W.E.B

WEB Windenergie AG

Business Report 2012

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Front gatefold cover

Key Figures
W.E.B Wind Energy Group

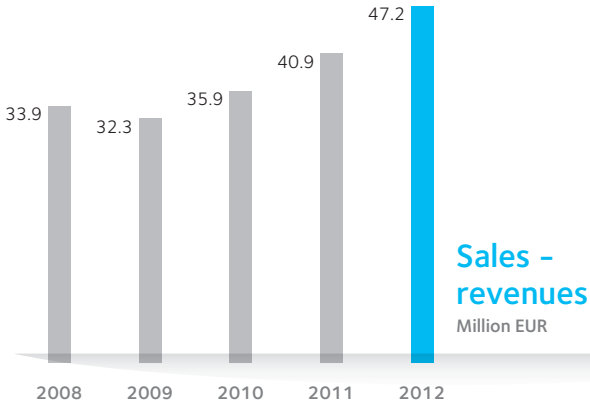
Business Management	2012	2011	2010	2009	2008
Million EUR					
Sales revenue	47.2	40.9	35.9	32.3	33.9
Operating results	16.4	13.2	13.3	10.9	13.1
Financial results	-6.5	-5.6	-6.6	-5.2	-11.8
Results of normal business Activity	9.9	7.6	6.7	5.7	1.3
Group earnings	6.4	5.7	4.4	4.1	1.2
Balance sheet totals	278.9	261.6	244.1	246.0	221.9
Equity capital	82.8	79.9	76.0	66.3	68.7
Equity capital ratio (%)	29.7	30.5	31.1	26.9	31.0
Cash flow from operations	27.2	21.6	21.9	18.2	13.1
Investments	39.9	26.7	23.0	29.5	11.4
Return on Equity (%)	7.9	7.3	6.4	6.2	1.7

Power generation[1]	2012	2011	2010	2009	2008
MWh					
Power generation total	**547,378**	**474,387**	**444,367**	**420,460**	**428,241**
Wind power	528,378	456,737	430,063	414,705	421,414
Hydroelectric power	7,612	6,625	8,592	4,850	6,047
Photovoltaic power	10,639	9,841	4,741	89	5
Other	749	1,184	971	816	775

Power Plants	2012	2011	2010	2009	2008
Number as of 12.31					
Power Plants total	**176**	**153**	**141**	**140**	**131**
Austria	90	83	76	75	70
Germany	55	55	51	51	49
Czech Republic	8	7	7	7	6
France	21	6	6	6	6
Italy	2	2	1	1	—

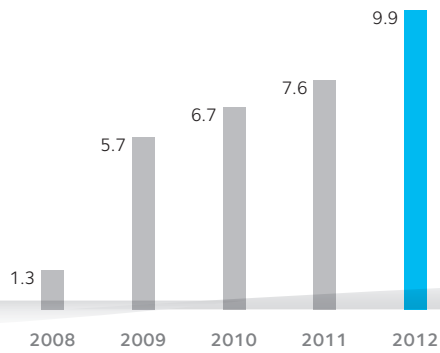
Generating Capacity[1]	2012	2011	2010	2009	2008
MW as of 12.31.					
Generating capacity total	**264.9**	**238.9**	**220.9**	**219.0**	**201.7**
Austria	142.2	130.8	118.3	116.4	106.9
Germany	82.4	82.4	80.6	80.6	76.6
Czech Republic	9.1	7.3	7.3	7.3	6.2
France	24.8	12.0	12.0	12.0	12.0
Italy	6.4	6.4	2.7	2.7	—

[1] Incl. participations



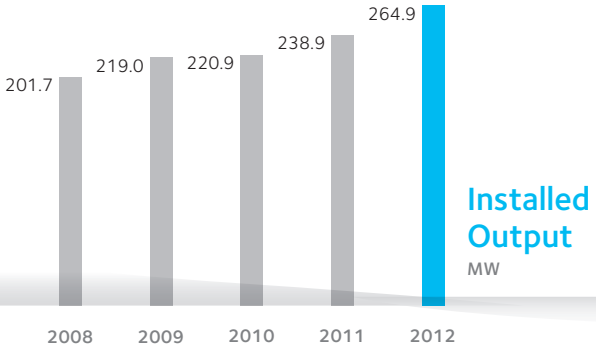
Sales – revenues

Million EUR



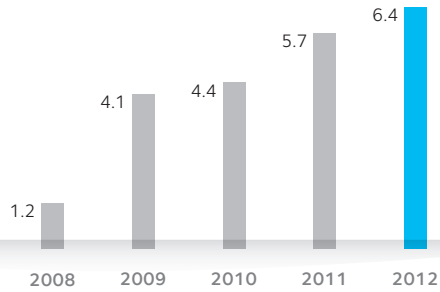
Pre-Tax Earnings

Million EUR



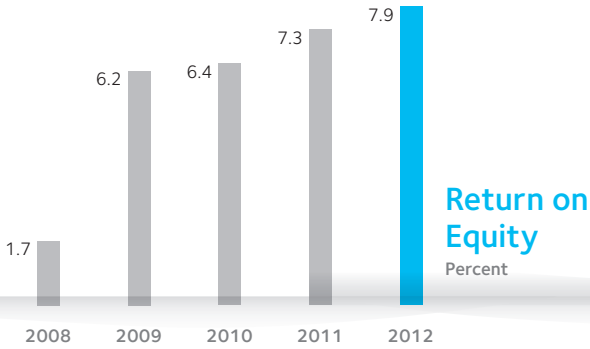
Installed Output

MW



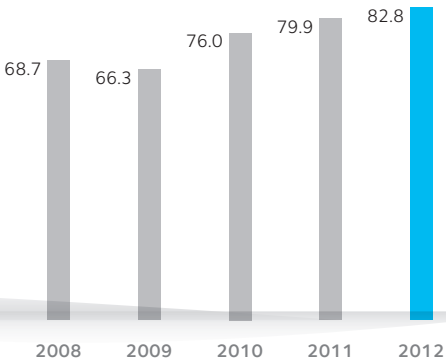
Group – earnings After taxes

Million EUR



Return on Equity

Percent



Equity

Million EUR

Contents

Key Figures »

The W.E.B Wind Energy Group

Green Energy -Companies Focusing on Wind Energy

W.E.B Wind Energy Group (referred to in the following as W.E.B for short) with its headquarters in the Lower Austrian city of Pfaffenschlag near Waidhofen/Thaya designs and operates power plants in Austria, Germany, the Czech Republic, France, Italy and soon in Canada as well. Its focus is on the key area of wind energy with 166 of a total of 176 power plants. The company supplements this with solar energy and hydroelectric power.

The first 18 years of W.E.B and/or its predecessor company were characterized by rapid growth. W.E.B is now the largest independent private joint venture in the area of wind energy in Austria.

Currently around 3,400 persons invest in WEB Windenergie AG. The original share capital comes to 28,845,300 EUR, currently there are 288,453 W.E.B-registered shares in circulation.

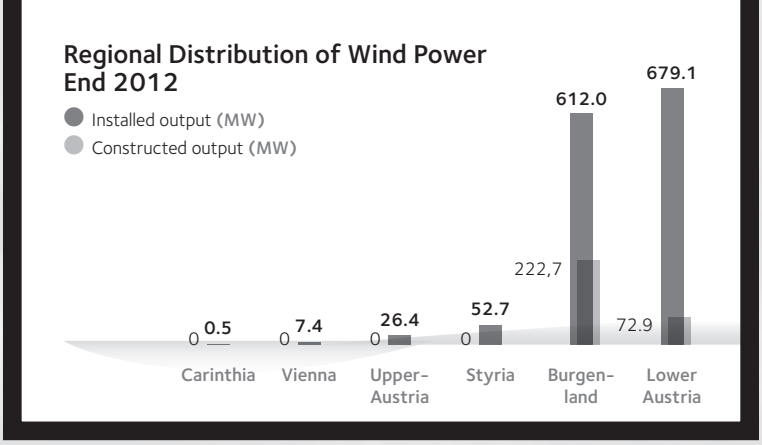
The 176 current W.E.B-plants have a total capacity of 265 MW. W.E.B's annual production including share investments was 547 GWh of clean energy from wind, water and sun in 2012. This amount of energy corresponds to the annual consumption of more than 187,500 average households. In the coming years, W.E.B would like to continue its successful course and plans to increase its installed power plant capacity to 450 MW by 2015.

Come along with W.E.B to the Energy Turnaround

We are pleased to invite you to join W.E.B on the journey to the switch to green energy. On this journey we will dive into the world of the renewable energy sources wind, solar and water and get an overview of how an operating company works. You will discover the various sites and milestones of W.E.B and understand what is needed to make the energy turnaround.

But what do we really need to achieve the energy turnaround ? The basis of any well-planned journey is a reliable guide who assures safe, smooth progress. One also needs green fuels, such as wind, solar and water power, so that there is enough power available to reach the destination. Our destination, the transition to green energy is an ambitious undertaking that presumes energy and endurance. It therefore requires precise preparation, training and endurance to be able to reach the goal. But, as with every great challenge, reaching the destination is worth the effort. A clean and healthy environment awaits, as well as secure and inexpensive energy supplies which provide for local value creation that benefits everyone.

Take on the challenge and come along with W.E.B on this exciting journey!



Regional Distribution of Wind Power End 2012
Source: IG Wind power, January 2013

AUSTRIA

2009: *"In the area of wind energy we need an increase of power generation from the current 7 to 26 PJ (+270%) by 2020. That corresponds to an annual increase of production of around 12%."*

Source: Renewable Energy 2020 – Potential and Use in Austria ; Environmental Ministry, BMLFUW 2009

2010: *In the states of Salzburg, Tirol and Vorarlberg there are no wind power plants. (this has not changed through 2013).*

2012: *Upper Austria : "In spite of the grandiose announcement that a wind energy master plan would be drafted, … only a plan to stop the expansion of wind energy has been produced."*

Source: www.prowind.at/windenergie-desasterplan-fur-oberosterreich-prasentiert/201202/; 19.5.2013

2013: *The state of Lower Austria imposes a moratorium on approvals for wind power plants.*

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The Risensrad in Vienna
shares the serene majesty of rotary motion with the W.E.B wind power plants. One is already a landmark and the other a symbol for the transition to green energy.

Since it came into being, W.E.B has invested 130 million EUR in the expansion of wind energy

In the years 2004 to 2006, installed wind power output nearly doubled thanks to targeted subsidies. In the subsequent years hardly any new construction took place and in 2009 the bottle neck capacity actually contracted. Thanks to the Green Energy Amendment, a similar boom is expected in wind energy. It is possible to double it again. The minimum goal of another 700 MW added to the already installed 1,011 MW (status end of 2010) by the year 2015can be reached in any case. This added capacity consists entirely of new power plants, since the re-powering potential is currently diminishingly small due to the youth and high output of these plants.

Source: "Analysis and assessment of the effects of connecting additional wind power plants in Austria", Study of the Institute for Energy Supply and High Voltage Engineering of the Leibniz University of Hannover on commission of Energy -Control Austria ("10 Summary", page 112, WKS_final.pdf, Download available in German under http://www.e-control.at/de/publikationen/publikationen-strom/studien/windkraftstudie-2011)

Destination: Energy policy without subsidies through real costs for energy prices
Sites: Total of 90 plants (incl. hydroelectric power and photovoltaic)
Highlight: W.E.B-company headquarters in Pfaffenschlag is open to anyone with advanced registration.
Guides:
Andreas Dangl, Frank Dumeier, Michael Trcka

W.E.B. Energy turnaround now.

Editorial

Building bridges

After another successful year – in number the best in our company's history to date – we report in this business report about our activity but also about our plans. We have already achieved a lot, and we have a lot of plans for the future. Our vision is the transition to green energy, that is the switch to a sustainable energy supply on the basis of renewable energy sources. It is exactly with wind energy and photovoltaic that we can make a decisive contribution to the transition.

We think that we could be that far along in a generation. However there still a lot of persuasion to be done for in recent times increased doubts have re-surfaced. The fears for the future have increased as a consequence of the economic crisis and the preservationists are trending upward. Do we really need to abandon nuclear energy and fossil fuels? Can we really do anything? Don't other things have priority in our economically strained times?

Here we need comprehensive information and open discussion characterized by mutual respect. Preservation is – especially in a fast-paced era like ours – an important value but openness to new things is just as important. Only on this foundation is progress possible. We at W.E.B want to contribute to this – through broad information, through active contributions to public debates, through persuasive innovations and concepts – and finally through the „living proof" of a successful company. With these forceful arguments we would like to build bridges – bridges to our partners in discussion and most of all bridges to a livable future.

Sincerely Yours,

Andreas Dangl
Chief Executive

Highlights from 2012


Result before taxes
9.9 million Euros
Publication of the book "v+z=s, The Last Equation for the Energy Turnaround"
Record results in production: 574 GWh
Sales increased to 47.2 million Euros
Total plant availability 97,6%

Interview with the Board

"… taking responsibility and actively shaping the energy turnaround …"

In discussion with the members of the board of directors of WEB Windenergie AG, Andreas Dangl, Dr. Frank Dumeier and DI Dr. Michael Trcka

Mr. Dangl, in last year's business report there was a lot of talk of W.E.B being "on course". Was this confirmed in 2012?

Andreas Dangl: Absolutely, because W.E.B has continued to develop very well in the past year. W.E.B is so to speak in its third phase as a company – after the founding in 1995 and consolidation after a good decade of intensive expansion we are now in a phase of professional growth. Today we have the necessary size and structures for it.

This applies also and especially for the year 2012, in which we were also favored by very good wind conditions. It was possible to achieve the best results in our company's history to date. This affirms the path we have taken – which we have been able to pursue with greater energy and professionalism after re-arranging our organization. This puts us into the position to develop our expansion plans into Canada very deliberately or also pursue new projects in France.

How does the future of electricity production look? Dr. Dumeier, along with the good wind conditions, the expansion of your power plant park must have had a positive effect …

Frank Dumeier: With 547 million MWh in 2012 we had the best production year for W.E.B to date. To state it perhaps with a bit more pith: In 2012 we have produced in a single year as much electrical power as W.E.B produced in sum during its first decade. This is due – aside from the good wind situation – in part to the commissioning of new plants, in part however to the success of our five-stage business model, with which we work toward optimizing the availability and output of our plants. The design took full effect in the second year after being introduction and we are now harvesting the fruits. This is shown very impressively in an additional leap in plant availability that we were able to further increase from 97.2% in the prior year to the current 97.6%. Compared to the industry as a whole this is a peak value. Honestly, I did not think this increase was possible and now it seems that there is still room for growth. The complete dedication of our team is proven, which makes me very happy for the company and for the participating employees.

A positive effect of this improvement is naturally also that the increase in production through higher availability also reduces our operating costs per kilowatt hour – we therefore profit not only through higher

Andreas Dangl:
"One of our main responsibilities is to provide people open and clear answers about our vision and persuade people of our projects."

earnings, but also through the overall higher efficiency of our operations. This makes it possible for us to operate even old plants professionally and profitably. This is highly significant especially for plants that are no longer receiving subsidized rates.

On the earnings side, we have likewise seen in the previous year through creative direct marketing and exceeded the industry average. The goal here is to exceed the low prices on the power markets through direct contracts with consumers, such as city utilities. This creates a second main pillar for optimization: On the one hand professional production at the lowest possible costs; on the other, the sale of power generated at prices above market level. Exactly in the operation of older plants, it is ideal if one can operate with both variables.

In light of these good production conditions the results should also look solid. Dr. Trcka, how have the numbers developed?

Michael Trcka: 2012 was a record year for W.E.B in a financial respect as well, that also

brought a stabilization following the discussions subsequent to the financial crisis. We were able to further increase both turnover and the results and that is also the basis for our suggestion that the dividends be raised again. Concerning financing, we of course continued profit from the low interest rates, for exactly in our model for financing, in which the wind parks are largely externally financed, this of course had positive effects.

That we Status on very solid footing financially today is the result of years of hard, professional work and great discipline in financing and costs as well as in the selection of our markets and locations. We have focused on the right countries at the right time and can therefore be pleased because we were spared all sorts of negative experiences that other operators have had to suffer. This positive assessment is obviously shared by the investors because the three loans that we issued at the start of 2013 to finance ongoing investments met with greater interest and have demonstrated that the capital markets also trust us.

Your growth target from 2010 was: Doubling the generating capacity to 450 MW – how does it the situation appear overall and what concrete projects were there in 2012?

Michael Trcka: Our investments are bearing fruit and growth is accelerating. At first glance, one could see our growth curve to be attributed to expansion of our structures but this was indispensable to forcing project development and settling. In 2012 we have brought nine new plants online with a total of 26 MW – 2011 the figure was 18 MW and in 2013 we intent to build around 40 MW of new capacity. This was the second-strongest year for investment in the history of the company. One sees that – as we already stated in the prior year – the course is correct and is taking ever more solid forms.

The very pleasing aspect of it is that we have made a great stride forward in the field of the photovoltaic energy. The decision made at the start of 2012 to set up a photovoltaic-competency center, which proved itself in the very short term. With the projects Seiersberg I+II that we realized in 2012 we also started a new design: We are now concentrating on rooftop plants and on larger commercial objects such as supermarkets, warehouses or refrigerated warehouses. For our orders of magnitude this is ideally suited, and the supply concept is also very efficient: Reducing it to a short formula one could say "produce at the top, consume at the bottom, the rest goes to the grid". We have a few more projects in the pipeline here and want to realize more plants in 2013. We are assuming that our next business report will be printed using solar power directly from..

Concerning the field of wind energy we have implemented an extraordinarily successful project in Austria with the Windpark Dürnkrut-Götzendorf, and in France our windpark at Plaine de l'Artois has been commissioned as planned. Another especially pleasing expansion was completed successfully in the Czech Republic with the take-over of a wind power plant in Horní Řasnice. The Czech Republic per se is however not a real wind power market because the country has drawn back considerably. For this reason we are even more pleased that we were able

to acquire one of the few plants to come online in the Czech Republic. The plant is also currently our largest wind power plant with a blade diameter of
100 m. Our advantage here was that thanks to our professional operating design we are able to operate the plant economically even though it is a single location.

And how are the new projects looking? You mentioned an expansion of around 40 MW for 2013 ...

Andreas Dangl: There are very extensive activities planned that have been in the works for years, of course. A few weeks ago we had the ground breaking for a new windpark in Deutsch Wagram together with EVN and with that we are in a manner of speaking entering a new era. This collaboration with an established energy provider proves that we are moving in the right direction with alternative energy. Not so long ago, really, we were being treated to condescending smiles or criticism for our activities, and now we are underway and being treated as equals.

The windpark Neuhof in North Bburgenland will be expanded again. There, together with the windpark Deutsch Wagram, we are using the new generation of 3 megawatt plants. A single plant of this kind generates enough power for an entire city.

In Marchfeld on the border with the Vienna district, we have commenced with the construction of the Windpark Matzen-Klein-Harras. 7 pieces of the proven Vestas 2 MW-plants on 125 m high towers harvest more wind there than the 100m towers that were previously used.

Michael Trcka: Concerning our foreign markets, we have significantly improved our position in France through completing the windpark at Plaine de l'Artois already in 2012. Since then we have taken on a full-time business manager here who is to continue developing the business because France has the potential to be one of our strongest growth markets. In terms of installed wind power capacity, France is not only our third largest country after Austria and Germany, it is also overall among the strongest wind power producers in Europa. The change in governments also palpably changed the attitude toward renewable energy. Furthermore the French public view atomic power with thorough skepticism which strengthens our strategy.

In Germany, the country where the energy turnaround began, we have, as in France, begun to build up a project -pipeline with our own Greenfield-Projects. Here we expect the first project implementations in 2014.

Canada is an important and promising area for you – where are you at with your activities?

Frank Dumeier: In Canada we are making good progress with our preparatory work and are therefore very satisfied with the decision to enter this market. We are concentrating on two regions: Nova Scotia, a very windy province in eastern Canada, where we are developing isolated and small locations that are distributed over the entire province and could be realized without greatly expanding the grid. The year 2012 here was characterized by intensive submission of proposals.

In the meantime we now have a pipeline of projects with guaranteed rates in a scope of 40 MW. Currently we are going through the Canadian EIA for the first locations and are still planning on starting up the first three plants with a total output of 6 MW this year.

In Ontario, the government, which is favorably inclined toward renewable energy sources, was recently confirmed so that the current rate model will likely be extended and this with a considerably more forceful pull in the direction of citizen participation. The idea behind it is this: The greater the citizen participation, the greater the chances that a project will be approved. We found an ideal set-up for this on the basis of our extensive experience with citizen participation and are about to submit projects that can be realized in 2016. At least 50 local citizens will participate in each of these projects.

