the successful commissioning of new power plants, as well as an above average wind occurrence of 101.2%.

Power Plants and Electricity Generation





Manufacturer Strategy with Valuable Synergies

We have continued our proven manufacturer strategy in 2015. With that, global market leader Vestas remains our main partner for the delivery of wind power plants in all markets of W.E.B. In addition, we have two additional suppliers in our portfolio, Siemens and Enercon, which support us on a case by case basis.

We have switched almost all of our newly commissioned plants to the 3 MW class, which has been significantly improved in performance. This generation of plants from Vestas is based on a modular design and allows us to configure the most efficient turbine for each location with blade diameters from 112 to 136 meters and tower heights of 85 to 164 meters. As we place the turbines on the same platform every time, we are also able to maximize our synergies in the operation and adjust our processes accordingly.

New, Efficient Plants Offer Potential for Cost Reductions

Although our plants are becoming larger, we were successful in keeping our operating costs low . Thus, we met our strategic goal as our service costs met the set benchmarks. In the course of this, our situation-specific maintenance model allows us to select and apply the appropriate service model each time based on location and wind circumstances.

In addition, the switch to the 3 MW plant generation comes with a significant increase in production output.

Realizing cost cutting potentials is imperative as, on the one hand, feed-in tariffs for new projects continue to decrease during the funding period, and, on the other hand, the market price for electricity remains on a very low level after the funding period. We are still able to operate our mature plants due to our 5 step operating model. However, due to a power rate of 2 Cents per kWh, we are forced to dig down deep in our bag of 'technical tricks'.

The price of electricity is currently heavily distorted due to the subsidy policies for coal in Germany; in the medium term, one can expect that market conditions for electricity from renewable sources will be balanced again.

Service Strategy Provides Flexibility and Lean Structures

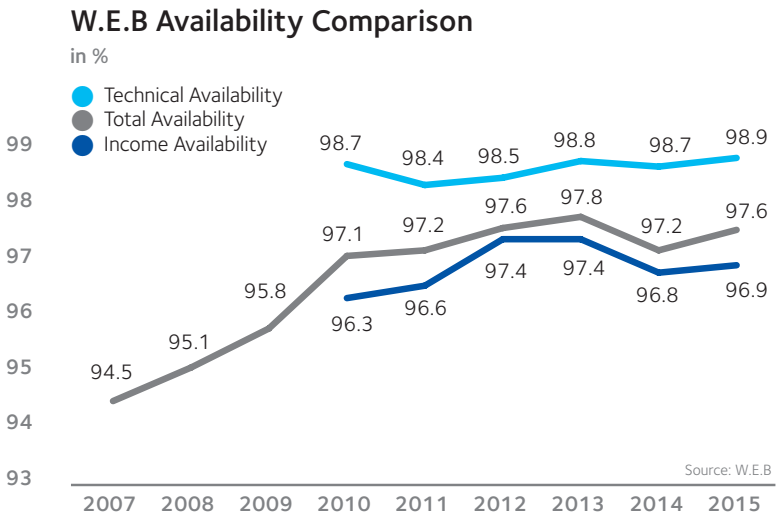
We use solely local partners for expert opinions, preventive maintenance, and medium-voltage related work, who are familiar with the specific circumstances of their region and carry out their work with the highest level of quality and reliability. We also foster our long-standing relationships with suppliers of components and spare parts.

With our proven, situation-specific strategy concerning service providers, we are able to keep a lean W.E.B core team and are flexible to add external service providers, if necessary. A prerequisite for this is the high quality standard of our technical departments which – if necessary – can carry out all tasks on their own. This way we live a 'breathing' organization which can carry out many tasks simultaneously but does not have too many human resources tied up during normal operating hours.

Switching to a More Informative Availability Calculation Based on Income

The plant availability has a direct impact on the economic performance of a plant. The less plants are sitting idle, the higher their availability and thus, their income. So far, downtimes have been measured in time (hours) but this has meant that phases of strong and weak wind are being assessed the same way. Therefore, in 2015, we prepared to change this and commencing in 2016, we will be applying a more informative availability calculation based on income (income availability). It describes how many kWh of production, or in other words, income was forgone during the downtime. In doing so, the wind situation is selectively taken into account. That means, downtimes during phases with strong winds are weighted more than the ones during phases of low winds.

Since income availability also takes, besides the wind occurrence, the plant performance into consideration, larger (MW) plants are weighted heavier than smaller (kW) plants. Thus, the availability calculation correlates stronger with economic interests, shifting our focus to newer plants that are subject to tariffs and have a higher performance. Scheduled downtimes, such as maintenance and inspections, can be planned much more wisely based on the new calculation methodology.



While income availability and total availability consider all events that result in downtime (e.g. events related to the grid, maintenance, ice or storms), the technical availability only evaluates downtimes due to technical reasons.

The target value for income availability is 97% for the entire wind power portfolio of W.E.B. In 2015, we came close to this target. However, considering the increasing age of our plants and the expected, grid-related performance reductions, this target remains very challenging in the future.

New Production Calculations for Standardized Reporting

In 2015, we worked on the standardization of our reporting. Starting 1 January 2016, we are reporting the amount of electricity generated by our plants from a corporate group point of view. That means, we are taking the production of power plants, in which we have a controlling interest, into consideration at 100%. Conversely, production amounts from plants in which we have a minority interest, are excluded in our production report. This change in perspective not only simplifies our calculation but it also standardizes our reporting which is now IFRS-compliant and in accordance with our philosophy of transparency.

Processes When Anomalies are Detected

In the case where data analysis of a plant detects an anomaly, the following steps are usually taken:

- The control center compiles an initial error diagnosis by analyzing the electronic log books of the plant. Based on this data analysis a detailed error assessment is conducted.
- Through coordination between the control center and the service department, the damage is analyzed, the defect description compiled and the plan of action defined and determined.
- In the case where troubleshooting is possible through 'remote' commands – e.g. by resetting the plant – it is conducted directly by the control center.
- In case a quick, direct inspection of the plant is deemed necessary, the site guard takes care of it, if possible. In the case of subtler errors or defects, a team of technicians is dispatched to the plant. Based on the severity of the defect, it is repaired immediately or in the course of the next scheduled routine maintenance.
- The process is completed by verification of the successful removal of the defects through data analysis after the work is concluded.

Preventive Plant Monitoring and Data Analysis

Modern wind power plants provide a wide range of operational data which allows us to monitor and analyze the operating status of a plant in detail. We automatically collect this operational data – e.g. the temperature of various components, rotation speeds, and readings from many other sensors – periodically (every few minutes) over the entire lifespan of a plant and analyze them regularly for pre-cautionary reasons. On the one hand, this allows preventive service missions and, on the other hand, we receive important information regarding performance patterns of a plant and can recognize potential performance impairments early on and make adjustments. If short-term means compared to long-term means exceed or deviate from a specific threshold value, an automatic warning signal will be generated. As a result, we can detect anomalies in the plant operation prior to a failure-related stoppage and, for example during times of low winds, inspect or repair preventively the components identified in the data analysis. We can also detect deviations from the norm, for example self-throttling of the plant due to a defective sensor. Therefore, the ongoing data analysis is a crucial tool to increase the availability of our wind power plants.

Electricity Marketing by W.E.B – Dynamic and Innovative

The transformation of systems and processes in the traditional energy sector presents many options to producers of clean energy, such as W.E.B. These options include taking advantage of new market opportunities and implementing new approaches for business models.

The W.E.B Marketing Strategy

Not only do we want to produce electricity, but we also want to have control over the entire value chain of the electricity market. This is where the third strategic pillar of the W.E.B business strategy comes into play which focuses on the marketing of our regionally generated green electricity. It is especially here, where we see major dynamics and innovative solutions to achieve the energy transition. With our process chain from the generation of the electricity to the end consumer, we cover the areas of production, prognosis and stabilization with our core competencies.

As we have already reached a critical mass for our customers of Grünstrom' (green electricity) with regard to direct marketing, we want to cover even more areas of marketing in-house in the future. In cases where this is not yet possible (for example, the management of balancing groups), we work together with partners or service providers.

For the energy supply to municipal utilities or end customers, we partner with companies that specialize in electricity marketing. Generally, we pursue long-term collaboration with municipal utilities or larger end customers.

From a Demand-Oriented Centrally-Planned Economy to a Supply-Oriented Decentralized Coverage

The increasing use of renewable energy requires alternatives to the traditional electricity supply which was solely based on demand. Therefore, we push for decentralized solutions where consumer behavior complies with the electricity supply as much as possible. That means adjustments on the production side as well as on the consumer side.

The package 'W.E.B-Grünstrom' forms a solid base where we can, on the one hand, react flexibly to market developments and, on the other hand, continuously pursue innovative approaches. Initially, this usually occurs in the form of pilot projects which, upon successful implementation, are added to our product offerings.

Electricity generation from the sun is an ideal supplement to wind energy: two photovoltaic systems with 350 kW_p each in Brunn am Gebirge

W.E.B-Grünstrom

Today, we already provide around 1,000 customers, who are located in close proximity to our power plants, with green electricity in Austria and we are in the process of prequalifying for the market for balancing energy. In addition, we are specifically looking for new customers with a flexible load profile as they are a perfect match to our generating profile – an initiative which, besides Austria, is to be started in Germany as well. It almost seems needless to say that we are supplying our plants mainly with W.E.B-Grünstrom.

Our Grünstrom-team is built fairly lean and handles marketing extremely cost effectively due to its optimized processes. As a result, we can also address individual needs.

Expansion of Our Headquarters in Pfaffenschlag

In 2015, we were able to start and successfully complete a long-time planned project to expand our headquarters in Pfaffenschlag. In accordance with our strategic long-term plan, we took a major step forward to ensure the continuation of our growth strategy with the construction of our building for large components. Additionally, there were 15 new office work stations as well as meeting rooms created as part of the expansion project.

Moreover, we see this investment as a clear commitment to our roots and the long-term establishment of our headquarters in Waldviertel. We create – and maintain – high value jobs in an economically challenged region and also want to further promote the energy transition in our home region.

With the expansion, we are well prepared for further growth for years to come. The building is divided in several parts. The core piece is the warehouse for large components with an adjacent assembly shop. In this building area, which is about ten meters high, transmission units and generators are stored, maintained and repaired. This allows us now to disassemble these large components in-house.

In the front part of this building is a warehouse for spare parts. In addition, various utility rooms, laboratories and a room for battery storage were integrated in the building.

Constructed flexibility: the new building includes a warehouse for large components, assembly shop, laboratories, a room for battery storage, warehouse for spare parts – and is a source of energy at the same time.

Focus
Project Management & Project Development

The development of new projects –representing the second strategic pillar of W.E.B – and the steady growth of our generating capacity that results from it, provides assurance that our company's strategy is sustainable and operates in the market long-term.

A strategic goal of W.E.B is to establish more than 50 MW power plant capacity per year through the development and construction of new wind farms and photovoltaic plants in our international core markets. The energy transition creates great market potential and it enables us to select only those projects that are a fit for W.E.B.

Apart from the construction of new plants, we are also increasingly focusing on our existing power plant farms. In these cases, it is particularly important to examine how to deal with aging plants after the end of their technical life. The objective is to maintain the existing generating capacity and, where it is technically and economically feasible, to replace the old with new plants.

A Successful Work Year

2015 was also a successful year in terms of project development: we have connected a total of ten projects to the grid, with a total capacity of 39 MW. Particularly noteworthy is the complexity of the task to manage ten construction sites simultaneously and complete all of them successfully. This is unprecedented to date in the history of W.E.B and proves the high maturity level of our organization. Our internal processes and procedures are well-prepared for such a workload and we are also able to cover the international variety of projects professionally.

Commissioning 2015

Project	Commissioning date	MW	W.E.B share
Canada			
Martock Ridge	Jan. 15	6.00	55%
North Beaver Bank	Feb. 15	8.00	55%
Isle Madame	Feb. 15	1.99	55%
Black Pond	Mar. 15	1.99	55%
Nine Mile River	Mar. 15	4.00	55%
Austria			
PV Brunn am Gebirge I	Mar. 15	0.70	100%
PV Brunn am Gebirge II	Mar. 15	0.70	100%
PV Pfaffenschlag II	May 15	0.02	100%
Spannberg II	Dec. 15	12.30	100%
Auersthal II	Dec. 15	4.00	100%

W.E.B Gate System for Project Development

Pre-phase Strategy/ vision/ project idea	Phase 6 Securing project	Phase 5 Permits & licenses	Phase 4 Recognition	Phase 3 Construction preparations	Phase 2 Construction	Phase 1 Test run (with operators and central management)
Search of potential locations, feasibility study, positioning, **milestone: project assignment**	Contracts with owners and communities, area dedication, grid access assessment	Overall technical concept, all expert opinions, all licenses and decisions by public authorities	Subsidies, plant order preparation, financing, guaranteed grid access, **milestone: construction decision**	Detailed planning, plant order, bidding, construction roadmap	Road construction, cable laying, foundations, plant assembly, grid connection, commissioning, first kWh	Troubleshooting, target vs. actuals, transfer to operators & central management, **milestone: opening ceremony**

Gate System – Transparency and Overview Across All Regions

In order to actually implement our growth strategy, we need an adequately filled project pipeline, of which we select the appropriate projects that we can develop, implement and put into operation. Our pipeline currently contains more than 70 projects across all core markets of W.E.B. Wind farms make up the majority but there are also several photovoltaic plants included.

In order to organize the development and the high degree of complexity of these numerous international projects in a transparent, efficient and manageable way, we rely on an internally developed, proven methodology that has been used for several years and which documents the status of each project on a continuous basis. This 'W.E.B Gate System' allows a company-wide, standardized view on the development status of each project. As a result, the progress, the current status as well as the associated time and costs to date can be retrieved on a daily basis. In addition, the standardization allows a clear comparison between individual projects in different countries. Furthermore, it allows us to improve the project development and ultimately, implement only those projects that meet our specifications.

Repowering – Operating Mature Plants Beyond 20 years

A preferably lengthy utilization of our existing wind power plants is not only economically useful but also corresponds to our mindset of sustainability. Therefore, we strive, as part of our professional management, to extend the useful life of our wind farms as much as possible. However, every plant reaches the point when it is no longer feasible, due to technical or economic reasons, to continue the operation of the plant.

For these cases, we developed our repowering strategy with the objective to further utilize existing locations whenever feasible by implementing new technology. An individual assessment of the remaining useful life and the possible options available served as the basis for this strategy. In addition, we develop, in cooperation with our managers in the respective countries, strategies for an economically useful repowering of locations with great wind potential. The legal framework in each region determines thereby the scope and intensity of our efforts. Due to the average age of our plants, the potential through repowering, however, is relatively low and will not account for more than 20% of the annual new constructions.

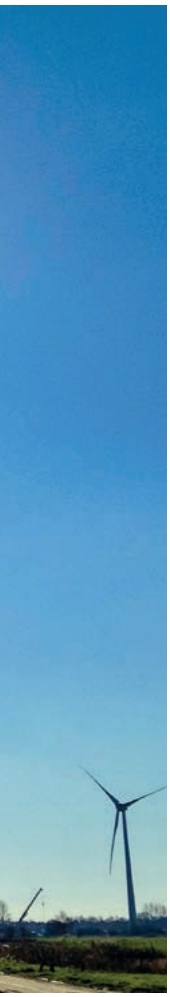
Comprehensive Expertise – From Greenfield to Ready-to-be-built Projects

After the constant development of our international competency in project development over the past years, we are now well positioned for the development of wind energy and photovoltaic projects. All project development aspects are covered by a network of internal resources and international service providers, ensuring a high competence level. This comprehensive development know-how enables us to realize profitable projects in an increasingly more competitive environment. Likewise, we are able to pick up existing projects from other developers, optimize them and then implement them for W.E.B.

We can pick up these projects at various levels of maturity – from greenfield to the ready-to-be-built stage and contribute our expertise immediately. With greenfield projects, we develop an appropriate project design and a sound risk assessment as basis for further decisions within a short period of time. In turn, with projects that are ready to be built, we rely on our comprehensive experience from the implementation of numerous wind power plants. It helps us, in particular, to detect possible construction related risks and economical risks and subsequently minimize them.

Advantages of Early Entry and its Impact on Economic Efficiencies

The earlier we get involved in a project, the easier it is to lead it to sustainable economic success. Greenfield projects are the ideal situation for us, as the project development team is involved right from the beginning. It clarifies early on the legal, technical and environmental aspects of the project and, on that basis, makes an effort to develop projects with an optimal layout and best possible public acceptance locally and bring it to the approval stage. We can also react quickly to a change in circumstances and thus, optimize the economic efficiency of projects.



Old plants were disassembled and replaced by new machinery at the wind farm Weener.

However, we cannot limit ourselves to just these type of projects, as preliminary work for potential project locations was already under way in many regions. Local stakeholders have often taken initial development steps but were surprised by the complexity and know-how requirements of the work during the development process. This gives us the opportunity to join the development, take over projects and – sometimes in cooperation with local project developers as well – complete them.

New Plant Technology Allows Development of Locations with Low Winds

Progressing technological developments create constantly new potential for W.E.B. As the development and realization of wind farms was primarily limited to locations with high winds in the past, modern weak-wind turbines enable the implementation of projects in regions with weaker winds. That creates – apart from an expansion of our generating capacity – a stronger regional diversification and thus, a better distribution of risk. In addition, the development of regions with low winds meets the fundamental principle of the decentralized energy transition which is based on the generation of electricity close to where it is used and thus, minimizing the need of large power lines.

The new plant technology allows for low operating costs even in areas of low winds and thus, a profitable plant operation, due to a combination of a highly efficient project development and a creative financing model. W.E.B is currently assessing a project in a region with very low winds in northern Bavaria. Ten 3 MW plants could generate 60 GWh of electricity per year and ensure the base demand of 17,000 households, instead of having to import wind power via complex and costly power lines from the North Sea.

Decentralization and Regional Focus as Key Success Factors

In contrast to the centralized operation of our plants, the project development is based on a very decentralized approach which is firmly embedded in our development strategy. Every country and every region has their own laws and requirements that need to be taken into account when developing a project. Therefore, our managers in each country are responsible for the project development. They need to ensure that land is secured, in other words, gaining access to suit-

Preparation work for the wind farm Pisgah Mountain: new road construction is making the future sites accessible

able project locations, and to involve local stakeholders. That is the only way to gain access to property owners, municipalities, and local citizens and it is also the only way to gather their wishes and fears and integrate them optimally in the project development in terms of a fair balancing of interests. Likewise, it is the means to successfully implement citizen participation models which allow as many local people as possible to participate in the project.

As legal requirements for the use of renewable energy evolve with a different dynamic in each country, the analysis of such requirements is also the responsibility of our local managers in each country. They also determine the regional focus of our activities based on their knowledge and judgement. Usually, we try to be involved early on in the processes so we can react immediately to possible changes in the legal landscape.

Cooperation in Development Secure Regional Components

Important components of our international presence – and, at the same time, a key success factor for W.E.B. – is the long-term and fair cooperation with local partners, as they are often the deciding factor for the development and implementation of a project. It is often the case that projects with direct participation of citizens are only realized within W.E.B's corporate group due to the cooperation with local stakeholders. We bring our competency in project development and operations management to the table and also establish a good foundation for follow-up projects at the same time.

Our first project in the USA, Pisgah Mountain in Maine, is a good example of a successful cooperation with a local partner. A local development initiative, with Paul Fuller and other local citizens of the region, was pushed forward up to the stage of when tariffs were committed. However, the negotiations of a supply contract for plants, the project financing, as well as the implementation of the operating model overwhelmed the local group. At that point, we were able to intervene in a supportive way and are now completing the project in a timely manner. Paul Fuller, who has been cooperating with us closely from the beginning, is already working with us on the next project phase of Pisgah Mountain.

High Competency Level at the Head Office Supports Business Units

Besides the regional access to stakeholders, a preferably high degree of standardization of the technical project design is the second deciding success factor for the efficient implementation of wind power projects. We conduct this work in a centralized and highly efficient manner at our headquarters in Pfaffenschlag. Thus, our subsidiaries abroad benefit as well from the comprehensive expertise of the W.E.B headquarters. It supports the project teams locally on different levels of the site evaluation (e.g. wind measurements and calculations, income calculations, selection of machines) and facilitates quick decision making. In case of a positive project decision, the headquarters also provides its expertise in construction management.

In the course of the project preparation, planned projects are being visualized, such as this one in Flesquières, France.

This concept has recently proven its worth at the so-called 'micro-siting' – the detailed specification of plant locations and technologies – for a project at our French subsidiary. In a joint project week at the respective location, we were able to develop the optimal layout. For this purpose, the calculated income potential based on various tower heights and blade diameters and the turbulence conditions depending on different spacing scenarios in Austria were aligned in detail with the local conditions and the requirements of property owners, the municipality and the general public.

The result was very pleasing: the final layout is a solid compromise between what is technically feasible and what is locally reasonably possible. This is a great example of the successful international collaboration amongst the development teams of W.E.B.

Investing in W.E.B

Pushing the Energy Transition Together – W.E.B Citizen Participation

In order to make a decentralized energy supply a successful reality, it has to be supported by a broad base of committed people. Since the foundation of W.E.B, we have been supporting the idea of citizen participation. With this in mind, we offer attractive options, both in form of shares and bonds, to be part of our success story and, at the same time, contribute personally to the energy transition.

Opening bell: W.E.B Board of Directors celebrate the new W.E.B bonds.

W.E.B Shares – A Direct Share in the Success

W.E.B shares are a green investment option for everyone who want to directly participate in the energy transition. It is a solid form of investment, offering our shareholders an excellent performance in the past and whose value remained stable even in times of financial crisis.

Several arguments underline why buying W.E.B shares makes sense from an economic point of view:

- Our shareholders invest in tangible assets (power plants).
- We boast a broad equity base and we can show positive sustainable results.
- We have a clear dividend strategy: at least one third of the corporate earnings are intended to be distributed as an annual dividend.
- The international distribution of W.E.B power plants ensures additional economic security.
- State-guaranteed feed-in tariffs ensure our earnings.
- The pioneering role of W.E.B enabled us to gain years of experience in the wind energy sector and it allows us to successfully assess the profitability of power plant projects.

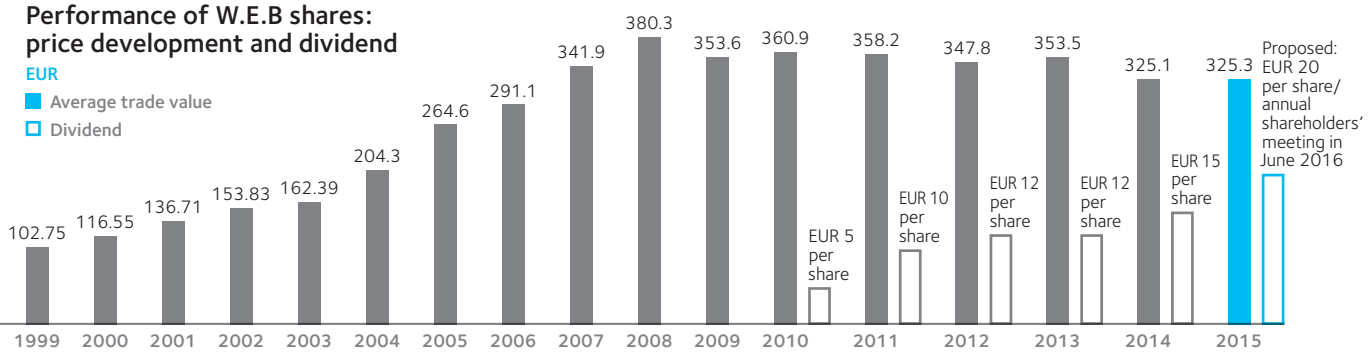
Interested audience at the 16th shareholders' meeting in Waidhofen/Thaya

All Facts at a Glance
W.E.B shares

As of 31 December 2015, the number of common shares was 288,453 (unchanged from previous year) and the number of shareholders increased to 3,685 (31 December 2014: 3,625).