You started the Waldviertel Wind Initiative as an additional large project in 2011. How has this project developed since?

Andreas Dangl: We continued to advance this project intensively in 2012 and are currently working on one project in each of four districts; parallel to this other locations are being tested. In these activities we place a great emphasis on careful expansion in the best possible agreement with the local population. In a first step we want to demonstrate the rationality of using wind energy in our region using a test or pilot windpark. Information and communication play an enormously important role and we have already invested a lot of energy in this area in 2012. Even if the population is generally positive toward wind power, it is not always easy to convince them of the rationality of such a project in their own backyards. And it is even harder now that we have been slowed by the unexpected imposition of a moratorium on approvals in the state of Lower Austria.

Renewable energy is occasionally presented in a critical light in the media. Is there a headwind against wind power?

Andreas Dangl: Perhaps the trend in the energy turnaround has actually shifted. Since the financial crisis and the Euro crisis, other topics have become more important to many people. One may not overlook the fact that, in periods of greater angst about the future, the preservationist mentality, that is already rather pronounced in Europe, comes more into the foreground.

This certainly presents a challenge for the concerns of environmental protection and the switch to renewable energy sources. Our task is therefore to provide people with clear and open answers about our vision and to persuade them about our projects. We do that by putting more emphasis on public relations, talk to people even more, discuss more and provide more information. We must – and we want to – be open to debate. To that end we also challenge our opponents to defend their arguments. We are trying to solve very important problem: How do we want to maintain our quality of life with the right generation and supply concept over the long term?

Last year you even published a book about the energy turnaround and would like to play a leading role in the debate on this topic in Austria ...

Frank Dumeier: We think that it is our obligation to take responsibility and actively collaborate in carrying out the energy turnaround. To this end we must hold a broad debate but also act concretely. Our book is a contribution to this and should raise consciousness of our urgent need for long-term, sustainable solutions. We are confronted with basically two opposing positions: On the one hand, climate change due to CO_2 emissions is being superseded, on the other the transition to renewal energy is being discredited as too expensive. In our opinion neither of these is correct of course, – not to mention the fact that fossil fuels will be used up in the foreseeable future and we need new ideas for that reason alone.

Our approach and/or understanding of the energy turnaround is: The sun (whose energy we are ultimately using with wind power plants) offers free of charge enough energy for everyone and it can be used anywhere. This avoids not only unnecessary expansion of the grid, but brings regional prosperity. Keep in mind that per year around 400 million EUR leave Waldviertel to pay for energy. Additionally, the energy turnaround is a kind of "life insurance policy for energy prices" and provides (if one takes inflation into account) stable energy prices over the medium-term. The required technologies are, in our opinion, already widely available and only need to be temporarily supported with limited subsidies in order to bring them to market maturity. For this reason it is our opinion that the energy turnaround will only take a generation.

And where are we right now in the debate and/or the implementation?

Michael Trcka: The so-called 20-20-20- goal of the EU is generally regarded as achievable today – now the question concerns the Perspective 20-30-50, that is, the question: What will the energy landscape look like 2030 and 2050? This discussion is beginning now – and is driven by conventional energy companies. The important concerns here are mostly the technical questions, but also structural and financial aspects – especially subsidies. We will need to adapt the existing subsidy model for these time frames. The first 20 years, this system has functioned well for renewable energy sources – in the sense subsidies for start-ups. No, we have to plan for the next 20 years.

Frank Dumeier: There are various models for this in the area; from a Europe-wide system of subsidies to a complete removal of all subsidies. This of course must also apply to conventional forms of energy and would not be disadvantageous for our field at all. The truth is, fossil fuels are a lot more expensive and there is no truth about prices in the public debate. We are already preparing ourselves for the time when there will be no subsidy.

Germany may, by the way, introduce a new feed-in tariff system yet this year or next year that would be trend-setting for all of our markets – control and stability will play an important role in this.

As far as our company is concerned, we are not just talking about the energy turnaround, but we are also realizing concrete projects that should demonstrate how one implements them concretely. Here I will only mention the two concepts Sun4Free and

EnergyMaker, with which we want to inspire people to become energy entrepreneurs themselves and produce their own green energy. These concepts, by the way, bring our shareholders, the very financial benefactors of first instance, interesting advantages: In addition to dividends, they will be able to use the supply of less expensive electricity from the Green Energy Desk-Balance Group in the framework of these models or enjoy preferred participation in the pilot project for Sun4Free.

That puts us in the middle of the topic innovation ...

Frank Dumeier: This is also an enormously important area for us. We are constantly at work – mostly in cooperation with partners from industry and academia – on increasing the hours our power plants can operate at full load and at the same time optimizing the areas of control and stabilization. Stabilization is one of the key points of the energy turnaround, as we illustrate quite extensively in our book. Important focuses here in the previous year were the already mentioned concepts EnergyMaker and Sun4Free, which are very innovative and will be presented in greater detail in this year's business report.

Let's go back to your plans for growth again. Growth also means new plants and more extensive services. How is procurement looking?

Frank Dumeier: So that we can execute our growth as planned, we need master contracts with the manufacturers who would otherwise be unable to provide the required scopes of supply. For that reason we concluded, just to give an example, a master contract for more than 120 million EUR with our main supplier Vestas last year, in order to secure our expansion in Austria and make rapid expansion in the next locations possible. Likewise we have made provision for the first locations in Canada with a master contract for over 34 MW.

Our principle here: We are concentrating on a few proven suppliers so that we remain as independent as possible in terms of replacement parts and service, but we select the group of companies, adequate back-up is also guaranteed. For that reason we are working on qualifying an additional plant supplier.

And how does the financing of the growth look right now?

Michael Trcka: In 2012 we did not need to raise any additional funds because our liquidity was enough for the self-funding share of the current investment projects. We only raise funds as is necessary to meet our actual need for financing. At the start of 2013 we successfully released a "trio" of three bonds and redeemed them for a total of 24.5 million EUR. We are especially happy that the two ten-year bonds we offered, which are simply better-suited to the financial cycle of windparks, were very well received. This attest to the high confidence of the investors that is based on the long and successful history of W.E.B.

Mr. Dangl, in conclusion, let's take a glance at the future. How will W.E.B develop in the year 2013, what will be your main focuses?

Andreas Dangl: In 2013, as well, our focus will be on growth in the sense of continued increasing of our generating capacity, most of all in Austria, but also in Canada. Parallel to this our production will significantly increase even if the wind prognosis does not develop quite optimally as in the first months. The plants that were added to the grid in 2012 and those new plants planned for this year will provide for this.

For this reason, turnover should also continue to increase. In light of the on-going and pending construction projects, 2013 will be a year of intensive investments. Concrete plans call for around 65 million EUR in Austria alone, the second-highest annual amount of investment in our history. At the same time we are continuing the project work in Lower Austria and in the home region in order to make sure that this home game can continue successfully into the second half after a first half of the game that has been filled with discussion. At this time the approval processes are in the works for one project in each district, after surveys like the one done in Groß Siegharts or the current Karmasin-survey have shown continued support for "Pro-Renewable". We will also be intensively and constructively in the planned process of the Lower Austrian state government. And finally with the background of our intensive investment activities, additional capital measures are not unlikely and finally we are able to increase the dividends to the shareholders somewhat. These people have supported the company through their loyalty and may now increasingly reap the benefits. 2013 will therefore be a heavy work year for all divisions.

Many thanks for the discussion.

Company
W.E.B – A Success Story

How it all started

The power of the wind has been used in a variety of ways for centuries– whether through sailing ships used to discover the world or classical windmills grinding grain.

Today, electricity that is indispensable to our quality of life is generated with modern wind power plants. This development started just 30 years ago, when Denmark took an especial vanguard role. Inspired by this still-new technology, the company founders of W.E.B, Andreas Dangl– together with wind power fans from the very start–, constructed the company's first wind power plant in 1995 in the Lower Austrian town of Michelbach. The foundation was laid for the current WEB Windenergie AG.

This project could be successfully realized thanks to the participation of dedicated people, who believed in the vision and promising future of renewable energy. And to this day, the model of citizen participation based on transparency and trust is the foundation for the successful business activity of WEB Windenergie AG.

Austrian Green Energy – Producer, also Successful Internationally

Thanks to the development and implementation of many new projects, but also through the acquisition of plants from other operators, today W.E.B is Austria's largest citizen participation company in the field of renewable energies. Wind energy is the loadbearing column and is supplemented with photovoltaic and hydroelectric power. The business activities extends from the home market in Austria, in the meantime through Germany, France, the Czech Republic and Italy to Canada, where W.E.B 2013 will implement the first projects.

The Company in 2012

W.E.B currently operates a total of 176 wind energy -, photovoltaic- and hydroelectric power plants with a total capacity of 265 MW[1]. With the annual production that can be achieved with these plants, the needs of more than 187,500 average households – that corresponds to around a half a million people.

In 2012 W.E.B generated in total 547 GWh of electricity from renewable energy. This saved around 460,000 tons of CO_2 – equal to the annual emissions of around 230,000 cars[2].

[1] Status 12.31.2012 – MW incl. participations
[2] Basis for calculations: 15,000 km/year, 6l/100 km, Fuel: Gasoline – Source: oeamtc.at, CO_2-Calculator

A Qualified Guide – The Foundation of Success

Technical Specialist with Comprehensive Industry Experience

After years of successful work in the field of renewable energy W.E.B has extensive experience in this generally stable and future-oriented business field. The main competencies of W.E.B are professional project development as well as comprehensive know-how in the technology as well as in plant operation. The primary objective of W.E.B is to continue to develop these business areas as core business and further specialize in them. This will allow us to expand our competitive advantage and increase the companies flexibility and independence.

W.E.B-shares and W.E.B-bonds – broad-based citizen participation

WEB Windenergie AG is a truly public company whose shares are distributed in the possession of 3,411 mostly private investors (status December 31, 2012). The largest shareholder only owns around 4% of the company. The shares of W.E.B are not listed on the stock exchange, the registered shares are traded directly among the shareholders. Since 2010 there has been the additional investment option of running project bonds that are characterized by fixed interest rates and fixed maturity periods. Both products can be easily traded by means of a self-established online trade room.

www.traderoom.at

W.E.B

Responsibility › Experience › Specialist › Know-how › Citizen participation › Publicly held company › Share › Bond › Trade room › Attractive returns

Solid Balance Sheet › Energy turn-around › Visions › Sustainability

Consistent Work toward the Energy Future

WEB Windenergie AG works not only in the area of wind energy but engages the challenges of the energy turnaround. This turnaround is feasible with a single generation in the company's opinion, and W.E.B is proactively contributing to the realization of this promising energy future. In the book that the three Managing Directors of W.E.B recently published on this topic, "v = z + s – The Last Equation in the Energy Turnaround", the key factors of the transition to renewable energy are concisely presented: Smart solutions, energy efficiency, reliability, de-centralized structures. W.E.B is consistently advancing these approaches to solutions on several levels – true to its corporate vision "assuming a leading role in the energy turnaround."

Solid Results and a Stable Upward Trend

The success story of W.E.B Windenergy AG can be clearly read in the numbers. Both sales and earnings evince an upwards trend that has lasted for years. The company also has a very solid balance sheet and financial structure.

The operative cash flow also increased noticeably in recent years. This makes it possible to continue this pattern of growth.

Financial Success Built on Responsibility for the Environment and Society

Society has reached a turning point that makes the development of rational economic growth in harmony with ecological and social aspects unavoidable. WEB Windenergie AG is built on these principles. Its most important basis is active climate protection through generating energy from renewable sources. The company's philosophy is based on responsibility toward the environment and society and aims at rationally combining the three aspects of economy, ecology and society.

Nuclear Power Plants in France
Source: http://commons.wikimedia.org/wiki/File:Nuclear_power_plants_map_France-de.png

FRANCE

In France between 1956 and 2002 **over 60 nuclear plants** *were put into operation. The first experimental reactor for energy production was built by the Commissariat à l' énergie atomique (CEA) in Marcoule, the last, the reactor Creys-Malville at Creys-Malville in Isère, which was also used commercially.* **58 commercially-used reactors are still in operation.**

Source: http://de.wikipedia.org/wiki/Liste_der_Nuklearanlagen_in_Frankreich, 19.5.2013

FOR CLEAN ENERGY PLEASE TURN HERE

The Parisian Eifel Tower was a comparable to a technical revolution in its day, similar to wind power, and it had its opponents in the planning phase. People needed time to get used to changes but positive changes cannot be stopped.

In 2012 W.E.B Produced 24,178 MWh Wind Power in France Alone

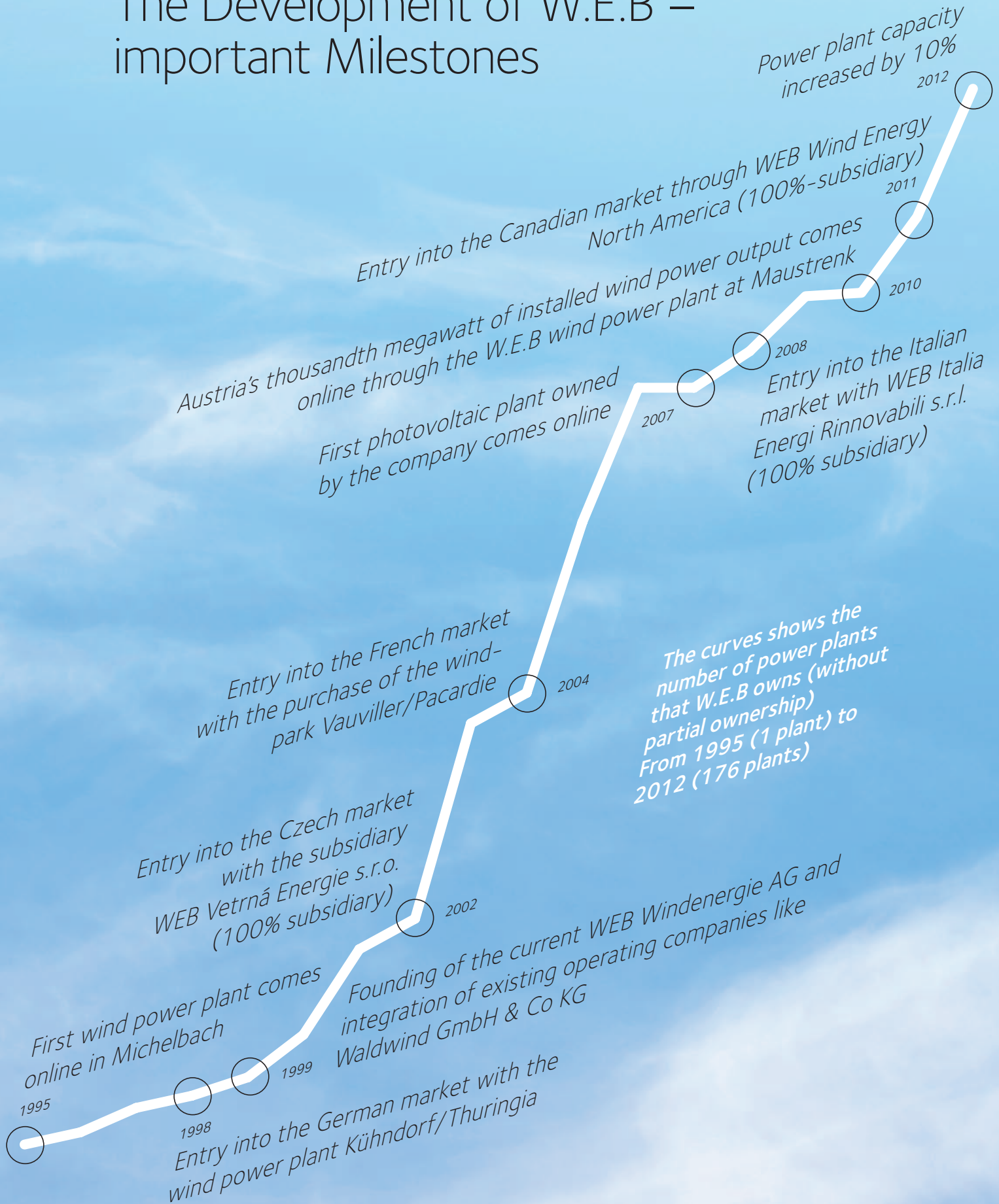
With the 24 MW at the two locations Vauvillers and Plaine de l'Artois, W.E.B is well-presented in France. Additional projects will be realized soon.

Destination: A total of 50 MW of installed output by 2015
Sites: Vauvillers, Plaine de l'Artois
Highlight: Shareholder's trip to France 2013
Guides: Melanie Kolm, Nicolas Blais

W.E.B. Energy Turnaround now.

Plaine de l'Artois – one of the first stations for the energy turnaround in France

The Development of W.E.B – important Milestones



Organizational Units

From left to right:
Stefan Bauer,
Martin Zimmermann,
Andreas Dangl,
Josef Schweighofer,
Dr. Frank Dumeier,
Dr. Reinhard Schanda,
DI Dr. Michael Trcka

Board of Supervisors

Josef Schweighofer
Chair of Board of Supervisors

- Business Unit Controller, responsible for the area of circuit breakers and distributors, Division of Power Distribution Components for Eaton GmbH, Schrems/Vienna

Member of the Board of Supervisors since 7.5.2002
Current mandate in the board of supervisors after re-election in the shareholder's meeting 2011 runs through the shareholder's meeting 2016

Dr. Reinhard Schanda
Substitute Chair of the Board of Supervisors

- Attorney and expert in energy law, Chair of the Company Advisory Committee for IG Wind Power

Member of the Supervisory Board since 6.19.2009
Current term of board membership until the shareholder's meeting 2014

Stefan Bauer

- Senior Analyst Manufacturing der Power Distribution and Components Division der Eaton Industries (Austria) GmbH, Schrems

Member of the Supervisory Board since 5.1.2005
Current term of office after re-election in the shareholder's meeting 2011 to shareholder's 2016

Martin Zimmermann

- Farmer, Chairman of the Weinviertel Farm Machinery Co-Operative

Member of the Supervisory Board since 6.18.2011
Current term of board membership until the shareholder's meeting 2016

Board of Directors

Andreas Dangl
Chair of the Board of Directors

Born: November 2nd, 1962

- Born in Waldviertel, he is a founder of WEB Windenergie AG and co-founder of the interest group for windpower Austria (IGW)

Current term of office:
1.1.2010 to 6.30.2013

Dr. Frank Dumeier
Chief Technical Officer

Born: March 29th, 1962

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

Current term of office:
4.1.2010 to 3.31.2015

DI Dr. Michael Trcka
Chief Financial Officer

Born: November 10th, 1970

- Holding a doctorate in Business Management, Michael Trcka manages the financial division of W.E.B and has extensive knowledge of the energy economy.

Current term of office:
5.1.2009 to 4.30.2014

Organizational structure

Chief Executive Officer (CEO)	Chief Operating Officer (COO)	Chief Financial Officer (CFO)
Assistant to CEO	Assistant to COO	Assistant to CFO
Project Development	Operational Management	Finance
Communications	Control Centre	Legal
Backoffice & Organization	Engineering & Service	IT
Housekeeping	Procurement & Logistics	Human Resources
Facility Management	Innovation Management	

Participation Structure

100% Subsidiaries

WEB Windenergie Betriebsgesellschaft Deutschland GmbH	Germany
WEB Energie du Vent SAS	France
WEB Větrná Energie s.r.o.	Czech Republic
Friendly Energy s.r.o.	Czech Republic
WEB Italia Energie Rinnovabili s.r.l.	Italy
WEB Wind Energy North America Inc.	Canada

> 25% Participation

Sternwind Errichtungs- und BetriebsgmbH	Austria
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Austria

< 25% Participation

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

Business Fields
We Generate Electricity from Renewable Sources

Focus on Wind Power, Optimally Supplemented by Photovoltaic and Hydroelectric power

With a Tailwind into the Energy Turnaround – Wind Energy: The Central Competence of W.E.B

Basic Preconditions

The expansion of wind energy is advancing all over the world. Environmental protection programs at the national and international levels have triggered a boom in the area of renewable energy. Wind power provides the key energy since it still has enormous potential for expansion. Furthermore, the financial revenues from wind power plants are assured for several years through fixed feed-in tariffs.

The Advantages of W.E.B

WEB Windenergie AG has years of experience and top-know-how in project planning and the construction of new windparks. Along with the construction of our own new plants we have in some degree purchased existing plants which increases the output capacity for wind power generation. A deciding factor after operational start-up of Windparks is the successful operation of the plant through comprehensive and efficient technical supervision and ongoing optimization of the systems. This reduces the service and operating costs considerably.