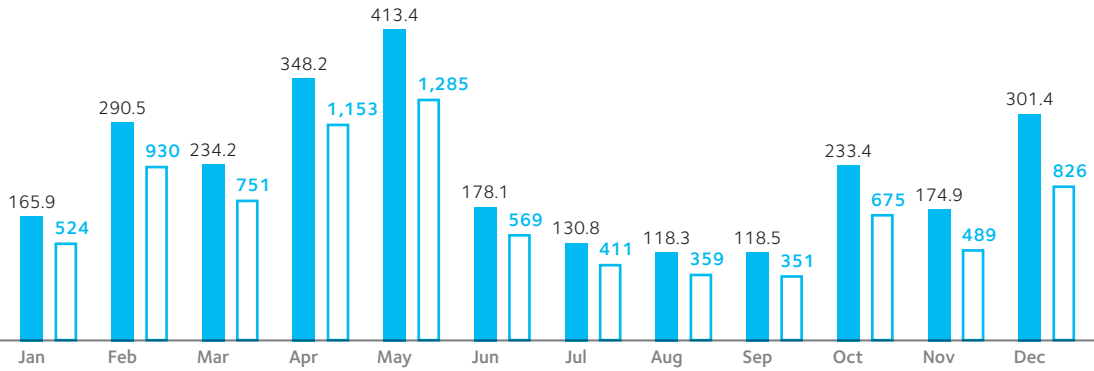
Number of shareholders as of 31/12/2015:
3,685

Performance of W.E.B shares: price development and dividend



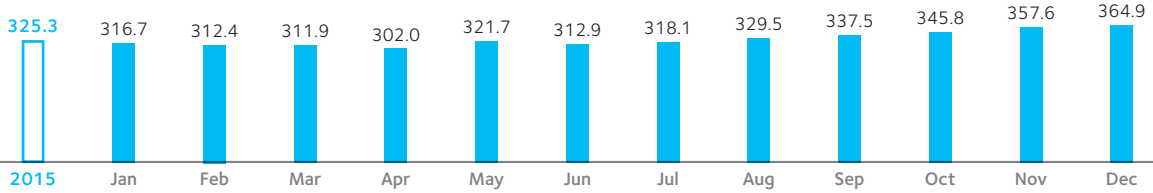
W.E.B shares traded in the traderoom in 2015

Trade value
TEUR Shares
2015 total:
2,707.5 TEUR/8,323 shares



Average price per share in traderoom in 2015

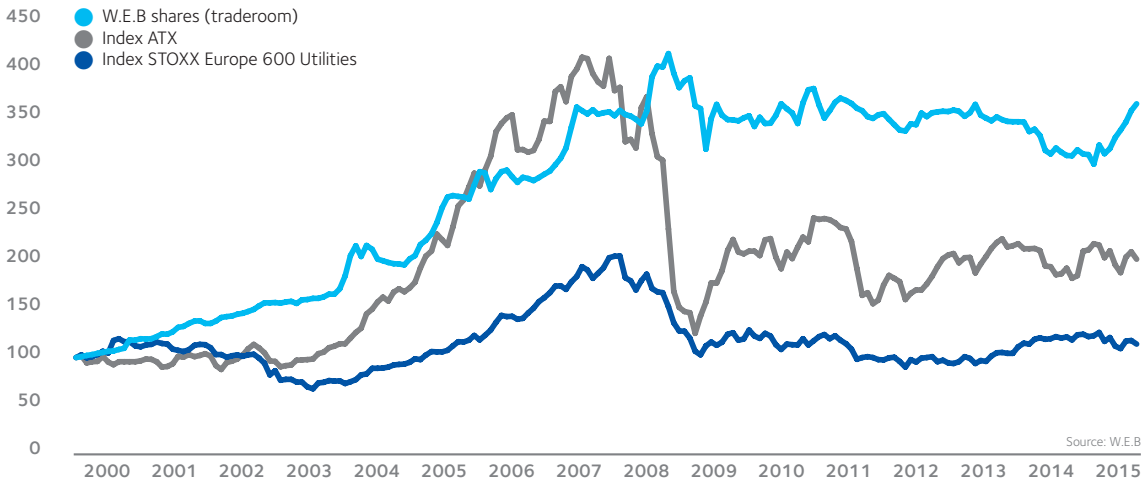
EUR



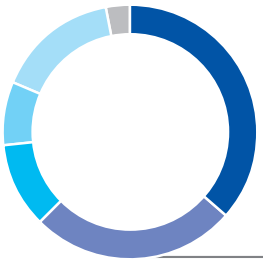
A total of 1,790 shares were transferred outside the traderoom in the reporting period. Thereof, W.E.B knows the transaction price of 612 shares, which was EUR 328.7 on average.

Development W.E.B shares to ATX and STOXX Europe 600 Utilities (rebased) from 7/1999 to 12/2015

in % (indexed)

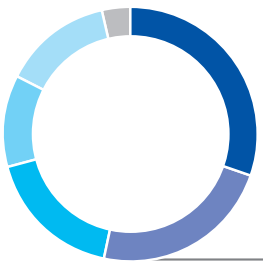


Distribution of shares by region[1]



Shares	Shares (%)	Region
105,277	36.50%	Waldviertel
75,407	26.14%	Lower Austria without Waldviertel
31,517	10.93%	Vienna
22,584	7.83%	Upper Austria
45,442	15.75%	Austria without Upper A., Lower A. and Vienna
280,227	**97.15%**	**All of Austria**
8,226	2.85%	Abroad
288,453	**100.00%**	**All shares**

Distribution of shareholders by region[1]



Share-holders	Share-holders (%)	Region
1,122	30.45%	Waldviertel
849	23.04%	Lower Austria without Waldviertel
642	17.42%	Vienna
435	11.80%	Upper Austria
512	13.89%	Austria without Upper A., Lower A. and Vienna
3,560	**96.61%**	**All of Austria**
125	3.39%	Abroad
3,685	**100.00%**	**All shareholders**

[1] as of 31 December 2015

Shareholder and Owner Structure[1]

Number of shares	From	To	Shares	%	Shareholders	%
Less than 0.1% of shares	1	288	145,768	50.53%	3,483	94.52%
0.1–0.5% of shares	289	1,442	98,220	34.05%	186	5.05%
0.5–1% of shares	1,443	2,885	24,586	8.52%	13	0.35%
1–2% of shares	2,886	5,769	9,988	3.46%	2	0.05%
2–3% of shares	5,770	8,654	0	0.00%	0	0.00%
3–4% of shares	8,655	11,538	9,891	3.43%	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%**	**3,685**	**100.00%**

[1] As of 31 December 2015

W.E.B Bonds

Another form of investing in W.E.B is the subscription to one of our bonds. Since 2010, bonds have been issued on almost an annual basis to finance new power plants. W.E.B was like a pioneer again, as its 5% bond 2010–2015 was the first bond for wind power in Austria. This was followed by the first hybrid bond for wind power in the country in 2014.

In 2015, we issued three additional bond products. The total issuance volume was EUR 22.3 million. Since 2010, we have issued bonds totaling EUR 78.5 million, which has provided a significant boost in implementing our investment strategy. The first bond issued in 2010 in the amount of EUR 10.2 million has already been repaid according to the 2015 schedule.

All W.E.B bonds are listed on the third market of the Vienna Stock Exchange (segment 'corporate prime'). 'Corporate prime' is a premium segment of the Vienna Stock Exchange for corporate bonds where we have been listed since its inception. This segment requires a higher level of reporting in terms of financial statements, financial key figures, as well as an annual company profile.

Corporate Bonds at Fixed Interest Rates

Attractive interest rates and fixed repayment periods have turned W.E.B bonds into a popular form of investment since it was first issued. In the past year, we offered two types of bonds: On the one hand, a bullet bond with an annual coupon of 2.75% and a five-year term and on the other hand, a bond that is partially amortized during a 10-year term, with an annual coupon of 4%. The 5-year bond had an issuance volume of EUR 7.1 million and the 10-year bond had an issuance volume of EUR 8.5 million.

W.E.B Hybrid Bonds – An Alternative to Conventional Bonds at a Higher Interest Rate

Our 6.5% hybrid bond has no maturity date and offered investors the opportunity of even more immediate participation in the company's performance compared to conventional bonds. In years when no dividends were distributed in the previous year, interest payments and partial repayments can be delayed with this product. This risk is compensated by higher interest rates. A similar instrument was issued previously in 2014. Due to the dividend payments in 2014, interest payments and partial repayments were made according to schedule for that instrument in the reporting period. The subscription volume for the hybrid bond 2015 was EUR 6.7 million.

Green Power Tour 2015 in the conference room of Raiffeisen Bank International in Vienna

All Facts at a Glance
W.E.B bonds

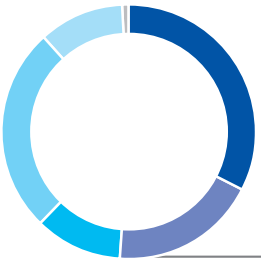
Issued bonds

Year	Volume in EUR million
2010	10.2
2011	6.5
2013	24.5
2014	15.0
2015	22.3

Bond parameters

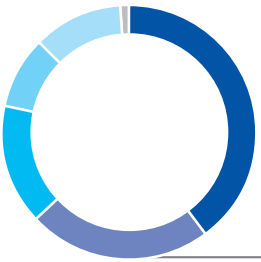
Year	Interest	Term	Type
2011–2016	5.00%	5 years	bullet rep.
2013–2018	4.00%	5 years	bullet rep.
2013–2023	5.25%	10 years	ann. part. amort
2013–2023	5.50%	10 years	bullet rep.
2014–2019	3.50%	5 years	bullet rep.
2014	6.50%	No fixed maturity date	hybrid bond
2015–2020	2.75%	5 years	bullet rep.
2015–2025	4.00%	10 years	ann. part. amort.
2015	6.50%	No fixed maturity date	hybrid bond

Distribution of bonds by region[1]



Bonds	Bonds (%)	Region
25,575	32.64%	Waldviertel
14,521	18.53%	Lower Austria without Waldviertel
8,749	11.17%	Vienna
20,432	26.08%	Upper Austria
8,535	10.89%	Austria without Upper A., Lower A. and Vienna
77,842	**99.36%**	**All of Austria**
505	0.64%	Abroad
78,347	**100.00%**	**All bonds**

Distribution of bond holders by region[1]



Holders	Holders (%)	Region
1,039	39.87%	Waldviertel
604	23.18%	Lower Austria without Waldviertel
403	15.46%	Vienna
237	9.09%	Upper Austria
300	11.51%	Austria without Upper A., Lower A. and Vienna
2,584	**99.16%**	**All of Austria**
22	0.84%	Abroad
2,606	**100.00%**	**All bond holders**

[1] As of 31 December 2015

Transparency Creates Confidence

We place great emphasis on open and transparent communication with our shareholders and our shareholders continue to encourage us do so. A survey amongst our shareholders in the first quarter of 2016 revealed that our company enjoys a high level of confidence from our shareholders, due to our proactive communications strategy. This positive result encourages us to continue with our strategy and provide information such as quarterly reports, business reports, news, and press releases on a regular basis. In 2015, we also continued to report in detail about our day-to-day life at W.E.B and current developments of the company in our magazine 'W.E.B aktuell'.

On our website www.windenergie.at we also provide a wide range of information. Investors and other interested parties find firstly, all financial reports and results of the annual shareholders' meetings and, secondly, all dates for our events as well as current news.

It is especially important for us to stay in close contact with investors and interested parties through various events, as well as meet new ones. As a result, we not only have inspiring but also critical discussions which give us a good sense of what investors are expecting. We always have an open ear for our shareholders, bond holders and interested parties and we get excited when individuals contact us directly.

In 2015, the popular fireside chats at our headquarters, and also in Vienna and Eisenstadt, offered a great opportunity to get to know many people who are interested in W.E.B and the wind energy sector.

Fireside chat in a relaxed and private atmosphere at the Colloseum21 in Vienna

The participants of these well-attended events expressed wishes, suggestions as well as different perspectives and had great discussions about current topics with our Board of Directors.

Our citizen participation model celebrated its 20th anniversary during the reporting period. The construction of the wind power plant in Michelbach in 1995 laid the foundation for this model. We celebrated this in style with a fabulous party in August 2015.

Anniversary celebration '20 years Michelbach'

The W.E.B Traderoom

The W.E.B share is not listed on the stock exchange. All trading takes place via the online platform www.traderoom.at. Offers to buy or sell W.E.B bonds can also be placed via the traderoom, however, the actual trade is only taking place at the stock exchange in Vienna.

The registration for the traderoom and the conclusion of transactions is simple and quick. There are no trading fees. All shareholders and interested parties can place or search for offers to buy or sell via the online platform www.traderoom.at. We only verify for offers and for concluded sales and purchases that the respective shares are actually the property of the seller (= registration in the share register). We do not assume a mediating function in the process. Further on, we do not set the prices for the shares.

In 2015, a total of 8.323 shares with a volume of 2,707 TEUR were traded via the traderoom. The average trade price per share increased from EUR 317 in January 2015 to EUR 365 in December 2015.

For W.E.B bonds, trades are only concluded through the stock exchange in Vienna. However, the traderoom allows investors who are willing to buy or sell to find the appropriate offers.

Our shares are registered shares with restricted transferability. The transfer requires, in order to come into effect, the registration in the share register and the approval of our Board of Directors in consultation with the Supervisory Board. Since the inception of W.E.B approval of transfer has never been denied.

Process of Share Sales & Purchases

Traderoom	Seller	Buyer	W.E.B
In the menu **click on Buy/ Sell = Conclusion of the contract** by accepting an offer/demand.	Within **two days,** the **seller** fills out the **contract in duplicate, signs it** and sends it **via mail to the buyer.**	No later than **eight days** after receipt of the contract, **the buyer transfers the money** to the seller, fills in the **remaining information in the contract, signs it** and **sends one original copy to W.E.B.**	After **receipt of** the signed **contract** and **confirmation of payment**, we register the **transfer in the share register.**

Sustainable Responsibility

We have always been engaged in Corporate Social Responsibility (CSR) and consciously live a sustainable business model: our core business is based on generating renewable energy: environmentally valuable, with benefits to society – and the opportunity for broad participation. In addition, we greatly value our employees. In our domestic market in Austria we already practice what we want to implement in all other countries subject to the respective opportunities. As an example, our headquarters in Pfaffenschlag, where the majority (76 employees) of our staff works, serves as a role model for all other office locations.

Our core business consists of planning, construction and operation of wind farms and large photovoltaic plants as well as the marketing of the actual energy generated. With our 203 wind power, 13 photovoltaic, and three company-owned small hydroelectric plants, we have generated a total of 718,210 MWh of clean energy in 2015. This can cover the annual demand of more than 205,000 average Austrian households.

Energy Amortization of Wind Power and Photovoltaic Plants

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

A wind power plant is usually operated for about 20 years. So each plant produces 40 to 70 times the energy that was originally needed for its construction. Considering that wind power plants are recycled, each turbine generates up to 90 times more energy. After its operating life, a wind power plant can be completely dismantled and 80 to 90% of its components are recycled.

A photovoltaic system is energetically amortized within two to four years.

Self-Sufficiency of the Ecological Energy Plants with Green Energy

Our clean energy plants require a certain amount of energy themselves, e.g. for engines (they continuously optimize the position of the wind turbine as well as rotor blades) as well as for various measuring and control instruments. Compared to the annual production, the amount of energy used is 0.3%. Two thirds of it is already covered by green energy, of which as much as possible is generated by W.E.B. The rest is gradually being converted to renewable energy over time.

New Building with 'Plus-Energy' Concept

Our company building in Pfaffenschlag was built based on environmental criteria as a low-energy construction in 2007. In 2015, as part of an expansion, we constructed an 1,800 m² warehouse behind the main building, where large components – transmission units and generators – can be maintained or repaired and a multitude of spare parts can be stored. There is a 148 kW_p photovoltaic system integrated in the facade and, together with the existing photovoltaic systems, generates sufficient energy to cover the usage at our headquarters. By means of an innovative battery storage, the electricity remains available independent of the production and therefore, turns our headquarters into a 'Plus-Energy' location: meaning we generate more energy than is consumed.

Sustainable Construction

A great emphasis was put on sustainability when the new warehouse was built:

- Local firms used domestic woods and other ecological building materials.
- Sustainable construction design with laminated timber and cladded timber framework for the wall elements.
- Recycling of excavation materials locally and reusing it as gravel at the construction site.
- First application of a Hitachi hybrid-digger which uses 31% less fuel than conventional diggers.

Sustainability also at the company warehouse: the photovoltaic system along the facade of the building produces all the power that is used at the location.

The intended use of geothermal energy as well as our integrated photovoltaic system not only impact our operating costs of our headquarters favourably but also use the available resources optimally.

Electricity

We receive our 'homemade' W.E.B-Grünstrom from 100% renewable energy. Our existing photovoltaic systems at our location in Pfaffenschlag generated a total of 21,440 kWh in 2015, which corresponds to 16% of our total electricity consumption at this location. There was an increased consumption of energy and interruptions of our photovoltaic systems in 2015, due to construction. However, starting in 2016, we will be generating power with our existing photovoltaic system that is operational again and the newly installed photovoltaic system that is part of the facade of the new warehouse. Thus, we can produce more energy in the future than we use.

Heating

The office building is heated by means of a pellet stove combined with a reversible air heat pump. An additional wood-fired stove with a fire window creates a warm and comfortable atmosphere in the lobby. All firewood that is used comes directly from regional sources. The heating system is upgraded with state-of-the-art technology in 2016, by means of deep drilling and the resulting geothermal energy.

Water

In 2015, the company's total consumption of water amounted to 350 cubic meters. About 50 cubic meters, or 14%, come from the company's own rainwater collection basin. The remaining water is purchased from the municipality of Pfaffenschlag. We have also saved valuable drinking water since our new well was installed in November 2015, which has further improved our eco-balance.

Waste and Recyclables

W.E.B sets great value upon producing as little waste as possible. Therefore, recyclable glass bottles are used in the entire building and the company generally uses environmentally friendly detergents without chemical additives. Of course all waste and recyclables are collected separately before directing them to the usual recycling process.

Energy consumption for heating in 2015, headquarters in Pfaffenschlag

- **Wood pellets used:** 13,400 kg (corresponds to a heating value of 63,650 kWh)
- **Electricity consumption of heat pump:** 3,408 kWh (corresponds to a heating value of 9,261 kWh)
- **Wood needed:** 5 stacked cubic meters (corresponds to a heating value of 8,000 kWh)
- **Total energy usage for heating & cooling:** 80,911 kWh

Electromobility

As committed supporters of electromobility, we have several electric vehicles for our company's fleet:

- Opel Ampera
- Renault Zoe
- BMW i3
- Tesla Model S
- Electric Scooters
- Ford C-Max Hybrid

As motivation for a comprehensive concept for electric cars, we provide our employees with affordable access to electric, which also allows us to take advantage of attractive tax deductions starting in 2016, e.g. the full VAT deductibility of acquisition costs of up to EUR 40,000 and the non-taxation as fringe benefits of company cars that are exclusively electric. In addition, we have already begun taking infrastructure measures to implement our goal to convert to a 100% electric fleet within the next few years.

In October 2015, we built one of the most modern charging stations for e-cars in Austria at our company headquarters in Pfaffenschlag: a total of 20 regular charging stations and two quick charging stations (the most northern stations in Austria) are now available. Besides the existing company cars of W.E.B, employees and visitors are able to charge their electric vehicles here during their stay.

Kilometers driven in W.E.B electric vehicles in 2015

Renault Zoe:	24,246 km
BMW i3:	12,001 km
Opel Ampera:	8,254 km (exclusively electric)
Tesla Model S:	4,000 km
Total:	**48,501 km**

This corresponds to an energy consumption of 8,370.28 kWh[1] and it means CO_2 savings of 7.7 tons[2].

1 Calculations are based on an average consumption of 18 kWh per 100 km (summer & winter mixed, incl. losses due to load)
2 Values according to ÖAMTC CO_2-calculator http://www.oeamtc.at/co2_ rechner/# based on the fuel consumption of 6 l (Diesel) of an average car

W.E.B Eco-Balance 2015

1 CO_2 SAVINGS

478,966.2 TONS[1]

W.E.B Emissions in 2015 Energy carrier	Total greenhouse gas emissions (in tons, CO_2 equivalent)
Electricity consumption power plants	462.0[1]
Headquarters Pfaffenschlag (wood pellets, wood)	3.1[2]
Business trips (vehicles, service vehicles, train, bus, airplane)	340.4[1]
Total	**805.5**

CO_2 Balance of W.E.B in 2015		
	CO_2 savings through production of green energy	479,764.0 t
+	CO_2 savings through electromobility	+7.7 t
–	CO_2 emissions	–805.5 t
CO_2 savings		**478,966.2 t**

These CO_2 savings correspond to the average CO_2 emission of 200,824 cars per year.

W.E.B shareholders contribute actively to the protection of the environment. One W.E.B share 'produced' a total of 2,490 kWh of clean energy in 2015. Currently, 1.4 W.E.B shares are equivalent to the energy consumption of the average Austrian household, which is at 3,500 kWh. The CO_2 savings per W.E.B share is at 1.66 tons CO_2.[3]

1 Calculation based on a CO_2 equivalent per kilowatt hour of generated electricity of 668 grams of CO_2 savings compared to energy produced from fossil fuels. Source: IGW, EWEA Study Pure Power III
2 Calculation of greenhouse gas emissions (GHG) of various energy carriers of the Federal Environment Agency http://www5.umwelt-bundesamt.at/emas/co2mon/co2mon.htm
3 Based on 288,453 W.E.B shares in circulation

Strong Team – Strong Results

Engaged and motivated employees, who like to contribute to the team using their individual strengths, are vital to the sustained success of W.E.B. It is the foundation of the continuous development of our company – and the only way to achieve our goals.

At W.E.B, there is a full range of measures in place which are meant to strengthen and develop our employees. By means of a standard evaluation form, regular employee interviews are conducted to identify personal potentials, development opportunities and provide a basis for a joint collaborative review.

Employee Satisfaction Survey

At the annually conducted employee satisfaction survey, general questions concerning the satisfaction of the work environment at W.E.B. are being asked. The survey covers a range of topics such as work space and work materials, information flow, up to the interpersonal components of the day-to-day work. In 2015, we added the topic of management in order to detect any potential for improvements concerning the management level. The results of the survey are used regularly to develop appropriate measures and specific concepts to address all relevant questions concerning staff.

Leadership Development

During the 'W.E.B strategy days in fall', nine competencies were identified collectively by our management team and are meant to shape the leadership style of our company. In 2016, we will further develop six of the competencies as part of a comprehensive workshop concerning leadership competency.

These competencies are also integrated in the evaluation forms used in the employee interviews. Thus, we are able to track and evaluate lasting improvements. The priority is the progressive improvement of our management. This benefits each manager, the whole team and the entire company.

9 Leadership Competencies

- Strategic thinking
- Ability to delegate
- Goal setting and measuring
- Supportive leadership
- Team development
- Ability to manage conflict
- Problem solving
- Decision making
- Personal responsibility

Internships – Win-Win-Situations for Both Parties

We offer students or graduates continually interesting opportunities to get their feet wet in the area of renewable energy and to apply their theoretical knowledge in practice. In 2015, we employed six trainees in the area of operations management, project development and communications. Two trainees were subsequently hired in full time positions. In particular, operations management included exciting projects for the trainees, e.g. the topic of balancing energy. In 2015, we received a total of 70 applications for internships – evidence that our company and our activities are considered highly attractive.

The 'W.E.B Roses Program' – the Extra Plus

Various offers and initiatives support a good work atmosphere and true team spirit at W.E.B. A few examples are:

- Office building with comfortable feel-good atmosphere
- Welcome greeting for all new employees: a rose on the desk and a W.E.B guide with many useful tips and interesting facts
- Free catering and snacks during breaks
- Regional lunch menu, freshly prepared at the headquarters: vegetarian or traditional cuisine
- Weekly corporate volleyball training
- W.E.B ski weekends
- Flexible organization of working time through flexible schedules, part-time models and home-office options

Goodies 2015

- 1,900 kg fruits (apples, pears, bananas, etc.)
- 410 kg sweets
- 280 kg coffee beans
- 940 l milk
- 2,300 tea bags

Applications 2015

W.E.B received a total of 608 applications in 2015 (in Austria and Germany), of which 109 were proactive applications and also contributed to successfully filling open positions in our company.

In 2015, we were able to fill three positions due to proactive applications which we received up to 18 months earlier. Besides the executive position in our control center, we were able to fill the manager position at our subsidiary in Italy and a position for a service technician.

For already advertised open positions the average selection processing time for applications is significantly lower compared to proactive applications. In 2015, the average recruiting time – starting with the advertisement of the position and ending with the signing of the contract – was 1.8 months.