Continued Expansion

W.E.B relies on new technology in the 3 MW plant class with tower heights of up to 140 meters in the projects currently in planning. This makes the use of wind energy possible in areas that were previously not developed or poorly developed (e. g. Waldviertel/Lower-Austria).Thanks to the more frequent and constant winds in the higher layers of air and larger rotor area (="yield area"), just one of these new plants can supply an estimated

2,000 average households with electricity. Overall the development is moving toward a few larger plants that produce reliable power even at low wind speeds.

The solar side energy turnaround – Photovoltaic as optimal supplement

The solar side energy turnaround – Photovoltaic as optimal supplement Due to seasonal variations the total r months that are rich with solar power are also characterized by low amounts of wind. They produce great yields in photovoltaic – in the winter the situation is reversed. For W.E.B photovoltaic therefore presents an ideal supplement to wind energy since the weaker phases in the course of production can be reciprocally compensated for optimally. A constant yield is guaranteed through the efficient combination of these two technologies.

In the last ten years technological refinements have led to considerable reductions of cost in the construction and operation of photovoltaic-plants –with a simultaneous increase in the generation output. WEB Windenergie AG is therefore working toward a further expansion of this business field. Concretely up to 10% of the power plant output should come from photovoltaic.

In order to reach this goal, our focus is on flat roofs on commercial and industrial buildings with an area of at least 4.000 m². These allow u to install photovoltaic plants starting at an output of around 200 kW. In December 2012 of example the photo- voltaic parks Seiersberg I+II near Graz came on line with a total of 928 kW. Additional projects of a similar magnitude are already being planned.

Essential Substrate of the energy turnaround – Hydroelectric power rounds out the portfolio

In order to efficiently supplement its portfolio W.E.B currently operates one hydroelectric power plant with two power plant levels in its home market in Austria along with one in Germany. Admittedly, Central Europe has a very dense network of hydroelectric power plants for which reason the new construction of additional plants is limited and the potential for development largely exhausted.

Strategy
Values, Goals and strategic Focuses

In order to continue following its path of steady growth, WEB Windenergie AG is building on a stable culture of values that are lived out every day. ON this basis, the company follows a clear objective through targeted strategic focuses: To play a key role in the energy turnaround.

Our Mission

As a pioneer as well as an international, profitable operator of wind and solar plants, we have strong roots Waldviertel and are supplocationsd by a broad field of shareholders.

Our Values

- We communicate openly and honestly with our shareholders, business partners and all relevant stakeholders because their trust is our capital.
- We handle the capital provided to us carefully and responsibly.
- We create sustainable values while using our resources carefully and promoting local value creation.
- We live out integrity and reliability.
- We construct and operate power plants with consideration for humanity and the environment.
- We let people share in our success.

Our Goal

To double our power plant capacity to 450 MW by 2015.

Our Vision

To assume a leading role in the energy turnaround.

Our Strategic Focuses on this Journey

- **Increase Output through Continuous Expansion and Development of Wind Power Plant Parks**
  W.E.B is continuously working on new windpark- and photovoltaic projects. Through new construction, purchasing and re-powering existing plants, the company annually and continuously increases its output annually in order to achieve the goal of 450 MW by 2015 (2012: 265 MW).

- **Expansion of the existing core markets Austria, Germany, France, Czech Republic, Italy and Canada**
  The international direction of W.E.B brings decisive geographic advantages since this makes it possible to best balance out weather-related fluctuations. In the existing markets the specialists constantly test on-site and search for possible locations for new projects and acquisitions.

- **Continuous improvement and optimization in the area of technology and operation**
  Through the excellent performance in the field of technology and operations, industry benchmarks in plant reliability are regularly exceeded and service costs regularly come in lower than expected.

  Maintaining the highest possible plant availability guarantees optimal power generation „whenever the wind blows." Unnecessary idle times would leave existing wind potential unused.

  The W.E.B guarantees low service costs through preventative measures. Key elements in this are regular maintenance and a modern, centrally controlled real time monitoring of all our plants. When needed, repairs can be completed quickly and efficiently through our competent service team. The required replacement parts are supplied to our plants within 24 hours anywhere in Europe thanks to a multi-level replacement parts logistics system.

- **Research and innovation to achieve competitive advantages.**
  The field of renewable energy is an dynamic sector of the economy. Flexible adjustment to changing conditions and constant work on increasing the energy yield are decisive factors in success. For this reason W.E.B is intensely engaged in development and innovation in the framework of promising research partnerships.

In this way new technological developments are recognized early, tested and implemented in order to achieve decisive competitive advantages. W.E.B is thus working intensively on the energy future.

Project Planning
New Features bring even more Performance and Productivity

New Power Plant Parks and Planned Projects

WEB Windenergie AG intentionally pursues the opportunities of the energetic use of renewable energy sources and constantly works to develop new windpark- and photovoltaic -projects. In order to be able to guide the complex processes in planning and realization of new plants even more effectively, specialized competence and knowledge are demanded.

The planning process for a windpark is very time-consuming and tedious and generally takes several years of intensive work. Additionally, not all potential projects will actually be implemented. Some of them will be abandoned in the course of the process – if it turns out in the course of the project review at the start of project management phase that realization would not be rational for economic or ecological reasons.

The W.E.B Project Management Department works with great dedication on the implementation of new projects – from the strategic search for locations to the key-ready hand-over of the plant. In order to reach the growth target of 450 MW generating capacity by 2015, W.E.B will develop its own projects and in individual cases purchase existing plants from other project operators.

The W.E.B-Gate System

The Project Planning Department at W.E.B develops all projects in all W.E.B markets according to a uniform, structured project planning process– taking national particularities into account.

More than 50 project are currently in various stages of project planning and development W.E.B thus is already working intensively toward the future. The country focus is currently on Eastern-Austria, Germany, Canada (east coast) and Northern- France. In order to facilitate better understanding of this complexity of project planning and the necessary time frames, we have presented an overview of the "W.E.B Gate System", the W.E.B-Project Planning Process here.

Generally, the projects have become more and more complex over the years and the requirements from the authorities with respect to the preparation of the necessary documents and the informational demands of the public grow ever higher and more detailed. A complete project planning cycle through commissioning usually takes from three to five years. The budget for the next step in project planning is only released once all steps within a gate are completed. The project manager works with a project team in every project; individual work assignments are taken on by specialists in the department. Moreover, in every project, other departments within W.E.B as well as external partners are involved – all threads converge with the project manager.

W.E.B further deepened its professional competencies in the area of project planning in 2012 as well. The project planning team was enhanced and the expertise in Wind measurement, wind analysis, wind, shade and noise calculations expanded. Project locations can be geo-referenced and this yields highly accurate images of the appearance of the landscape with the new windpark. In order to visualized the projects for partners, communities and the local populace, more than one hundred realistic photomontages have already been created. The expanded competencies in these areas will be – guided from the headquarters of corporate group – employed also in foreign projects, currently primarily in Canada and France. In 2012, the wind measurement campaign was specially refined and expanded for Waldviertel.

Operational Starts 2012

Windpark Dürnkrut-Götzendorf (Austria)

The Windpark Dürnkrut-Götzendorf (Weinviertel) come online in total r 2012 with a total capacity of 20 MW. This project was a successful cooperation with Wind Power Simonsfeld AG, which lead to mutual synergies and cost savings. At this location W.E.B constructed five Vestas Plants Type V90 with an output of 2 MW each and an expected annual production of 26,000 MWh. In total 15.8 million EUR were invested.

The Windpark was opened with great celebration in September 2012 by State Environmental Minister Dr. Stephan Pernkopf.

W.E.B makes focused use of industrial flat roofs for large photovoltaic plants

Windpark Plaine de l'Artois (France)

This 12-MW-windpark leads to a further-expansion of our strong position in France. W.E.B operates 15 plants of the type Enercon E53/800 kW here, which are projected to produce 25,000 MWh of power per year. W.E.B participates in three other plants at 33 ⅓ %. In the course of opening the managing director of the French subsidiary Nicolas Blais, was welcomed in the W.E.B Team. He will work on advancing the further-activities in France.

Opening in Northern France in October 2012

Photovoltaic parks Seiersberg I+II (Austria)

Likewise in the field of photovoltaic power, it was possible to open two large photovoltaic plants on the roofs of the Pfeiffer Wholesellers Company in Seiersberg near Graz extremely short project development times. Since December 2012, the two plants have been feeding power into the grid at 431 and 497 kW_p respectively. The annual electricity production will be around 1,000 MWh total.

Wind power plant Horní Řasnice (Czech Republic)

In August 2012 W.E.B purchased a plant of the type Vestas V100 with an output of 1.8 MW at the location Horní Řasnice in the district of Liberec (Czech Republic). The plant is the first W.E.B-wind power plant with a rotor diameter of 100 meters. The Czech power plant capacity was thus increased to just at 10 MW.

The first W.E.B plant with 100 m rotor diameter

Current Projects and Country Strategies

Windparks in Matzen/Klein Harras und Deutsch-Wagram (A)

The approval processes for both planned Windparks Matzen-Klein Harras and Deutsch-Wagram in Weinviertel (Lower Austria) with a total capacity of 20 MW could successfully concluded in 2012. In April 2013 construction began on the Windpark Deutsch-Wagram with two plants of the type Vestas V112-3MW, whose commissioning is planned for late 2013. The Windpark is a cooperative project with evn naturkraft GmbH, for which the first plants of the 3-MW-generation in Austria were approved and put into use. In Windpark Matzen-Klein Harras with seven plants of the type Vestas V90, the implementation began in May 2013, the commissioning is planned for Winter 2013.

Windpark Neuhof III (A)

Another windpark site that will be realized in 2013 is Neuhof III in northern Burgenland. Here, too a joint project will be implemented with additional partners – in the concrete case in "Wind und Ökowind.W.E.B is constructing four plants of the type Vestas V112 with an output of 3 MW each. The independence of the W.E.B plant is assured through separate cable lines and plant control systems.

Wind Energy in Austria

In the already established wind regions in eastern Austria, specifically in Burgenland, the potential is largely exhausted. The situation is different in northern Lower Austria. Waldviertel can only be developed further for wind energy using the new 3-MW-plants. In Weinviertel the expansion is already quite advanced but not yet concluded.

Waldviertel

In June 2012 W.E.B was able to hold the first informational events in the possible project communities in the framework of Wind Initiative Waldviertel, among other places in Grafenschlag,Irnfritz, Waidhofen/Groß Siegharts and Amaliendorf-Aalfang/Heidenreichstein. The representatives of the community and interested citizens were information about the goals of the wind initiative, which are essentially based on a gradual and regionally accepted expansion of wind power in Waldviertel. Also the presentation of the area leasing model that was especially for Waldviertel and provides for distribution of the compensation for the site to a larger number of land owners, in order assure widespread acceptance of wind power expansion, was well receives.

Parallel to the activities in its project –areas, W.E.B is highly involved in the area of "Grid Expansion in Lower Austria". A rational expansion of the distribution and transmission networks in eastern Austria is a precondition for a sustainable, properly coordinated expansion of wind power expansion in Lower Austria – on this all actors agree.

On this basis it was possible to place the projects that are currently in planning and pre-review with grid operators so that a timely realization by 2016 is possible.

With the presentation of the "Basic Study of Wind Energy in Waldviertel" (the Knoll-study) in early 2012, possible potential areas for the use of wind power were presented to a broad public. Many communities and competitors from the wind power sector saw in this the opportunity to participate in the foreseeable success of the expansion of wind power in Waldviertel through the rapid conclusion of approval contracts.

Specifically in the second half of the year, the project planning department at W.E.B was challenged to take W.E.B's positions on wind power to interested communities even more in order to protect its middle and long-term project interests. Consequently a thoroughly critical discourse concerning wind power expansion was held in parts of Waldviertel generally and in forested areas specifically, which still continues. Basically, one can say– as shown in citizen surveys and the newest polls– that the approval of the expansion of wind energy in Waldviertel is nevertheless uninterrupted high.

In spite of this the state of Lower Austria recently imposed an immediate moratorium on approvals for wind power plants, which put the brakes on W.E.B's activities right in front of the finish line. A new zoning plan for regional planning is to be worked out by the end of 2013.

Weinviertel

The Region Weinviertel East is becoming more and more restricted but is still in the focus of W.E.B. In order to secure a coordinated community expansion of wind energy, the starting shot was fired in 2012 for several small regional development concepts in order coordinate the expansion over the boundaries of the community. This development was quite welcomed by W.E.B, since supra-regional factors could be taken into consideration through regional developments.

Wind Energy in Canada – Nova Scotia and Ontario

Canada is an important future market W.E.B because there are extraordinary wind conditions on the Canadian east coast and the economic and political framing conditions are largely equivalent to those of Austria. The subsidiary founded in 2011, WEB Wind Energy North America Inc. (WEB N.A.) works with this background intensively with local partners – IPC Renewables Group Inc. in Ontario, Scotian WindFields Inc (SWFI) and Scotian Wind Inc (SWI) in Nova Scotia. In both regions there are projects with a total of 100 MW in the planning process; the first 6 MW will go online provisionally at the end of 2013 in Nova Scotia.

Wind Energy in France

The local subsidiary WEB Energy du Vent SAS is pursuing several projects in the top wind regions in France with local partners. These projects are in various stages of planning and should be gradually realized in the period from 2014 to 2018. A doubling of capacities in France to around 50 MW is planned by 2015.

Wind Energy in Germany

Thanks to the planned abandonment of nuclear power in Germany, there has been a massive expansion of power plants using renewable energy in recent years. The political support for the projects in question with a 20 year fixed-rate feed-in tariff is unique in this form and brings enormous security for investments. The growth chances for W.E.B have once again considerably grown through the intensive project work. The first projects should be realized already in 2014. Through our own Greenfield-project planning and early cooperation with regional developers, the project pipeline is filled adequately enough to sustain long-term growth chances.

Wind Energy in the Czech Republic

With respect to renewable energy, the Czech Republic is not on the same course as the EU at this time. The government is only supporting the expansion of atomic energy. Due to the poor framing conditions there are currently no new projects in planning, while the purchase of existing plants and projects is however being reviewed.

Photovoltaic in the Core Markets for W.E.B

The field of photovoltaic is an important supplement to wind energy. To that end this sector should reach up to 10% of the installed output of W.E.B. In Austria, Germany, the Czech Republic and Italy W.E.B already has photovoltaic plants.

The photovoltaic sector is currently showing enormous reductions in cost due to improved technology and the heavy competition between manufacturers. In the sun-rich lands however there have been considerable reductions in the feed-in tariffs in recent years (Germany), reductions/cancellations of subsidies (Italy) or even retroactive reductions of rates (Spain, the Czech Republic, Bulgaria). W.E.B therefore places considerable importance on the expansion in Austria. The developments in other countries are being constantly monitored.

W.E.B concentrates increasingly on large area flat roofs in its project planning mostly on commercial and industrial objects with at least 4,000 m² area and generating capacity of at least 200 kW_p.

The 2012 photovoltaic parks Seiersberg I+II with a total capacity of 928 kW_p already in operation on flat rooftops of a large wholesale company were the first projects of this type. Additional large rooftop plants are planned for 2013 in Waldviertel as well as in southeast Styria.

Solar Power Potential Italy
"Global Irradiation and Solar Electricity Potential (Optimally-inclined Photovoltaic Modules)"

Source: Thomas Huld, Irene Pinedo-Pascua
European Commission, Joint Research Centre Institute for Energy and Transport, Renewable Energy Unit
via Fermi 2749, TP 450, I-21027 Ispra (VA), Italy
PVGIS http://re.jrc.ec.europa.eu/pvgis/

ITALY

"Italy is, to a not inconsiderable extent, dependent on the **import of fossil fuels** *to cover its energy needs but has on the contrary rich resources in renewable energy. At the moment Italy produces its electricity primarily in* **thermal power plants**, *64.4 % of this coming from natural gas, the remainder with petroleum and other fuels."*

Source: http://www.exportinitiative.de/nachrichten/nachrichten0/back/81/article/neue-marktstudie-laenderprofil-italien/, 21.5.2013

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No one has yet investigated to what extent the angle of the leaning tower of Pisa would favour attaching solar panels. The fact is that there are many places in Italy that are highly suited for use of solar energy.

With the Power of the Sun

"After the return to atomic power was rejected in a referendum (2011), Italy is more dedicated to exploiting its options in renewable energy sources in order to reach the established EU goals. With the national energy plan, the goal was formulated of expanding the current five percent share of renewable energy to 17 per-cent of end-energy consumption by 2020."

Source: http://www.exportinitiative.de/nachrichten/nachrichten0/back/81/article/neue-marktstudie-laenderprofil-italien/, 21.5.2013

Destination: Take-over or construction of new photovoltaic power Plants.
Sites: Montenero di Bisaccia
Highlight: Better to blink in the bright sun than get your fingers dirty in coal.
Guides: Bernd Brantner, Markus Haidl

W.E.B. Energy turnaround now.

The two W.E.B-solar plants in Montenero di Bisaccia have a nominal output of 6,427 kW.

Technology
Top-Know-how from Wind Energy-Specialists

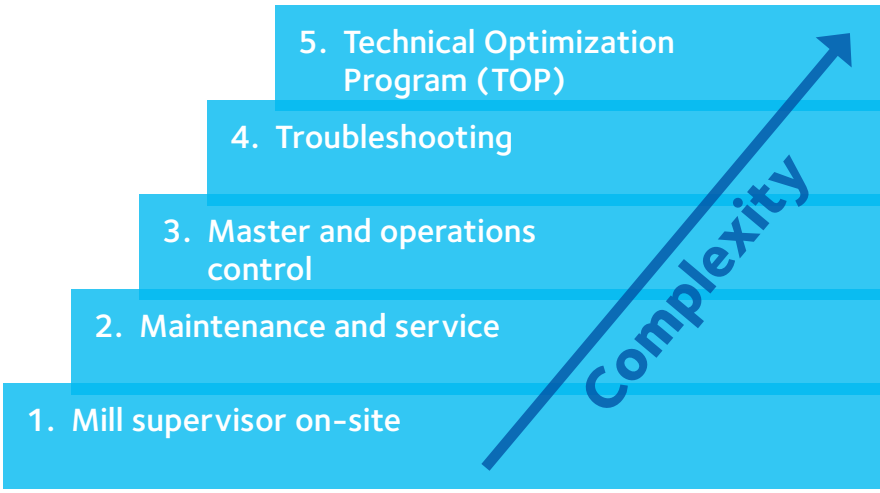
In-house workshop – comprehensive and rapid service

One thing that sets W.E.B apart is it vast expertise in the field of engineering. Through the optimal interaction of works management, control center, service technicians as well as purchasing and logistics, a high total availability at low service costs is made possible. The total availability of W.E.B-Wind power plants was an impressive 97.6% in 2012 and thus considerably above the industry standard. In this way, a higher electricity yield is secured through optimal power plant operations. The direct service costs, measured in cents per kilowatt hour produced lying at 0.78 c/kWh are below the average service costs for the industry. These top results are made possible due to pro-active and efficient maintenance by our own technicians and intensive cooperation with the plant manufacturers.

In 2012 W.E.B has wind energy plants from the two manufacturers Vestas and Enercon. This keeps with W.E.B's principle of working with a few manufacturers. The main benefit of this idea is that all the replacement parts can be kept in W.E.B's warehouses and be available for possible repairs quickly and without long waits. Additionally, the service technicians are specially trained on the manufacturer's plant types and can complete the repairs efficiently.

To reach the high goals set in the operation of renewable power plants, a five-step strategy for efficient plant management was developed and implemented in the Engineering and Operations Division. The detailed model for wind power shown in the following is also used in a slightly adjusted form in the areas of photovoltaic and hydroelectric power.

Step Concept for Efficient Plant Management (Wind Power)



We are able to obtain the best possible operating results through the close collaboration of the on-site Mill Supervisor, the maintenance and service team, main control, paired with troubleshooting measures and the technical optimization program:

Mill Supervisor

The Mill Supervisors supervise the windparks on-site, monitoring and reporting anything unusual. Their responsibilities encompass on-call service for start-ups and inspections, visual monitoring if remote monitoring fails and general inspections. They are also the contacts persons for the local population.

Maintenance and Service

In the framework of cooperation with turbine manufacturers, maintenance and service work will be completed by W.E.B-teams and by service technicians form the manufacturer. The activities of the maintenance and service teams include inspections, maintenance, repairs, remediating defects and optimization. W.E.B-service teams work all over Europe.

Master and Operations Control – Fault Management

W.E.B's control center is in Pfaffenschlag. Among the duties of the power plant monitoring team are fault identification as well as fault management. The control center coordinates the mill supervisors, issues repair orders and monitors and documents them. Through constant deviation analysis of the operating data, possible problems are proactively identified and dealt with before it comes to stopping the turbines.

Troubleshooting

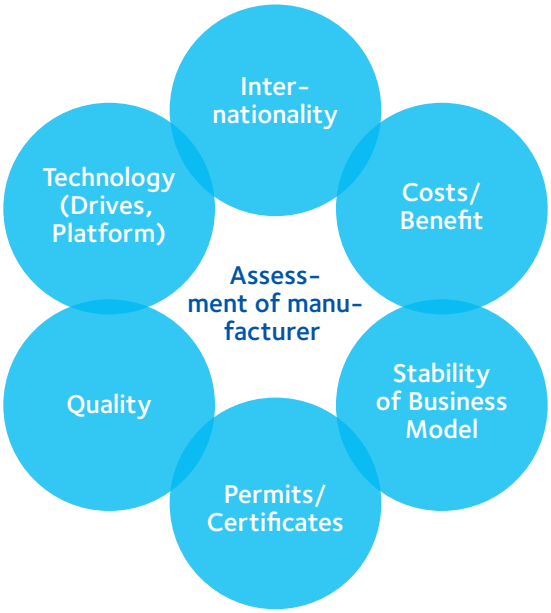
Troubleshooting includes repairs as well as remediation of faults that occur. Due to the Europe-wide distribution of locations, we make recourse flexibly to W.E.B and manufacturer technicians, in order to secure the fastest and most cost effective repairs. The complex repairs of large components are almost exclusively completed by specialists from W.E.B, with contributes decisively to cost optimization.

TOP (Technical Optimization Program)

Along with innovative concepts for the repair of large components, TOP encompasses all measure and projects for the lasting improvement of plant operations. This includes plant upgrades, reliability-oriented component replacement, W.E.B- internal blade service and research to optimize plant operations under winter conditions. In sum, this leads to extraordinary results with respect to plant availability and service costs.

Selecting the Best Guide – The W.E.B-Purchasing and Logistics Team

Collaboration with reliable manufacturers of wind power plants is an important parameter of success for W.E.B. Currently WEB Windenergie AG buys its plants, as mentioned, from two manufacturers: Vestas and Enercon. In 2012 an assessment system discharge assessments are issued by W.E.B specialists. For manufacturers, a strategy was developed that serves to minimize risks and should guarantee that we work with the most suitable partners.



At this time cooperation with one or two more manufacturers is planned. A world-wide selection process was already started in total r of 2012. The criteria for assessment are the factors of internationality, costs and benefits, stability of the business model, permits and certificates, quality and the technology offered. Each manufacturer was assessed on the basis of these criteria on a five point scale. Based on the results negotiations were started with two additional manufacturers.

Perfection in Service – The W.E.B-Technician Team

The W.E.B-Technician Team strives to complete cost-intensive repairs and maintenance itself as much as possible. Maintenance contracts with Vestas and Enercon from the basis for stable plant operation. The W.E.B team is also used as a "rapid response team" all over Europe. Furthermore, guaranteed discharge certificates are issued by WEB experts. On the one hand, this avoids expensive external assessment and on the other it makes it possible to intensively review specific weak points in guarantees.

Trainings Camp Turbine House

Since total r 2012 W.E.B has had its own training camp for technical work in the turbine house. A used turbine house was installed at the headquarters of the corporate group and made accessible at ground level. This makes access considerably easier and quicker than at high elevations. This makes WEB Windenergie AG the only wind power provider in all of Europe that maintains its own turbine house for training purposes. Additionally, we perform experiments here and developmental work for repairs on Vestas-Wind power plants with 2 MW output.

The "Open Heart Surgery"

In 2012 W.E.B initiated a cooperation with the drive manufacturer Bosch-Rexroth. In the course of this collaboration a concept was developed for repairing drives with chipped gears directly in the plant. This "open heart surgery" thus replaces the costly replacement of the drive and can be completed in just four days. This method saves W.E.B over 100 TEUR per repair.

Preparation for Service on the 3 MW Generation Plants

W.E.B-Service Technicians now also have Vestas-Certificates for service and maintenance on Vestas 3 MW plants. These authorize and qualify W.E.B's-Technicians to work on the V112 wind turbines owned by W.E.B. This will make it possible to continue using the collaborative model already practiced successfully with the 2 MW class with Vestas 3 MW turbine generation, which is so important for W.E.B.

Monitoring at the Highest Level – W.E.B-Master Control Centre

Central remote monitoring of all 176 W.E.B-power plants provides the foundation for controlling the power generation and optimizing plant operation. Modern data monitoring systems make the constant monitoring of all plants – as well as controlling interventions in operation possible. Furthermore, modern technology makes it possible to identify deviations in operation early and manage any faults that occur.

In 2012 the Master Control Centre was expanded in preparation for the expected future growth rate. With the new control room, the most important operational data could be constantly visualized on ten monitors. A high-performance operational data server with a corresponding database and diagnostic software based on it guarantees error-free data processing. So that problems can be easily discussed across multiple departments, a discussion area was set up that uses a Smart Board to visualize and process operational events recorded in real time.

Innovative Journey – W.E.B-Operations Management

2012 was shaped by an expansion of hydroelectric power - and photovoltaic –operation management activities. Along with operations, we now handle modernization measures and ecological improvements from Pfaffenschlag. In the area of PV, we advanced the development of the "Sun4Free"-Project s and/or the associated PV tracker. The operations database and the associated reporting was refined.

Direct marketing activities form an activity focus for the Operations Management Department. Profitable marketing of electricity from plants whose subsidised rates have already expired is an increasingly important factor in success. Innovative distribution concepts are a key precondition for this. Due to the different framing conditions in the five countries where we have locations, different sales concepts must be developed for each country. The framing conditions in the Czech Republic and Germany demand in this context special strategies:

Austria

In Austria power from plants whose subsidized tariff is already expired shall be marketed as profitably as possible.

Czech Republic

In the Czech Republic the power generated by the photovoltaic power plant in Dobšice will be marketed using the "Green Bonus"-System. The power will be sold at the market price. Additionally the operator of the distribution system pays the operator of the power plant a bonus, which is set based on the type of the power plant.

Germany

The electricity market in Germany is characterized by subsidized sales models in order to move operators to leave the EEG (a subsidy system for renewable energy). Thanks to a strategic partnership with the German electricity dealer KomSolution, W.E.B has secured advantages in this market that lead to above-average supplemental earnings.

On the German electricity market, the power data must be transmitted in real time. To guarantee this, W.E.B's remote data team was able to install a remote transfer technology developed in-house in 2012 and thereby refine power demand predictions. This secured important advantages for W.E.B in marketing electricity.

Unconventional Ideas and Visionary Destinations – W.E.B-Innovation Management

W.E.B is currently working on several innovative projects that open new business fields, reduce costs in operations and maintenance and created added value for the shareholders. In sum: They are the basis for the future competitiveness of WEB Windenergie AG. In the next section we will explain the innovative projects EnergyMaker and Sun4free in greater detail and will also discuss other innovative activities in greater detail.

EnergyMaker

Decentralized and reliable energy production is the decisive element of the energy turnaround. The Project EnergyMaker is situated in this area and should clarify the benefit of storing in a primarily renewable energy system.

The consideration includes several distinct aspects:

- Business Management Benefits
- Avoiding expanding the grid
- Increasing the share of power generated from renewables
- Increasing grid stability through system services

To this end, an energy storage system is being integrated into the windpark which will store energy in phases when the wind is heavy and release it when the wind is weaker. Furthermore, the so-called "Balanced Group" (energy from W.E.B-wind-, solar- and hydroelectric power plants) guarantees a constant power supply to the end-user even during phases when the wind is weak and when the battery is completely exhausted.

In the framework of the EnergyMaker project, discussions concerning de-centralized energy production are being held with potential end-users (industrial areas, residential neighborhoods with high energy consumption, etc.) that are located in the vicinity of a W.E.B-windpark. For 2013, the first steps toward project realization are planned.

Sun4free

To offer its shareholders added value and generate electricity regionally, W.E.B initiated the pilot-project Sun4free in 2012. Sun4free makes it possible for everyone to become a smart energy –entrepreneur. In the framework of this pilot project, selected shareholders were supplied with a photovoltaic –tracker.

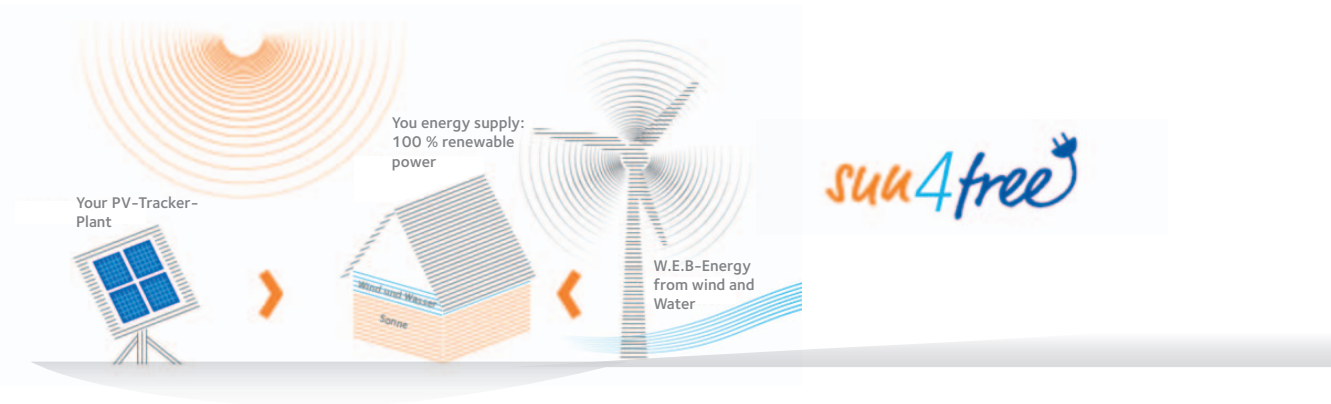
The participating shareholders can now influence their energy behavior in that they use electricity that they produced in their own gardens and therefore reduce their need for external energy. To the extent that the demand for power cannot be met with the photovoltaic plant, power will be supplied by the Green Power Balance Group Green Energy Desk.

Sun4free strengthens the regional structures in the sense of the greatest possible independence from central generating structures. With Sun4free, the power is generated right there where it is used.

The power supply for the pilot shareholders stated in January 2013. In the first half-year of 2013 we collected information about the use of our own power and own consumption optimization. They will be taken into account for optimization in the course of the project. It is possible to adapt the model with the goal of supporting all shareholders in the switch to renewable energy. This is being planned.

Plants Operations in Winter

Another innovative project that W.E.B has developed with well-known research institutions and partners from the industry deals with the operation of wind power plants under raw winter conditions. Since ice can form on the rotor blades under certain extreme weather conditions such as heavy sleet or frost formation and in these case the plant must be temporarily shut down for safety reasons, we are working on a optimization of the blade surfaces and the rotor blade heating system. This makes it possible to optimize the operation at especially exposed locations with raw winter conditions and provide a more constant energy production.



Our neighbor continues to rely on atomic power plants. CEO Andreas Dangl is convinced that this planned expansion will not be financeable.

Nuclear power plant Temelín
Image: Wikimedia Commons, User:Japo

CZECH REPUBLIC

"The Czech Republic has continued to plan a **radical expansion of atomic power**. *Furthermore, it is continuing to search for* **final storage facility for atomic waste on the border with Upper Austria**."

(30.11.2011) Source: http://www.oekonews.at/index.php?mdoc_id=1065548, 19.5.2013

FOR CLEAN ENERGY PLEASE TURN HERE

Vienna and Prague have long travelled together through the past, now there is the opportunity to travel into the future together through the energy turnaround.

Having Good Neighbors Pays

In spite of difficult political conditions it is possible for W.E.B to operate its wind power plants profitably in Czech Republic. Through extraordinary contacts and nearly 20 years of experience, there will continue to be W.E.B wind power plants in the Czech Republic.

Destination: Purchase and construction of additional wind power plants
Sites: Břežany, Bantice, Dobšice, Horní Řasnice
Highlight: Potential for numerous atomic power museums
Guides: Michaela Lužová, Roman Prager

W.E.B. Energy turnaround now.

Here are two of the five Vestas V 52-plants in the Windpark Břežany. The windpark, with a total output of 4.25 MW was commissioned in 2005.

Sustainability
Travel responsibly and with an eye on the future

WEB Windenergie AG counts as one of the forerunners of the energy turnaround in Austria since the commissioning of its first wind power plant in 1995 and has since then brought several renewable energy-based power plant online. Energy plants owned by W.E.B Wind Energy Group generate clean, eco-friendly, climate friendly power. It therefore makes a vital contribution to the implementation of a future-ready energy strategy in the Austrian home market as well as in W.E.B's current and future foreign markets.

The interests of the traveler are important to us – Focus on the interests of the stakeholder

The future-focused course of W.E.B requires convincing, foresighted business action, as well as the consistent effort to strike a balance between the many demands of the different interest groups. For that reasons W.E.B has relied, since its beginning, on comprehensive and direct dialogue with its stakeholders –whether with shareholders, employees, residents, and project communities, interest representatives or representatives from politics and administration. The stakeholders are kept informed about company developments on the homepage, using the newsletter, the shareholder's magazine "W.E.B aktuell" as well as events such as the fireside chats, construction site visits, or Wind Day.

Clear Sustainability Strategy

On the basis of its business model, there are four key areas for WEB Windenergie AG in the field of sustainability which its business activities take especial account of: Environment, society, employees and the economy.

The Environment

The field of the environment is of course a key aspect of WEB Windenergie AG's sustainability strategy, indeed its entire business direction. W.E.B has always seen it core responsibility as being to help shape the energy turnaround that is the switch to an environmentally friendly and sustainable, future-ready energy supply pro-actively.

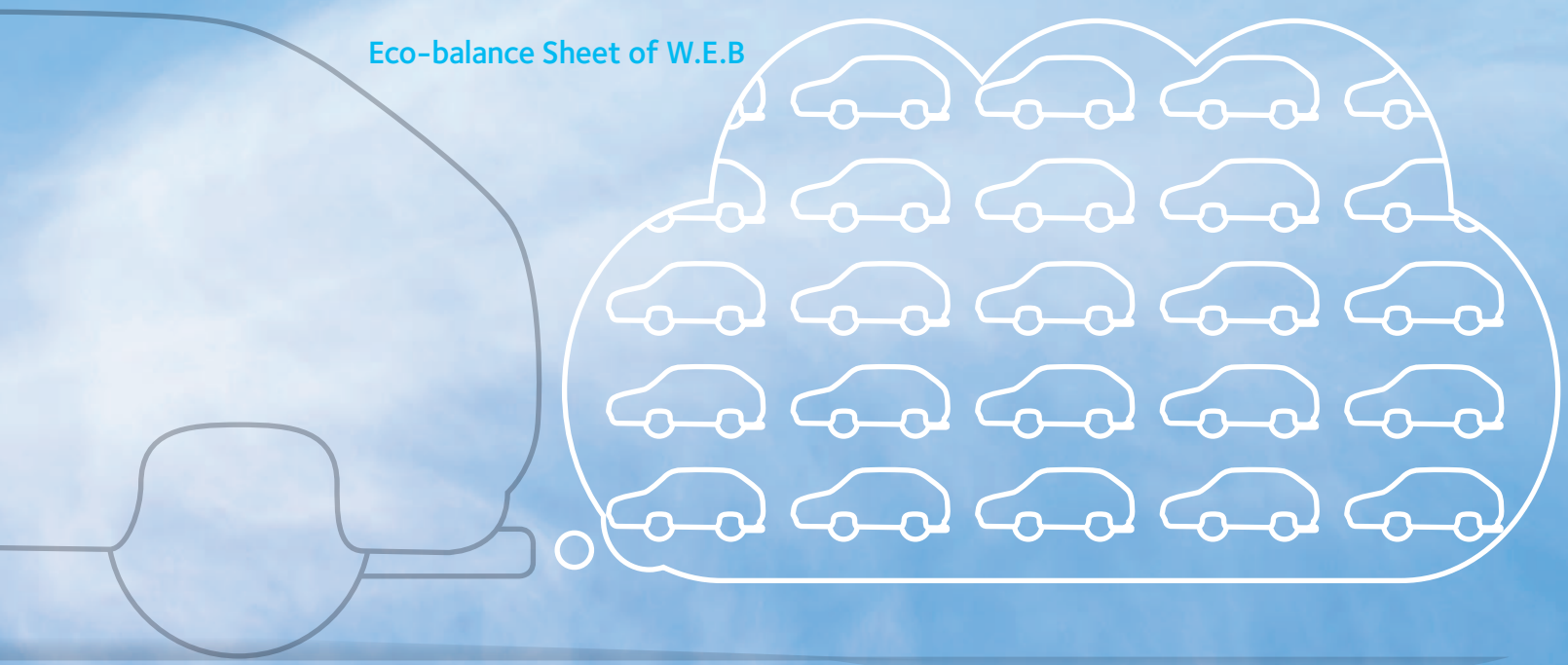
Conserving Natural Resources & Climate Protection

Through using the natural energy sources wind, solar and water to generate clean energy, W.E.B contributes to the conservation of resources. Renewable sources from which W.E.B's power plants are fed, offer a clear alternative to fossil energy sources. Thanks to the expansion of their use the share of such power plants that run on fossil fuels such as oil, coal and gas is reduced. With that the environmentally harmful gases such as CO_2 are being effectively reduced. This can be clarified on the basis of concrete numbers: Each kilowatt hour of electricity generated from regenerative instead of fossil fuels (oil, coal), prevents emissions of 840 grams CO_2.[1] Eco-energy from W.E.B power plants considerably contributes to climate protection.

[1] Source: e-Control Stomkennzeichnungsbericht 2011

W.E.B's CO_2 Savings in 2012 (458,947 t) corresponds to CO_2 emissions of 216,076 cars

The calculation is based on an annual CO_2-emissions of 2,124 kg per car[1]
(assumptions: kilometers driven = 15,000 km/year, gasoline consumption = 6 litres/100 km)
[1] Source: ÖAMTC CO_2-calculator, www.oeamtc.at/co2_rechner



Eco-balance Sheet of W.E.B

www.oeamtc.at/
co2_rechner

W.E.B's electrical production in 2012 was a total of 547 GWh. This corresponds to a CO_2-savings of around 460,000 tons. The quantities of CO_2 emissions generated by W.E.B in its operations by way of contrast was only 1,053 tons. This volume is composed as follows:

	Energy consumption for	Distance driven	Quantity CO_2	
		km	t	
Mobility	Car (company fleet, private vehicle)	1,179,318	309.0	
	Rail	11,419	0.5	
	Bus/Taxi	1,025	0.1	
	Air travel	513,030	111.6	
Building	Power supply		0	Building supplied with green energy
	Heating/cooling energy		0	Biomass (pellets/wood chips) and green energy
Power Plants	Power generation		632.0	For those power plants that were not supplied with green energy[2]
Total			**1,053.2**	

[2] Source: International Energy Agency, IEA Statistics

Rapid Energy Amortization

Wind power plants present an especially efficient technology for sustainable generation of electrical power. A wind power plant is energy amortized depending on the quality of the location and the type of machines used within four to six months. This means that in this short time it has generated as much energy, as was required for its original construction. On those terms, W.E.B Wind Energy Group's power plants will have generated fifty to one hundred times as much energy used to construct them by the time they are de-commissioned.

Company

The core business of W.E.B – the construction and operation of power plants based on renewable sources of energy wind, -political solar and water – has a number of positive social consequences and corresponds to the basic individual and social needs such as security, stability, sustainability and quality of life. W.E.B therefore significantly contributes to changing the lived environment of current and future generations for the better.

Renewable Energy for a Livable Future

The one-sided supply of energy with oil and gas with ever more limited availability is increasingly leading to instability in relations in many regions in the world. This development also has numerous negative effects on industrial nations of Europe that could be eliminated through independence from fossil fuels. Additionally enormous, in part irreparable environmental harm is caused by conventional electrical power generation. The climate change caused by increased CO_2-emissions is already considerably affecting our society and it has especially negative effects on the coming directions. Nuclear energy in turn conceals an enormous risk, and the final storage of radioactive materials is still an unsolved world-wide problem.

Renewable energy sources present the only rational way to solve the problems in our energy system. Through producing green energy W.E.B is making an important contribution to realizing the energy turnaround. Aside from the conservation of resources and protection of the environment this form of producing energy also makes an important contribution to supply security and on the middle term to stabilizing energy and raw materials prices. Eco-energy plants such as those run by W.E.B thus makes sure that a secure, affordable, environmentally sound energy supply in the future.