Personal Data at a Glance

Employee structure

W.E.B Group	31/12/2015	31/12/2014
Office staff	**89**	**75**
Male	51	43
Female	38	32
Field staff	**16**	**18**
Male	16	18
Apprentice	**1**	**1**
Male	1	1
Total	**106**	**94**
Full-time	87	76
Part-time	19	18
Share of women	36%	34%
Trainees	0	1
Marginal employment	2	6

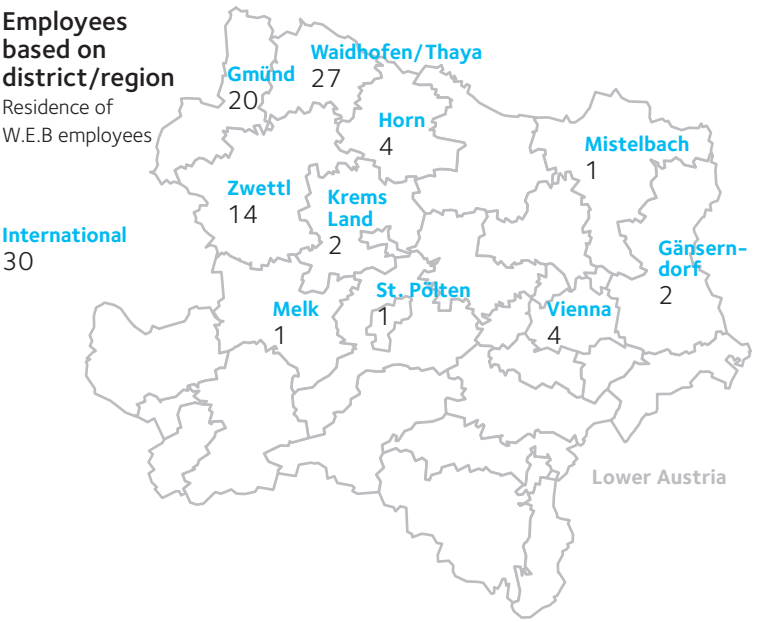
W.E.B-AG	31/12/2015	31/12/2014
Office staff	**66**	**67**
Male	36	36
Female	30	31
Field staff	**9**	**8**
Male	9	8
Apprentice	**1**	**1**
Male	1	1
Total	**76**	**76**
Maternity leave	2	2

Age structure	31/12/2015	31/12/2014
15–20 years	1	1
21–30 years	28	28
31–40 years	41	33
41–50 years	23	20
51–60 years	13	12
Over 60 years	0	0
Average age	37	37

International	31/12/2015	31/12/2014
Office staff	**23**	**8**
Male	15	7
Female	8	1
Field staff	**7**	**10**
Male	7	10
Total	**30**	**18**

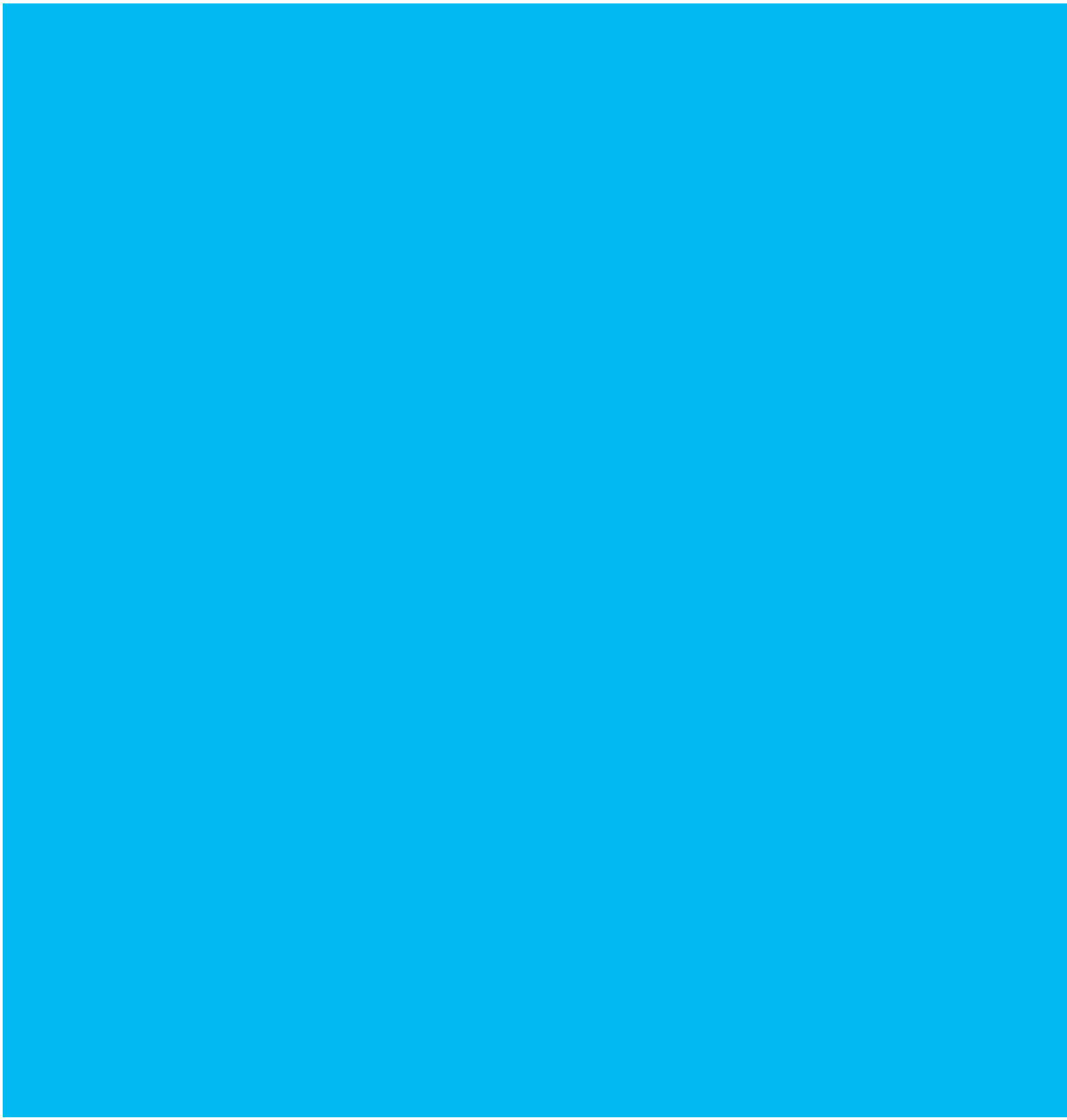
International based on country	31/12/2015	31/12/2014
Germany	9	10
Canada	11	4
Czech Republic	1	1
France	7	2
Italy	2	1

Employees based on district/region
Residence of W.E.B employees



Year 2015

- **Entries: 34**
  includes 6 trainees
- **Exits: 19**
  includes 7 trainees
  exits due to maternity/educational leave: 2
- **Average recruiting time: 1.8 months**
- **Average retention time: 4.2 years**



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 to comply with the Austrian Code of Corporate Governance, which is subject to the following explanations. The current version of the Austrian Code of Corporate Governance is found at http://www.corporate-governance.at/.

The Code 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 mandatory legal requirements.
- **C-Rule (Comply or Explain):** Rule is to be followed; any deviation must be explained and the reasons stated; L-Rules that are binding only for companies listed on the stock exchange are to be interpreted as C-Rules by unlisted companies.
- **R-Rule (Recommendation):** The nature of this rule is a recommendation; non-compliance requires neither disclosure nor explanation.

Implementation of the Code of Corporate Governance by WEB Windenergie AG in the Fiscal Year 2015

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. If 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 is considerably different (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 (particularly details on the executive body, meaning the Board of Directors and the Supervisory Board). 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 website. Any deviations are openly discussed by the Board of Directors – and the Supervisory Board as appropriate – and its retention determined, if such deviations are justified from the perspective of WEB Windenergie AG. The reasons for each deviation are found in the following summary.

The following rules of the Austrian Code of Corporate Governance were not or not entirely observed in the course of the fiscal year:

L-Rule 5: **'The candidates for the supervisory board elections including all declarations according to the Companies Act must be disclosed by the company at the latest on the 5th workday prior to the general meeting on the website of the company; otherwise the persons concerned shall not be included in the elections.'**
This rule, mandatory only for companies listed on the stock exchange, is not being applied by W.E.B in accordance with Sect. 119 Austrian Stock Corporation Act (AktG). This allows for direct participation of shareholders at the annual shareholder's meeting.

C-Rule 12: **'The materials and documents required for a supervisory board meeting are to be made available generally at least one week before the respective meeting.'**
Documents for the Supervisory Board Meeting are prepared in detail and based on high quality standards by W.E.B staff. In the fast-paced business segment of W.E.B things can change on short notice. In order to include the latest developments in the material, the delivery of such occurs later on rare occasions. However, in such cases this is clarified with the Supervisory Board in advance.

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.'**
Despite its constant growth, WEB Windenergie AG is still a medium-sized company. An internal auditing department is not considered to be cost-efficient due to the company's medium size.

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 in place 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 L-Rule 40 and C-Rules 41 and 43): '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 shall 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 was not deemed expedient in the fiscal year 2015 so that the Supervisory Board has undertaken 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 (finance, law, engineering, social competence). The requirement to form an audit committee is – independent of the size of the Supervisory Board – dependent on reaching or exceeding certain key figures. In case the conditions are present an audit committee will be established.

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 Reinhard Schanda is a partner of this law firm), the hire purchase agreement of WEB Windenergie AG with QR Dumeier Köbis GbR which however was terminated in 2015 (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 in project locations of W.E.B carried out by Martin Zimmermann, a member of the Supervisory Board.

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 are 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 for independence. 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 the Supervisory Board are to be seen as independent in the sense of this rule. There is an exception in the sense of Stefan Bauer, who was first elected to the Supervisory Board in 2005. Stefan Bauer is a nephew of Andreas Dangl and husband of Claudia Bauer, the company's authorized signatory. He carries out his office with the same diligence as every other member and also refers to the components under liability law. Although the Supervisory Board did not set the criteria of independence, the company of course observes the very clear legal provision. With respect to C-Rule 54, the company points out that no member of the Supervisory Board is a shareholder with a stake of more than 10% or represents such a shareholder's interests. WEB Windenergie AG is a classic citizen participation company with a free float; there are no shareholders with a stake of more than 3.43%.

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.'**

WEB Windenergie AG does not have a woman as a member of the Board of Directors or the Supervisory Board. Currently, 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 and Claudia Bauer acts as the company's authorized signatory.

C-Rule 62: **'The company shall have compliance with the C-Rules of the Code evaluated periodically, but at least every three years, by an external institution and a report on the findings of the evaluation is to be published in the Corporate Governance Report.'**
Compliance with the code is reviewed at least annually by WEB Windenergie AG. However, this review is not conducted by an external institution due to costs and efficiency purposes.

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 financial report pursuant to the Business Code must only be published and made available in German.'
The company makes its annual financial reports available for download in both German and English on the company website.

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.

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 commission an explicit audit of the effectiveness of the company's risk management. However, a risk assessment and its discussion are part of the statutory audit.

Group Management Report for the Fiscal Year 2015

General, Business Area

WEB Windenergie AG (short: W.E.B), headquartered at Davidstrasse 1, 3834 Pfaffenschlag, Lower Austria, commercial registry court: District Court of Krems an der Donau (FN 184649v), is a company with a focus on project development and operating power plants in the renewable energy sector. This includes primarily projects and plants in the areas of wind power, photovoltaic and hydroelectric power. We operate in Austria, as well as internationally, mainly in Germany, the Czech Republic, Italy, France and Canada. The company's international focus and technological diversification through projects form the basis for a successful management in dealing with the challenges of sustainable energy supply. This task is becoming increasingly important, not only due to ecological reasons, but also due to the expectations of a long-term increase in energy demands as well as decreasing fossil fuel resources. Furthermore, we deal with the marketing of renewable energy, primarily generated by our power plants which are now independent of subsidy rates.

The parent company is WEB Windenergie AG, Pfaffenschlag. The consolidated companies are referred to in the Notes to the Consolidated Financial Statements.

Market and Industry

In 2015, the global development of renewable energy continued. Both in Europe and in North America the transformation to CO_2-free electricity production finds continued support. At the World Climate Conference in December 2015 a climate agreement was concluded for the first time which stipulates a limiting of global warming.

General Framework

Energy-Economic Framework

The trend of decreasing electricity prices continued in 2015. The relevant electricity price on the Energy Exchange Leipzig (EEX Base) for our core markets Austria and Germany dropped from EUR 34/MWh to just under EUR 28/MWh. Since 2010, the electricity price has decreased by more than 40%. Existing overcapacities at conventional power plants and declining primary energy prices are likely the main reasons for this development. The graph below presents the development of the electricity price since 2010. This development causes many operators of conventional power plants to be in dire straits, as the production costs for electricity are mostly well above the current market prices. This is also reflected in the development of the stock exchange price of large German and Austrian electricity suppliers which have lost a significant portion of their value since 2010. A cost-covering electricity production in our European markets is currently only feasible for us and other players in the sector, when the cost for the acquisition and the financing of the power plant can be recouped already during the subsidized period.

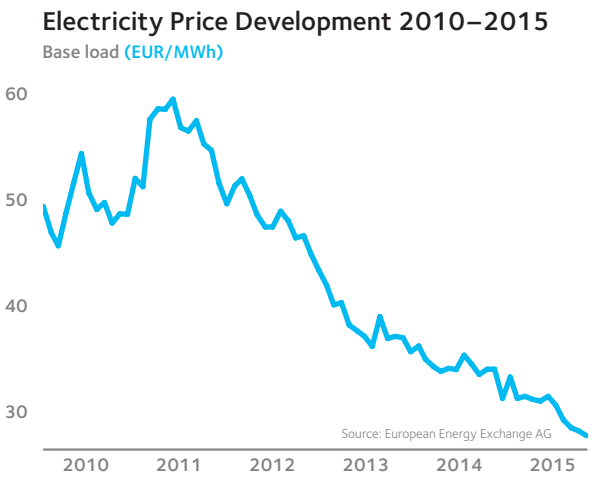


Figure 1: Development of the wholesale price of electricity in EUR/MWh – Phelix Base Year Future 2010–2015 (EEX)

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: energy efficiency, completing the internal market, technology leadership, consumer protection and international partnerships.

The European Commission directs its main attention to achieving the energy efficiency targets set out in the EU Energy and Climate Package. Among other things, energy suppliers are required to encourage their customers to save energy. Energy efficiency should also be a central assessment criterion in the approval of new generating capacity. Furthermore, the EU strives to build a pan-European integrated energy market with appropriate infrastructures and maintain and extend Europe's leadership in the development of energy technology and innovation, e.g. in terms of energy storage and 'smart grids'.

In 2010, not only the European Union but also Austria presented an energy strategy that includes the specific steps to implement the 20-20-20 targets. In accordance with the EU Energy and Climate Package adopted in 2008, Austria needs to increase its share of energy from renewable sources in the country's gross final consumption of energy to 34% by 2020. At the same time, Austria is obliged to reduce its

greenhouse gas emissions of industries that are not participating in the EU emission trading scheme by at least 16% based on the 2005 emission values by 2020.

In 2014 the European Union adopted new guidelines for subsidies in the environmental and energy sector which came into effect on 1 July 2014. The new guidelines are designed for the energy market to incorporate energy from renewable sources and cut related state aid to bare minimum. Feed-in tariffs will be gradually replaced by bidding processes. Nevertheless, the new guidelines only apply to state aid that has not already been approved by the Commission. As the European Commission approved the Austrian 2012 Green Electricity Act on 8 February 2012 for a period of 10 years, Austria has already realized a support scheme for renewable energies. Existing schemes concerning operating aid in support of renewable energy only need to be adapted to the new guidelines when existing schemes are prolonged or substantially changed or when they have to be re-notified after expiry of a 10 year period that started when the initial permission was granted.

In the summer of 2014, Austria implemented EU Directive 2012/27/EU by enacting the federal Energy Efficiency Act (EEffG) which primarily places larger enterprises under the obligation of introducing an energy management system while energy suppliers must improve both their own and their customers' energy efficiency. In this context, W.E.B does not have to take any active steps but is subject to reporting obligations.

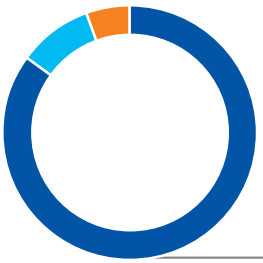
According to the Austrian Federal Ministry of Science, Research and Economy, the federal Energy Efficiency Act pursues the objective of 'improving energy efficiency by 20% by 2020, thus strengthening security of energy supply at the same time, increasing the share of energy from renewable sources in the energy mix, and reducing greenhouse gas emission levels'.[1]

Electricity Labeling

The amendment of the Electricity Industry and Organization Act (EIWOG) from 6 August 2013, stipulates, as per article 79a, a mandatory electricity labeling of energy that is supplied to the end consumer. In 2015, the quantity delivered of 2,713,289 kWh for the corporate group of W.E.B-Grünstrom consisted of 85.11% hydroelectric power, 9.45% wind power and 5.44% solar power. Environmental impacts of the energy mix of WEB Windenergie AG in 2015 amounted to 0.0 g/kWh CO_2-emissions and 0 mg/kWh radioactive waste.

Electricity Labeling of W.E.B-Grünstrom

Electricity labeling according to Section 78 paragraphs 1 and 2 EIWOG 2010 and according to electricity labeling regulation amendment 2013 for the period 1 January 2015 to 31 December 2015.



Energy mix (%)	Energy source
85.11%	Hydroelectric power
9.45%	Wind power
5.44%	Solar power
100.00%	**Total**

100% of the evidence originates in Austria

Environmental impacts

Production waste of your electricity from W.E.B-Grünstrom
0.0 mg/kWh radioactive waste
0.0 g/kWh greenhouse gas carbon dioxide (CO_2-emissions)

Tips on saving energy are available here: www.e-control.at/de/konsumenten/energie-sparen/energiespartipps
Information on energy consulting firms can be found here: www.e-control.at/de/konsumenten/energie-sparen/links

[1] http://www.bmwfw.gv.at/EnergieUndBergbau/Energieeffizienz/Seiten/Energieeffizienzpaket.aspx (accessed on 25 January 2016)

Financial Markets – Interest Rates

Interest rates in 2015 continued to stay at a very low level. Both the 3-month as well as 6-month EURIBOR dropped below zero percent during the year. Thus, it was possible again in 2015 to finance power plants at favourable rates. We were also able to take advantage of the low interest rate level and use it for the favourable placement of three bonds.

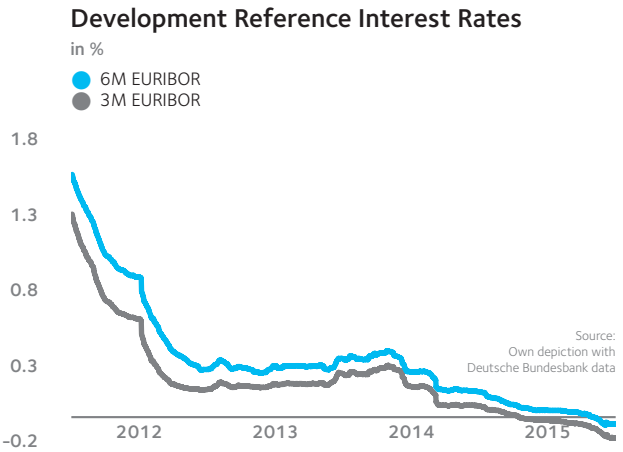


Figure 2: Development 3M and 6M EURIBOR

Development of relevant FX-rates

In 2015, the Euro gained in value against the Canadian Dollar. The relevant EUR/CAD rate increased during the year by more than 7% to 1.51. Also, compared to the second foreign currency of importance to us, the Czech Koruna, the Euro strengthened. More precisely, the EUR/CZK rate changed from 27.7 to 27.0. The development of exchange rates is portrayed in the figure to the right.

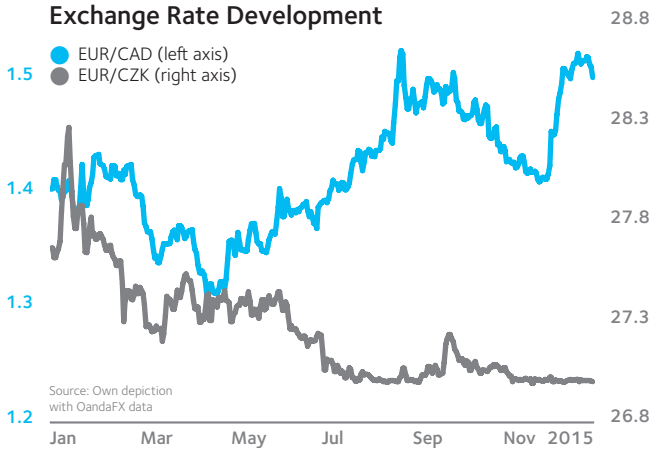


Figure 3: Relevant exchange rates

Country-Specific Subsidy Conditions

In **Austria**, both the Green Electricity Act of 2012 (ÖSG 2012) and the current green energy feed-in rates are still in effect. Based on current feed-in tariff regulations, wind power plants receive a compensation of 9.36 c/kWh for applications submitted to the clearing and settlement agency for subsidized green electricity (Ökostromabwicklungsstelle) in 2014; applications submitted in 2015 receive a remuneration of 9.27 c/kWh.

Although the tariffs are generally required to be determined for each calendar year separately, it is also possible to stipulate the tariffs for two or more calendar years in advance. In accordance with Article 19 Austrian 2012 Green Energy Act, previous year tariffs apply at a deduction of 8% on photovoltaic and 1% on wind power until a new regulation enters into force. Due to the link between the subsidized funding amount and the current electricity price, only a modest expansion in capacity for wind energy is expected for Austria for the years to come.

With the Renewable Energy Act (EEG), **Germany** still offers a stable framework for the expansion of wind projects, also supported through the system of direct marketing. In addition, the reference location model secures economic viability at less attractive locations. In consequence of EU guidelines, Germany is expected to alter its green energy subsidy scheme as of 2017. A draft amendment of the EEG is already available.

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 degree of 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 sources in addition to the market price.

In **Italy**, the laws and tariff reductions passed in recent years are leading to a more difficult economic framework. The continuously high number of sunny days, however, should make the development of profitable projects in the photovoltaic area possible, even under the given regulatory framework. Italy has been operating a bidding process for green energy subsidies providing an ideal basis for the moderate development, particularly of wind energy projects, for quite some time.

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. In consequence of EU guidelines, France is also expected to alter its green energy subsidy scheme as of 2017.

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 continues to make this market attractive for us. In other provinces, there are bidding processes which are somewhat similar to the EU models, however do have significant differences in the details.

Business Performance

The fiscal year 2015 was characterized by wind occurrences close to the budgeted figures for our power plants and therefore, electricity production was slightly above the projected production figures. In comparison to the previous year, W.E.B was still able to considerably improve its revenues due to newly installed production capacities. As a result, we were able to achieve a record production of 718,210 MWh.

We steadily continued our growth path with the commissioning of new plants in 2015 as well as preparations for further plants. Our Austrian portfolio of power plants was expanded by 16.3 MW through two new wind farms and the portfolio in Canada was expanded by 22 MW through the addition of five new wind farms. In France, we were further intensifying our planning activities for a 38.4 MW wind farm and in Germany we worked on repowering projects. In all markets, project management and development activities to increase plant capacities were continued.

Influence Factors

The wind occurrence for the entire year 2015 matched for the most part the long-term average, with the exception of some slight regional outliers in both directions. Considering the entire portfolio (including our investments in other companies and the newly commissioned power plants during the reporting year) an increase of 1.2% occurred for 2015 while for the existing group of power plants the wind occurrence was approximately 2.0% above the projected amount (previous year: approx. –5.9%). The result for the reporting period suffered from disadvantages due to weak water flows.

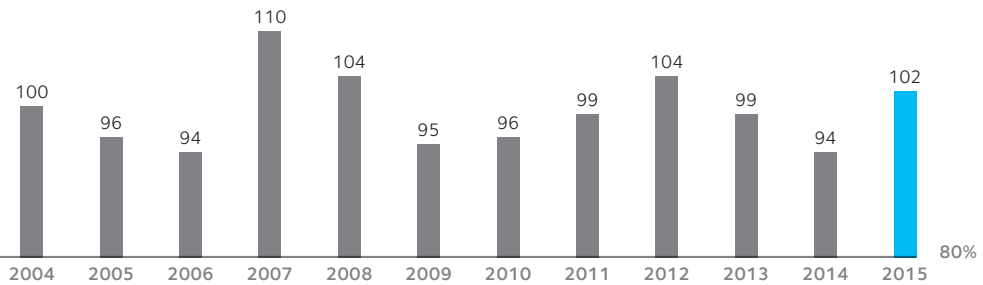
The successful completion of five phase-II-projects in Nova Scotia, Canada (Black Pond Road, Isle Madame, Martock Ridge, Nine Mile River and North Beaver Bank) in the first quarter of 2015, with a total of 22 MW installed capacity, needs to be highlighted. The photovoltaic division also added a small contribution to the growth of W.E.B., due to the commissioning of two photovoltaic roof systems in Brunn am Gebirge, Austria, with a total capacity of 700 kW_p, as of March 2015. In Austria, an additional 16.3 MW were finally connected to the grid with Spannberg II and Auersthal II. We continue to count on earnings risk management through the international distribution of our power plants. This way, the dependency on varying meteorological conditions can be further reduced.

The production could be increased by 16.5% to 718.2 GWh compared to 2014, not only due to the increase in installed capacity but also due to the slightly higher wind occurrence in 2015.

In 2015, the annual production of the existing power plants in Austria was slightly below budget (–0.6%) due to longer grid outages (substation upgrading) and an extended period of weak wind conditions in December, while the German plants exceeded the budgeted amount (+1.5%). The wind energy 'yield' for the French portfolio was much more positive (+7.3%), as well as the one in the Czech Republic (+5.2%). In Italy, however, the photovoltaic plants failed to meet production targets (–1.9%). A noticeable positive signal was sent from the Canadian plants (+12.5%). Overall, the production conditions for our wind power plants (total production +2.2%) and our photovoltaic plants (total production +4.7%) were relatively good in 2015, with the exception of the hydroelectric plants which suffered under dry conditions throughout the entire year (total production –11.3%).

Production Results of W.E.B. Plant Portfolio

In % of budgeted amounts



Power Generation and Installed Capacity	2015 Capacity	2015 Production	2014 Capacity	2014 Production
	kW	MWh	kW	MWh
Austria	177,157	391,831	159,540	365,084
Germany	88,360	158,209	88,364	130,834
France	24,000	57,424	24,000	52,457
Czech Republic	9,080	15,910	9,080	13,902
Italy	6,427	8,796	6,427	8,592
Canada	15,400	50,185	3,298	10,727
Total	**320,424**	**682,355**	**290,709**	**581,597**

Investments in power plants with a share of 50% or more are included on a pro-rata basis, the ones below 50% are not included.

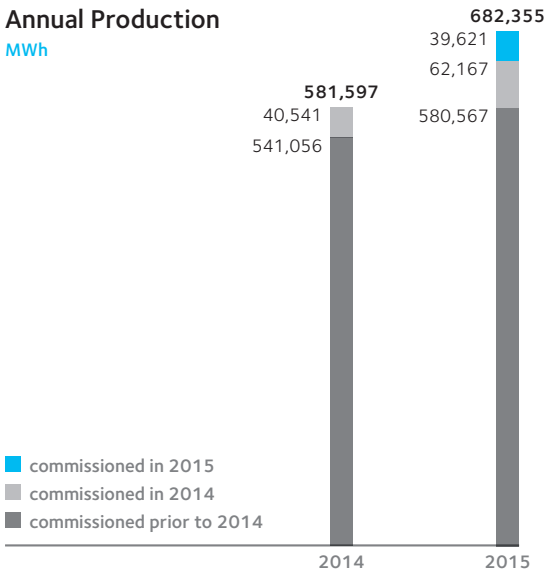
The figure to the right depicts existing and newly commissioned plants (CP) separately to illustrate the impact of production fluctuations in existing plants on total production.

Earning Position

The 2015 earnings after income tax exceeded the previous year's result by 2,010.2 TEUR or 28.5%. This increase is based on the budgeted development of the production, on the expansion of the plant portfolio by highly productive plants, as well as stringent cost management resulting in a relative reduction of operating expenses compared to revenues.

Annual Production

MWh



Consolidated Profit and Loss Statement	2015	2014
TEUR		
Revenues	**66,596.1**	**53,995.6**
Other operating income	1,917.9	1,126.6
Operating income	**68,514.0**	**55,122.2**
Costs of material and purchased services	–2,537.7	–1,627.6
Personnel expenses	–6,475.6	–5,434.7
Depreciation	–25,269.9	–21,089.5
Other operating expenses	–12,773.6	–10,479.8
Sub-total	**–47,056.8**	**–38,631.7**
Operational result	**21,457.2**	**16,490.6**
Net financial result	**–8,387.3**	**–6,993.9**
Earnings before income tax	**13,069.9**	**9,496.6**
Income tax expense	–3,743.3	–2,443.0
Earnings after income tax	**9,326.6**	**7,053.6**

Revenues

Revenues for 2015 could be increased by approximately EUR 12.6 million or 23% to EUR 66.6 million. This increase is primarily based on a good production result as well as the successful commissioning of new plants.
Revenues based on categories are as shown on the right:

Revenue Split Based on Categories	2015	2014	+/– %
TEUR			
Wind	61,021	49,216	24.0%
Photovoltaic	4,334	4,220	2.7%
Hydroelectric	336	372	–9.6%
W.E.B-Grünstrom	905	188	381.7%
Total	**66,596**	**53,996**	**23.3%**

Other Operating Income

The other operating income for the year 2015 increased by 791.3 TEUR or 70.2% to 1,917.9 TEUR compared to the previous year.

Costs of Material and Purchased Services

This item records the costs for electricity, grid loss compensation, grid use fees (2,460.4 TEUR, previous year: 1,452.6 TEUR) and material costs. The total costs of this item increased by 910.1 TEUR or 55.9% to 2,537.7 TEUR.

Personnel Expenses

The personnel expenses for 2015 amounted to 6,475.6 TEUR and were 1,040.9 TEUR or 19.2% higher than in 2014 due to international expansion activities and changing to carry out more services in-house.

Other Operating Expenses

The other operating expenses for 2015 increased by 2,293.8 or 21.9% to 12,773.6 TEUR compared to the previous year. This development is essentially attributable to higher operating and maintenance expenses for the larger portfolio with newly installed plant capacities.

Net Financial Result

The interest expenses for the reporting year were higher than in the previous year, mainly due to the increase in financial obligations and the issuance of bonds in late fall 2015. In total, the financial result was –8,387.3 TEUR (previous year: –6,993.9 TEUR).

Asset and Financial Situation

Asset Situation	31/12/2015		31/12/2014	
	TEUR	%	TEUR	%
Long-term assets	363,594.4	87	343,064.8	89
Short-term assets	52,234.1	13	44,619.7	11
Total Assets	**415,828.5**	**100**	**387,684.5**	**100**
Equity capital	107,405.1	26	99,901.7	26
Long-term debt	261,571.0	63	235,902.6	61
Short-term debt	46,852.4	11	51,880.2	13
Total Liabilities and Equity	**415,828.5**	**100**	**387,684.5**	**100**

The changes in the consolidation group are referenced in chapter 9.1 of the Notes to the Consolidated Financial Statements.

For a detailed description of the balance sheet items, see chapter 4 of the Notes.

Financial Situation	2015	2014
TEUR		
Operating cash flow	46,376.1	33,624.6
Cash flow from investing activities	–52,459.0	–67,251.7
Cash flow from financing	12,930.8	49,883.4
Cash flow total	**6,847.9**	**16,361.3**

For a detailed description of the cash flow statement, see chapter 8.1 of the Notes.

Dividends and Distribution Policies

In 2015, a dividend of EUR 15.00 per share (in total 4,326.8 TEUR) was approved at the shareholders' meeting on 27 May 2015. The payout occurred on 30 June 2015. Due to the decision at the shareholder's meeting in 2015 to distribute dividends for the fiscal year 2014, a partial repayment in the amount of 443.8 TEUR and an interest payment of 288.5 TEUR was due, according to the conditions of the hybrid bond that was issued in October 2015.

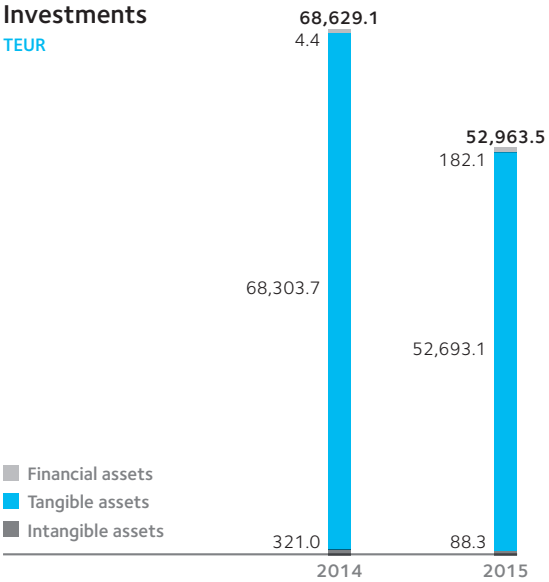
In accordance with the strategic direction with regard to distribution policy that was first taken in 2010, the payout of a significant portion of the result of the parent company WEB Windenergie AG as a dividend will be proposed in the upcoming shareholders' meeting of 2016.

Investments	2015	2014
Investments (incl. assets from acquisitions of companies)	TEUR **52,963.5**	TEUR **68,629.1**

The main investments for the fiscal year 2015 relate to the wind farms Spannberg, Auersthal and Parbasdorf in Austria, Altentreptow in Germany as well as wind parks under construction in Austria, Germany, France and Canada.

Investments

TEUR



Financing

In the fiscal year 2015, long-term loans were taken out for the construction of the photovoltaic power plants in Brunn, Austria. The same was done for the construction of wind farms Auersthal II and Spannberg II in Austria and the wind farms under construction in France.

In the fiscal year 2015, additional bonds were issued. On the one hand, fixed-interest bullet bonds with a coupon of 2.75% and fixed-interest bonds that are partially amortized during the term with a coupon of 4.0% were issued, amounting to EUR 15.6 million. On the other hand, hybrid bonds with a coupon of 6.5% amounting to EUR 6.7 million were issued.

Performance Indicators

Key Figures

Key Figures	2015	2014
EBIT Margin	32.22%	30.54%
Net Gearing	230.09%	233.10%
Return on Equity	9.00%	7.55%
Debt Repayment Period	5.29	6.20
Interest Coverage Ratio I	4.86	4.65
Interest Coverage Ratio II	2.23	2.04

EBIT Margin

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

With 32.22%, we were able to further increase our EBIT margin compared to the already high margin in 2014 (30.54%).

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.

As the net debt and the equity capital increased at almost the same rate in 2015 compared to 2014, the value of 230.09% is pretty much unchanged compared to the prior year.

Return on Equity

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

In 2015, we achieved a return on equity of 9.00%.

Debt Repayment Period

The debt repayment period is based on the relation between the company's net debt and EBITDA. This value slightly decreased to 5.29 years compared to the previous year.

Interest Coverage Ratio

The interest coverage ratio is calculated using two methods: on the one hand, the ratio between EBITDA and the total interest expenses (Interest Coverage Ratio I) and, on the other hand, the ratio between EBIT and the total interest expenses (Interest Coverage Ratio II). Both indicators increased slightly. This increase is the result of increased interest expenses. Increases in the EBIT and EBITDA helped to reduce the effect of the increased interest expenses.

Employees

For us, as a rapidly growing company, employees are an essential resource. Their commitment and know-how contribute significantly to the overall success of the company.

In accordance with the growth of the company, we are also constantly investing in the training and continuing education of our employees.

as of 31 Dec.	2015	2014	2013	2012
Personnel (headcount)	106	94	85	74
Direct education expenses per employee (EUR)	450	525	1.285	470
Average age (years)	37	37	37	36

We use 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 respective employee.

Furthermore, the company's internal newsletter, 'W.E.B intern' is sent out every 14 days. It provides all employees with up-to-date information about current developments in the company.

The number of part-time employees has increased from 9 to 19 individuals since 2012. This development is primarily based on the employment of individuals previously on leave who either take advantage of flexible working time management or prepare for re-entry as full-time employees.

Group-wide issues of organization are supported by the organization team established in 2014. Another company focus addresses the use of Microsoft SharePoint that provides all Group employees not only with quick and efficient access to internal information but also with an opportunity of seamless cooperation regardless of their location.

The satisfaction and dedication of the employees have a direct effect on corporate success. We place great importance in open, respectful and responsible interpersonal interactions. 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 Roses Program' includes voluntary activities such as company ski days, benefits such as 'Fruits for Employees' and the organization of lunches which provides for a balanced and pleasant workplace atmosphere.

Anticipated Development

Risks and Uncertainties

Opportunity and Risk Management

We consider opportunity and risk management as a crucial 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 environment in a timely fashion.

As part of a formalized risk management process, the company's decision makers discuss significant risk factors and assess the probability of occurrence and their potential impacts on the corporate result.

Measures for dealing with the identified risks are developed and implemented. The measures' objective is to reduce both the possible extent of damage and the probability of occurrence.

Information concerning risks and measures are saved in a central database and updated regularly.

Price Risk and Political Risk

Feed-in tariffs are guaranteed on a medium and long-term basis for a majority of the power generated by our plants. Therefore, we have only marginal exposure to market price risks and economic risks.

Guarantee Period	Share of planned generation 2015	Share of planned generation 2014
No guarantee tariff	4.9%	5.8%
Up to 1 year	8.1%	0.0%
1 to 5 years	21.9%	31.6%
More than 5 years	65.1%	62.6%

These tariffs are locked in under existing laws. A modification of these laws and/or the elimination of the tariff subsidies would be a significant threat to the economic viability of the generating plants. However, this is 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. 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 impact.

Technical Risks

As of 31 December 2015, we are operating a total of 219 power plants: 203 wind power plants, three hydroelectric power plants and 13 photovoltaic plants. 177 wind power plants were built by world market leader Vestas (including the plants from NEG Micon which has since merged with Vestas) and 26 plants by German manufacturer Enercon. By using only wind power plants from manufacturers with many years of market experience, we are able to keep the technical risk as low as possible.

Large Components

Based on experiences 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 promptly repairing large components with own resources in case of breakdown have been improved.

Climatic and Meteorological Framework

Generating energy from wind power and photovoltaic plants depends to a large extent on weather conditions. Wind is subject to great seasonal and annual volatility. The W.E.B 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

In 2015, our plants achieved 97.5% in total plant availability (previous year: 97.2%). Like in the previous year, substation renovations and upgrades as well as shutdowns due to energy suppliers' general grid expansion which resulted in deactivated wind parks, impacted the value.

In 2015, the technical availability of 98.9% remained at the same level as in the prior year. Efficient service structures and the successful implementation of the operation strategy are the foundation for this excellent value.

On the first level of our operation strategy, provisions are made through site guards at wind farms who can ensure an efficient operation of the power plants due to on-site observations and quick reaction. The second level of the operation strategy ensures a good state of the power plants through high-quality manufacturer maintenance efforts, which are supported by inspections and preventive removal of defects by our own, well-trained technicians. The operation control of the third level is concerned with system monitoring and efficient incident management in case of damage. In order to avoid unexpected damage, the operating data of the plants is 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 storage of spare parts and appropriate specialty tools. Partnerships with component manufacturers as well as companies for transport, logistics and crane services provide appropriate security. In case of resource constraints, it is contractually ensured to have access to the manufacturer's service. The fifth level of the operating strategy focuses on technical improvements, replacements and repairs of large components, as well as the servicing of rotor blades. Maintaining high standards and innovative repair approaches developed on our own will secure this high technical standard in the future.

The costs for large component repairs were further reduced by using an internal crane system. This faster and less complex service for large components is expected to produce a sustainable reduction in service cost in the future.

Another operational risk is related to outages in wind energy production as the result of plant downtimes caused by iced rotor blades.

Photovoltaic

The year 2010 was the first time that a large photovoltaic farm was under our operational management. 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 in case of failed modules.

Project Development

Developing new power plant locations is an essential component of our business activity. It comprises 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. See section 'Company Development' in terms of new risks in the context of awarding contracts for future projects.

Financial Risks

Currency Risk

Financing of our projects for plants in the Czech Republic is done in the national currency. 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 applies for the financing of plants in Canada.

In addition, one loan in Swiss Francs exists. As the share of this loan of the total volume of financing is relatively small, such financing is not hedged. Additional detailed information is presented in the Notes in explanation note (20) Financial Obligations and chapter 7.2 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 50% 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 31 December 2015, approximately 81% of the financial obligations are subject to fixed interest rates.

An increase of the interest rate by 1%-point would reduce our result by approximately 423.0 TEUR p.a.

Financial Instruments

The main originating financial instruments are participations, securities, loans, trade receivables, balances held at banks, financial obligations, bonds and trade payables. On the balance sheet date, the existing derivative financial instruments are interest rate swaps and are described in detail in the Notes, explanation note (22) Derivative Financial Instruments.

As of 31 December 2015, there are no contingent liabilities.

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

Apart from the concluded interest rate swaps (see Notes, explanation note (22) Derivative Financial Instruments) no specific hedging transactions were completed in the fiscal year 2015.

Financial Futures Transactions/Derivatives

Concerning contracts existing on the balance sheet date and their valuation/accounting treatment, see explanation note (22) Derivative Financial Instruments in the Notes.

Default Risk

We supply the energy generated in our plants to partially nationalized and private electricity traders with the highest credit ratings as well as private customers. The majority of revenues in Austria (95%, previous year: 93%) were generated from the OeMAG Abwicklungsstelle für Ökostrom AG; the rest was generated with a private company with well-established business relationships as well as 'W.E.B-Grünstrom' customers.

The subsidiaries in the Czech Republic, France, Italy and Canada also deliver to electricity companies responsible for dealing with green energy. In addition, revenues are generated from direct marketing of the produced energy in Germany.

Counterparty Risk – Suppliers

We operate wind power plants from two main suppliers. Both companies are globally operating 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 partial 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 claims.

Liquidity Risk

All power plants are financed through long-term financing agreements with banks or by medium/long-term bonds issued by W.E.B., 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, we are obligated 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. The expansion quotas currently available however, cause long delays and therefore, projects which have already received approvals are probably not going to be implemented until 2020 or later. We are aware of these circumstances and therefore, besides our Austrian project development, we invest primarily in project development abroad in order to continue to reach our growth goal of around 10% per year.

In 2015, we focused on markets such as France, Germany and Canada and also made first steps to enter the wind market in the USA and Italy.

Our project 'W.E.B-Grünstrom' continues to be hugely popular and helps us, on the one hand, provide shareholders with W.E.B. electricity, and on the other hand, creates awareness amongst potential shareholders of W.E.B.

Research and Development

We constantly work on minimizing the operating costs for existing plants and maximizing earnings. In this context, we have developed and tested new repair concepts in a nacelle of the 2 MW class, installed in Pfaffenschlag. In 2015 major analyses and projects focused on the implementation of service models for the new 3 MW class.

Overall, R&D work continued to be intensified. Our team works intensively on analyzing systems to improve the stabilization of cyclically produced renewable energy and has developed new areas of application for existing wind farms beyond their fixed feed-in tariff period. Likewise, we put a focus on opportunities to optimize using Demand-Side-Management and the adoption of energy management with regard to demand-oriented energy supply. A pilot project (thermo active building systems) was implemented in a test project.

Another R&D focus is on the conceptual design and layout of a battery storage system which will be installed in the W.E.B headquarters as a prototype in 2016.

A new development focus in 2015 was on the qualification of W.E.B power plants (wind energy and hydroelectricity) in Austria for the usage in balancing electricity markets (secondary and tertiary balancing energy).

Branch Offices

WEB Windenergie AG does not have any branch offices.

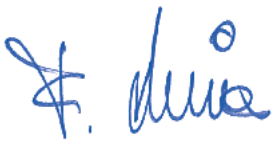
Events After the Reporting Date

In February 2016, we were able to secure the rights to acquire the Pisgah Mountain wind farm in Maine, USA. The market entry into the USA is an important strategic milestone for us, as it opens up additional opportunities to benefit from the strong industry growth in North Americaas a result of the tremendous market conditions.

In the fall of 2015, we participated in a call for tenders, with projects amounting to just under 30 MW, in the province of Ontario, Canada. Unfortunately, the decision made in March 2016 to award the contract was not in our favour. We will pursue the projects nonetheless – for example within the scope of subsequent tenders in this province.

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

The Board of Directors
Pfaffenschlag, 2 May 2016



Frank Dumeier

Michael Trcka

Consolidated Financial Statements (IFRS)

Consolidated Profit and Loss Statement 1/1–31/12/2015

TEUR	Note	2015	2014
Revenues	**1**	**66,596.1**	**53,995.6**
Other operating income	2	1,917.9	1,126.6
Costs of material and purchased services	3	–2,537.7	–1,627.6
Personnel expenses	4	–6,475.6	–5,434.7
Depreciation	5	–25,269.9	–21,089.5
Other operating expenses	6	–12,773.6	–10,479.8
Operating result (EBIT)		**21,457.2**	**16,490.6**
Income from associated companies accounted for under the equity method	12	335.1	129.6
Interest income	7	997.4	850.5
Interest expenses	8	–9,356.8	–7,857.6
Other financial result	9	–362.9	–116.3
Net financial result		**–8,387.3**	**–6,993.9**
Earnings before income tax		**13,069.9**	**9,496.6**
Income tax	23	–3,743.3	–2,443.0
Earnings after income tax		**9,326.6**	**7,053.6**
thereof planned share attributable to hybrid capital holders		303.2	68.0
thereof attributable to non-controlling interests		397.9	–226.2
thereof attributable to owners of WEB AG		**8,625.5**	**7,211.8**
Earnings per share[1] (EUR)		**29.9**	**25.0**

[1] Diluted is the same as undiluted

Consolidated Statement of Comprehensive Income

TEUR	2015	2014
Earnings after income tax	**9,326.6**	**7,053.6**
Items that may be reclassified to profit or loss at a later time		
Changes from currency conversions	–1,796.5	392.1
Changes in market values of financial instruments 'available for sale'	229.9	115.0
Changes in market values of cash flow hedges	596.5	–1,877.8
Income tax on other comprehensive income	–207.0	424.7
Total other comprehensive income	**–1,177.1**	**–945.9**
Total income after income tax	**8,149.5**	**6,107.7**
thereof attributable to hybrid capital holders	303.2	68.0
thereof attributable to non-controlling interests	12.6	–169.3
thereof attributable to owners of WEB AG	**7,833.7**	**6,209.0**

Explanations see note (18) in Notes.

Consolidated Balance Sheet as of 31/12/2015

TEUR

	Note	31/12/2015	31/12/2014
Assets			
Intangible assets	10	3,524.2	3,765.6
Tangible assets	11	349,449.7	327,954.0
Shares in associated companies and joint ventures	12	2,547.7	2,003.6
Long-term financial assets	13	7,733.3	9,001.3
Deferred tax assets	23	339.4	340.3
Long-term assets		**363,594.4**	**343,064.8**
Inventories	14	3,134.7	2,209.5
Trade receivables	15	7,836.6	8,116.7
Other receivables and assets	16	5,834.4	5,225.3
Income tax receivables		1,870.8	1,716.5
Cash and cash equivalents	17	33,557.7	27,351.8
Current assets		**52,234.1**	**44,619.7**
Total assets		**415,828.5**	**387,684.5**

Consolidated Balance Sheet as of 31/12/2015

TEUR

	Note	31/12/2015	31/12/2014
Equity and liabilities			
Registered capital	18	28,845.3	28,845.3
Capital reserves	18	23,323.8	23,323.8
Hybrid capital	18	10,574.0	4,355.5
Other reserves	18	–2,851.1	–2,059.3
Retained earnings	18	41,747.3	38,674.7
Share owned by WEB AG shareholders		**101,639.3**	**93,140.1**
Non-controlling interests	19	5,765.7	6,761.6
Equity		**107,405.1**	**99,901.7**
Financial obligations	20	193,040.7	178,119.7
Bonds	21	46,272.5	39,131.3
Deferred tax liabilities	23	12,286.0	11,675.3
Provisions	24	7,950.8	6,956.3
Other long-term obligations	22	2,020.9	2,602.4
Long-term liabilities		**261,571.0**	**238,485.0**
Financial obligations	20	26,214.5	25,703.5
Bonds	21	9,212.4	12,082.2
Obligations from income tax		2,801.9	1,216.7
Trade payables and other payables	25	8,623.7	10,295.3
Short-term liabilities		**46,852.4**	**49,297.8**
Total liabilities		**308,423.5**	**287,782.8**
Total equity and liabilities		**415,828.5**	**387,684.5**
Equity (excl. hybrid capital and non-controlling interests) per share (EUR)		**315.4**	**307.6**

Consolidated Cash Flow Statement

TEUR			2015	2014
1		**Earnings before income tax**	**13,069.9**	**9,496.6**
2	+/–	Depreciation/ appreciation (tangible and intangible assets)	25,269.9	21,089.7
3	+	Interest balance	8,359.4	7,007.2
4	+/–	Non-cash result of associated companies accounted for using the equity method	–310.6	–129.6
5	+/–	Depreciation/appreciation of financial assets	–9.2	–11.0
7	–/+	Profits/losses from disposal of fixed assets	709.6	490.3
8	+ –	Increase/ decrease of long-term provisions	–19.1	4.4
10	+/–	Other non-cash changes	–18.0	358.7
11		**Cash flow from operating activities before working capital changes and taxes**	**47,052.0**	**38,306.3**
12/13	– +	Increase/ decrease in inventories and receivables	–769.8	–877.3
14	– +	Increase/ decrease of receivables from affiliated companies	–55.5	101.1
15	– +	Increase/ decrease of other receivables	–372.1	–1,373.6
16/17	+ –	Increase/ decrease of trade payables and other payables	2,725.7	710.2
18	–	Income taxes	–2,204.2	–2,129.0
19		**Cash flow from operating activities**	**46,376.1**	**34,737.7**
20	+	Inflows from disposal of assets	838.5	133.4
21	+	Inflows from disposal of financial assets and other long-term assets	1,575.1	–0.5
22	+	Interest inflows	311.9	330.0
24	+ –	Increase/ decrease of obligations due to affiliated companies	7.8	0.0
27	–	Outflows due to investments in intangible and tangible assets	–55,123.8	–61,627.3
28	–	Outflows due to acquisitions of financial assets and other long-term assets	–189.1	–6,136.6
29	+	Dividends received	120.6	49.2
30		**Cash flow from investing activities**	**–52,459.0**	**–67,251.7**

31	+	Inflows from non-controlling shareholders	249.9	6,167.0
31	–	Outflows to non-controlling shareholders	–1,999.8	0.0
32	–	Dividends paid	–4,615.3	–3,461.4
33	–	Interest outflows	–10,635.2	–8,627.8
34	+	Inflows from the increase in financial obligations	44,527.1	63,804.8
35	–	Outflows due to repayments of financial obligations	–25,281.0	–22,716.1
50	+	Inflows from the issuance of hybrid capital	6,727.0	4,355.5
51	–	Outflows due to repayments of hybrid capital	–443.8	0.0
52	+	Inflows from the issuance in bonds	15,586.0	10,374.4
53	–	Outflows due to repayments of bonds	–11,184.1	–1,021.1
36		**Cash flow from financing activities**	**12,930.8**	**48,875.3**
37		**Total cash flow**	**6,847.9**	**16,361.3**
39		**Change in funds**		
40		Liquid assets at the beginning of the period	27,351.8	9,310.4
41		Currency differences	–642.0	1,680.1
42		Total cash flow	6,847.9	16,361.3
43		**Liquid assets at the end of the period**	**33,557.7**	**27,351.8**

Explanations see chapter 8.1. in Notes.