Economies in the Region

WEB Windenergie AG is an important employer in the northern Waldviertel and has created numerous jobs in a sector with a future. The company makes an important contribution to securing high-quality jobs in the region.

W.E.B is a member of the Waldviertel Economic Forum in which successful Waldviertel companies participate in order to promote sustainable development in the economic and environmental area of Waldviertel together with political representatives. The important thing is to recognize the numerous potential areas for development in order to create jobs and assure sustainable value creation in the future.

Additionally the "Waldviertel Qualifying Association" – as platform for companies for jointly educating employees – contributes to securing quality jobs. The WEB Windenergie AG has been a member of this association since 2010.

Social Responsibility

The company's stakeholders – investors, partners, employees, residents, suppliers – have a special importance in W.E.B and in the focus of the company leadership. Their interests will be taken into account in all areas of the company's business.

Of course W.E.B Wind Energy Group complies precisely when constructing its plants and constantly reviews the environmental effects of its activities. This includes environmental impact reviews and removal of the plants to residential areas and the highest possible compatibility with nature. The contact and relationship maintenance with the residents and communities around our locations. W.E.B accepts this social responsibility both in its home region and around its international locations.

W.E.B supports selected sports and cultural activities in its home region as well as at individual windpark locations. It especially focuses on children and youth. An important project in this area is supporting the international wheelchair tennis tournament in Groß Siegharts (Waldviertel). Likewise W.E.B supports Martin Legner, Austria's most successful wheelchair tennis players and longtime shareholder with W.E.B.

Networking in the Industry

IG Wind power (IGW) is the Austrian organization representing the interests of wind energy operators, plant manufacturers, and wind power subsidizers and offers all environmentally conscious supporters of wind power a platform of the exchange of information. As an active member of the IGW W.E.B is in regular contact with the responsible functionaries in the wind energy industry.

In order to jointly shape its future developments even on the European level effectively and be able to profit from the experiences of the other interests represented, IGW is a member of the European Wind Energy Association (EWEA) as well as European Renewable Energy Federation (EREF).

At an international level W.E.B is also a member of the German Association of Wind-Energy (BWE), which is among the largest renewable energy associations in the world. W.E.B is also a member of the Czech Interest Association, CSVE, the French FEE (France Energy Eolienne) and Canada's Canwea.

Employees

W.E.B offers qualified specialists future capable jobs in a dynamic, growing industry. The company's aim in the HR are is to build up company-internal know-how in various areas of the company or specialize even more deeply. This makes it possible to react flexibly and rapidly to the sector's increasing demands.

So that W.E.B can achieve its high goals, it is necessary that the employees be assigned to the fitting positions for them as well as promoting active, independent action. Even in the personnel area, W.E.B has a clear claim to being among the forerunners in the sector. The employees are offered individual development opportunities and targeted training and continuing education programs.

Structured Employee Interviews

In employee interviews, W.E.B relies on the proven "ABC-Method" for structural employee assessment and development. The goal of strategic personnel development systems is structured to facilitate reflection on future requirements and responsibilities as well as reflection on the past.

This exchange in which the participants can also discuss their work responsibilities, performance assessments and personal feedback, is regularly held at least once per year. The interviews are oriented on a guideline specially designed for the company's requirements.

Executive Management Development through Coaching

W.E.B-executive managers undertake demanding and responsible tasks daily. To support them in their daily tasks W.E.B offers each manager personal coaching with his/her own selected coaches. The key here is focusing on professional challenges in dialogue with external consultants. This allows executive managers to expand their perceptive spectrum and repertoire of action.

Team Premiums on Reaching the Goal

In order to better reach the goals set, each employee receives an additional premium for achieving each of the team goals for each department and the overall company goals in the framework of the premium system introduced since 2012. This added premium serves as a sign of recognition of the work done, helps in identifying with the company and underscores each contribution from each individual.

Professional Training and Continuing Education

The ongoing training and continuing education for employees is highly valued at W.E.B. Within the company the seminar program "W.E.B Academy" communicates company-specific and industry relevant topics. The unique aspect of this program is that the seminars are each offered and presented by in-house specialists. The team profits in this way from the of colleagues and the know-how of the presenter enjoys the esteem of the company.

Additionally W.E.B devoted calculated 470 EUR per employee on external professional training and continuing education in 2012. Some employees are already qualified through a para-vocational academic education. The opportunity for training leave was used and supported in the company in 2012.

Pleasant Work Environment

The increasing demands on the employees also demand a high degree of flexibility and dedication. To properly deal with this situation, W.E.B supports making the work environment more flexible. The use of the most modern communications technologies makes the non-site-bound, highly networked flow of operative processes between employees from all of the company's national and international locations possible.

Equipping employees with modern office equipment and consumables is just a matter of course for W.E.B Wind Energy Group. At the same time the company values the conservative use of the work supplies provided. W.E.B is working on optimizing office operations increasingly in the direction of "paperless office".

The "W.E.B-Roses Program" offers employees an important compensation for their challenging workday. Offers such "Fit for the day", "Fruit for Employees" and hot lunches delivered daily from the region provide a balanced and pleasant work environment.

Employees structure

The wind energy sector is an ever-more important sector of the economy and now provides – together with suppliers and service companies– jobs to more than more than 3,300 workers in Austria.

The number of employees at W.E.B shows a continuous upwards trend and increased in nearly all areas in 2012 keeping with the company's ambitious expansion plans. In August 2012 W.E.B began to train its first apprentices IT-technician.

Employees[1]	2012	2011
Management	57	45
Labor	16	14
Apprentices	1	—
Total	**74**	**59**

[1] Employees by headcount, Status: 12.31.2012

The equal treatment of female and male employees of the same qualifications has been the lived practice in the W.E.B Wind Energy Group from the very start. The base salaries for equal work in each department are the same for men and women. The like applies to development chances in the company.

The average age of employees was 36 years in the reporting year, whereby the youngest employee was 15 years old and the oldest 56.

Employee Structure 2012[2]	Female	Male
Board	0	3
Project planning	3	8
Communication	2	1
Housekeeping	3	0
Operations management	0	9
Control center	1	6
Engineering & service	0	11
Purchasing & logistics	1	3
Finance	8	1
Law	2	0
IT	0	2
Personnel	1	0
Back office	4	0
Building management	0	1
Innovations management	0	1
Managing directors of the subsidiaries w/o line functions	1	2
Total	**26**	**48**

[2] Employees by headcount, Status: 12.31.2012

In 2012 there were an average of 4.81 sick days per employee. This is a very low value compared to the Austrian average (13.2 sick days per employee[3]).

[3] Source: Statistics Austria Average Sick Days 2011

Employee Internationality

With the increasing internationalization of the company, it's not just the foreign language demands on all W.E.B-employees that have changed. The number of international employees in W.E.B has continuously increased. Along with Austrians, who continue to present the majority of our employees, nearly a tenth of the staff comes from Germany. W.E.B also employees people from France, the Czech Republic, Italy, Poland, Canada and New Zealand.

Dual Management responsibility among Foreign Subsidiaries

The executive management of the foreign subsidiaries of WEB Windenergie AG function under the principle of "dual Management – Responsibility". This means that two chief executive officers bear the responsibility in each subsidiary. This four-eyes-principle assures continuous quality assurance for all operative processes.

Internal Communication and Transparency

Providing the greatest possible transparency for all employees is an important building block of the W.E.B company philosophy. Discussion held every 14 days keep the departmental managers up-to-date on innovations and communicate this knowledge directly to the employees. The company also has a supplemental informational medium in the news- letter "W.E.B intern", in which the most important information in the company as well a up-to-date information from the sector is communicated from the board to all the employees regularly.

Energy Conscious Construction of the Headquarters of the Corporate Group

Since 2007 the company headquarters for WEB Windenergie AG has been located in an ecologically sound low-energy office building in the middle of a vast green landscape in Pfaffenschlag. Primarily constructed of wood and glass, the company headquarters was constructed to the most modern standards of environmental environment engineering

and is a very livable building that sets itself apart through ecological energy management.

The energy consumption of the office building lies in the low energy range so that a pleasant climate is provided for with the least possible consumption of resources. Along with an air-conditioning system that makes use of the ground's cooling capacity water use is treated with ecological care: Water that can no longer be absorbed by the building's grounds areas is saved in a rain water collection tank and used as flushing water for the sanitary facilities.

At the Pfaffenschlag location W.E.B operates a fixed photovoltaic plant with 5 kW_p output. There are four photovoltaic trackers in use for test purposes on the company grounds. In 2012 around 25% of the required energy at the company headquarters was generated by photovoltaic. The remaining need for power is supplied with electricity from 100% renewable energy.

Economy

The success of renewable energy power plants has been clearly and thoroughly demonstrated in Austria in recent years in Austria, indicating that the transition to energy turnaround holds enormous potential not just from a social and ecological viewpoint. Wind energy creates solid earnings, long-term, palpable values, technological know-how as well as qualified jobs and added value in the regions.

Positive Micro-economic Effects

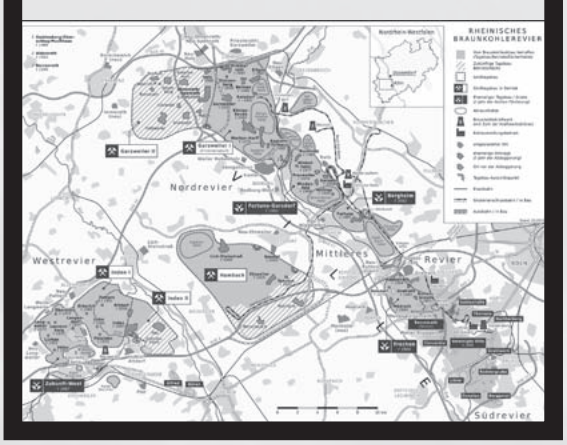
Positive Micro-economic Effects The results are visible: in the area of wind power alone, there are currently 763 wind power plants in Austria with a total output of around 1.400 MW in operation and they generate per year around 3 billion kilowatt hours of electricity. The revenues do not just benefit the total of 83 operating companies and their owners, but also create numerous positive effects for employees and their communities as well as the around 120 total supplier and service companies throughout Austria. In the supplier and services area alone, the company uses several hundred million Euros annually in Austria with customers from the renewable-energy sector.

The Bill Adds Up

The benefit to the local economy can be demonstrated with a simple example: The construction of a megawatt generating capacity based on wind power creates an added value of around 470 TEUR in Austria and creates employment for 6 people. The planned expansion of wind energy in Austria according to the National Action Plan for Renewable Energy to 2,578 MW by 2020[1] thus brings around 2.8 billion EUR in investments and up to 36,000 gross jobs.[2]

[1] National Action Plan 2010 for Renewable Energy for Austria, Federal Ministry for Economics, Family and Youth.

[2] Study Environmental Factor Wind Energy, IG Wind power, April 2011



Rhine Brown Coal Region
Source: http://commons.wikimedia.org/wiki/File:Rheinisches_Braunkohlerevier_DE.png

GERMANY

According to a Study by the Environmental Foundation WWF **six of the ten most carbon dioxide producing coal power plants in the EU are in Germany.** *These are without exception brown coal power plants. They emit 850–1200 g CO_2 per kWh carbon dioxide.[1] Nevertheless 23% of the electricity in Germany was still produced using brown coal in 2010.[2]*

[1] Source: http://de.wikipedia.org/wiki/Kohlekraftwerk, 19.5.2013
[2] Source: http://de.wikipedia.org/wiki/Strommix, 19.5.2013

FOR CLEAN ENERGY PLEASE TURN HERE

And a change occurred here in 1989.
But that's another story. You see it again:
Changes write history.

W.E.B Operates 55 plants in Germany with 82,364 kW of Installed Output

Renewable energy sources evince even lower emissions than fossil fuels: While wind energy and hydroelectric power ca. 10–40 g/kWh carbon dioxide emissions, the value lies at 50–100 g/kWh for photovoltaic.

Source: http://de.wikipedia.org/wiki/Kohlekraftwerk

Destination: Expansion of installed output by 2016 of 50 MW
Sites: Weener, Görmin, Upgant Schott, Glaubitz, Wörbzig, Altentreptow, Kuhs, Eberbach, Pensin, Francop
Highlight: Forerunner in leaving atomic energy
Guides:
Claudia Redl, Stefanie Markut

W.E.B. Energy turnaround now.

W.E.B is also a pioneer of the energy transition in Germany: the wind energy plant in Görmin has been generating power since 1999

Windpark Glaubitz – the 10 Vestas V 52-plants have been online since 2001.

Green Investment
Green Fuels on the Route to the Energy Transition

Green Investment gives W.E.B Power to Reach the Energy Transition

The first predecessor company of today's W.E.B, „WEB-GmbH", was founded 1994– by 96 visionary private persons that made possible the construction of the first wind power plant of today's W.E.B in Michelbach through citizen participation. Between 1995 and 1997various additional citizen participatory companies followed for building up windpark projects. After the re-founding of WEB Windenergie AG in 1999, the companies Waldwind GmbH & CoKEG, W.E.B-EU-Windfonds, Nordwind GmbH & Co KEG, silent partnership Hagenbrunn, Michelbacher Wind Power GmbH & Co KEG and Windlicht were brought into the company.

With the founding of WEB Windenergie AG in 1999, it became possible also for broader groups of investors to participate in the form of shares in W.E.B. Ideal for all of those who are looking for long-term investments and want to participate in the long term value development of the company. Additionally, WEB Windenergie AG has been issuing company bonds since 2010 – and thus offers a second attractive instrument for investing in the energy turnaround as a private investor. Today more and more citizens are looking for ecologically and economically rational financial investments and forms of participation like those of W.E.B.

Investing in W.E.B

An investment in W.E.B meets the following criteria:

- **Future Competitiveness:** Through many years of experience and innovative adaptations, W.E.B is absolutely certain that it will continue to be competitive in the future.
- **Economic Efficiency:** W.E.B's work is characterized by high effectiveness and efficiency. The result is that plant availability is above the industry average and with it there is higher electricity production.
- **Minimizing Risk:** On the basis of the fact that W.E.B's locations are in five different countries, dependence on the individual locations is minimized. Additionally, the photovoltaic plants compensate for the lack of wind in the summer months and wind energy for the lack of sunlight in winter.
- **Transparency:** W.E.B constantly informs existing and interested investors concerning its business activities. An IFRS-Corporate Group-Financial Statement audited by an internationally recognized financial auditing firm will be drafted. A detailed business report and regular quarterly reports make it possible to obtain a comprehensive view of the financial development. Included among the informational media are, among other things, the magazine "W.E.B aktuell", a newsletter, two homepages as well as events to which shareholders and loan subscribers and other interested parties are regularly invited. The event series "W.E.B Fireside Chats" was created especially for shareholders and loan subscribers in 2012.

- **Contribution to the Energy Turnaround:** Through advancing various innovative projects, W.E.B contributes to achieving the energy turnaround.

Reach the Energy Turnaround with Reliable Basic Supply and Turbo. Citizen Participation through Shares and Loans.

With its dual investment offers, W.E.B gives investors a double opportunity to invest in the company. The shares and bonds cover the different preferences of the investors. This allows investors either to participate in the company directly with the share and profit directly from the company's performance along with the annual dividend, or they can invest their capital in the form of a bond with a fixed interest rate and maturity period.

Whether a share or a bond, an investment in WEB Windenergie AG is ecological and value-oriented since performance, sustainability and preservation of the quality of life for future generations are especially important concerns for W.E.B. With that all W.E.B shareholders and bond-holders are making a personal contribution to the production of green energy and a valuable contribution to realizing the energy turnaround with their investment.

Reliable Basic Supply through W.E.B-Shares

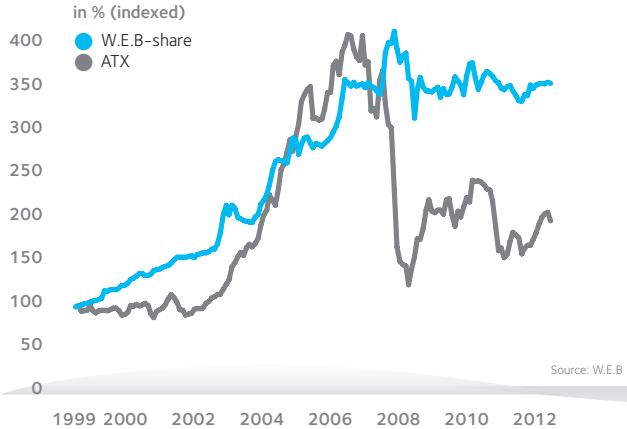
3.411 Shareholders Carry the Company and Profit from Company Success

The W.E.B-share – it secures the necessary equity capital for the company– is a solid form of investment whose value largely remained stable even in the time of the financial crisis. The ongoing development of the power plant parks and the solid company earnings have contributed to this stable company performance.

Share Performance that Holds Value

This illustration below shows the performance of the price of the W.E.B-share compared to the ATX. Performance in the last few yields of course reflects the general uncertainty of investors toward the stock market– a development that the W.E.B-share could not completely shield itself from. Compared with the performance of the leading index of the ATX, the price of the W.E.B-share however stayed a very stable level. Since 1999 the nominal value of EUR 100,– has increased to around EUR 350,– corresponding to an increase in value of 250 %.

Price Performance of W.E.B Trade Room Compared to ATX



Source: W.E.B

Profit Participation through Dividends

To give their shareholders participation in the solid corporate earnings, W.E.B has been issuing dividends since 2010. In 2012 the distribution for the year 2011 was EUR 10,– per share (minus Tax on Corporate Earnigns). Thorugh the shares the shareholders not only porofit from the potential increase in the value of the shares, but directly from current company success. The amount of the distribution of dividends is set annually by the shareholder's meeting.

Attractive Overall Return

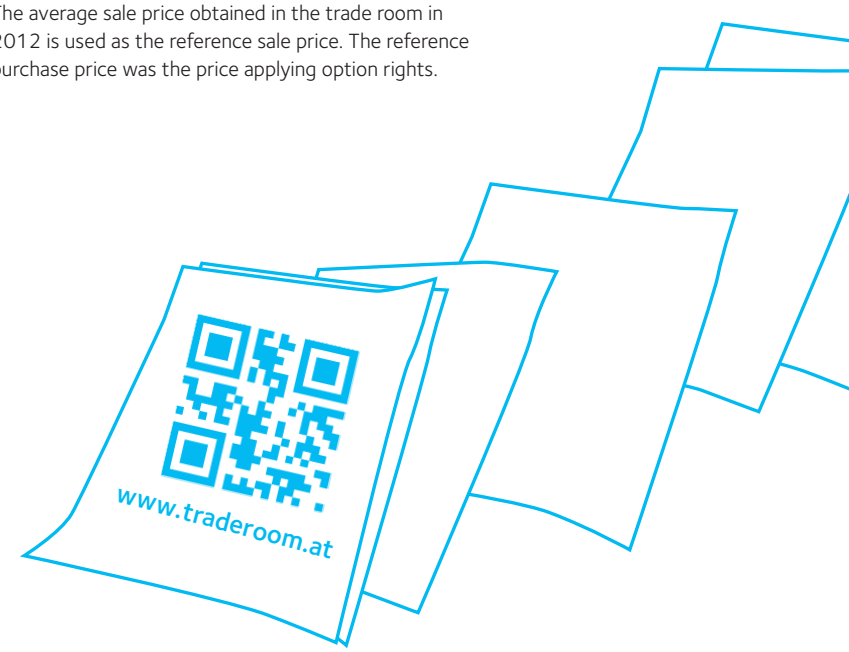
An example: In total, a shareholder who registered new shares of W.E.B at the time the capital was increased in 2002 saw, including the dividends, a total shareholder return of 151.9%; that is, his investment increased by one and a half times.[1] For a new investor in 2004, this value was 90.9% – meaning it nearly doubled. This shows that the long-term investor can achieve attractive returns.

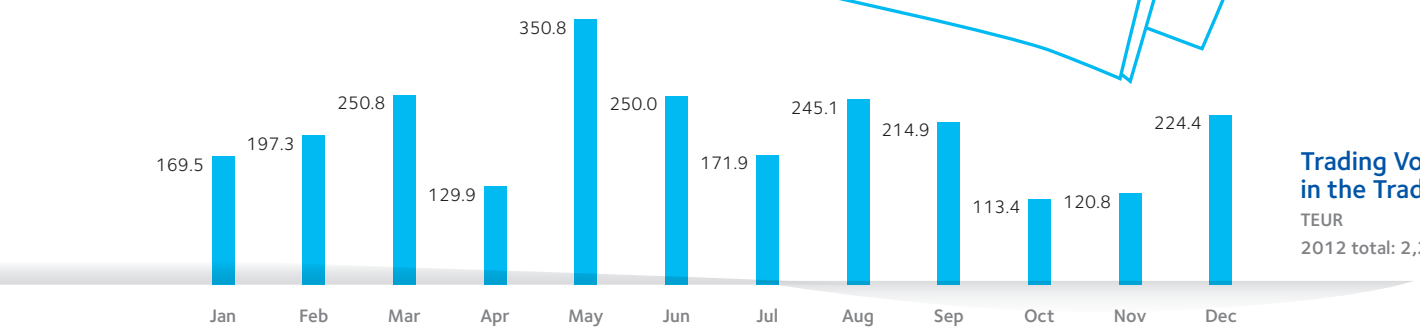
Share Trading with the Help of W.E.B-Trade Room

Shares in W.E.B can be traded with the support of the W.E.B-Trade Room, where supply and demand of shares meets. The W.E.B-Trade Room is provided free of charge by W.E.B and makes fee-free trade in shares possible. Since the shares are listed in the W.E.B share registry as registered shares. There are no deposit fees for owning shares.