Consolidated Statement of Changes in Equity

TEUR

	Registered capital	Capital reserves	Hybrid capital
Status as of 1/1/2015	**28,845.3**	**23,323.8**	**4,355.5**
Results (after taxes) directly included in equity due to ...			
Currency differences			
Changes in value of securities and investments			
Changes in value of hedging transactions			
Total results (after taxes) directly included in equity			**0.0**
Result after income tax			
Total result for the period			**0.0**
Transactions with non-controlling interests			
Derecognized non-controlling interests			
Repayment to non-controlling interests			
Repayment/distribution of hybrid capital			–435.6
Issuance of hybrid capital			6,654.0
Dividends (EUR 15.0 per share)			
Status as of 31/12/2015	**28,845.3**	**23,323.8**	**10,574.0**
Status as of 31/12/2014	**28,845.3**	**23,323.8**	**0.0**
Results (after taxes) directly included in equity due to ...			
Currency differences			
Changes in value of securities and investments			
Changes in value of hedging transactions			
Associated companies accounted for at equity			
Total results (after taxes) directly included in equity			**0.0**
Result after income tax			
Total result for the period			**0.0**
Capital increase			
Issuance costs			
Acquisition of shares of fully consolidated companies			
Capital contribution from shareholders with non-controlling interests			
Distribution to shareholders with non-controlling interests			
Purchase of treasury stock			
Issuance of hybrid capital			4,355.5
Dividends (EUR 12.0 per share)			
Status as of 31/12/2014	**28,845.3**	**23,323.8**	**4,355.5**

Other reserves						
Bonds and investments	Hedging transactions	Currency translation	Retained earnings	Share of WEB AG shareholders	Non-controlling interests	Total equity
224.4	**–1,940.9**	**–342.7**	**38,674.7**	**93,140.1**	**6,761.6**	**99,901.7**
		–1,411.2		–1,411.2	–385.3	–1,796.5
172.3				172.3		172.3
	447.1			447.1		447.1
172.3	**447.1**	**–1,411.2**		**–791.8**	**–385.3**	**–1,177.1**
			8,928.7	8,928.7	397.9	9,326.6
172.3	**447.1**	**–1,411.2**	**8,928.7**	**8,136.9**	**12.6**	**8,149.5**
			–1,229.9	–1,229.9	1,060.4	–169.5
					–69.0	–69.0
					–1,999.8	–1,999.8
			–299.5	–735.0		–735.0
				6,654.0		6,654.0
			–4,326.8	–4,326.8		–4,326.8
396.6	**–1,493.8**	**–1,753.9**	**41,747.3**	**101,639.3**	**5,765.7**	**107,405.1**
139.3	**–517.9**	**–677.9**	**34,856.4**	**85,969.1**	**931.9**	**86,900.9**
		335.2		335.2	56.9	392.1
85.0				85.0		85.0
	–1,423.1			–1,423.1		–1,423.1
	0.0	0.0	0.0	0.0	0.0	0.0
85.0	**–1,423.1**	**335.2**		**–1,002.8**	**56.9**	**–945.9**
			7,279.8	7,279.8	–226.2	7,053.6
85.0	**–1,423.1**	**335.2**	**7,279.8**	**6,277.0**	**–169.3**	**6,107.7**
						0.0
						0.0
						0.0
					6,167.0	6,167.0
					–168.0	–168.0
						0.0
				4,355.5		4,355.5
			–3,461.4	–3,461.4		–3,461.4
224.4	**–1,940.9**	**–342.7**	**38,674.7**	**93,140.1**	**6,761.6**	**99,901.7**

Notes to the Consolidated Financial Statements for the Fiscal Year 2015

The following Notes

- provide information about our company, basics about the preparation of the consolidated financial statements and the applied accounting methodologies,
- include breakdowns and explanations for individual items of the balance sheet and the income statement,
- show the areas where discretionary decisions and estimates were necessary and where risks are involved, and
- include other relevant information improving the understanding of our activities and our results.

The information provided is in accordance with the International Financial Reporting Standards (IFRS) and is subject to a specific layout. We made an effort to display the information as concise and reader-friendly as possible. We are always open to suggestions to further improve the understandability.

Contents

1. About Us

WEB Windenergie AG (short: W.E.B), headquartered at Davidstrasse 1, 3834 Pfaffenschlag, Lower Austria, commercial registry court: District Court of Krems an der Donau (FN 184649v), is a company with a focus on project development and operating power plants in the renewable energy sector. This includes primarily projects and plants in the areas of wind power, photovoltaic and hydroelectric power. We operate in Austria, as well as internationally, mainly in Germany, the Czech Republic, Italy, France and Canada. The company's international focus and technological diversification through projects form the basis for a successful management in dealing with the challenges of sustainable energy supply. This task is becoming increasingly important, not only due to ecological reasons, but also due to the expectations of a long-term increase in energy demands as well as decreasing fossil fuel resources. In addition, we deal with the marketing of renewable energy, primarily produced by our power plants that are now independent from subsidy rates.

2. Accounting Principles We Applied When Preparing the Consolidated Financial Statements

We have prepared the Corporate Group Financial Statements in accordance with the International Financial Reporting Standards (IFRS), as they apply in the EU, and the supplemental, applicable regulations of corporate laws in Austria.

Valuation of the financial assets are based on the accounting principles of acquisition cost less depreciation and impairments. Exceptions are made for certain financial assets that are carried at fair value. Further explanations of the accounting principles are provided in chapter 9. Information regarding discretionary decisions and estimates that were deemed necessary for the preparation of the financial statements are provided in chapter 6.

Sections of the IFRS are revised on a regular basis. A portion of the revised standards was applied in the fiscal year 2015. The application of the remaining new standards is not required until 2016 to 2019. The newly implemented principles in the fiscal year 2015 had no impact on the Consolidated Financial Statements. The new standards that will be applicable in the coming years are further explained in chapter 9.4..

All values in the Consolidated Financial Statements are, if not stated otherwise, presented in thousand Euro (TEUR) and rounded.

3. Detailed Information on the Profit and Loss Statement

(1) Sales Revenue	2015	2014
TEUR		
Revenue from the generation of electricity at		
Wind power plants	61,020.9	49,215.8
Photovoltaic power plants	4,333.8	4,220.1
Hydroelectric power plants	336.0	371.8
Revenue from the sale of electricity and direct sales to end customer	905.4	187.9
	66,596.1	**53,995.6**

We sell generated power mostly to large state-owned organizations or organizations close to the state. 74.2% (previous year: 71.7%) of revenues from the generation of electricity result from legally regulated subsidy rates.

(2) Other Operating Income	2015	2014
TEUR		
Income from prior years	1,036.6	0.0
Revenues from invoice forwarding	349.1	212.3
Income from the reversal of provisions	121.4	267.1
Insurance compensation	76.2	108.0
Revenues from operations management	66.2	60.8
Revenues from services	39.0	78.2
Rental income	37.1	42.4
Revenues from trading goods	24.0	70.7
Reimbursements, subsidies	1.6	3.1
Others	166.7	284.0
	1,917.9	**1,126.8**

Income from prior years results from grid loss charges and a settlement in a lawsuit regarding charges for ancillary services. The position 'Revenues from invoice forwarding' includes revenues from the invoice forwarding for expenses that were paid for third parties.

(3) Cost of Material and Purchased Services	2015	2014
TEUR		
Grid loss charges	1,167.1	867.5
Energy consumption power plants	711.3	585.1
Marketing of electricity purchases	582.0	0.0
Cost of sales	77.3	175.0
	2,537.7	**1,627.6**

Cost of sales includes impairment of inventory in the amount of 2.6 TEUR (previous year: 36 TEUR).

(4) Personnel Expenses	2015	2014
TEUR		
Salaries and wages	5,192.3	4,333.3
Expenses for legally mandated fees and contributions	1,174.6	1,022.0
Contributions to staff provision fund	57.5	53.9
Other personnel expenses	51.2	25.5
	6,475.6	**5,434.7**

For each fiscal year we employed on average (part-time employees are taken into account on a full-time equivalent [FTE] basis):

Employees (annual average/FTE)	2015	2014
Office staff	76	64
Field staff	15	16
Apprentices	1	1
Average (FTE)	**92**	**81**

(5) Depreciation/Amortization

The depreciation and amortization of tangible assets and intangible assets also include impairment losses for wind power plants in Austria in the amount of 1,662.1 TEUR (previous year: 0 TEUR). Further explanation is provided in chapter 6.

(6) Other Operating Expenses

TEUR	2015	2014
Maintenance and operating costs, power plants	5,596.1	4,323.5
Rental expenses, power plants	1,582.3	1,216.8
Consulting expenses	1,022.9	895.0
Insurance expenses, power plants	610.7	531.1
Travel expenses, vehicle expenses	876.6	724.6
Advertising expenses	438.1	387.2
Maintenance expenses for operations	324.6	378.2
External business services	298.6	153.1
Project development expenses	208.1	121.0
Compensation for Supervisory Board	87.0	87.0
Others	1,728.6	1,662.3
	12,773.6	**10,479.8**

Rental expenses of 428.2 TEUR (previous year: 297.1 TEUR) represent the amount that is dependent on the amount of revenue generated by the wind power plants. The expenses for the audit of the financial statements in the fiscal year by KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and its domestic network of companies amounted in total to 75.9 TEUR (previous year: 49.0 TEUR), of which 23.9 TEUR (previous year: 18.5 TEUR) were attributable to the audit of the individual financial statements, 29.5 TEUR (previous year: 27.8 TEUR) to the audit of the Consolidated Financial Statements, and 22.5 TEUR (previous year: 2.7 TEUR) to other services.

(7) Interest Income

TEUR	2015	2014
Clearing accounts	961.0	802.7
Default interest	24.2	31.7
Time deposits/ bank balance	12.2	14.8
Others	0	1.3
	997.4	**850.5**

(8) Interest Expenses

TEUR	2015	2014
Interest expenses for bonds	2,309.7	2,118.8
Interest expenses for bank loans	6,118.3	4,528.9
Expenses for interest rate hedging	719.6	1,028.5
Others	209.2	181.4
	9,356.8	**7,857.6**

(9) Other Financial Results

TEUR	2015	2014
Gain on changes in exchange rate	5.4	330.7
Results from investments	5.3	20.7
Interest demolition cost provisions	–257.0	–219.4
Others	–116.6	–248.3
	–362.9	**–116.3**

4. Notes to the Balance Sheet

(10) Intangible Assets	Software	Rights of use	Total
TEUR			
2015			
Historical cost as per 1/1/2015	**730.1**	**7,059.5**	**7,789.6**
Currency effects	–0.8	0.0	–0.8
Additions	47.2	41.1	88.3
Disposals	–1.0	–0.1	–1.1
Deconsolidation ELLA AG	–4.1	–26.4	–30.5
Account transfers	0.0	80.6	80.6
Historical cost as per 31/12/2015	**771.4**	**7,154.7**	**7,926.1**
Cumulative changes in value as per 1/1/2015	**513.9**	**3,510.1**	**4,024.0**
Currency effects	–0.6	0.0	–0.6
Depreciation	97.8	283.5	381.3
Disposals	0.0	0.0	0.0
Deconsolidation ELLA AG	–0.4	–2.4	–2.8
Cumulative changes in value as per 31/12/2015	**610.7**	**3,791.2**	**4,401.9**
Net book value as per 31/12/2015	**160.7**	**3,363.5**	**3,524.2**
2014			
Historical cost as per 1/1/2014	**618.2**	**6,850.5**	**7,468.7**
Currency effects	0.4	0.0	0.4
Additions	112.0	209.0	321.0
Disposals	–0.5	0.0	–0.5
Account transfers	0.0	0.0	0.0
Historical cost as per 31/12/2014	**730.1**	**7,059.5**	**7,789.6**
Cumulative changes in value as per 1/1/2014	**424.3**	**3,231.8**	**3,656.1**
Currency effects	0.4	0.0	0.4
Depreciation	89.3	278.3	367.6
Disposals	–0.1	0.0	–0.1
Cumulative changes in value as per 31/12/2014	**513.9**	**3,510.1**	**4,024.0**
Net book value as per 31/12/2014	**216.2**	**3,549.4**	**3,765.6**

The book values for rights of use include water rights in Imst, Austria with 971.5 TEUR (previous year: 1,002.9 TEUR) and license agreements with Wörbzig, Germany, with 644.3 TEUR (previous year: 771.9 TEUR).

The remaining amortization period for water rights in Imst was 30.5 years and 4.0 years for the licensing agreements with Wörbzig on the balance sheet date.

(11) Tangible Assets	Land and buildings	Technical plants and machines	Other equipment, operating and office equipment	Advance payments, plant under construction	Total
TEUR					
2015					
Acquisition/Production costs as per 1/1/2015	**11,356.1**	**404,653.2**	**3,272.1**	**57,290.0**	**476,571.4**
Currency effects	–3.5	–2,605.7	–20.2	–928.5	–3,557.9
Additions	339.4	4,535.3	1,041.3	46,777.1	52,693.1
Disposals	–2.9	–1,969.7	–149.1	–645.4	–2,767.1
Deconsolidation ELLA AG	0.0	0.0	–642.9	–43.3	–686.2
Account transfers	1,522.9	62,459.0	50.0	–64,112.5	–80.6
Acquisition/Production costs as per 31/12/2015	**13,212.0**	**467,072.1**	**3,551.2**	**38,337.4**	**522,172.7**
Cumulative depreciation as per 1/1/ 2015	**2,336.6**	**144,683.8**	**1,597.0**	**0.0**	**148,617.4**
Depreciation	170.3	22,650.4	418.5	0.0	23,239.2
Impairments	0.0	1,662.1	0.0	0.0	1,662.1
Currency effects	0.0	–32.9	–14.1	0.0	–47.0
Disposals	–0.3	–618.0	–95.2	0.0	–713.5
Deconsolidation ELLA AG	0.0	0	–35.2	0.0	–35.2
Cumulative depreciation as per 31/12/2015	**2,506.6**	**168,345.4**	**1,871.0**	**0.0**	**172,723.0**
Net book value as per 31/12/2015	**10,705.4**	**298,726.7**	**1,680.2**	**38,337.4**	**349,449.7**
2014					
Acquisition/Production costs as per 1/1/2014	**11,123.0**	**362,863.5**	**2,800.1**	**35,483.0**	**412,269.6**
Currency effects	2.3	253.2	3.6	1,375.3	1,634.4
Additions	233.0	7,298.1	687.6	59,151.3	67,370.0
Addition due to adjustment in demolition cost provision	0.0	933.6	0.0	0.0	933.6
Disposals	–0.7	–2,140.7	–307.7	–3,187.1	–5,636.2
Account transfers	–1.5	35,445.5	88.5	–35,532.5	0.0
Acquisition/Production costs as per 31/12/2014	**11,356.1**	**404,653.2**	**3,272.1**	**57,290.0**	**476,571.4**
Cumulative depreciation as per 1/1/2014	**2,178.8**	**124,808.8**	**1,380.4**	**0.0**	**128,368.0**
Depreciation	157.8	20,156.6	407.5	0.0	20,721.9
Currency effects	0.0	–29.8	4.6	0.0	–25.2
Disposals	0.0	–251.8	–195.5	0.0	–447.3
Cumulative depreciation as per 31/12/2014	**2,336.6**	**144,683.8**	**1,597.0**	**0.0**	**148,617.4**
Net book value as per 31/12/2014	**9,019.5**	**259,969.4**	**1,675.1**	**57,290.0**	**327,954.0**

The position 'Advance Payments, Plant under Construction' includes the projects Parbasdorf II, Dürnkrut-Götzendorf II in Austria, the projects Baddeck, Brenton, Walton and Hardwood Lands in Canada and the project Les Gourlus in France.

The acquisition costs for 'Technical Plants and Machines', acquired during the fiscal year, include interests in the amount of 337.0 TEUR (previous year: 982.8 TEUR) that relate directly to projects. This includes wind power plants in Austria and Canada. The financing rate is on average 0.79% in Austria and 6.22% (previous year: 6.04%) in Canada.

Information on Leased Assets

The book value of the position 'Technical Plants and Machines' includes 31,724.4 TEUR for this fiscal year which can be attributed to power plants leased by means of capital leasing. These relate to the wind power plants of the wind farms Langmannersdorf, Neuhof and Stattersdorf in Austria, as well the photovoltaic power plants Montenero I and Montenero II of WEB Italia.

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

Obligations from capital lease contracts

Maturities of the minimum lease payments	31/12/2015			31/12/2014		
TEUR	Nominal value	Discounting	Cash value = book value	Nominal value	Discounting	Cash value = book value
Due within 1 year	4,253.9	791.0	3,462.9	4,244.8	908.2	3,336.6
Due in 1 to 5 years	12,913.0	1,957.3	10,955.7	15,185.0	2,432.2	12,752.8
Due in more than 5 years	7,429.7	853.9	6,575.8	9,388.6	1,169.9	8,218.7
	24,596.6	**3,602.2**	**20,994.4**	**28,818.4**	**4,510.3**	**24,308.1**

The residual periods of the lease contracts are up to 13 years. The cash values include amounts for the acquisition of plants at the end of the contract (purchase option).

(12) Shares in Associated Companies and Joint Ventures

	Share							Total			
Company	31/12/2015	31/12/2014	Book value 31/12/2014	Additions 2015	Share of annual results	Distribution	Book value 31/12/2015	Assets	Liabilities	Revenue	Profit/Loss
TEUR											
Tauernwind Windkraftanlagen GmbH	20%	20%	331.6		127.6		459.2	8,267.5	5,935.5	2,592.9	637.8
Sternwind Errichtungs- und BetriebsgmbH	49%	49%	361.7		35.0	–24.5	372.2	1,332.6	579.0	353.3	73.8
Sternwind Errichtungs- und Betriebsgmbh & Co KG	49%	49%	1,020.3		93.6		1,113.9	4,469.5	1,933.3	1,728.1	243.5
SASU Energie Verte Plaine d'Artois	33%	33%	290.0		26.5	–4.2	312.3	3,443.1	2,678.0	484.4	79.7
ELLA AG	38.7%	99.0%		291.0	–3.7		287.3	1,167.6	425.4	1.9	–394.2
Windpark Weener Pooling GmbH & Co KG	16.7%	0.0%		0.0	–0.5		–0.5	777.4	3.1	0.0	–2.3
Zweite WP Weener GmbH & Co KG	50%	0.0%		12.5	–9.2		3.3	7,656.0	7,648.9	0.0	–17.8
Total			**2,003.6**	**303.5**	**269.3**	**–28.7**	**2,547.7**				

The companies operate wind farms and conduct project development. They are exposed to similar business opportunities and risks as we are. ELLA AG constructs and operates charging stations for electric cars in Austria. A description of the changes with ELLA AG are available in note (19).

(13) Long-term Financial Assets	Shares in affiliated companies	Securities	Investments	Long-term credit	Loans	Derivatives	Total
TEUR							
2015							
Historical costs							
As per 1/1/2015	37.6	836.8	1,371.3	367.5	6,055.6	0.0	8,668.8
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	1.0	55.1	126.0	0.0	0.0	19.9	202.0
Disposals	0.0	–5.5	0.0	–73.5	–2,165.8	0.0	–2,244.8
As per 31/12/2015	38.6	886.4	1,497.3	294.0	3,889.8	19.9	6,626.0
Cumulative changes in value							
As per 1/1/2015	0.0	–40.7	–297.4	–25.9	696.4	0.0	332.4
Fair value changes	0.0	229.9	0.0	0.0	0.0	0.0	229.9
Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appreciations	0.0	0.0	0.0	9.2	536.3	0.0	545.5
Disposals	0.0	0.0	0.0	0.0	–0.5	0.0	–0.5
As per 31/12/2015	0.0	189.2	–297.4	–16.7	1,232.2	0.0	1,107.3
Book value as per 31/12/2015	**38.6**	**1,075.6**	**1,199.9**	**277.3**	**5,122.0**	**19.9**	**7,733.3**
2014							
Historical costs							
As per 1/1/2014	37.6	837.2	1,371.3	441.0	13.1		2,700.2
Reclassification	0.0	0.0	0.0	0.0	0.0		0.0
Additions	0.0	4.4	0.0	0.0	6,042.5		6,046.9
Disposals	0.0	–4.8	0.0	–73.5	0.0		–78.3
As per 31/12/2014	37.6	836.8	1,371.3	367.5	6,055.6		8,668.8
Cumulative changes in value							
As per 1/1/2014	0.0	–155.7	–297.4	–36.9	0.0		–490.0
Fair value changes	0.0	115.0	0.0	0.0	0.0		115.0
Impairments	0.0	0.0	0.0	0.0	0.0		0.0
Appreciations	0.0	0.0	0.0	11.0	696.4		707.4
Disposals	0.0	0.0	0.0	0.0	0.0		0.0
As per 31/12/2014	0.0	–40.7	–297.4	–25.9	696.4		332.4
Book value as per 31/12/2014	**37.6**	**796.2**	**1,073.9**	**341.6**	**6,752.0**		**9,001.3**

Securities are available for sale.

The investments are composed as follows:

	Share	31/12/2015	31/12/2014
TEUR			
oekostrom AG für Energieerzeugung und -handel	5.50%	622.5	622.5
Windkraft Simonsfeld AG	2.09%	286.2	286.2
Weinviertler Energie GmbH & Co KG	17.56%	150.0	150.0
Societa Elettrica Lingure Toscana srl	5.00%	126.0	0.0
GESY Green Energy Systems GmbH	1.00%	15.2	15.2
		1,199.9	**1,073.9**

On balance sheet date, a reciprocal shareholding situation existed with Windkraft Simonsfeld AG where we had a share of 2.09 % (previous year: 2.09 %); it held 1,095 shares (0.38 %) of our company (previous year: 1,095 shares, 0.38 %).

The loans include a loan to Windpark Eschenau GmbH in the amount of 2.4 TEUR (previous year: 13.6 TEUR) as well as a loan to Scotian WindFields Inc./Scotian Wind Inc. (SWIFI/SWI) in the amount of 5,119.6 TEUR (previous year: 6,738.4 TEUR). This loan was granted to the Canadian partners for financing their equity share in Scotian WEB Limited Partnership. It is secured by the partners' share as collateral. The loan has an annual interest rate of 14%. Repayment for the loan is due on 1 April 2018.

(14) Inventory

	31/12/2015	31/12/2014
TEUR		
Consumables and replacement parts	3,134.7	2,209.5

(15) Trade Receivables

	31/12/2015	31/12/2014
TEUR		
Receivables from delivery of electricity	7,836.6	8,012.6
Receivables from renting	0.0	104.1
	7,836.6	**8,116.7**

(16) Other Receivables and Assets

	31/12/2015	31/12/2014
TEUR		
Financial assets		
Receivables from finance authorities	2,237.7	3,261.1
Clearing accounts third parties	1,625.2	0.0
Clearing accounts	289.3	287.4
Others	469.7	696.0
	4,621.9	**4,244.5**
Non-financial assets		
Pre-paid fees	1,212.5	980.7
	1,212.5	**980.7**
Total	**5,834.4**	**5,225.2**

Analysis of Impaired Financial Assets

	31/12/2015	31/12/2014
TEUR		
Gross receivables	437.0	496.8
Individual value adjustment	437.0	496.8
Book value	**0.0**	**0.0**

There are no significant receivables that are overdue but have not been adjusted in value.

(17) Cash and Cash Equivalents

	31/12/2015	31/12/2014
TEUR		
Short-term deposits with financial institutions	33,545.6	27,340.1
Cash	12.1	11.7
	33,557.7	**27,351.8**

2,718.9 TEUR (previous year: 15,207.2 TEUR) of the short-term deposits with financial institutions are available for specific purposes. It serves as collateral for creditors in Canada.

(18) Equity

The capital stock of WEB Windenergie AG is EUR 28,845,300.00 (previous year: EUR 28,845,300.00) and is composed of 288,453 shares (previous year: 288,453).

The shares consist of registered shares with restricted transferability. 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 reserve results from shareholders' contributions and assets in-kind less allocated transaction costs.

The hybrid capital consists of a hybrid bond ('wind power bond'), issued in 2014, in the amount of 4,438.0 TEUR less respective issuance costs and partial repayment in 2015 in the amount of 443.8 TEUR, as well as a hybrid bond in the amount of 6,727.0 TEUR, issued in 2015, less respective issuance costs. The bond is listed on the third market of the Vienna stock exchange and is registered as a collective certificate with the Austrian Volksbanken-Aktiengesellschaft.

The hybrid bond has an infinite term. The interest is fixed at 6.5% p.a. of the nominal value. Interest payments may be suspended in years when there is no dividend distributed for the previous fiscal year. Suspended payments are remedied including compound interest. According to the conditions of the bond the pro-rated repayment is one tenth of its nominal value in years when WEB Windenergie AG distributes a dividend for the prior fiscal year.

Due to the decision at the shareholders' meeting to distribute a dividend for the fiscal year 2014, it also resulted in a partial repayment of the hybrid bond at one tenth of its nominal value (443.8 TEUR) as well as an interest payment of 288.5 TEUR. There is no repayment or interest payment obligation in effect on the balance sheet date because the earliest date for such obligation to enter into effect is the date on which the decision on dividend distribution for the fiscal year 2015 is made at the shareholders' meeting 2016. A distribution of dividends for the fiscal year 2015 is to be recommended at the shareholder's meeting 2016. Therefore, we expect that there will be interest payments and repayment of the hybrid bond in 2016.

The other reserves contain results that are not included in the profit and loss statement. It results from the translation of subsidiaries in other currency zones (currency translation), the change in fair value of financial assets classified as 'available for sale' (bonds and investments) and from changes in value of interest rate swaps, held for interest rate hedging purposes (hedging). We include these items in the profit and loss statement when they are realized.

	31/12/2015			31/12/2014		
TEUR	**Amount before taxes**	**Income taxes**	**Amount after taxes**	**Amount before taxes**	**Income taxes**	**Amount after taxes**
Currency translation	–1,796.5	0.0	–1,796.5	392.1	0.0	392.1
Bonds and investments	229.9	–57.6	172.3	115.0	–30.0	85.0
Hedging	596.4	–149.3	447.1	–1,877.8	454.7	–1,423.1
	–970.2	**–206.9**	**–1,177.1**	**–1,370.7**	**424.7**	**–946.0**

The retained earnings encompass the profits earned in the corporate group less profit distributions. The amount that we are allowed to distribute to shareholders from these results is in the item 'Balance Sheet Profit' in the individual financial statements of WEB Windenergie AG.