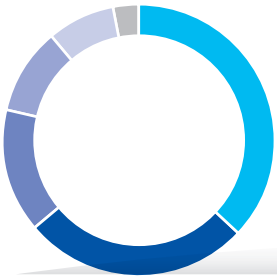
In 2012 shares were traded in a volume of around 2.3 Million € with the average price for this year equaling 347.8 Euro per share. The following table presents the trading volumes for the individual months of 2012.

[1] The average sale price obtained in the trade room in 2012 is used as the reference sale price. The reference purchase price was the price applying option rights.





Trading Volume 2012 in the Trade room
TEUR
2012 total: 2,227,688 EUR



Distribution of Capital by Region

37.01 %	Waldviertel
26.96 %	LA without Waldviertel
14.90 %	Austria without LA, UA and Vienna
10.23 %	Vienna
8.06 %	Upper Austria
2.83 %	Foreign Counties

Shareholders and Owners Structure

At the end of fiscal year 2012, 3,411 shareholders were invested in WEB Windenergie AG. The composition of this group of shareholders by shares and regions can be seen in the table below.

Financings-Turbo: Loan Subscribers Finance New W.E.B-Projects for the Benefit of Everyone

Attractive Interest Rates for Fixed Terms

The second pillar W.E.B in the field of company financing is company bonds. Bonds are issued in each case to financial new power plant projects by W.E.B and are characterized by fixed interest a fixed maturity periods – a secure and sustainable form of investment. The bonds are consistently tuned to the growth course of W.E.B and issued in the corresponding volume for each instance. Since no additional financing was needed in 2012 thanks to the liquidity planning, no bonds were issued. This follows the principle that W.E.B will only issue bonds if there is a concrete need for financing. In contrast to 2012, a bundle of three new bonds have already been issued for signing in 2013 and an additional emission is in planning for fall 2013. Bonds make it possible to finance high earnings projects which would otherwise not be possible. These increase the value of the company.

In 2010 W.E.B had issued the first wind power bonds in Austria and thereby brought in a total of 10.16 million EUR –a exceedingly pleasing result. Together with another bond from the year 2011 in the value of 6.5 million EUR, this corresponds to a total investment of all bond investors coming to 16.66 million EUR. (Another 25.4 million EUR followed in the first quarter of 2013.)

The Destination: The Energy Turnaround

Reasons for Switching to Renewable Energy

The key to a number of social, economic and ecological problems in Europe and the rest of the world lies without a doubt in the way we humans organize our energy supply. The old ways– supplying energy from fossil and atomic fuels using centralized generating plants and distribution systems– has proven a dead end. The evidence for this is multi-faceted and well-known: Melting of the polar ice caps, retreat of glaciers in central Europe, flooding, desertification of once-fertile regions, super-storms, environmental catastrophes, radioactive contamination of whole swathes of land, in sum: the destruction of the foundations for life for the current and future generations. In order to get a handle on these problems and quickly, we need a radical change in our energy-systems, we need a complete transition to a sustainable energy supply in the sectors of electricity, heat and mobility on the basis of renewable energy sources wind, water and solar. We need *the energy turnaround*.

The overwhelmingly positive effects of the energy turnaround for people, the environment, economy and society speak for themselves and for a courageous engagement with the topic. The arguments are convincing:

- Preventing environment destruction and pollution of the environment and their subsequent costs.
- Reduction of the economic risks of an energy shortage
- Energy policy independence
- Avoiding conflict over resources
- Avoiding atomic waste and unhealthy risks of atomic energy
- Reduction of greenhouse gas emissions and air pollution
- Conservation of resources like petroleum, Natural gas and coal whose reserves are limited
- Increasing regional value creation by using energy "from the region."
- Microeconomic advantages thanks to long-term less expensive energy supplies
- Improvement of network stability through de-centralized energy networks

Meaning of the Transition to Renewable Energy

The energy turnaround creates the preconditions for the complete abandonment of oil, coal and atomic energy through the comprehensive use of wind energy, photovoltaic and hydroelectric power. But it goes considerably further than this and is characterized by a multi-faceted mix of measures at all levels of our energy economy that should guarantee the complete supply of the population with energy generated from renewable sources. Only this will make it possible to put our old, in many ways outmoded energy system on new foundations and replace it with a long-term sustainable system friendly to people and the environment. The energy turnaround is based on three essential pillars– energy efficiency, production incl. transport and intelligent consumption – they will all make a significant contribution to the success of this process. And we must emphasize that the energy turnaround does not equal loss of quality of life – just the opposite:: The energy turnaround can increase the quality of life! Greater supply security, greater comfort, more mobility, more flexibility – a better life.

Energy turnaround – right near you

So that we can move ahead in our energy supply, we must engage the "where" as well as the "how". Where shall energy be generated in the future, where will the power come from? Since wind and solar are available everywhere, the energy concepts based on using them can be organized de-centrally. This provides a number of advantages, saves the immense costs of grid construction and provides greater supply security. For W.E.B it is clear: In the future power must come from the region for the region – decentralized and near to the consumers. The regions shall learn to cover a great portion of their energy demand themselves and this individually, as fits the available resources and local needs. In combination with the corresponding energy storage, we will also be able to create new, de-centralized and need-appropriate production structures that guarantee that the population will be supplied with clean energy from renewable sources.

Make the Transition with W.E.B

WEB Windenergie AG has been engaged intensively with the energy turnaround since the construction of its first wind power plant in 1995. This first project was already guided by the realization that, if we are thinking about future generations and not just ourselves, there is no way around renewable energy. If it was just a handful of visionary enthusiasts who courageously dedicated themselves to the cause at the beginning, today W.E.B is the largest independent citizen participation company in the field of wind energy in Austria. The power plant park has grown over the years to a current 176 power plants with a total output of more than 265 MW. They generated power on the basis of wind, solar and hydroelectric, clean energy. Today, W.E.B's power plants are not only in Austria, but also in Germany, the Czech Republic, France and Italy. There are also many promising activities underway in Canada – a market that is in many respects comparable to Austria. The power that W.E.B generates encompasses a supply capacity that indirectly covers the demand of around 187,500 households. This corresponds to the energy consumption of around a half million people. In 2012 W.E.B thus made a considerable contribution to the energy turnaround in our country.

But even with respect to the company's organizational structure, W.E.B shows how the energy turnaround can function. The supervening concept is citizen participation and makes sure that new structures are not mismatched to the needs of the people. For this reason W.E.B was organized as a citizen participation model in the form of a non-listed joint stock company, making it possible for every interested party to participate in the company and directly own the company as a shareholder, deciding on its future course. The largest company owner holds only 4 % of the company and restriction limiting voting rights to 10% in the shareholder's meeting makes democratic decision possible. W.E.B created an additional attractive model for participation in 2010 with the first wind power bond in Austria – and thanks to its success, this instrument has since been used twice more to generate capital.

Energy turnaround – Get On Board!

Users, consumers, voter, citizens, shareholders – we are the real carriers of the energy turnaround. Our actions are the key to

sustainable, de-centralized energy concepts. We need to get engaged: As consumers who decide intentionally for energy saving technologies and optimize their electricity consumption (to help the environment and their wallets). As consumers who select from what sources their power is generated. As citizens who participate in the process of forming opinions and thereby help to decide which framing conditions for renewable energy will predominate in the future. And also as future players in the energy economy, as participants in citizen participation projects who actively co-determine their generation and supply structures.

Energy turnaround – an Economically Attractive Destination

W.E.B is often confronted with the assertion that the energy turnaround is supposedly an undertaking that that only the very few can afford. Alternative vehicle designs, energy saving devices, passive house construction and even green energy itself are supposed to be considerably more expensive than conventional concepts and therefore only attractive to those who could afford the added expenses. This is not so. The higher acquisition costs are amortized by the lower energy consumption. Simply replacing the "old" light bulb with a modern LED bulb reaps a 90% savings and amortizes itself in 2–3 years. And green energy also brings considerable cost savings most of all then when the subsequent costs are taken into account that result from use of environmentally unsound fossil and atomic energy sources. If one includes the costs of climate change in the calculations, it soon becomes clear: The added costs that we are now ready to bear in favor of green energy are minimal compared to the costs that await us if we continue as before. But of course it is important to distribute the costs of the energy turnaround justly and with social responsibility and find ways and means by which we can support those persons who finance the short term added costs here and now.

And what is really surprising: conventionally generated energy from oil and coal is only cheaper than renewable energy sources because they are heavily subsidized. While the costs for renewable energy are currently being criticized primarily because of their cost, a brand-new OECD study shows that the 34 OECD states support fossil fuels with more than 80 billion Euros in subsidies and tax advantages.[1]

If all subsidies in the energy sector for all forms of power generation were abolished equally, renewable energy would already be cheaper than all forms of fossil and nuclear power today. For this reason the wind energy branch demands nothing less than an energy sector (fossil, nuclear and renewable) without subsidies!

[1] http://www.global2000.at/site/de/nachrichten/klimaenergie/Energieeffizienzgesetz/pressarticle-oecdstudie.htm, 27.5.2013

Removing the Last Obstacle to the Energy Turnaround

A essential key for the future of the energy turnaround is the question of constant availability of wind, hydroelectric and solar energy independent of naturally conditioned variations in output. There are phases in which renewable energy is available in excess such as on days that are heavy on sun or wind. Likewise there are phases in which the natural sources of energy are not available in adequate supply. If we can succeed in implementing plausible and technologically mature solutions to constant availability, that is, making renewable energy "reliable" on a broader basis, the full implementation of the energy turnaround will no longer be a mere vision.

The encouraging part: Modern energy –storage concepts are already so technologically advanced that very soon nothing will Status in the way of integrating them into a de-centralized energy system of the future. W.E.B therefore sees it as an important task to actively contribute to the solving this "last equation". For that reason the company is concentrating its cooperation with research institutions and industry partners on the development and use of electrochemical storage batteries.

A re-organization of our energy system is ultimately in all our interest. A proactive and courageous approach to the question of where our energy should come from in the future and how we should deal with our resources is an essential factor in the successful energy turnaround. W.E.B has shown the courage to try new things since it came into existence and therefore our company has made it is mission to assume a leading role in the energy turnaround in Austria. Together with our shareholders, employees and partners, we dedicate ourselves to this challenge with verve and dedication.

You can find more information about how the energy turnaround can be implemented in a single generation in the book "v=z+s – The Last Equation of the Energy Turnaround", written by the three board members of WEB Windenergie AG.
ISBN 978-3-9502962-1-1

Corporate Governance
Transparency and Fairness

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 can apply the code voluntarily. For WEB Windenergie AG, the Code is an important building block with respect to strengthening the trust of shareholders, business partners, employees and the public in the company. Since mid-2006 WEB Windenergie AG has voluntarily committed to applying the Austrian Code of Corporate Governance, with which it complies according to the explanation given in the following. The Code (in the July 2012 edition) contains in total 83 rules that impose a different degrees of obligation for each company that subjects itself to them:

- **L-Rule (Legal Requirement):** Rule based on mandatory legal rules.
- **C-Rule (Comply or Explain):** Rule should be complied with, any deviation must be explained and justified.
- **R-Rule (Recommendation):** Rule Failure to comply must be neither disclosed nor justified.

Implementation of the Code of Corporate Governance by WEB Windenergie AG in Fiscal Year 2012

The Board of Directors and Supervisory Board and Supervisory Board constantly strive to comply with all of the rules of the Code as much as possible and continually optimize the company's internal standards. In those cases in which complete compliance is not established, this is extensively justified. The starting point for WEB Windenergie AG therefore departs considerably (apart from the relatively small size of the company) from that of other publicly held companies since it is not listed on the stock exchange and is in regular individual communication with its shareholders – all of them registered shareholders.

WEB Windenergie AG refrains from publishing a Corporate Governance Report since, on the basis of its structuring as a unlisted joint stock company, it is not obligated to publish one. 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 and published on the homepage.

The following rules of the Austrian Code of Corporate Governance (July 2012 edition) were not complied with fully in fiscal year or were not complied with:

C-Rule 18: "Depending on the size of the company an internal audit department is to be established as in staff unit of the board of directors or outsourced to a suitable institution. The auditing committed must be informed at least once annually concerning the audit schedule and important findings."

In spite of constant growth, WEB Windenergie AG is still a medium-sized company for which reason an internal auditing department is deemed inefficient due to the small size in combination with the risk.

C-Rule 31: "For every member of the board of directors, the fixed and performance-based compensation granted in a fiscal year will be disclosed in the Corporate Governance Report. This also applies if the compensations were paid through a management company."

The compensation of the entire board of directors as well as the corresponding basic rates for the amount of 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 will annual evaluate the efficiency of its own work, especially its organization and work methods (self-evaluation)"

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

C-Rule 39: "Independently of the specific circumstances of the company and the number of its members, the Supervisory Board will form qualified committees. They will serve to increase the efficiency of the supervisory work and dealing with complex matters. The Supervisory Board may however deal with matters of the committees in the board as a whole. Each chair of a committee will regularly report to the Supervisory Board concerning the work of the committee. The Supervisory Board must make sure that a committee is authorized to make decisions in urgent cases.

The majority of the committee members must meet the criteria for independence according to C-Rule 53.

In the Corporate Governance Report, the names of the committee members and the chairs must be listed. The number of sessions of the committees must also be disclosed in the Corporate Governance Report and the activities of the committees must be detailed."

The Supervisory Board of WEB Windenergie AG consist of at most five members and currently only four members. Due to the small number of members, but also owing to the company's specific circumstances, the formation of committees is not deemed expedient so that the Supervisory Board undertakes its duties as a whole organizational unit. Even the Code of Corporate Governance provides for the obligatory establishment of a nominating committee only starting at six members of the Supervisory Board acc. to Rule 41 or a compensation committee acc. to Rule 43 and assumes a "critical mass" 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 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 competencies into account (finances, law, engineering social competence).

C-Rule 49: "In the Corporate Governance Report, the company will report the object and compensation of any contracts subject to approval acc. to L-Rule 48. A summary of such contracts may be included."

Absent a legal obligation to disclose, the company does not publish a Corporate GovernanceReport. However, information about contracts requiring approval acc. to LRule 48 is included in the appendix to our Annual Financial Statement. This includes a contract of mandate with the law office of Sattler & Schanda (ARmember Dr. Schanda is at partner of this law firm) as well as the hire purchase agreement with WEB Windenergie AG with QR Dumeier Köbis GbR (the Shareholders der QR Dumeier Köbis GbR board of directors and the executive managers).

C-Rule 53: "The majority of the members of the Supervisory Board elected by the shareholder meeting or appointed on the basis of the articles of association is independent of the company and its Board of Directors. A member of the Supervisory Board is deemed independent if he/she has no business or personal relationship to the company or its Board of Directors that would establish a conflict of interest and is therefore a possible influence on the member's conduct.

The Supervisory Board will establish criteria for independence on the basis of this general clause and publish them in the Corporate Governance Report. Another guideline is found in the guidelines for independence published in Appendix 1. According to the established criteria, each member of the Supervisory Board has a personal responsibility to explain to the Supervisory Board whether he/she is independent. The Corporate Governance Report must state which members are to be seen as independent according to this assessment."

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

C-Rule 62: "The company must have its compliance with the C- and R- Rules of the Code externally evaluated by suitable institution regularly, at least every three and report the results in the Corporate Governance Report."

Compliance with the rules of the Code is regularly internally evaluated in the company and published both on the homepage and in the business report.

C-Rule 64: "The company will disclose, to the extent known to it, the current shareholder structure broken down by geographic origin and type of investor, cross-participations, the existence of syndication contracts, restrictions on voting rights, registered shares and the therewith associated rights and restrictions on the company's website. Current changes to voting rights will be immediately announced on the company's website. The articles of association for the

company will be published on the company's website."

The presentation of the shareholder structure is provided in the business report which is available for download on the homepage. Current changes in voting rights – to the extent they are relevant – are disclosed in the informational medium "W.E.B aktuell", which is published at least three time a year and is also available for download on the company's website.

C-Rule 68: "The company will publish annual financial reports, semi-annual financial reports and all other interim reports in German and English and will make them available on the company website. If the annual financial report also includes a statement for the corporate group the annual financial statement given under corporate law included in the annual financial report will only be published an made available in German."

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

C-Rule 74: C-Rule 74: "A company calendar will be published on the website at least two months before the start of the new fiscal year and will include all relevant dates such as the publication of business and quarterly reports, shareholder's meetings, dividend payment date and Investor Relations activities for the shareholders and other interested parties."

WEB Windenergie AG publishes the important dates of the fiscal year on 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: "Additionally, the auditor must evaluate the functionality of the risk management on the basis of the documents presented and disclosures submitted and must report to the Board of Directors. This report is likewise to be brought to the attention of the Supervisory Board. The board must make sure that the report is dealt with in the auditing committee and is reported in the Supervisory Board."

WEB Windenergie AG engages risk management intensively. Both the Board of Directors and the Supervisory Board are regularly presented with risk reports which are discussed intensively. Since no weaknesses have been detected in the existing risk management to date, we refrain from separately appointing an auditor to assess its functionality.

Corporate Group Management Report Fiscal Year 2012

General, Business Area

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

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

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

Market and Industry

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

General Framework

National Economic and Energy Economic Framework

In 2012, the expansion of wind energy continued in Austria. With a newly constructed capacity from wind power plants of 295.7 MW, the total wind power output installed in Austria increased to 1,378.0 MW.[1]

A significant cost factor in the generation of electricity from wind power are the **acquisition costs** for wind turbines. In recent years there has been noticeable decrease in these costs. The Wind Turbine Price Index published by Bloomberg (WTPI) was at its highest level in 2009 and has been on a constant downward trend since. The reasons for the current development of turbine prices are found in the manufacturer's excess capacities as well as a prevailing price pressure from competitors in the low-cost segment. No change in the trend is expected in the near future.[2]

[1] Source: Publication IG Wind power, January 2013
[2] WTPI deals with plants contracts for over 11 GW and focuses mainly on Europe and America. Source: Bloomberg Q2 2012 CLEAN ENERGY POLICY & MARKET BRIEFING; Bloomberg New Energy Finance, Press release from March 6th, 2012

After a relatively volatile **development in electricity prices** at the beginning of the year, a clear downward trend in electricity prices is apparent throughout the rest of 2012. The maximum price for the delivery period 2013 was 54.33€/MWh. The lowest price was 45.07€/MWh and was also the last traded market price of the year. In the course of the year 2012, the price of electricity fell by around 13.9% (delivery period 2013). The figure to the right shows the base load of the price of electricity in the year 2012 for delivery periods 2013, 2014 and 2015.

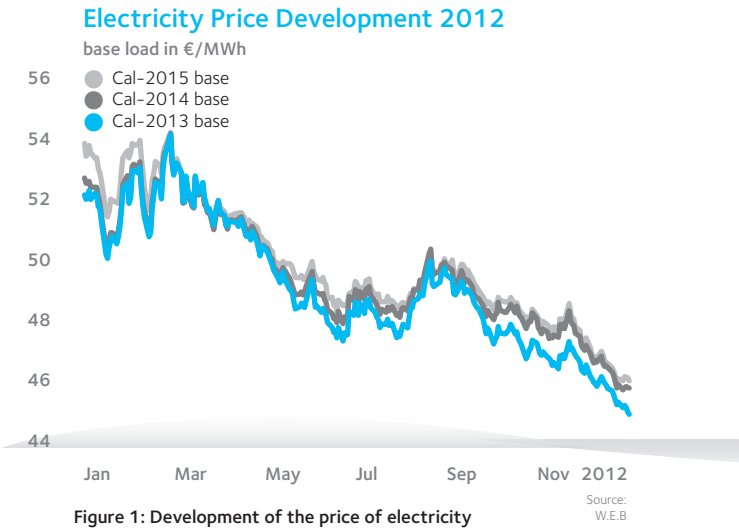


Figure 1: Development of the price of electricity base load futures contracts

Development of the peak load futures price was likewise regressive for all traded settlement-dates, which led to a relatively stable Peak/Base ratio of 1.23-1.24 in 2012. In 2012 peak-load electricity was very cheap compared to base-load electricity (For example in 2002 this ratio was around 1.40). An obvious explanation for the convergence of peak and base prices is the higher use of renewable energy sources.

Regulatory Framework

In November 2010, the European-Commission presented the European Energy-Strategy "Energy 2020 – A Strategy for Competitive, Sustainable and Secure Energy". It defines five priority action areas for reaching the energy goals for the year 2020: Achieving an energy-efficient Europe; Building a truly pan-European integrated energy market; Empowering customers and achieving the highest level of safety and security; Extending Europe's leadership in energy technology and innovation; Strengthening the external dimension of the EU energy market. The European Commission directs its main attention to achieving the energy efficiency targets set out in the EU-Energy- and Climate Package: Europe has accepted the obligation of reducing its primary energy consumption by 20% compared to the projections for the year 2020. Among other things, energy suppliers are required to motivate their customers to save energy. Energy efficiency should also be a central assessment criterion in the approval of new generating capacity.

Furthermore there are regulatory requirements in the framework of this strategy with regards to the increased use of renewable energy sources: The guideline 2099/28/EC provides for increasing the share of energy from renewable sources at gross end energy consumption from the 8.5% in 2005 to 20% by 2020, with national target values for each member state. Austria has obligated itself to raise its share of renewable energy sources of 23.3% in 2005 to 34% by 2020. In 2011 this value was 27.6%[3].

[3] For the presentation of the change in share of renewable energy sources, the data from 2011 were selected for a comparison 2010. While in 2010 the recycling of wastes an foreign trade balance of electrical energy was included in the calculation of renewable energy sources, while this is no longer the case in 2011. According to the previously used method the share of renewable energy sources in 2011 would have been 29.5 %. Data for 2012 are not yet available. Source: Federal Ministry for Agriculture, Forestry, Environment and Water Management.

Financial Markets – Interest Rates

In 2012 W.E.B profited from the continuing decrease of interest rates. Both the 3-month- and the 6-month-EURIBOR reached their historical lows in 2012. On average the 3-month-EURIBOR in the previous fiscal year was at around 0.6%, whereby a strong downwards trend is visible during the course of the year. According to the most recent OECD forecast, no significant rise in short-term interest rates is expected during the next two years.[4]

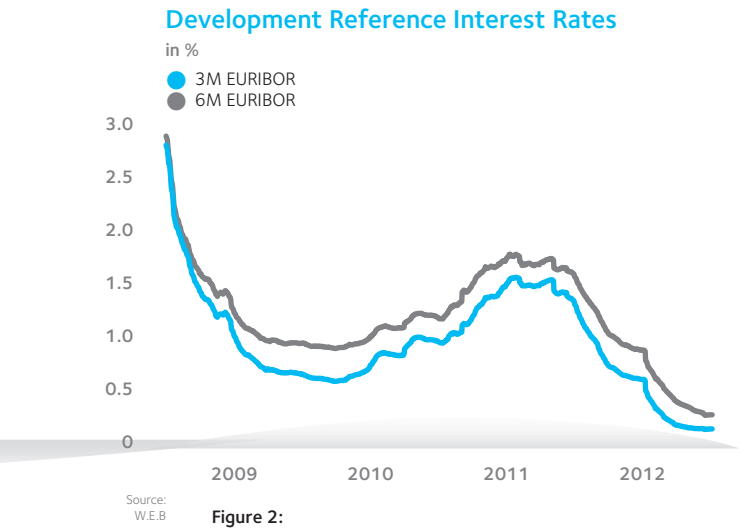


Figure 2:
Development 3M and 6M Euribor

The exchange rates providing the basis of the foreign currency positions W.E.B Wind Energy Group (Czech Crowns and Canadian Dollars) were characterized by lateral movement in 2012. Although a notable range of fluctuation was discernible throughout the year, exchange rates changed only slightly compared to the start of the year (EUR/CAD: -0.5%; EUR/CZK: -1.7%). On the basis of annual averages, the Euro lost around 6.6% of its value compared to the Canadian Dollar; compared to the Czech Crown, the Euro was able to strengthen by approximately 2.3%.

Figure 3:
Relevant Exchange rates

Country-Specific Subsidy Conditions

For the core market Austria, the Green Energy Act of 2012 as well as the current feed-in rates for electricity from wind power provide a significant stimulus for new wind power projects. Wind energy plants, for which the subsidized feed-in tariff were requested in 2012, receive a compensation of 9.5 c/ kWh, for applications submitted in 2013, the compensation is 9.45 c/kWh.

With the Renewable-Energy Act (EEG) **Germany** offers a stable framework for the expansion of wind and photovoltaic projects also through the system of direct marketing.

[4] Source: Economic Outlook No 92 – December 2012 – OECD Annual Projections MetaData : Short-term interest rates, forecast

The reference location model secures also the economic viability at less attractive locations. Subsidies are provided especially through feed-in and premium rates.

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

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

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

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

Business Performance

The fiscal year 2012 goes down in W.E.B's corporate history as a record production year to date.

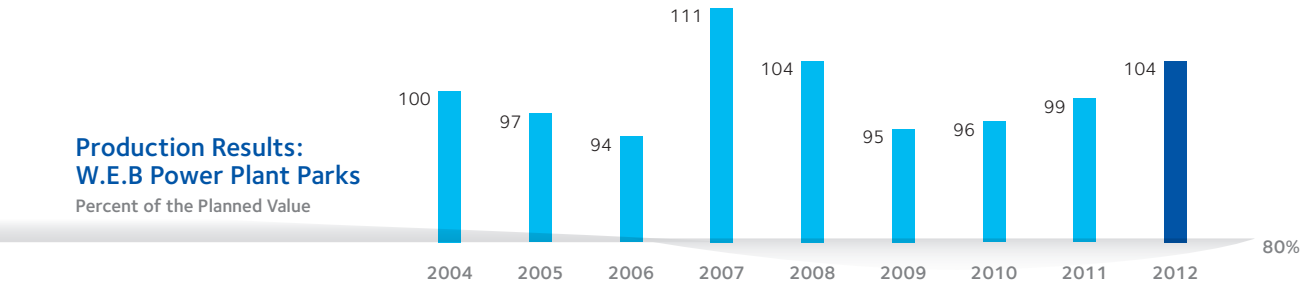
The company investmented around 41 million EUR in 2012.

Influence Factors

2012 was a record year of production for W.E.B. With an increase in green energy production by more than 16%, the company's power plants were able to produce an amount of energy totaling 514,708 MWh. This corresponds approximately to the total production volume of the first 10 years of the company's history from 1995 to 2005.

This success was made possible by the favorable weather situation, stable power plant operations, as well as the commissioning of new high-performance power plants.

W.E.B Wind Energy Group continues to rely on earnings risk management through the distribution of its wind, hydroelectric and photovoltaic power plants throughout Europe. While power plants in Austria generated around 5.5% more electricity than expected in 2012, the French power plants remained around 3.7% below plan.



It was also possible to obtain very good results in Germany (+2,6%) and Italy (+4,5%). In the Czech Republic the original production target was exceeded by 29.2% partly due to the purchase of the wind power plant Horní Řasnice, which was not taken into account in the planned target. There was a balancing effect observable of the various technologies. The weak result from hydropower (-12.2%), caused by low water levels, was more than compensated thanks to an extraordinary result from wind power (+4,6%) and an unexpectedly strong production in photovoltaics (+5,8%).

Profit Situation

The result after income tax rose in 2012 by 679.8 TEUR compared to the previous year. This is attributable to an increase in revenues, through an increase in the number of power plants in the reporting year, to higher plant availability as well as to the low interest rates.

Corporate Group – Profit and Loss Statement	2012	2011
TEUR		
Revenues	**47,239.5**	**40,888.1**
Other operating income	2,492.4	2,570.2
Operating income	**49,732.0**	**43,458.3**
Costs of material and purchased services	-1,298.6	-2,222.8
Personnel expenses	-4,333.3	-3,170.9
Depreciation	-17,752.6	-16,222.6
Other operating expenses	-9,965.2	-8,625.7
Sub-total	**-33,349.7**	**-30,242.0**
Operational result (EBIT)	**16,382.3**	**13,216.3**
Net financial result	**-6,471.2**	**-5,634.7**
Earnings before income tax	**9,911.1**	**7,581.6**
Income tax expense	-3,519.2	-1,869.4
Earnings after income tax	**6,392.0**	**5,712.2**

Revenues

It was possible to improve revenues in 2012 to 47.2 million EUR – an increase of around 6.4 million EUR compared to the previous year. Material beneficial influence factors for this were the increases in production through the new power plants installed in 2012 as well as overall favorable weather conditions, increased plant reliability and higher feed-in rates thanks to direct marketing in Germany.

	2012		2011	
Power generation	Capacity	Production	Capacity	Production
	kW	kWh	kW	kWh
Austria	126,252	300,360,692	115,324	237,918,547
Germany	82,364	152,130,697	82,364	159,488,010
France	24,000	39,182,410	12,000	27,193,710
Czech Republic	9,080	13,670,064	7,280	9,895,257
Italy	6,427	9,364,268	6,427	8,592,292
Total	**248,123**	**514,708,131**	**223,395**	**443,087,816**

Other Operating Income

The other operating income for the year 2012 dropped by 77.8 TEUR to 2,492.4 TEUR.

Costs of Material and Purchased Services

This item records the costs for electricity, grid loss compensation, grid use fees (881.3 TEUR, prior year: 768.1 TEUR) and material costs. In the prior year this item also included the expenses for re-invoicing. In the reporting year 2012 these expenses were covered by corresponding earnings since they are now handled in a trustee relationship for other companies.

Personnel Expenses

The personnel expenses for 2012 were around 1,162.4 TEUR higher than in 2011.

Other Operating Expenses

The other operating expenses for 2012 increased by 1,339.4 TEUR to 9,965.2 TEUR. This development is essentially attributable to a write-down of receivables in the reporting year 2012 as well as increasing maintenance, leasing/rental costs and consulting costs.

Net Financial Result

The interest expenses for the reporting year were somewhat higher than the prior year. This is primarily attributable to the increase in financial obligations. The negative financial result increased in total by around 836.5 TEUR to 6,471.2 TEUR. This is primarily attributable to Write-downs/disposals from participations (753.7 TEUR compared to earnings in the previous year: 175.1 TEUR).

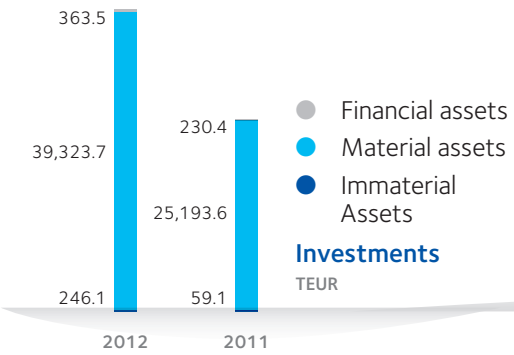
Asset Situation	31.12.2012		31.12.2011	
	TEUR	%	TEUR	%
Long term assets	254,242.1	91	233,836.1	89
Short term assets	24,622.0	9	27,809.1	11
Total Assets	**278,864.1**	**100**	**261,645.2**	**100**
Equity capital	82,839.9	30	79,907.2	30
Long term debts	161,712.5	58	146,147.4	56
Short term debts	34,311.7	12	35,590.6	14
Total Liabilities	**278,864.1**	**100**	**261,645.2**	**100**

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

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

Dividend and Distribution Policy

In 2012 a dividend amounting to EUR 10.00 per share was approved in the shareholder's meeting (in total 2,884.5 TEUR). The payout was completed at the end of July 2012. In the framework of the next regular shareholder's meeting, this topic will be discussed in detail again and a dividend distribution will be conducted subject to shareholder approval.



a company with a wind power plant at the location Horní Řasnice, Czech Republic was purchased during the fiscal year.

Investments	2012	2011
TEUR	39,933.3	25,483.1

The main investments of the fiscal year 2012 include the wind farm Dürnkrut, Austria, photovoltaic plants located in Seiersberg, Austria, the wind farm Plaine de l'Artois, France and wind farms at the planning stage in Austria and Canada. Furthermore,

Financial Situation	2012	2011
TEUR		
Operating Cash flow	27,181.2	21,591.0
Cash flow from financing	2,119.3	13,864.9
Cash flow from the investments	-36,501.8	-26,533.7
Cash flow total	**-7,201.3**	**8,922.2**

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

Financing

Long-term loans were taken out in Euro for the construction of the wind farms Dürnkrut, Austria, and Plaine de l'Artois, France. The construction of the photovoltaic-plants in Seiersberg, Austria, and the acquisition of the company in the Czech Republic were financed from the available cash flow. An existing financing arrangement in the national currency was taken over for the wind power plant at the site in Horní Řasnice, Czech Republic.

In the fiscal year 2012 an issue of a bond with a nominal value of 1,000.00 EUR each was prepared for the first quarter of 2013. The issue price for the bond was set to 100% of the nominal amount. The bonds were issued from 1.31.2013 to 3.29.2013, whereby an extension or reduction of the subscription period would have been possible. Three different bonds were issued – with an interest rate of 4% p.a. and a maturity period of 5 years (bullet repayment), with an interest rate of 5.25% and a maturity period of 10 years (partially amortizing) and an interest rate of 5.5% and a period of 10 years (bullet repayment). The interest will be due and payable on the 4.8. of each year. The first interest payment date is 4.8.2014.

Performance Indicators

Key Figures	2012	2011
EBIT Margin	33.36%	31.76%
Net Gearing	188.26%	166.87%
Return on Equity	7.86%	7.33%

EBIT Margin

The EBIT margin puts the EBIT in relation to the revenues and therefore shows the profitability of the company independent of financial results, extraordinary items and taxes. With 33.36% W.E.B Wind Energy Group was able to keep its EBIT margin at a very high level in 2012.

Net Gearing

Net Gearing constitutes the ratio of the 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.
In fiscal year 2012 W.E.B Wind Energy Group was able to keep this key figure approximately at the same level as in the previous year. For the external investors this exemplifies a good risk buffer.

Return on Equity

The return on equity sets the annual profit in comparison to the equity capital used. It indicates how high the interest was on capital provided by the equity investors minus taxes on earnings in a given period. In 2012 the return on equity for W.E.B was 7.86%.

Employees

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

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

	2012	2011	2010	2009
Personnel as of 12.31. **(head count)**	74	59	52	40
Direct education expenses per employee **(EUR)**	470	660	524	1,159
Average age as of 12.31. **(years)**	36	37	36	35

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

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

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

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

Planned Development

Risks and Uncertainties

Chances-and Risk Management for W.E.B Wind Energy Group

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

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

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

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

Price Risk and Political Risk

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

Guarantee period	Share of planned generation 2012	Share of planned generation 2011
no guaranteed tariff	6,8%	6,6%
Up to 1 year	0,2%	1,0%
1 to 5 years	12,6%	19,0%
More than 5 years	80,4%	73,4%

These tariffs are locked in under existing laws. A modification of these laws and/or the abolition of the tariffs subsidies would be a significant threat to the economic viability of the generating plants. It is however highly unlikely.

The market development of electricity prices is of great significance for period after the expiration of the guaranteed tariffs.

Technical Risks

WEB Windenergie AG and its subsidiaries operate a total of 176 power plants as of 12.31.2012: 166 wind power plants, three hydroelectric power plants and seven photovoltaic plants. 140 wind power- plants were built by the world market leader, Vestas (including the plants form NEG Micon which has since merged with Vestas), 26 plants from the German manufacturer Enercon. By using wind power plants from manufacturers with many years of market experience, W.E.B Wind Energy Group keeps the technical risk as low as possible.

Foundations

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

Large Components

An increase in damages to the gearboxes and generators of plants produced by Vestas. In this context both the skills in damage prevention as well as technical and logistic preconditions for repairing large components in case of break-down have been improved.

Climatic and Meteorological Framework

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

Rotor Blades

No notable problems were observed in 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

It was possible to further increase the total availability of the plants from 97.2% in the previous year to 97.6% an all-time high. Stable power plant operation in the wind power sector is jointly responsible for the outstanding production in 2012. It was possible to reach this peak value through the successful implementation of our business strategy. The new availability record was made possible through the outstanding performance of the employees involved.

Also worthy of mention are the cooperation with the manufacturers Vestas and Enercon as well as the effectiveness of our own highly-specialized service teams. Along with solid standard service from the manufacturer, inspections, preventative maintenance and specialized service tasks are performed by own employees. High availability of replacement parts, specialized tools, first class employee training, as well as corresponding failure management form a strong basis for this.

The continued optimization of work processes as well as innovative approaches to repairs will secure this high level of technology in the future. Particular attention will be paid to the ongoing qualification and training of employees.

Photovoltaic

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

Project Development

Developing new power plant locations is an essential component of the business activity of WEB Windenergie AG. It includes the chance to invest in 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 evaluation of project costs, project cost efficiency and the probability of receiving the construction and operation permits keep this risk as low as possible. In the past it has been possible to realize more than 70% of planned projects.

Financial Risks

Currency Risks

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

In addition one loan in Swiss Francs exists. The ratio of this loan to the total volume of financing of the W.E.B Wind Energy Group is relatively small. Additional detailed information is presented in the Appendix in Explanation (11) Financial Obligations.

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 45% of the existing financial obligations subject to variable interest, this risk was secured through fixed interest rate agreements (interest swaps).

Thus as of 12.31.2012, 57% of the financial obligations are secured with fixed interest rates. An increase of the interest rate by 1%-point would reduce the company's results by around 710 TEUR p.a..

Financial Instruments

The main originating financial instruments used by the W.E.B Wind Energy Group are participations, bonds, loans, receivable for goods and services, balances held at institutions of credit, financial obligations. The existing derivative financial instruments are interest swaps and are described in the Appendix in the explanation of (15) Derivative Financial instruments.

As of 12.31.2012 there are no contingent liabilities. In 2011 there were contingent liabilities in the amount of 65.4 TEUR. These were essentially guarantees assumed toward financial institutions for a (former) associated company.

Apart from the concluded interest swaps (c.f. Appendix, Explanation (15) Derivative Financial Instruments) no specific securitizing transactions were completed in fiscal year.

Financial Futures Transactions/Derivatives

Concerning contracts existing on balance sheet reporting day and their settlement or valuation, we refer to Explanation (15) Derivative Financial Instrument in the Appendix.

Default Risk

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

The majority of revenues in 2012 in Austria (ca. 93%) were generated from the OeMAG-settlement office for Green Energy AG, the rest with a private company with which a good business relationship exists for years.

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

Counterparty Risk – Suppliers

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

Liquidity Risk

All power plants owned by the Group have long-term financing. For the existing financial arrangements, comprehensive liens on plants and assignments have been arranged with the financial institutions. Furthermore, W.E.B Wind Energy Group has obligated itself to maintain certain financial key figures. The failure to maintain these figures could entitle the financial institutions to immediately call the loans. The effects of fluctuations of operating cash flows (primarily fluctuations of electricity earnings on the basis of the wind situation) will be 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. Very few plants had been constructed through 2009 due to the low subsidized tariffs, but projects continued to be developed. Currently many projects are ready to construct, mostly in Burgenland as well as in the Weinviertel. The current grid situation however mostly does not permit power from these plants to be fed in, so that one can only assume that these projects will be realized only after massive expansion of the grid in the coming years. This also applies for non-Austrian projects of W.E.B.

Besides Austria, W.E.B was also involved in international project development (focus on France and Canada) in 2012. This line of action will be followed in accordance with the liquidity situation, whereby the focus of activities as before will continue to be on the home market of Austria. The contracted commitments on the balance sheet reporting day amount to around 85,138.0 TEUR and are largely associated with the continued expansion of the power plant capacity in Austria.

Research and Development

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

R&D work continued to be intensified – the innovation management-team is working intensively on analyzing systems to improve the stabilization of cyclically produced renewable energy. The first pilot applications have been prepared.

In 2012 W.E.B also participated as a partner in the research project "Rotor De-Icing", subsidized by FFG and pursues the goal of reducing outages in wind energy production caused by icing. Concretely, three innovative technologies are being tested: Use of sublimation and minimizing ice formation, development of special blade surface coatings as well as active electrical de-icing.

Beyond this there are no research and development activities.

Branch Offices

WEB Windenergie AG does not have any branch offices.