(19) Non-Controlling Interests

The following companies in which we have a controlling interest, also have other shareholders:

2015 TEUR	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership
Headquarters	New Brunswick Canada	New Brunswick Canada
Share of minority shareholders	67.00%	67.00%
Voting rights of minority shareholders	45.00%	45.00%
Share of equity	5,556.5	–6.9
Allocated profit or loss	754.0	–7.3

2014 TEUR	Scotian WEB Limited Partnership	SWEB Development Limited Partnership	ELLA AG
Headquarters	New Brunswick Canada	New Brunswick Canada	Pfaffenschlag Austria
Share of minority shareholders	67.00%	49.00%	0.99%
Voting rights of minority shareholders	45.00%	49.00%	0.99%
Share of equity	7,256.4	563.4	3.1
Allocated profit or loss	108.2	640.8	–1.5

Key financial figures for these companies are:

2015 TEUR	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership
Revenues	7,924.5	0
Earnings after income tax	1,675.6	–16.3
Non-current assets	4,605.2	655.8
Current assets	48,384.1	6,525.6
Short-term liabilities	2,378.5	7,196.8
Long-term liabilities	38,263.0	0
Equity	12,347.9	–15.3
Operating cash flow	5,664.3	0
Cash flow from investing activities	–7,352.3	0
Cash flow from financing activities	–8,990.4	0
Distribution to shareholders with non-controlling interest	1,999.8	0

2014 TEUR	Scotian WEB Limited Partnership	SWEB Development Limited Partnership	ELLA AG
Revenues	1,546.1	3,117.1	0.0
Earnings after income tax	240.5	1,307.7	–165.7
Non-current assets	14,454.8	2,018.1	144.5
Current assets	51,114.3	1,291.3	381.7
Short-term liabilities	7,254.0	2,159.6	148.4
Long-term liabilities	42,189.7	0.0	38.5
Equity	16,125.4	1,149.8	339.3
Operating cash flow	9,105.2	–915.7	–160.1
Cash flow from investing activities	–37,796.9	–12,383.3	–344.7
Cash flow from financing activities	44,387.1	12,365.7	543.5
Distribution to shareholders with non-controlling interest	168.0		

As of 30 September 2015, we acquired all minority shares of SWEB Development Limited Partnership, Canada, for 426.6 TEUR.

Scotian WEB II Limited Partnership was founded in 2015, together with minority shareholders who held voting rights of 45.00%.

On 7 March 2015 ELLA AG increased its capital stock by 249.9 TEUR, which we did not participate in. This resulted in a dilution of our share in ELLA from 99.01% to 66.23%. This resulted in a profit of 54.3 TEUR which was directly captured in equity (in retained earnings). Due to another increase in capital stock on 25 November 2015, in which we did not participate either, our share was reduced to 38.7%. We have lost controlling interest in the company and have not consolidated it, starting 30 November 2015. Since 1 December 2015 the remaining investment has been accounted for as associated company (see note 12). The deconsolidation generated a profit of 156.3 TEUR, captured under 'Other Financial Results'.

Deconsolidation Result TEUR	ELLA AG
Stake valuation in ELLA AG at fair value	291.8
Reduction of non-controlling interests	69.1
Reduction in net assets	–204.5
Profit from deconsolidation	156.3

(20) Financial Obligations

	31/12/2015			31/12/2014		
	Short-term	Long-term	Total	Short-term	Long-term	Total
TEUR						
Bank financing	22,751.6	175,509.2	198,260.8	22,366.8	157,148.3	179,515.1
Capital leasing	3,462.9	17,531.5	20,994.4	3,336.7	20,971.4	24,308.1
Total	**26,214.5**	**193,040.7**	**219,255.2**	**25,703.5**	**178,119.7**	**203,823.2**

The due dates of obligations from capital lease contracts can be found under note (11).

Bank Financing			Book value 31/12/2015	Book value 31/12/2014
Term	Interest	Currency	TEUR	TEUR
2015	EURIBOR +1.00%	EUR	0.0	709.0
2016	from EURIBOR +1.25% to EURIBOR +1.55%	EUR	972.0	2,965.1
2017	from EURIBOR +1.00% to EURIBOR +1.50%	EUR	3,115.4	4,858.5
2018	from EURIBOR +1.00% to EURIBOR +1.35%	EUR	3,536.5	5,204.0
2018	EURIBOR +2.10%	EUR	5,014.5	6,633.0
2019	LIBOR +1.00%	CHF	321.7	349.6
2019	from EURIBOR +0.90% to EURIBOR +1.00%	EUR	6,698.8	9,088.7
2020	EURIBOR +1.38%	EUR	4,281.7	5,247.3
2020	from PRIBOR +1.20% to PRIBOR +1.50%	CZK	2,969.3	1,551.1
2021	EURIBOR +0.90%	EUR	1,090.0	1,280.0
2024	EURIBOR +1.30%	EUR	9,405.7	10,454.5
2025	from EURIBOR +1.625% to EURIBOR +1.65%	EUR	14,314.0	15,851.0
2026	PRIBOR +3.00%	CZK	1,647.8	1,723.9
2026	EURIBOR +2.125%	EUR	911.3	1,002.8
2027	from EURIBOR +2.00% to EURIBOR +2.30%	EUR	37,505.5	40,998.2
2029	EURIBOR +1.80%	EUR	583.2	0.0
2031	EURIBOR +0.90%	EUR	167.2	0.0
2031	EURIBOR +1.75%	EUR	5,920.5	0.0
2035	EURIBOR +1.85%	EUR	2,468.8	0.0
Total variable interest			**100,923.9**	**107,916.7**
2017	2.35% fixed	EUR	350.0	525.0
2017	2.60% fixed	EUR	1,412.4	2,354.0
2018	2.60% fixed	EUR	635.4	889.6
2021	4.05% fixed	EUR	3,043.5	3,594.0
2022	5.99% fixed	CZK	2,179.5	2,274.1
2026	3.55% fixed	EUR	11,576.0	12,383.2
2028	2.00% fixed	EUR	22,368.0	0.0
2030	2.89% fixed	EUR	8,285.0	6,541.1
2031	1.85% fixed	EUR	8,361.9	0.0
2033	6.22% fixed	CAD	39,125.3	43,037.4
Total fixed interest			**97,336.9**	**71,598.5**
			198,260.8	**179,515.1**

The obligations are repaid on a continuous basis (not as bullet payments).

Capital Leases			Book value 31/12/2015	Book value 31/12/2014
Term	Interest	Currency	TEUR	TEUR
2017	from EURIBOR +1.81% to EURIBOR +1.91%	EUR	1,451.0	2,342.6
2028	EURIBOR +2.40%	EUR	8,352.3	8,792.3
Total variable interest			**9,803.4**	**11,134.8**
2019	3.35% fixed	EUR	5,367.3	6,563.8
2018	5.92% fixed	EUR	5,823.8	6,609.5
Total fixed interest			**11,191.0**	**13,173.3**
			20,994.4	**24,308.1**

In the reporting year, the average effective interest rate for all financial obligations amounted to 3.23% (previous year: 3.05%).

The following collateral is in place for the obligations:

- 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

(21) Bonds	ISIN-No.	Interest	Term	Nominal amount	Effective interest	Book value 31/12/2015	Thereof short-term	Book value 31/12/2014	Thereof short-term
TEUR				TEUR		TEUR	TEUR	TEUR	TEUR
Wind power bond									
Bond 2010–2015	AT0000AOK1K9	5.00% fixed	2015	10,163.0	5.00%			10,100.8	10,100.8
Bond 2011–2016	AT0000A0QZH8	5.00% fixed	2016	6,464.0	5.00%	6,440.4	6,440.4	6,416.8	
Bond 2013–2018	AT0000A0Z7A0	4.00% fixed	2018	7,954.0	4.00%	7,913.1		7,894.9	
Bond 2013–2023	AT0000A0Z785	5.50% fixed	2023	6,391.0	5.51%	6,338.1		6,330.8	
Bond 2013–2023	AT0000A0Z793	5.25% fixed	2023	10,211.0	5.25%	8,102.3	1,005.8	9,106.5	1,003.0
Bond 2014–2019	AT0000A191B7	3.50% fixed	2019	10,566.0	3.50%	10,393.0		10,346.9	
Bond 2015–2020	AT0000A1GTN8	2.75% fixed	2020	7,054.0	2.75%	6,953.7			
Bond 2015–2025	AT0000A1GTP3	4.00% fixed	2025	8,532.0	4.31%	8,410.0	831.9		
Accrued interest on bonds						**934.3**	**934.3**	**978.2**	**978.2**
ELLA AG bonds	**Deconsolidated**							**38.5**	
						55,484.9	**9,212.4**	**51,213.5**	**12,082.2**

The wind power bond is listed on the third market of the Vienna stock exchange and is registered as a collective certificate with the Oesterreichische Kontrollbank Aktiengesellschaft. The denomination was EUR 1,000. The issuing price and the redemption price is 100 for all bonds.

(22) Other Long-term Obligations	Book value 31/12/2015	Book value 31/12/2014
TEUR		
Loans	15.0	20.0
Market value derivatives	2,005.9	2,582.4
	2,020.9	**2,602.4**

Derivative Financial Instruments

Description	Currency	Volume 31.12.2015	Term	Fair value 31/12/2015	Fair value 31/12/2014
		TEUR		TEUR	TEUR
1) Interest swap EUR/3M Euribor >> 1.905% fixed (10,000 TEUR)	EUR	10,000.0	25/05/2015	0.0	–72.7
2) Interest swap EUR/3M Euribor >> 1.1225% fixed (7,500 TEUR)	EUR	3,800.7	01/07/2019	–79.3	–107.7
3) Interest swap EUR/3M Euribor >> 1.60% fixed (13,581 TEUR)	EUR	10,185.0	31/12/2024	–588.1	–701.9
4) Interest swap CZK/1M Pribor >> 1.75% fixed (2,155.8 TEUR)	CZK	1,679.6	31/08/2026	–44.4	–128.8
5) Interest swap EUR/3M Euribor >> 1.2775% fixed (13,644.6 TEUR)	EUR	12,007.3	31/12/2026	–510.9	–621.4
6) Interest swap EUR/3M Euribor >> 1.29% fixed (14,875 TEUR)	EUR	12,883.3	31/12/2026	–549.6	–668.6
7) Interest swap EUR/3M Euribor >> 1.24% fixed (6,727.5 TEUR)	EUR	5,760.8	30/06/2026	–233.6	–281.3
Total				**–2,005.9**	**–2,582.4**
8) Interest swap EUR/3M Euribor >> 1.01% fixed (9,116.9 TEUR)	EUR	9,116.8	30/12/2031	19.9	0.0
Total				**19.9**	**0.0**

Our derivative financial instruments are exclusively interest rate swaps. They transform the financial obligations with variable interest into financial obligations with fixed interest and mitigate the risk of higher interest payments when interest rates increase. All interest rate swaps, with the exception of item 1), reduce in volume equivalent to the repayment of the secured liability.

All interest rate swaps meet the requirements to be accounted for as hedging transaction (hedging of future cash flows). Therefore, the change in fair value, after taking into account tax impacts of 447.1 TEUR (previous year: –1.423.1 TEUR), was recorded in 'Other Financial Results' and did not affect net income.

(23) Income Taxes

Expenses for Income Taxes	2015	2014
TEUR		
Actual expenses for income taxes for current period	2,974.9	1,736.2
Actual expenses for income taxes from previous periods	434.5	–580.8
Deferred income taxes for current period	357.8	1,295.1
Deferred income taxes from previous periods	–23.9	–7.6
	3,743.3	**2,442.9**

Earnings before taxes are 13,069.9 TEUR (previous year: 9,496.6 TEUR). The application of the Austrian income tax rate of 25% would result in a tax expense of 3,267.5 TEUR (previous year: 2,374.2 TEUR). The expense for income taxes, shown in the profit and loss statement for 2015, is 3,743.3 TEUR (previous year: 32,442.9 TEUR) and thus, is 475.8 TEUR higher (previous year: 68.7 TEUR higher).

The reasons for the difference are as follows:

TEUR	2015	2014
Higher income taxes due to		
Higher foreign tax rates	118.4	225.3
Non-deductible interest	328.2	410.7
Non-deductible fees	39.3	40.5
Other reasons	104.5	268.5
Lower income taxes due to		
Tax free income from investments	–257.0	–310
Other reasons	–80.0	–5.4
Income taxes from previous periods		
Actual expenses for income taxes from previous periods	331.9	–580.8
Deferred income taxes from previous periods	–236.4	–7.6
Adjustment to valuation allowance of deferred taxes	126.9	27.5
Total	**475.8**	**68.7**
Effective tax rate	**28.6%**	**25.7%**

Deferred tax claims (deferred tax assets) and deferred tax obligations (deferred tax liabilities) result from differences between valuations of assets and liabilities in the tax balance sheet and the IFRS balance sheet, as well as from existing loss carry-forwards on the balance sheet date:

TEUR	31/12/2015	31/12/2014
Differences in valuation between tax and IFRS balance sheet items:		
Fixed assets (varying useful life)	–19,916.3	–21,597.7
Shares in associated companies	–284.9	–106.3
Other long-term assets	584.9	590.6
Other short-term assets	678.5	889.2
Finance leasing	5,551.6	7,608.9
Bonds	–144.8	–149.8
Long-term provisions	606.2	471.2
Other long-term obligations	–230.1	0
Other short-term obligations	551.9	710.1
Loss carry-forwards	**656.5**	**248.8**
Net amount of deferred taxes	**–11,946.6**	**–11,335.0**
Thereof deferred tax assets	339.4	340.3
Thereof deferred tax liabilities	–12,286.0	–11,675.3

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

TEUR	2015	2014
Opening balance 1 Jan.	**–11,335.0**	**–10,527.6**
Foreign currency changes	433.8	6.7
Additions, changes in the consolidation group	0.0	0.0
Disposals, changes in the consolidation group	0.0	0.0
Deferred taxes on 'Other Financial Results'	–207.0	473.4
Deferred taxes on issuing costs for hybrid capital	21.5	0.0
Deferred taxes recorded in the P&L statement	–859.9	–1,287.5
Closing balance 31. Dec.	**–11,946.6**	**–11,335.0**

Deferred taxes recorded in 'Other Financial Results' refer to valuation results from financial instruments available for sale and hedging transactions.

Deferred tax liabilities of 5,946.9 TEUR (previous year: 5,338.1 TEUR), attributable to differences between the tax valuation of investments in subsidiaries and the proportional share in equity in subsidiaries, were not recorded, since we assume that these differences will not reverse in the foreseeable future or because such reversal will not be subject to income tax.

(24) Provisions	As of 1/1/2015	Additions	Interest	Usage	Reversals	Currency changes	As of 31/12/2015
TEUR							
Demolition costs	6,943.2	826.6	257.0	0.0	26.5	–69.9	7,930.4
Severances	13.1	7.3	0.0	0.0	0.0	0.0	20.4
	6,956.3	**833.9**	**257.0**	**0.0**	**26.5**	**–69.9**	**7,950.8**
Thereof long-term	6,956.3						7,950.8

The provision for demolition costs, based on anticipated future costs, was recorded due to the contractual obligations to tear down wind power plants at the end of their useful life. It was discounted at 3.5 %.

(25) Payables and Other Payables

	2015	2014
TEUR		
Payables		
Trade payables	5,165.4	5,728.0
Outstanding invoices	1,527.1	2,844.6
Claims of employees and members of the Board of Directors	1,296.3	1,082.2
Payables to tax authority	143.2	103.9
Others	491.7	536.6
	8,623.7	**10,295.3**

'Claims of employees and members of the Board of Directors' essentially contain a payable for unused vacation in the amount of 367.6 TEUR (previous year: 319.7 TEUR), a payable for time credit in the amount of 70.2 TEUR (previous year: 71.6 TEUR) and a payable for bonuses of 585.0 TEUR (previous year: 485.1 TEUR).

'Outstanding invoices' contain the costs of preparing the financial statements for the individual companies (56.4 TEUR; previous year: 30.0 TEUR), the audit of the financial statements (28.6 TEUR; previous year: 28.6 TEUR) and the preparation of the business report (60.0 TEUR; previous year: 68.4 TEUR) as well as legal consulting costs (1.6 TEUR; previous year: 117.3 TEUR).

5. Other Liabilities

Financial Obligations from Lease Agreements

The majority of power plants are located on leased land. The term of the respective lease agreement generally matches the expected useful life of each plant. Based on the agreements we are obligated to the following lease payments:

Obligations from Lease Agreements	31/12/2015	31/12/2014
TEUR		
For the following year	1,034.1	949.6
For the next 2 to 5 years	4,234.6	3,984.1
For more than 5 years	16,323.3	17,495.9
Total	**21,592.0**	**22,429.6**

The amounts provided are partially estimates, since the total amount of the lease payments is dependent on uncertain factors, such as price index increases or adjustments linked to the revenues of wind power plants. Generally, the agreements obligate us to carry out demolition and to the re-cultivation of the production locations at the end of the term of the contract – see more under note (6) and chapter 6.

Financial Obligations for Assets on Order

The contractual obligations for tangible assets on order amounted to 62,039.1 TEUR at balance sheet date (previous year: 19,698.1 TEUR).

Unresolved Legal Disputes

Our subsidiary 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. The lawsuit has not been concluded yet.

6. Discretionary Decisions and Uncertainty with Estimates

Preparation of our Consolidated Financial Statements require the following noteworthy discretionary decisions and estimates:

- A significant discretionary decision is the determination whether we have controlling interest in an affiliated company. This is particularly relevant in cases where we do not own the majority shares.
- Further discretionary decisions apply to project development costs that are capitalized upon adequate concretization. This is documented by a project management contract from the Board of Directors.

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

- The assessment of the intrinsic value of investments in project management of wind farms, amounting to approximately 5,931.8 TEUR (previous year: 15,369.9 TEUR), that are not finally approved for realization, is performed on the basis of the likelihood of realization of the respective wind farm. A lack of acceptance by the general public or approvals that cannot be achieved may rapidly change such likelihood of realization. We derecognized project costs of 297.2 TEUR (previous year: 93.8 TEUR) as expenses in the reporting period due to unlikely project realization.
- For the assessment of the intrinsic value of the hydroelectric power plant Imst with a book value of 6,491.6 TEUR as of 31 December 2015 (previous year: 7,656.1 TEUR) we conducted a calculation of the discounted value of future cash flows, assuming revenue from electricity generation of EUR 34.50 per MWh (previous year: EUR 40.01 per MWh) and an interest rate after taxes of 4.71% (previous year: 4.84%). An interest rate increased by 0.5% and a decrease of electricity prices by 10% and 20%, respectively, would have resulted in an impairment of 647.8 TEUR and 1,278.3 TEUR, respectively.

- In order to substantiate the intrinsic value of our other plants (book value as of 31 December 2015: 292,235.1 TEUR; previous year: 252,313.3 TEUR), we calculate the recoverable amount of these plants which matches the value of future cash flows. The result of such calculations is based on several assumptions. The most significant assumptions are the future revenues from generated electricity (primarily for projects without subsidized tariffs or after expiry of the subsidized period) and the interest rate used to discount future cash flows. Tariff assumptions are based on electricity trading prices and medium to long-term revenues of EUR 32.50 per MWh ('Base Case'; the assumption for the tariff in the prior year was EUR 38.01 per MWh) and an unchanged price increase of 4% p.a. in comparison to the prior year. The interest rate before taxes is 5.47% ('Base Case'; previous year: 5.47%) for Austrian, Canadian and German projects, and 5.65% ('Base Case'; previous year: 5.65%) for French projects.

  As a result of impairment tests, we recorded an impairment loss for wind farms in Austria in the amount of 1,662.1 TEUR for the fiscal year. A change in tariffs and/or interest rate would have the following additional impacts on the results for the fiscal year 2015:

Electricity Price	–20%	–10%	Base Case
WACC	TEUR	TEUR	TEUR
+0,50%	–4,173.9	–1,912.5	–199.9
Base Case	–3,790.9	–1,484.4	0

- The valuation of provisions for demolition costs with a book value of 7,930.4 TEUR as of 31 December 2015 (previous year: 6,943.2 TEUR) is based on expert assessments and experiences concerning costs for demolition of comparable plants as well as based on the assumption that a part of the material to be disposed of can be reused. As provisions were created as part of the plants' acquisition costs, any increase or decrease of provisions has no immediate effect, but an effect over the plants' useful life.

- A tax audit is currently performed and the final result is still outstanding. Since the circumstances of the case involve a cross-border situation, we assume 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. This situation was included in the Consolidated Financial Statements by recording the tax liability of one tax authority (1,015.0 TEUR), as well as the claim for restitution against the tax authority of the other state (895.1 TEUR).

7. Additional Disclosures on Financial Instruments

7.1. The Nature of Financial Instruments

The following table shows the carrying amounts and fair values of financial instruments (financial assets and financial liabilities) on the respective balance sheet date as well as the valuation levels determining the fair value. Further information about the valuation methods and valuation levels are available in chapter 9.3.

	Book value 31/12/2015	Book value 31/12/2014	Fair value 31/12/2015	Fair value 31/12/2014	Valuation levels
TEUR					
Financial assets valued at fair value					
Hedging transactions					
Interest rate swaps with positive book values	19.9		19.9		level 2
Financial assets 'available for sale'					
Securities	1,075.6	796.1	1,075.6	796.1	level 1
Shares in other companies	1,238.5	1,111.5	1,238.5	1,111.5	level 1
Financial assets not valued at fair value					
Loans and receivables					
Trade receivables	7,836.6	8,116.7	7,836.6	8,116.7	
Loans and other receivables	11,611.0	12,648.3	11,611.0	12,648.3	
Long-term credit	277.3	341.6	277.3	341.6	
Cash					
Cash and cash equivalents	33,557.7	27,351.8	33,557.7	27,351.8	
Total financial assets	**55,616.6**	**50,366.0**			
Financial liabilities valued at fair value					
Hedging transactions					
Interest rate swaps with negative book values	2,005.9	2,582.4	2,005.9	2,582.4	level 2
Financial liabilities not valued at fair value					
Financial liabilities valued at amortized costs					
Financial obligations (incl. leasing)	219,255.2	203,823.2	224,248.0	196,995.0	
Financial obligations from bonds	55,484.9	51,213.5	61,157.0	55,872.7	
Trade payables and other financial obligations	8,623.7	10,295.3	8,623.7	10,295.3	
Total financial liabilities	**285,369.7**	**267,914.4**			

For trade receivables, loans, other receivables as well as trade payables and other financial obligations, the book values are approximately equal to their fair values as maturities are mainly short-term. No transfers between valuation levels occurred for the reporting year and the prior year.

The carrying amounts of financial assets pledged as collateral as of 31 December 2015, amounted to 4,364.2 TEUR (previous year: 3,858.2 TEUR). A portion of this amount served as security for our contractual obligations to land owners for dismantling of wind turbines at the end of their useful lives. The other portion served as security for the obligations to credit institutions.

The financial instruments resulted in the following income and expenses:

	From subsequent valuation		
2015	**At fair value P/L neutral**	**Currency conversion**	**From interest**
TEUR			
Cash	0.0	0.0	12.2
Loans and receivables	0.0	0.0	954.3
Financial assets 'available for sale'	–172.3	0.0	0.0
Financial liabilities at amortized costs	0.0	2,734.4	–7,742.1
Hedging transactions	–447.1	0.0	–719.6
Total	**–619.4**	**2,734.4**	**–7,495.2**

2014			
Cash	0.0	0.0	14.8
Loans and receivables	0.0	0.0	799.9
Financial assets 'available for sale'	–85.0	0.0	0.0
Financial liabilities at amortized costs	0.0	–2,549.1	–6,829.1
Hedging transactions	1,423.1	0.0	–1,028.5
Total	**1,338.1**	**–2,549.1**	**–7,042.9**

7.2. Risk Arising from Financial Instruments

Liquidity Risk

Liquidity risk describes the risk that we potentially may not be able to meet our contractual financial obligations. Our liquidity management has the objective to have sufficient liquid assets at all times in order to meet our payment obligations at maturity under normal, as well as unfavourable circumstances (e.g. fluctuations in revenues due to changing wind situations).

The following contractual financial obligations exist at the balance sheet date (sorted by maturity, including interest payments, not discounted):

	Maturity		
31/12/2015	**Up to 1 year**	**More than 1 year and up to 5 years**	**More than 5 years**
TEUR			
Bonds	10,477.7	38,882.1	15,454.3
Obligations towards financial institutions	27,933.5	84,444.4	114,757.4
Lease obligations	4,229.4	12,909.7	8,202.5
Other obligations	8,628.7	10.0	0.0
Commitment for tangible assets	62,039.1	0.0	0.0
Total	**113,308.4**	**136,246.2**	**138,414.2**
31/12/2014			
Bonds	13,981.2	34,625.1	12,417.5
ELLA AG loans	1.8	20.2	28.1
Hybrid bond	732.3	2,640.6	2,651.7
Obligations towards financial institutions	28,077.8	87,079.9	109,067.3
Lease obligations	4,244.8	15,185.0	9,388.6
Other obligations	949.6	3,984.1	17,495.9
Commitment for tangible assets	19,698.1	0.0	0.0
Total	**67,685.6**	**143,534.9**	**151,049.1**

To secure existing financing arrangements, comprehensive pledges of assets and assignments of receivables are in place with the financial institutions. Furthermore, we committed to meet certain financial key figures. Failure to meet these key figures could entitle the financial institutions to demand immediate repayment in full of the financing. We met all key financial figures during the reporting period.

We make investment decisions considering the current liquidity situation as well as the future liquidity outlook. The contracted commitments at the balance sheet date for tangible assets apply primarily to blanket orders for wind power plants from the manufacturers Vestas and Siemens in the amount of 61,351.5 TEUR.

Market Risks

We are subject to interest rate risk and exchange rate risk with respect to our financial assets and financial liabilities. The objective of our financial risk management is to limit these market risks through ongoing operational and finance-oriented activities. For this purpose, we use selected derivative and non-derivative financial instruments depending on the assessment of risk. We use derivative financial instruments exclusively as instruments of securitization and not for trading or other speculative purposes.

A list of the derivative financial instruments is found under note (22).

Interest Rate Risk

Fluctuations in the interest rate represent a significant market risk for us. An increase in interest rates results in higher interest expenses and cash outflows for financial obligations with variable rates. For financial obligations with fixed rates, the fair value of the liability increases with decreasing interest rates.

As of 31 December 2015, the share of financial obligations subject to variable interest rates (taking into consideration concluded interest rate swaps) was 19.1% (previous year: 34.9%). An increase of one percentage point in interest would have reduced the annual result (before income taxes) by 423.0 TEUR p.a. (previous year: 566.0 TEUR p.a.), based on the credit portfolio as of the balance sheet date and otherwise unchanged factors.

As of 31 December 2015 we were a contractual party of interest rate swaps at a nominal amount of 55,433.5 TEUR (previous year: 61,322.4 TEUR). These interest rate swaps serve the exclusive purpose of substituting variable interest with fixed interest. They are designated as hedging transactions (hedging of future cash flows) pursuant to IAS 39. A detailed presentation of the derivative financial obligations, including fair values, can be found in the table under note (22). The average residual term of the derivatives is 12.1 years (previous year: 9.1 years). Interest rate changes affect the valuation of interest rate swaps and, by recognizing the valuation results in 'Other Financial Results', also the equity capital.

Currency Risk

Our currency risks result from investments and operative activities in non-Euro countries. This concerns currently activities in the Czech Republic, Canada and the USA. These investments were partially financed through equity but primarily through financing loans in the respective national currency.

There is no collateral for the equity financing. The equity risk related to Canada amounts to 7,622.2 TEUR (previous year: 7,622.2 TEUR), to the Czech Republic 884.3 TEUR (previous year: 862.1 TEUR) and to the USA 0.9 TEUR (previous year: 0.0 TEUR). We record the resulting conversion differences in 'Other Financial Results'. In the fiscal year 2015, they amounted to –115.3 TEUR (previous year: –181.9 TEUR) for subsidiaries in the Czech Republic, for the ones in Canada –633.1 TEUR (previous year: –160.8 TEUR) and for the ones in the USA –0.7 TEUR (previous year: 0.0 TEUR).

Foreign currency financial obligations are composed as follows as of the balance sheet date:

Financial obligations	31/12/2015	31/12/2014
TEUR		
Bank loan CHF	321.6	349.6
Bank loan CAD	39,153.8	43,689.8
Loan WEB AG – WEB NA CAD (company internal)	13,809.4	9,781.6
Bank loan CZK	6,796.5	5,549.0

We took out a loan in Canadian Dollar in the reporting period 2014 to finance activities in Canada. As such, financing occurs in the same currency as the return cash flows from the investment. As the expected return cash flows cover these financing arrangements in any case, no significant currency risk arises from these financial obligations. In addition, there is a Euro loan at the amount of 13,809.4 TEUR (previous year: 9,781.6 TEUR) granted by the parent company WEB Windenergie AG. This resulted in a currency risk for the fiscal year of –1,004.9 TEUR (previous year: profit of 354.6 TEUR) which was recognized in 'Other Financial Results'.

In the context of operative activities, the billing was performed in the functional currency of the respective group company. Receivables and payables from goods and services exist mainly in the functional currency of the respective group company.

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

2015	10% appreciation	10% depreciation
TEUR	result	result
CHF	–36.1	29.6
Total	**–36.1**	**29.6**

An increase or decrease by 10% in value of the respective functional currency compared to the following major currencies would have affected the 'Other Financial Results' and equity as follows:

2015	10% appreciation	10% depreciation
TEUR	result	result
CAD	–1,974.9	2,126.9
CZK	–133.3	162.9
USD	4.0	–4.9
Total	**–2,104.2**	**2,284.9**

Credit Risk

We are exposed to default risk both in our 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 credit rating.

The maximum risk of loss corresponds to the book value of the financial asset as well as the liabilities mentioned in chapter 5. Agreements to offset our receivables with existing payables do not exist.

The risk of loss of receivables is limited by the fact that a large portion of revenue is generated with state or state-affiliated organizations. We estimate that the credit risk from operational receivables is generally low. As of 31 December 2015, the maximum default risk in connection with receivables from goods and services was 7,836.6 TEUR (previous year: 8,116.7 TEUR) and in total for all receivables, loans, etc. 18,793.0 TEUR (previous year: 18,706.8 TEUR).

8. Other Disclosures

8.1. Notes on Cash Flow Statement

The composition of cash and cash equivalents can be found under note (17).

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

Payments of income taxes amounted to 2,263.2 TEUR (previous year: 2,129.0 TEUR) and largely stem from operating activities.

8.2. Objectives of Capital Management

The objectives of capital management are, on the one hand, securing the company's continuation and the continued expansion of renewable energy generation in Europe, Canada and the USA, and, on the other hand, an adequate return on equity. Our goal is to achieve a long-term return on equity between 7% and 10%. To hedge against business risks while simultaneously ensuring an optimal use of the available equity capital, we aim for an equity ratio of 20% to 30% as a long-term goal. As of 31 December 2015, the equity ratio was 25.83% (previous year: 25.79%) and the return on equity 9.00% (previous year: 7.55%).

In the reporting period, a dividend payout of 4,326.8 TEUR (previous year: 3,461.4 TEUR) was approved at the shareholders' meeting. This corresponds to a dividend of EUR 15.00 (previous year: EUR 12.00) per share. In the long run, significant portions of the consolidated net income are planned to be distributed as dividends.

In 2016, the distribution of a dividend for 2015 in the amount of EUR 20.00 per share is planned. This corresponds to around 60% of the consolidated net income.

8.3. Business Relations to Related Companies and Individuals

Included in 'related companies and persons' in our corporate group of companies are all non-consolidated affiliated companies, all associated companies and all joint ventures, as well as the Board of Directors and members of the Supervisory Board and their close family members and companies under their control. A list of companies in the corporate group is included in Appendix 1, page 134.

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

There are business management contracts with Sternwind Errichtungs- und Betriebs GmbH and Sternwind Errichtungs- und Betriebs GmbH & Co KG which were concluded at usual market terms and conditions. Both investments are reported on the balance sheet according to the equity method. In the reporting year, we recorded revenues in the amount of 39.2 TEUR (previous year: 29.2 TEUR). As of 31 December 2015, there were outstanding receivables of 271.9 TEUR (previous year: 352.4 TEUR).

There is a consulting arrangement with the law office Sattler und Schanda, in which a member of the Supervisory Board, Reinhard Schanda, is a partner. Angela Heffermann, an attorney employed in the firm, is responsible for handling the legal consulting. In its meeting held on 26 June 2009, the Supervisory Board approved the continuation of the consulting arrangement. In the reporting year, expenses in the amount of 4.9 TEUR (previous year: 40.5 TEUR) were recorded. As in the previous year, there were no outstanding claims from the law office Sattler und Schanda, as of 31 December 2015.

A hire-purchase agreement with a company whose shareholders are close relatives of members of the Board of Directors and executive management has been in place since 2008 for the wind power plant located in Vielau, Germany. The contract was concluded at usual market terms and conditions and expired in the reporting year. We recorded revenues from this contract of 4.0 TEUR (previous year: 5.4 TEUR) in the reporting year. As of 31 December 2015, there were no outstanding receivables (previous year: 104.1 TEUR).

In the reporting period, expenses amounting to 14.7 TEUR (previous year: expenses of 8.5 TEUR and revenues of 1.3 TEUR) from a company whose co-owner is a member of the Board of Directors were recorded for renting electric vehicles as well as other services. As of 31 December 2015, there were no outstanding payables (previous year: 0.8 TEUR).

With a company whose partner is a board member of an affiliated company in Canada, there are contracts for construction services for project implementation in Canada. The contract was concluded at usual market terms and conditions. In the reporting period, we made payments amounting to 650.0 TEUR (previous year: 3,578.0 TEUR). As of 31 December 2015, there were no outstanding payables (previous year: 250.1 TEUR).

In the course of the fiscal year, we made payments in the amount of 721.9 TEUR to a minority shareholder for administration, payroll accounting, and other expenses in connection with project development in Canada. As of 31 December 2015, outstanding payables amounted to 26.5 TEUR (previous year: 79.2 TEUR).

In the reporting period, we made payments amounting to 176.7 TEUR (previous year: 224.5 TEUR) 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 grid infrastructure for projects in Canada. As of 31 December 2015, there were outstanding payables in the amount of 5.5 TEUR (previous year: 14.6 TEUR).

As of 31 December 2015, there were outstanding payables in the amount of 37.6 TEUR (previous year: 0.0 TEUR) to a company whose partner is a member of the board of directors in an affiliated company in Canada.

A contract exists with the Supervisory Board member Martin Zimmermann for the construction and maintenance of fallow land related to wind power plants in Austria. In the reporting period, we recognized expenses of 7.2 TEUR (previous year: 8.6 TEUR). As of 31 December 2015, there were no outstanding payables (previous year: 0.0 TEUR).

In the fiscal year, we employed three close family members of the Board of Directors and their total remuneration amounted to 114.6 TEUR (previous year: 130.7 TEUR), which is in line with usual market terms and conditions.

Executive Body

a) Board of Directors

In the fiscal year 2015, the Board of Directors consisted of the following members:

- **Andreas Dangl,** born 2 November 1962, Chair of the Board of Directors since 6 July 1999, collective representation, mandate ended 30 April 2016
- **Michael Trcka,** born 10 November 1970, CFO since 1 May 2009, collective representation
- **Frank Dumeier,** born 29 March 1962, COO since 1 April 2010, collective representation

b) Supervisory Board

In the fiscal year 2015, the Supervisory Board consisted of the following members:

- **Josef Schweighofer,** born 26 August 1964, Member of the Supervisory Board since 5 July 2002, Chair of the Supervisory Board since 17 January 2009 holding that function until the shareholders' meeting in 2016
- **Reinhard Schanda,** born 16 January 1965, Member of the Supervisory Board since 19 June 2009, Deputy Chair of the Supervisory Board since 17 June 2011, holding that function until the shareholders' meeting in 2019
- **Stefan Bauer,** born 20 September 1977, Member of the Supervisory Board since 1 May 2005, holding that function until the shareholders' meeting in 2016
- **Martin Zimmermann,** born 23 December 1968, Member of the Supervisory Board since 17 June 2011, holding that function until the shareholders' meeting in 2016.

c) Authorized Signatory

Claudia Bauer, born 1 February 1983, was appointed as authorized signatory on 15 September 2008. She represents the company with a member of the Board of Directors.

Officer Remuneration

The members of the Board of Directors received remuneration in the amount of 676.3 TEUR (previous year: 678.5 TEUR) in 2015. Thereof, 197.1 TEUR were variable components relating to the corporate result of 2014 (previous year: 226.5 TEUR relating to the corporate result 2013). Criteria for the performance-related components (variable remuneration) are based on the number of installed MW of power plant capacity in the respective fiscal year as well as reaching or exceeding a predefined return on equity. Ceilings for variable remuneration are fixed. We did not pay compensation to former members of the Board of Directors in the fiscal year (previous year: 0.0 TEUR).

We did not grant advanced payments to legal representatives of the company in 2015 (previous year: 0.0 TEUR).

There are contribution-driven pension commitments to legal representatives. In the fiscal year, we paid contributions of 48.0 TEUR (previous year: 38.0 TEUR) 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: 87.0 TEUR).

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

We have concluded a directors' and officers' liability insurance policy (D&O insurance) which covers certain personal liability risks of persons acting responsibly on behalf of WEB Windenergie AG and its subsidiaries. The costs (14.2 TEUR) are borne by the company.

9. Accounting and Valuation Methods

9.1. Companies Included in the Consolidated Financial Statements

Our Consolidated Financial Statements include WEB Windenergie AG and its subsidiaries.

Subsidiaries are companies under our control. A controlling influence exists, when we

a) are able to execute decision-making power over the company and, thus, are able to dictate activities of the company, impacting its commercial success,
b) participate in the commercial success of the subsidiary and
c) have the opportunity, by executing our decision making power, to influence our commercial success from the investments in subsidiaries.

Rebuttable indication for control is a capital ownership percentage of over 50%. However, control can also exist based on contractual agreements. A list of all our subsidiaries is included in Appendix 1, page 134.

We include all subsidiaries in our Consolidated Financial Statements. This means all assets and liabilities and revenue and expenses are included in the consolidated balance sheet and the consolidated income statement. This also applies when we own less than 100% of the shares in a subsidiary. In that case, the (non-controlling) shares attributable to other shareholders in the subsidiary are disclosed in the balance sheet under the position 'non-controlling interests'. Intercompany transactions, receivables, payables and significant unrealized profits (interim profits) are eliminated.

In case we lose control over a subsidiary, the assets and liabilities of the subsidiary and any related non-controlling interests are booked out. Any resulting gain or loss is recognized in the profit and loss statements.

Our Consolidated Financial Statements also include associated companies and joint ventures. Associated companies are entities where we have significant influence but do not control them. Rebuttable indication for significant influence is a capital ownership percentage of 20% to 50%. A joint venture is a company which we have joint control over with one or several partners. Associated companies, as well as joint ventures, are accounted for according to the equity method. This means, when acquired, we account for shares with the acquisition costs in the balance sheet. We adjust the value in subsequent periods based on our proportional share of the profit or loss and other results, as well as other changes of equity of the associated company (e.g. dividend distribution). We only account for a deficit as long as the remaining value of the shares is positive.

The number of companies included in the Consolidated Financial Statements has changed during the reporting period as follows:

	Subsidiaries	Associated companies and joint ventures
As of 1/1/2014	**23**	**4**
Newly established companies	3	0
Acquired companies	0	0
As of 31/12/2014	**26**	**4**
Newly established companies	4	2
Deconsolidation ELLA AG	–1	1
As of 31/12/2015	**29**	**7**

During the last fiscal year the following companies were founded and fully consolidated for the first time:

- WEB Windpark GmbH & Co. OG, Austria
- WEB USA Inc., Delaware, USA
- SWEB Development USA LLC, Delaware, USA
- Scotian WEB II Inc. (including Limited-Partnership-Contract), New Brunswick, Canada

Although we only hold 33% of shares in both Scotian WEB Inc. (including Limited-Partnership-Contract) (CAN) and Scotian WEB II Inc. (including Limited-Partnership-Contract), the companies are fully consolidated because we own 55% of the voting rights (each).

During the reporting period the Zweite Windpark Weener GmbH & Co. KG and the Windpark Weener Pooling GmbH & Co. KG were recorded at equity as joint ventures in the Consolidated Financial Statements. Based on contractual agreements joint control exists concerning these companies.

The remaining companies, recorded at equity, are associated companies over which we exercise significant influence but not control or joint control.

9.2. Currency Conversion

Our Consolidated Financial Statements are prepared in Euro. The Consolidated Financial Statements include business transactions which were concluded in a different currency. In addition, the Consolidated Financial Statements include subsidiaries whose currency is different from the Euro, namely the Czech Koruna (CZK), the Swiss Franc (CHF) and the Canadian Dollar (CAD).

We convert business transactions in foreign currencies with the median currency exchange rate on the date of the specific transaction. On the balance sheet date, we convert existing monetary assets and liabilities that exist in foreign currencies, such as cash, receivables and payables, into Euro using the currency exchange rates (bid/offer rates) valid on that day. We record foreign currency profits and losses resulting from this in the profit and loss statements under financial results.

The conversion of assets and liabilities of subsidiaries, which use a foreign currency for accounting purposes, is carried out with the currency exchange rate on the balance sheet date. We convert the positions of the profit and loss statement using the average exchange rate for the fiscal year. We record any resulting foreign currency profits or losses in 'Other Financial Results'.

We used the following exchange rates for the Consolidated Financial Statements as of 31 December 2015 and 2014:

	ECB valuation rate 31/12/2015	Average rate 2015	ECB valuation rate 31/12/2014	Average rate 2014
CZK	27.027	27.32	27.735	27.5036
CHF	1.0827	—	1.2024	—
USD	1.0887	1.1045	—	—
CAD	1.5116	1.4262	1.4063	1.459

9.3. Other Accounting and Valuation Methods

Intangible Assets

Our intangible assets consist primarily of water rights and IT software. The acquisition costs are amortized using the straight line method over the expected useful life. We estimate them as follows:

	Useful life
Rights of use, water rights	16–40 years
Software	2–3 years

The intangible assets consist exclusively of assets acquired from third parties. To date, no intangible assets generated in-house were capitalized because the criteria according to IAS 38 were not met. Expenditures for research activities are recorded in the profit and loss statement as incurred.

Tangible Assets

Our tangible assets are recorded using acquisition or manufacturing costs. This also includes costs of project development for each plant that are capitalized upon adequate progress of a project. The costs of the general project development phase are recognized immediately as expenses in the profit and loss statement when incurred. Likewise, we record costs that arise due to significant deviations from the original project plan in expenses. If the construction phase for fixed assets extends over a longer period of time, we capitalize the accumulating interest on borrowed capital as a component of the manufacturing costs. In case public grants are received for the construction, we deduct them in the respective amount from the acquisition costs of the fixed assets.

The lease and rental agreements with the property owners include contractual obligations to carry out demolition and/or re-cultivation of the production locations. We estimate the expected costs based on total investment and recommendation of the German Federal Association for Wind Energy (Bundesverband WindEnergie e.V.). This results in a provision of 30.0 TEUR per megawatt installed capacity, which is unchanged compared to the previous year, and capitalize them as part of the acquisition costs.

We lease wind and photovoltaic power plants by means of a capital lease. We recognize them as fixed assets in the balance sheet at the lower of either the fair value or the cash value of the minimum leasing rates. The payment obligations resulting from the leasing contracts are classified as liabilities under financial obligations.

Depreciation expenses are recognized using the straight line method over the expected useful life. We estimate them as follows:

	Useful life
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

Impairment of Non-Financial Assets

On the balance sheet date, we test our non-financial assets (in particular the intangible assets and tangible assets) for indicators of a potential impairment. In case there are indicators existent, we conduct an impairment test. Indicators could be, for example, changes of tariffs for the electricity generated by our power plants or unexpected construction costs.

An impairment of an asset, e.g. a power plant, occurs when the book value on our balance sheet exceeds the recoverable amount for the asset. The recoverable amount is the higher of the value in use of the asset and the fair value less disposal costs.

We determine the value in use based on the discounted value of future expected cash flows, which are generated from the continuous and unchanged use of the asset and based on existing forecasts. The starting point for this planning exercise are published forecasts from renowned institutions regarding the development of electricity prices, information from plant manufacturers, as well as expert and industry experience that are supplemented by estimates derived from our experiences. The capitalization interest rate is the pre-tax interest rate that reflects the current market estimates of the fair value and the specific risks of the respective asset. The interest rates that were used are displayed under chapter 6.

The fair value is based on sales prices of comparable non-financial assets, less a percentage for disposal costs.

An impairment loss is recognized in the amount by which the book value of the asset exceeds the recoverable amount. If the reasons for the impairment cease to be in effect in subsequent periods, we will record an appreciation in value in the profit and loss statements up to the amount that results from the forward projection of the historical acquisition costs of the asset.

Financial Instruments

We record our financial instruments on the respective settlement date. This represents the day when the respective financial instrument is transferred from the buyer to us in case of an acquisition and from us to the buyer in case of a sale.

The valuation of our financial instruments depends on the valuation category:

Financial instruments	Valuation category	Valuation
Shares and investments (except in subsidiaries or associated companies)	Financial assets 'available-for sale'	At fair value, valuation changes included in Other Financial Results
Securities	Financial assets 'available-for sale'	At fair value, valuation changes included in Other Financial Results
Receivables, long-term credit and loans	Loans and receivables	At amortized cost
Financial liabilities from bonds and loans	Financial liabilities at amortized cost	At amortized cost
Bank liabilities and leasing obligations	Financial liabilities at amortized cost	At amortized cost
Derivative financial instruments	Hedging transactions	At fair value, in Other Financial Results or profit and loss statements

The fair value is the price, one would receive on the balance sheet date when selling an asset or one would have to pay for settling debt, in the course of a normal transaction between two parties. Depending on the availability of market information (parameters) for the respective asset or liability, we are able to:

- obtain a value based on an existing price in an active market for identical assets or liabilities (e.g. publically traded securities; valuation level 1), or
- derive a value based on objective parameters which are either directly or indirectly observable for the asset or the liability (e.g. interest rates to determine the fair value of interest rate swaps; valuation level 2) or, in case such parameters do not exist,
- calculate a value using our best estimates, based on statistical data or on parameters derived from expert assessments (e.g. of the fair value for individual wind power plants in the scope of impairment tests; valuation level 3).

The amortized cost of a financial asset (e.g. long-term credit) or a financial obligation (e.g. our bonds) describes the amount this financial instrument was valued at the initial recognition, plus or minus the accumulated amortization of a possible difference between the original value and the repayable amount using the effective interest rate method and less repayments and impairments. This amount can differ significantly from the fair value.

Changes of the fair value (except for impairments – see below) of financial assets classified as 'available for sale' (shares, investments and securities) are recognized in 'Other Financial Results'. Profits or losses from financial instruments, valued at amortized costs, are not recognized until the financial liability is booked out (e.g. at disposal), and are also recognized in the income statement in the course of repayments.

Derivative financial instruments include solely interest rate swaps in our company. With interest rate swaps we ensure that future interest payments do not exceed a certain amount when interest rates increase. We value our interest rate swaps at fair value. As long as there is a positive fair value on the balance sheet date, they are included in the position 'Receivables and Other Assets'. Negative fair values are included under position 'Other Liabilities'. Changes in value are recognized in 'Other Financial Results' not affecting net income. At maturity, the interest rate swap is valued at nil.

Impairment of Financial Assets

On each balance sheet date, we test if there is objective evidence for impairment of our financial assets. Examples of objective evidence are the default or delinquency of a debtor or information that a debtor or issuer is unable to service its debt obligations, the disappearing of an active market for securities or signs that indicate a noticeable reduction in expected payments or the fair value.

If such an evidence exists, we recognize an impairment for financial assets that we value at amortized costs. The impairment amount is the difference between the book value of the asset and the present value of expected future cash flows, discounted with the original effective interest rate of the financial asset. Financial assets that are valued at fair value, the impairment amount is the difference between the book value and the fair value of the financial asset. We recognize impairment amounts in the profit and loss statement.

A significant or prolonged decline in the fair value below its amortized cost is also objective evidence of an impairment for assets that are classified 'available for sale'. We consider a decline of 20% as significant and a time frame of nine months as prolonged.

Inventory

Inventories are valued at the lower value of the acquisition costs or manufacturing costs and the net sales value on balance sheet date. Valuation is based on the moving average price.

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.

Provisions

Provisions are liabilities of uncertain timing and amount. We only record a provision on the balance sheet when we have existing legal or de facto obligations to third parties, the settlement of the obligation will likely lead to a loss of resources (e.g. payments or services) in the future and whose amount can be reliably estimated. The valuation of the provision is based on the amount that represents the best estimate of future expenditures to settle the obligation. If significant, the amount is discounted to its present value on the balance sheet date. The interest rate used was 3.5% (previous year 3.5%) for the fiscal year 2015. The subsequent required compounding interests for the provisions are recognized in 'Other Financial Results'. Provisions listed on the balance sheet are primarily due to obligations to carry out demolition and/or re-cultivation of the production locations. Further information in regard to the valuation of provisions are outlined under 'Accounting and Valuation Methods' for tangible assets, starting on page 127.

Income Taxes

The income taxes include all taxes that are due to domestic and foreign income. Included in the income taxes are also tax at source which are owed to us by a subsidiary or an associated company due to dividend distributions.

The expenses or income for income taxes concern both, the actual income taxes paid and owed as well as the deferred income taxes for the respective fiscal year, that result from temporary differences between the IFRS and tax valuations of assets and debts and do not impact actual income taxes until future periods. Not included in the profit and loss statements (but in the 'Other Financial Results') are income taxes that are associated to transactions that are recorded under the 'Other Financial Results' (e.g. due to the valuation of securities 'available for sale').

The current income taxes for the individual companies of our corporate group are calculated based on the taxable income of the companies and the applicable tax rate for each country.

We perform the calculation of deferred taxes for all temporary differences between the book value of the respective assets and debts in the IFRS Consolidated Financial Statements and tax balance sheet. Differences in amounts resulting from goodwill that is not tax-deductible as well as shares in subsidiaries and associated companies are excluded. The latter ones are only excluded when we do not expect to realize these differences in the foreseeable future and are able to determine the realization on our own. For temporary differences resulting in a future tax obligation, we record deferred tax liabilities. For temporary differences resulting in a future tax relief or credit, we record deferred tax assets. Furthermore we record deferred tax assets for existing tax losses carried forward. In all cases, we record deferred taxes only up to an amount that can be realized with sufficient probability within the next years.

The valuation of deferred taxes is based on the applicable domestic tax rate. A discount is not intended. The tax rates in each country are unchanged compared to the previous year (except Italy) and are as follows:

- Austria: 25%
- Germany: 30%
- France: 33.33%
- Canada: 31%
- Italy: 30.28% (previous year: 36.5%)
- Czech Republic: 19%

Revenue Recognition

We recognize revenues from the sale of electricity generated with our own wind farms, photovoltaic facilities and hydroelectric power plants at the time the electricity is delivered to the grid according to the respective feed-in tariff.

We recognize revenues for operations management and other commercial and technical services at the date of complete fulfillment of the service.

Interest and Income from Investments

The interest expenses encompass the interest on any external financing arrangements and capital lease transactions as well as expenses of an interest like nature, with the exception of the portion that is capitalized as part of the acquisition cost for the respective asset. We record the interest according to the effective interest method. We distribute discounts, surcharges, transaction fees, cost of procuring money and similar expenses related to the financing transaction over the fixed term of the respective financing.

The recognition of investment income from non-consolidated or associated companies occurs on the date on which the decision on dividend distribution is made.

9.4. New Standards to be Adopted in the Future

The following standards need to be applied in the coming year:

Standard/ Interpretation	Title of Standard/ Interpretation	First-time adoption	Type of change
IFRS 15	Revenue from contracts with customers	1/1/2018	Amendment of regulations regarding recognition of revenues
IFRS 9	Financial instruments	1/1/2018	New regulations regarding categorization and valuation of financial instruments and hedging transactions
IFRS 16	Leasing	1/1/2018	New regulations for lessee or renter regarding recognition of rights and financial liabilities from leasing, rental or other comparable contracts

As a result of an initial analysis regarding the impacts due to the adoption of the new standards, we expect, with the adoption of IFRS 16 Leasing, an increase in the balance sheet total of 5% to 10% which will subsequently reduce the equity ratio by 5% to 10%. We do not expect any significant implications on our financial statements as a result of the adoption of other new standards.

Beyond the new standards outlined above, there is a series of changes of individual regulations of existing standards which we will apply starting 1/1/2016:

Standard/Interpretation	Title of Standard/Interpretation
Amendments to IFRS 11	Acquisitions of interests in joint operations
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization
Amendments to IAS 16 and IAS 41	Agriculture: producing crop
Amendments to IAS 27	Individual financial statements (equity method)
Annual improvements (period 2012–2014)	Various
Amendments to IAS 1	Presentation of financial statements
Amendments to IFRS 10, 12 and IAS 28	Consolidation of investment companies

10. Events After the Balance Sheet Date

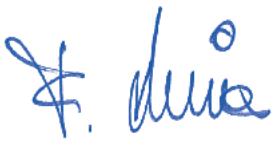
In February 2016, we were able to secure the rights to acquire the Pisgah Mountain wind farm in Maine, USA. The market entry into the USA is an important strategic milestone for us, as it opens up additional opportunities to benefit from the strong industry growth in North America as a result of the tremendous market conditions.

In the fall of 2015, we participated in a call for tenders, with projects amounting to just under 30 MW, in the province of Ontario, Canada. Unfortunately, the decision made in March 2016 to award the contract was not in our favour. We will pursue the projects nonetheless – for example within the scope of subsequent tenders in this province.

The present Consolidated Financial Statements were approved by the Board of Directors on 2 May 2016.

The individual financial statements of the parent company, which after reconciliation with the International Financial Reporting Standards were also included in the Consolidated Financial Statements, were presented to the Supervisory Board for review on 2 May 2016. The Supervisory Board may approve the annual financial statements or delegate their approval to the shareholders' meeting.

Pfaffenschlag, 2 May 2016



Frank Dumeier
Chairman of the
Board of Directors

Michael Trcka
Finance Director

Appendix 1

Corporate Group Companies

Information on affiliated companies according to Section 238 (2) Austrian Commercial Code (UGB)

Company	Head-quarters	Country	Consoli-dation type	Stake	Stake previous year	Equity TEUR	Annual result TEUR	Foreign currency equity	Foreign currency annual result	Ex-change rate
WEB Windenergie AG	Pfaffen-schlag	Austria	FC			65,526	5,029			
WEB Windpark GmbH & Co OG	Pfaffen-schlag	Austria	FC	100%	100%	3,985	–465			
WEB Windenergie Betriebs-gesellschaft Deutschland GmbH	Leer	Germany	FC	100%	100%	16,862	2,112			
WEB Windenergie Loickenzin GmbH	Tützpatz	Germany	FC	100%	100%	25	0			
WEB Energie du Vent SAS	Lezennes	France	FC	100%	100%	–4,798	71			
Parc éolien de Champigneul Pocancy SAS	Paris	France	FC	100%	100%	–38	–27			
WEB Větrná Energie s.r.o.	Brno	Czech Republic	FC	100%	100%	2,317	593	62,611,800 CZK	16,032,069 CZK	27.027
Friendly Energy s.r.o.	Brno	Czech Republic	FC	100%	100%	271	143	7,315,730 CZK	3,878,082 CZK	27.027
WEB Italia Energie Rinnovabili s.r.l.	Bozen	Italy	FC	100%	100%	1,848	27			
WEB Wind Energy North America Inc.	Ontario	Canada	FC	100%	100%	10,575	260	15,986,305 CAD	393,694 CAD	1.512
ELLA AG	Pfaffen-schlag	Austria	EQ	39%	100%	742	–394			
Les Gourlus Holding SAS	Paris	France	FC	100%	100%	–300	–269			
Parc éolien des Portes du Cambresis	Paris	France	FC	100%	100%	–17	–21			
Les Gourlus Holding II SARL	Paris	France	NC	100%	100%	–3	–4			
Regenerative Energy Bulgaria EOOD	Sofia	Bulgaria	NC	100%	100%	–75	–13	–146,297 BGN	–24,549 BGN	1.956
WEB USA Inc.	Delaware	USA	FC	100%	100%	1	0	–1,000 USD	–49,173 USD	1.089
SWEB Development USA LLC	Delaware	USA	FC	100%		0	–49	0 USD	–49,173 USD	1.089
Zweite WP Weener GmbH & Co KG	Weener	Germany	EQ	50%		7	–18			
Windpark Weener Pooling GmbH & Co KG	Weener	Germany	EQ	17%		774	–2			
Tauernwind Windkraftanlagen GmbH	Potten-brunn	Austria	EQ	20%	20%	2,332	638			
Sternwind Errichtungs- und BetriebsgmbH	Bad Leon-felden	Austria	EQ	49%	49%	754	50			
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorder-weißen-bach	Austria	EQ	49%	49%	2,329	243			
WEB Windenergie Betriebs GmbH	Pfaffen-schlag	Austria	NC	100%	100%	29	–6			
Società di gestione impianti fotovoltaici	Monte-nero	Italy	FC	100%	100%	16	2			
WP France 4 SAS	Puteaux	France	FC	100%	100%	–1,344	–1,279			

Company	Head-quarters	Country	Consoli-dation type	Stake	Stake previous year	Equity	Annual result	Foreign currency equity	Foreign currency annual result	Ex-change rate
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Tützpatz	Germany	FC	100%	100%	867	247			
WEB Wind Energy Develop-ment Inc.	Ontario	Canada	FC	100%	100%					
WEB Duart North Community Wind Farm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
Scotian WEB Inc. (+ Lim-ited-Partnership-Contract)	New Brunswick	Canada	FC	55%	55%					
Scotian WEB II Inc. (+ Lim-ited-Partnership-Contract)	New Brunswick	Canada	FC	55%	55%					
Scotian WEB III Inc. (+ Lim-ited-Partnership-Contract)	New Brunswick	Canada	NC	55%	55%					
SWEB Development Inc. (+ Limited-Partnership-Contract)	New Brunswick	Canada	FC	100%	51%					
WEB Wheatley Community Wind Farm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
WEB Duart South Community Wind Farm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
WEB Wallaceburg Community Wind Farm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
WEB Centralia Community Wind Farm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
WEB Zurich Community Wind Farm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
WEB Constance Community Windfarm GP Corp. (+ Lim-ited-Partnership-Contract)	Ontario	Canada	FC	100%	100%					
SWEB Ownership Ontario Inc. (+ Limited-Partnership-Contract)	Ontario	Canada	NC	100%						
SWEB Development Ontario Inc. (+ Limited-Partner-ship-Contract)	Ontario	Canada	NC	100%						
SASU Energie Verte Plaine d'Artois	Lille	France	EQ	33%	33%	765	80			
Société d'Electricité du Nord SARL	Lille	France	FC	100%	100%	–27	193			

FC ... Full consolidation; EQ ... Equity valuation; NC ... Not consolidated

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of

WEB Windenergie AG,
Pfaffenschlag,

consisting of the Consolidated Balance Sheet as of 31 December 2015, the Consolidated Income Statement, the 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 2015, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of Section 245a Austrian Commercial Code (UGB). This responsibility includes internal control systems, deemed necessary by management, that allow for the preparation of Consolidated Financial Statements, free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Austrian auditing principles. These principles require the application of the International Standards on Auditing (ISA). According to these standards we have to comply with ethical requirements of our profession and plan and perform the audit in such a manner that a sufficient degree of certainty is attained whether the Consolidated Financial Statements are free from material misrepresentations.

An audit includes the execution of audit procedures to obtain audit evidence relating to the amounts and disclosures in the Consolidated Financial Statements. The choice of audit procedures depends on the auditor's professional judgment. This includes an assessment of the risks of material misrepresentations of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control systems, relevant to the Corporate 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 Corporate Group's internal controls. The audit also includes our evaluation of the adequacy of the applied accounting principles and the justifiability of accounting estimates made by the management as well as an assessment of the overall presentation of the Consolidated Financial Statements.

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

Audit Opinion

Our audit did not give rise to any objections. In our opinion, the Consolidated Financial Statements comply with legal requirements and give an accurate view of the net assets and financial position of the Corporate Group as of 31 December 2015, as well as the operating results and cash flows for the fiscal year ending that date, in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU.

Comments on the Group Management Report

Pursuant to statutory provisions, the Group Management Report is to be audited as to whether it is consistent with the Consolidated Financial Statements and as to whether other disclosures are not misleading with respect to the Corporate Group's affairs. The Auditor's Report must also contain a statement as to whether the Group Management Report is consistent with the Consolidated Financial Statements.

It is our opinion that the Group Management Report is consistent with the Consolidated Financial Statements.

Mödling, 2 May 2016

KPMG Niederösterreich GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Helmut Kerschbaumer
Wirtschaftsprüfer

(Austrian Chartered Accountants)

The publication or dissemination of the Consolidated Financial Statements bearing our opinion may only take place in the approved version. This Auditor's Opinion relates exclusively to the German language version of the complete Consolidated Financial Statements including the Group Management Report. For any other versions, the regulations contained in Section 281 paragraph 2 Austrian Commercial Code (UGB) apply.

Report of the Supervisory Board

According to Section 96 Austrian Stock Corporation Act (AktG)

Dear shareholders,
Dear readers of this report,

During the entire fiscal year 2015, the Supervisory Board consisted of four persons: Josef Schweighofer (Chair), Reinhard Schanda (Deputy Chair), and the members Stefan Bauer and Martin Zimmermann.
All members of the Supervisory Board are elected by shareholders at the annual shareholders' meeting. According to Section 12 para. 2 of the articles of association, the shareholder Windkraftanlagen Errichtungs- und Betriebsgesellschaft m. b. H., headquartered in the municipality of Pfaffenschlag, near Waidhofen an der Thaya, and which is managed by Andreas Dangl who was Chairman of the Board of Directors in 2015, is entitled to appoint a member to the Supervisory Board. The company did not exercise this right during the reporting period.

Starting in the fiscal year 2016 – however, not during the reporting year – the corporation is required to establish an audit committee from within the Supervisory Board, which is supposed to consist of at least three persons, according to Section 92 para. 4a Austrian Stock Corporation Act (AktG) in conjunction with Section 221 para. 3 and Section 271a para. 1 Austrian Commercial Code (UGB). As the Supervisory Board consists of only four members anyways, all members were appointed to the audit committee, due to an efficiency rationale. Josef Schweighofer was elected Chairman of the audit committee. At the same time, he was also nominated as financial expert according to Section 92 para. 4a Austrian Stock Corporation Act (AktG). Reinhard Schanda was elected Deputy Chairman of the audit committee.

The term of office for Supervisory Board members Josef Schweighofer, Stefan Bauer and Martin Zimmermann expire at the end of the 17th annual shareholders' meeting on 3 June 2016. As all three candidates re-offered for another term, the Supervisory Board, as per its duty according to Section 108 para. 1 Austrian Stock Corporation Act (AktG), nominated these persons for re-election. The nominated candidates confirmed their professional qualifications and independency with an appropriate declaration, according to Section 87 para. 2 Austrian Stock Corporation Act (AktG). The Supervisory Board is convinced that the composition of the board complies with the required level of balance, based on the various educational backgrounds and work experiences of the persons involved.

The tasks incumbent upon the Supervisory Board according to the law, the articles of association, and rules of procedure, were performed in due care during the reporting period. On the basis of the comprehensive reporting of the Board of Directors, we provided advice in regard to the management of the company and constantly monitored the management activities. In the course of nine meetings, where all members of the

Supervisory Board were present at each meeting, the Supervisory Board discussed, based on regular timely written and oral reports from the Board of Directors, the operative business policy and profit situation. Furthermore, the future strategic direction of the company, including the major subsidiaries in the corporate group, were discussed. Deviations of the actual business performance from budgeted numbers were explained to the Supervisory Board in detail and handled appropriately. The review, performed in the context of open and constructive discussions between the Board of Directors and the Supervisory Board, revealed no reason for objections. As Chairman of the Supervisory Board, I was also in constant contact with the Board of Directors in order to be informed about the latest development on a regular basis.

During the reporting year 2015 and since April 2010, the same management team, including the Chairman of the Board, Andreas Dangl, and the two members of the Board of Directors, Michael Trcka und Frank Dumeier, has been managing the company. The operative side of the company was mainly managed by Frank Dumeier and Michael Trcka in 2015, as Andreas Dangl devoted his time predominantly to ELLA AG, where he is also a member of the Board.

In mid-2015, Andreas Dangl who had a contract until the end of 2017, expressed the wish to terminate his contract early and exit his position on the Board of Directors as of 30 April 2016. The Supervisory Board agreed to this request. The remaining departments, communication and innovation, that were managed by Andreas Dangl were transferred to Michael Trcka and Frank Dumeier, respectively, when the termination agreement was executed in mid-2015.

On behalf of the Supervisory Board, I would like to thank Andreas Dangl for his efforts and his development work for W.E.B. We wish him all the energy, luck and success as well as all the best for his future with his new challenge, the electromobility, and the further development of ELLA AG.

Thus, W.E.B is now being managed by the members of the Board of Directors Frank Dumeier and Michael Trcka. Both are long-standing members of the Board of Directors and they have been vital to the positive development of the company over the past years. The increase in professionalism and the successful transformation to a global company would have been impossible without them. The appointment of a third member of the Board of Directors is currently not planned. Both members of the Board of Directors have long-term contracts; Frank Dumeier until 2020 and Michael Trcka until 2019.

We wish Frank Dumeier and Michael Trcka and their entire team all the best and we are confident that they will lead W.E.B into a successful future, just as they have done in the last years. Furthermore, Frank Dumeier was appointed Chairman of the Board of Directors as a successor to Andreas Dangl by the Supervisory Board as of 1 May 2016.

In 2015, important directions in regard to global energy policies were agreed upon, which can have a long-term positive impact on our company development. The climate goals that were agreed upon for the global community at the World Climate Conference in Paris, will embed the transformation of a supply of sustainable, renewable energy deep in our core values. W.E.B is well positioned to implement the resulting measures and we have created the conditions to pursue the elements that match our corporate strategy from this enormous growth potential.

The three pillars of our corporate strategy, the sustainable, stable, long-term operation of our power plants to generate renewable energy, the moderate international growth with new wind and photovoltaic plants, and the marketing of the renewable energy generated, emphasize the excellent positioning of W.E.B for the challenges of the energy transition ahead.

The past fiscal year 2015 was characterized by wind conditions slightly above average. With an annual production of 718,210 MWh we reached a new record level. The main reasons attributable to this new record level were the stable operation of our plant portfolio and the seamless integration of ten new plant locations in our business model. Just like in 2014, the expansion over the past years has also had a positive impact. The newly constructed power plants made an important contribution through their productivity and profitability to the positive development of our company. Another key success factor in 2015 was the high degree in availability of our plants which was achieved through prudent operations management.

In early 2015, two photovoltaic plants with a total capacity of 700 kW_p were built in Brunn am Gebirge, Austria, and successfully connected to the grid. Furthermore, two wind farms in Spannberg II and Auersthal II, both Austria, with a total capacity of 16.3 MW commenced operation in the past fiscal year 2015. In addition, the pre-construction work has been started for six wind power plants at two locations (Sternwald III and Parbasdorf II), with a total capacity of more than 18 MW. It is the plan to connect them to the grid by no later than mid-2016. W.E.B has a 49% share in the project Sternwald III.

As the subsidy program of the OeMAG (österreichische Abwicklungsstelle für Ökostrom – Austrian Green Electricity Clearing & Settlement Company) is currently exhausted and considering that applications of other program participants, already submitted in 2016, are not accounted for yet, it is expected that this will strain the program beyond 2021. Therefore, it is expected that there will be barely any growth opportunities in Austria for W.E.B., unless the regulatory environment is going to change drastically. This means that other than the projects that already received approval for subsidies, further growth will only be possible abroad.

In regard to international activities, it should be mentioned that eleven Vestas V100-2.0 MW wind power plants were connected to the grid at five locations (Martock Ridge, North Beaver Bank, Isle Madame, Black Pond and Nine Mile River) in the province of Nova Scotia, Canada, at the beginning of 2015. This successfully concluded the second construction phase in Nova Scotia. There is currently pre-work for the construction of phase III ongoing. The plan is to connect six wind power plants, with a total capacity of 11.7 MW, at four locations by mid-2016. It is noteworthy that all plants in Nova Scotia are not entirely owned by W.E.B and instead, they are operated with a partner company. The W.E.B group owns 55% in both wind farms.

With regard to other activities in Canada, W.E.B participated in a bidding process in Ontario in late summer of 2015, as the feed-in tariffs are now only awarded through such a process. Our offer was competitive from an economic point of view, however, it was rejected by the contracting authority due to a non-compliant bank guarantee.

Nonetheless, these locations are still valid options for us and we will participate again in the next bidding round (LRPII). The Supervisory Board is convinced that our team in North America, based on the first few promising steps, will be able to successfully manage the future challenges in the Canadian wind energy market.

In this context, besides the project activities in Ontario, market analyses are currently being conducted for the construction of wind farms in New Brunswick and British Columbia. Furthermore, it should be noted that the Supervisory Board approved the takeover of the entire development team from our Canadian joint venture partner in the second half of 2015. The subsidiary is now located in its own W.E.B office in Halifax. This allows us exclusively to set the priorities for our further growth in North America and thus, develop the necessary dynamic.

The USA will be the largest growth market for wind energy over the next years, with annual capacity increases of more than 15,000 MW per year. A massive deployment of renewable energy production can be witnessed in some states and the conditions to participate in this market are excellent for us. Under the lead of our team in Halifax, we were able to score a first success and take over a good project with citizen participation in Pisgah Mountain which is located in the northeastern state of Maine. Based on our partnership with Vestas, we want to realize other small to medium-size projects in the USA over the next years.

In Germany, there are currently two projects under construction due to the so-called repowering measures. In Weener, the entire Vestas-V66-farm is being replaced by nine Enercon plants with a total capacity of 26.05 MW. W.E.B owns a 16.7% stake in the project but has taken the lead on the construction and the operations of the entire wind farm. The commissioning of all plants is to be completed by mid-2016. The second, large W.E.B repowering construction site is located in Glaubitz. Four Vestas V126 3.3 MW turbines will be installed in two construction phases by the end of 2016. Out of the 12 existing V52 plants, eight will be disassembled and four will continue to operate.

In France, the construction of the project 'Les Gourlus', close to Reims, commenced as well. Foundations are already being poured by now and according to the plan, the largest wind farm in the history of W.E.B, with 12 plants and a total capacity of 38.4 MW, is to be completed by no later than early 2017. Therefore, great attention is paid to the successful completion of this project by the Board of Directors and the Supervisory Board.

During 2015, we entered into a joint venture agreement with the Italian partner FERRA for the construction of the wind farm Foce del Cornia in the region of Tuscany. The plan is to enter the bidding process that is expected to open in 2016 with six V126 3.3 MW turbines, with a 50/50 stake, and, if successful, begin construction in 2017. In addition, other wind energy projects are being assessed by our Italian team.

Overall, in regard to project development, it can be noted that our international team is firmly established and is capable of bringing ten parallel constructions to successful completion in one year. Our development pipeline of approximately 70 international projects ensures that there is sufficient potential to support our moderate growth strategy.

After the approval to plan and construct a new warehouse for large components and spare parts as well as a workshop at our headquarters in Pfaffenschlag, the new building with more than 1,800 m² is completed. The new warehouse stores spare parts and components for all W.E.B-Vestas-plants in Europe. In addition, repair and maintenance work can be conducted at the new workshop for all large components of W.E.B's wind power plants in Europe. In the course of the construction work, an additional 15 office spaces were set up and the conditions were created to further develop our headquarters into an 'Energy-Plus' location.

Thus, the location in Waldviertel received a significant enhancement as the investment will go along with the creation of additional jobs in Pfaffenschlag.

For the purpose of financing some of the equity portion of the described projects, the Supervisory Board approved in the meeting, dated 15 September 2015, the issuance of bonds and so-called hybrid bonds for the period from 23 October 2015 until no later than 14 December 2015, inclusively. The bonds with a term of five years and an interest rate of 2.75% p.a. generated a total issuance volume of EUR 7,054,000. In addition, bonds with a term of 10 years with an annual pro rata repayment and an interest rate of 4.00% were issued. These bonds generated a total of EUR 8,532,000. Furthermore, the issuance of hybrid bonds generated an amount of EUR 6,727,000. The interest rate is 6.5% p.a. The final arrangement of the repayment terms and interest payments are dependent on various parameters (in particular dividend payments).

In regard to the strategic direction of the interest policy, the company continued its way in 2015 to hedge the loans with a variable interest rate with interest rate derivatives. The current interest rate development is used to enter into cost-effective, long-term interest hedges. Based on this policy the company forgoes some of the advantages of the current interest rates levels, however, it counteracts an increase in interest cost in case the current trend of interest rates reverses. Currently, about 80% of the financial liabilities of the W.E.B group are either based on fixed rates right from the start or are hedged with a transaction to secure a fixed rate. Furthermore, all bonds have fixed rates.

The Board of Directors presented the Financial Statements of WEB Windenergie AG dated 31 December 2015 along with the Management Report which is in line with the Financial Statements to the Supervisory Board at the Supervisory Board Meeting on 2 May 2016. The appointed auditor, KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, audited the Financial Statements for the fiscal year 2015 along with the Management Report and issued an unqualified audit certificate. The Financial Statements were duly and extensively discussed in a joint meeting of the Board of Directors, the Supervisory Board and the financial auditor.

The Supervisory Board agreed with the result of this audit and approved the Annual Financial Statements dated 31 December 2015 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 Section 96 para. 4 Austrian Stock Corporation Act (AktG).

With respect to the appropriation of profits, the Supervisory Board approved the proposal of the Board of Directors to distribute EUR 5,769,060.00 (EUR 20.00 per share) of the total net profit amounting to EUR 5,990,984.82 and carry forward the remaining profit of EUR 221,924.82 to the new account.

The Supervisory Board received the Consolidated Financial Statements of WEB Windenergie AG dated 31 December 2015 along with the Group Management Report which is in line with the Consolidated Financial Statements from the Board of Directors. The appointed auditor, KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, audited the Consolidated Financial Statements for the fiscal year 2015 along with the Group Management Report and issued an unqualified audit certificate. The Consolidated Financial Statements along with the Group Management Report were

duly and extensively discussed in a joint meeting of the Board of Directors, the Supervisory Board and the financial auditor. The Supervisory Board took notice of and approved the Consolidated Financial Statements as well as the Group Management Report.

However, prior to approval of the statements, all documents pertaining to the Consolidated Financial Statements, the proposal regarding the appropriation of profits and all auditor reports, were discussed extensively with the auditors in the audit committee.

In conclusion, on behalf of the Supervisory Board, I would like to thank and express our appreciation for the successful work and dedication of the Board of Directors, the managers of the corporate group companies, and the employees, in the past fiscal year 2015. We would also like to express our gratitude to our customers, our joint venture and business partners both at home and abroad as well as our bond subscribers and shareholders for their trust in us.

For the Supervisory Board

Josef Schweighofer
Chairman of the Supervisory Board
Pfaffenschlag, May 2016

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This business report was prepared with the utmost care. However, typesetting and typographical errors cannot be ruled out. There can also be mathematical differences in the numerical information due to the use of electronic calculating aids. This business report also contains estimates and statements 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 due to a very wide variety of factors. In this context, we also point out the reference to expected developments as well as risks and uncertainties in the Group Management Report starting on page 75. Translation errors cannot be ruled out either.

Editing finalized on 2 May 2016

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W.E.B wind energy—it's our world

Highlights

20 years wind turbine Michelbach, the first in W.E.B's history

1 W.E.B wins Climate Protection Prize

5 plants in Pisgah Mountain, Maine – market entry in the USA

28 MW in Canada connected to the grid

Green Power bonds subscribed for a total of EUR 22.3 million

New wind farms in Auersthal and Spannberg in operation

718 GWh of generated electricity covers the demand of 205,000 households

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