Events after the Reporting Date

At the end of January the issuance of the trio of bonds offered by W.E.B that had been prepared in 2012 started. The subscription period continued to 3.29.2013. The bonds have different maturity periods and different interest rates. The trio of bonds was successfully placed on the market – in total 24.5 million EUR were earned. The high demand makes it clear that W.E.B is also on an innovative and successful path in the area of company financing.

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

Pfaffenschlag, April 26th, 2013
The Board of Directors

Andreas Dangl

DI Dr. Michael Trcka

Dr. Frank Dumeier

Corporate Group Financial Statement (IFRS)

Corporate Group Profit and Loss-Statement 1.1.– 12.31.2012

TEUR	Note	2012	2011
Revenues	**17**	**47,239.5**	**40,888.1**
Other operating income	18	2,492.4	2,570.2
Operating income		**49,732.0**	**43,458.3**
Costs of material and purchased services	19	-1,298.6	-2,222.8
Personnel expenses	20	-4,333.3	-3,170.9
Depreciation	21	-17,752.6	-16,222.6
Other operating expenses	22	-9,965.2	-8,625.7
Sub-total		**-33,349.7**	**-30,242.0**
Operational earnings (EBIT)		**16,382.3**	**13,216.3**
Share of earnings from equity-accounted associated companies	3	245.8	-26.1
Results from other investments	4	-632.0	164.6
Interest earnings	23	266.2	71.6
Interest expenses	24	-5,847.8	-5,404.6
Other finance costs	25	-503.4	-440.2
Net financial result		**-6,471.2**	**-5,634.7**
Earnings before income tax		**9,911.1**	**7,581.6**
Income tax expense	13	-3,519.2	-1,869.4
Earnings after income tax, attributable to:		**6,392.0**	**5,712.2**
Owners of the parent company		6,443.3	5,738.9
Non-controlling interests		-51.4	-26.7
Earnings per share[1] (EUR)		**22.3**	**19.9**

[1] Diluted is the same as undiluted

Corporate Group – Statement of Income and Accumulated Earnings

TEUR	2012	2011
Earnings after income tax	**6,392.0**	**5,712.2**
Changes from currency conversions	-3.5	-32.7
Market value changes for the sale of available financial instruments	60.5	-66.2
Market changes cash flow hedges	-824.4	-361.8
Income tax on other earnings	192.7	125.7
Total other earnings, attributable to:	**-574.8**	**-335.0**
Owners of the parent company	-581.3	-334.7
Non-controlling interests	6.5	-0.3
Total earnings after income tax	**5,817.2**	**5,377.2**

Corporate Group – Cash Flow Calculation

TEUR		2012	2011
Result before taxes on earnings		**9,911.1**	**7,581.6**
+ –	Depreciation/ appreciation (tangible and intangible assets)	17,752.6	16,222.6
+	Interest balance	5,581.6	0.0
+/–	Non cash result of associated companies included in the equity	-209.4	26.1
+/–	Depreciation and appreciation on financial investments	524.5	82.3
– +	Profits/ losses from foreign currency valuations	0.0	141.3
+/–	Other non-cash financial results	0.0	-133.1
+/–	Profits/losses from disposal of financial assets and other long-term assets	34.1	175.1
+/–	Profits/losses from disposal of investments	82.5	82.0
+ –	Increase/ decrease of long-term reserves	539.3	386.3
+/–	Other non-cash changes	474.8	0.0
Cash flow from operating activities		**34,691.1**	**24,564.1**

– / +	Increase/ decrease in inventories and receivables	2,131.2	-565.3
– / +	Increase/ decrease of receivables from affiliated companies	-3,269.1	0.0
– / +	Increase/ decrease of other receivables	-3,536.1	1,352.9
+ / –	Increase/ decrease of supplier obligations and other obligations	-666.9	-2,145.7
–	Income tax	-2,169.0	-1,615.1
Operative cash flow		**27,181.2**	**21,591.0**
+	Proceeds from disposal of investments	43.5	54.4
+	Proceeds from disposal of financial investments and other long-term assets	73.5	354.9
+	Interest proceeds	173.8	0.0
–	Net cash flow from the acquisition of fully consolidated subsidiaries	-1,740.3	0.0
–	Disposal of consolidated subsidiaries	303.0	0.0
–	Disposal of associated companies	10.9	0.0
–	Purchase of investments in immaterial assets and material assets	-35,456.6	-26,712.6
–	Purchase of influx of financial assets and other long-term assets	77.5	-230.4
+	Received dividends	12.9	0.0
Cash flow from investing activities		**-36,501.8**	**-26,533.7**
–	Paid out dividends	-2,884.5	-1,442.3
–	Interest payments	-5,610.4	0.0
+	Proceeds from the assumption of financial obligations	35,855.8	32,391.4
–	Repayment of financial obligations	-25,241.6	-17,084.2
Cash flow from financing activities		**2,119.3**	**13,864.9**
Total cash flow		**-7,201.3**	**8,922.2**
Changes in funds[1]			
Liquid assets at the start of the period		12,802.8	3,882.4
Currency differences		3.2	-1.8
Liquid assets at end of period		5,604.8	12,802.8
Cash flow total		**7,201.3**	**-8,922.2**

[1] for additional information see explanation 7.1 Corporate Group Cash Flow Calculations

Corporate Group Balance Sheet as of 12.31.2012

TEUR

	Note	12.31.2012	12.31.2011
Assets			
Intangible assets	1	3,965.8	4,110.1
Tangible assets	2	245,435.1	224,862.9
Shares in associated companies	3	2,590.7	2,081.9
Other financial assets	4	2,064.7	2,755.0
Other long-term assets		30.0	26.2
Active latent taxes	5	155.8	0.0
Long-term assets		**254,242.1**	**233,836.1**
Inventories	6	1,933.5	2,257.2
Trade receivables	7	7,102.7	9,227.9
Receivables from affiliated companies	8	3,462.0	192.9
Other receivables and assets	9	6,494.9	3,328.3
Income tax receivables		24.2	0.0
Liquid assets	10	5,604.8	12,802.8
Short-term Assets		**24,622.0**	**27,809.1**
Total Assets		**278,864.1**	**261,645.2**
Equity per share (EUR)		**287.2**	**277.0**

Corporate Group Balance Sheet as of 12.31.2012

TEUR	Note	12.31.2012	12.31.2011
Equity and liabilties			
Registered capital		28,845.3	28,845.3
Capital reserves		23,323.8	23,323.8
Other reserves		-1,328.1	-746.8
Retained earnings		32,070.8	28,511.9
Share owned by WEB AG shareholders		*82,911.9*	*79,934.2*
Non-controlling interest		-71.9	-27.0
Total equity	**Chapter 3.3**	**82,839.9**	**79,907.2**
Long-term financial obligations	11	130,266.5	116,526.3
Bonds	12	16,346.2	16,260.4
Passive latent taxes	13	9,857.5	8,476.1
Long-term reserves	14	4,787.2	4,211.3
Other long-term obligations	12	455.0	673.3
Long-term liabilties		**161,712.5**	**146,147.4**
Short-term financial obligations	11	24,222.1	25,099.0
Obligations from taxes on earnings	13	521.0	912.1
Trade payables and other payables	15,16	9,568.6	9,579.5
Short-term debts		**34,311.7**	**35,590.6**
Total liabilties		**196,024.2**	**181,738.0**
Total equity and liabilities		**278,864.1**	**261,645.2**

Development of Corporate Group Equity Capital

TEUR

	Authorized capital	Capital reserves	Profit reserves	AFS Reserves
Status as of 1.1.2011	**28,845.3**	**23,323.8**	**24,215.3**	**70.9**
Results included directly in the equity capital after income taxes from				
Currency differences	0.0	0.0	0.0	0.0
Market valuation of securities	0.0	0.0	0.0	-50.2
Cash flow hedges and other securitizing transactions	0.0	0.0	0.0	0.0
Total results included directly in the equity capital after income taxes	**0.0**	**0.0**	**0.0**	**-50.2**
Result after income tax	0.0	0.0	5,738.9	0.0
Total results for the period	**0.0**	**0.0**	**5,738.9**	**-50.2**
Dividend	0.0	0.0	-1,442.3	0.0
Status as of 1.1.2012	**28,845.3**	**23,323.8**	**28,511.9**	**20.7**
Results from the following included directly in the equity capital				
Currency differences	0.0	0.0	0.0	0.0
Market valuation of securities	0.0	0.0	0.0	43.8
Cash flow hedges and other securitizing transactions	0.0	0.0	0.0	0.0
At-equity included associated companies	0.0	0.0	0.0	0.0
Total results included directly in the equity capital after income taxes	**0.0**	**0.0**	**0.0**	**43.8**
Results after tax on earnings	0.0	0.0	6,443.4	0.0
Total result for period	**0.0**	**0.0**	**6,443.4**	**43.8**
Dividend	0.0	0.0	-2,884.5	0.0
Status as of 12.31.2012	**28,845.3**	**23,323.8**	**32,070.8**	**64.5**

Security reserves	Difference from currency conversion	Shareholders W.E.B	Shares of other shareholders	Total
-534.1	**51.1**	**75,972.3**	**0.0**	**75,972.3**
0.0	-32.4	-32.4	-0.3	-32.7
0.0	0.0	-50.2	0.0	-50.2
-252.1	0.0	-252.1	0.0	-252.1
-252.1	**-32.4**	**-334.7**	**-0.3**	**-335.0**
0.0	0.0	5,738.9	-26.7	5,712.2
-252.1	**-32.4**	**5,404.2**	**-27.0**	**5,377.2**
0.0	0.0	-1,442.3	0.0	-1,442.3
-786.2	**18.7**	**79,934.2**	**-27.0**	**79,907.2**
0.0	-10.0	-10.0	6.5	-3.5
0.0	0.0	43.8	0.0	43.8
-615.1	0.0	-615.1	0.0	-615.1
0.0	0.0	0.0	0.0	0.0
-615.1	**-10.0**	**-581.3**	**6.5**	**-574.8**
0.0	0.0	6,443.4	-51.4	6,392.0
-615.1	**-10.0**	**5,862.1**	**-44.9**	**5,817.2**
0.0	0.0	-2,884.5	0.0	-2,884.5
-1,401.3	**8.7**	**82,911.8**	**-71.9**	**82,839.9**

Corporate Group Appendix (IFRS) for the Fiscal Year 2012

1 The Company

WEB Windenergie AG (short: W.E.B) is headquartered in 3834 Pfaffenschlag, Davidstraße 1, Lower Austria, commercial registry court: District Court of Krems an der Donau (FN 184649v), together with its subsidiaries forms the W.E.B Wind Energy Group, for which the Corporate Group Financial Statement for 2012 was made according to IFRS, as it is applied in the EU. The obligation to issue a Corporate Group Financial Statement has been in effect since 2012. In the preceding years Corporate Group Financial Statements were issued voluntarily in the shareholders' and outside investors' interest.

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

2 Principles of Accounting, Financial Reporting and Valuation Methods

2.1 Principles of Accounting

2.1.1 General

The Corporate Group Financial Statement of the W.E.B Wind Energy Group 12.31.2012 was prepared according § 245a UGB in agreement with the International Financial Reporting Standards (IFRS), as they apply in the EU, and the supplemental, applicable regulations of corporate law § 239 and § 243 UGB.

The balance sheet date for all fully consolidated and at equity included companies is 12.31.2012. The accounting of the companies included in the Corporate Group Financial Statement is based on uniform principles of balance sheet accounting and valuation. The profit and loss statement was prepared according to the aggregate cost method.

The Corporate Group Financial Statement was prepared in Euro.

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

The Corporate Group Financial Statement was prepared according to the historical cost principle except for the following significant items in the balance sheet:

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

2.1.2 Arrangement of the Balance Sheet

On the asset side, a separate item for receivables from affiliated companies was listed as of fiscal year 2012. On the liability side, the obligations from taxes on earnings are now listed separately and the short-term reserves are summarized in the item "Trade payables and other payables". The figures from the previous year were adjusted correspondingly.

2.2 Consolidation Scope and Consolidation Methods

The companies (subsidiaries) under the control of W.E.B are included through full consolidation. A controlling influence exists if the parent company is directly or indirectly able to determine the financial and business policies of the company. The inclusion of the subsidiaries begins at the date on which the controlling influence is obtained and ends when it is lost.

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

Shares in investments accounted for using the equity method are reported on the balance sheet initially at the acquisition cost and in the subsequent period with updated pro-rata net asset value. In the course of this the book values are annually increased or decreased subject to the proportional results, distributions and all other changes in equity. If an investment balance evinces a negative net asset value, the investment is listed as zero and the deficit amount required to obtain a positive net asset value is listed in the Appendix.

Corporate group internal transactions, receivables, obligations and significant unrealized profits (interim profits) are eliminated. Unrealized losses are only eliminated to the extent that the unrealized loss does not represent the result of a decline in value.

2.2.1 Consolidation Scope

The Consolidation Scope Includes:

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

In August of 2012 WEB Windenergie AG purchased the Company Friendly Energy s.r.o. (CZ), which owns a wind power plant of the type Vestas V100 with an installed capacity of 1.8 MW at the location Horni Řasnice (CZ).

Furthermore, in Canada the companies WEB Wind Energy Development Inc., WEB Duart North Community Wind Farm GP Corp. (+ Limited Partnership Contract), WEB Wheatley Community Wind Farm GP Corp. (+ Limited Partnership Contract),

WEB Duart South Community Wind Farm GP Corp. (+ Limited Partnership Contract) and WEB Wallaceburg Community Wind Farm GP Corp. (+ Limited Partnership Contract) were incorporated to put concrete projects into operation.

In December of the reporting year 2012 the company WEB Windenergie Betriebs GmbH was founded in Austria with the business purpose of building and operating wind power plants. Since the business activity was not initiated in the reporting period, full consolidation was not completed due to its minor importance in this fiscal year.

Furthermore, in the fiscal year 2012, the 30% share in the Windkraftanlagen Eschenau GmbH (AT) was sold.

2.2.2 Information on Company Acquisitions

Friendly Energy s.r.o.

WEB Windenergie AG purchased 100% of the shares of Friendly Energy s.r.o. (headquarters: Prague/Czech Republic) with a purchase contract dated 8.3.2012. The cash purchase price was 1,749.2 TEUR and is comprised of a share purchase price of 894.9 TEUR and assumed receivables in the amount of 854.3 TEUR. By purchasing the company, W.E.B Wind Energy Group was able to increase its installed output in a country where it was already active.

The following table provides an overview of the purchase price distribution over individual assets and debts, that were assumed by W.E.B on the date of acquisition. The purchase price distribution was prepared and finalized in fiscal year 2012:

Purchase Price Distribution over Assets and Liabilities	Friendly Energy s.r.o.
TEUR	
Land	20.2
Wind power plant	4,093.0
Liquid assets	8.9
Other Receivables	73.7
Passive latent taxes	-149.1
Demolition costs reserves	-30.9
Obligations bank	-2,249.1
Other obligations	-17.5
Acquisition costs total	**1,749.2**
of that share purchase price	894.9
of that assumption of receivables	854.3

The assets and debts immediately before the take-over are as follows:

Assets and Liabilities	Friendly Energy s.r.o.
TEUR	
Land	20.2
Wind power plant	2,965.9
Liquid assets	8.9
Other receivables	73.7
Obligations bank	-2,249.1
Other obligations	-17.5
Obligations to shareholders	-854.3
Purchased net assets	**-52.2**

Since the date of acquisition revenues in the amount of 232.5 TEUR and a profit in the amount of 26.2 TEUR profit and loss account during that was recorded in the reporting period. If the acquisition date had been the start of the reporting period for the current

fiscal year, revenue would have been recorded in the amount of 262.7 TEUR and a loss in the amount of 36.7 TEUR in corporate group profit.

SASU Energy Verte Plaine d'Artois

In fiscal year 2010 W.E.B acquired, by means of a share purchase contract through WEB Energy du Vent SAS dated 2.22.2010 (date of purchase acc. to IFRS 3), 100% of the shares in the company SASU Energy Verte Plaine d'Artois (headquarters: Lille/France; short: EVPA), which in turn directly held 100% of the shares in the company Société d'Electricite du Nord Sarl (headquarters: Lille/France ; short SEN). Both companies were involved in project planning for wind power plants. The cash purchase price was 604.0 TEUR. Another 1,330.0 TEUR were due after the fulfillment of certain prerequisites (e.g. receiving construction/ operating permits, commissioning permits). In the framework of the acquisition of the shares another 496.0 TEUR in corporate loans was assumed.

In 2011 the first condition was fulfilled in connection with the agreed upon purchase price. In the reporting period for 2012, an additional payment was made in connection with the specified purchase price. As of 12.31.2012, the remaining specified purchase price was wound up.

Furthermore the investment in SASU Energy Vertre Plaine d'Artois in the amount of 66.67% was sold with a purchase contract dated 7.13.2012. The end consolidation was completed on 6.30.2012. After the sale W.E.B Wind Energy Group holds 33.33% in the Company, for which reason the company is included in the corporate group under the equity method.

2.2.3 Statements concerning Loss of Control over a Subsidiary

SASU Energy Verte Plaine d'Artois

The investment in SASU Energy Vertre Plaine d'Artois was sold to an extent of 66.67% with a purchase contract dated 7.13.2012. W.E.B Wind Energy Group still holds 33.33% of the company after the sale of shares, for which reason the company is included in the corporate group under the equity method. The investment was recorded at the final consolidation point corresponding to fair value in the amount of 285.8 TEUR.

The report of the final result of consolidation is listed in the item "Other operational expenses" and is comprised as follows:

Final consolidation result	SASU Energie Verte Plaine d'Artois
TEUR	
Tangible assets	-1,263.2
Liquid assets	-1.5
Other assets	-257.7
Passive latent taxes	129.3
Other liabilities	1,032.4
Disposed Net Assets	**-360.7**
Valuation at equity	285.8
Final consolidation loss	**-74.9**

2.3 Currency Conversion

Business Transactions in Foreign Currency

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

Conversion of Separate Financial Statements in Foreign Currency

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

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

Exchange rates as of 12.31.2011	ECB-Valuation rate	Average rate 2011
CZK	25.787	25.424
CHF	1.2156	—
CAD	1.3215	1.337

2.4 2.4 Accounting and Valuation Methods

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

As of 12.31.2012 there were no relevant standards and/or interpretations to be implemented by the W.E.B Wind Energy Group for the first time. For that reason no listing of the new standards (IFRS) and interpretations (IFRIC) will be shown in this section. If the regulatory areas do not affect W.E.B Wind Energy Group and/or are not yet applicable in the EU, they will be listed in Appendix 3.

2.4.2 Intangible Assets

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

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

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

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

2.4.3 Tangible Assets

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

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

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

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

The following useful lives are the basis for the linear depreciation:

	Depreciation period
Wind power plants	20 Years
Photovoltaic plants	20 Years
Hydroelectric power plants	20–30 Years
Office building	50 Years
Hydroelectric power plants (building), operating hall	33 Years
Property construction	10–15 Years
Other plant, operation and business equipment	2–20 Years

The one-time public grants are deducted from the acquisition costs of the fixed assets.

2.4.4 Financial Assets

Financial Instruments

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

Original Financial Instruments

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

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

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

Classes and Valuation Categories for original and derivative Financial Instruments

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

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

Other investments for which a value on date cannot be determined without considerable effort are shown at historical cost.

2.4.5 Derivative Financial Instruments

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

For interest swaps, the current market value to be documented corresponds to the amount that that the corporate group would either retain or be required to pay on financial statement reporting day on termination of the financial instrument. This is calculated applying the relevant interest rates and interest structure curves relevant on the financial statement reporting day.

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

Positive market values to be documented must be recorded in the Receivables and Other Assets, negative values in the Other Obligations.

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

2.4.6 Capital Leasing

By means of capital leasing, leased wind and photovoltaic power plants are capitalized with the current market value to be documented or with the cash value of the lowest leasing rates, whichever value is lower. They are subject to linear amortization over the planned useful life or the shorter contract period. The payment obligations resulting from the leasing contracts will be treated as deferred items in the financial obligations.

2.4.7 Inventories

Inventories will be valued with the lower value of the acquisition costs or manufacturing costs and the net sales value on balance sheet reporting day.

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

2.4.8 Assets Available for Sale and/or Groups of Assets

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

2.4.9 Receivables from Goods and Services, Other Receivables and Assets

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

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

2.4.10 Cash and cash equivalents

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

2.4.11 Reduction in value of Non-Financial Assets

Non-financial assets which fall in the scope of IAS 36, will be reviewed for any indication of a loss in value, to determine if they are retaining their book value (impairment test). For goodwill, intangible assets with unspecified useful life and physical assets that are not yet ready for use must be subjected to an impairment test annually, regardless of whether there is any indication of a decrease in value. There is a decrease in value if the book value exceeds the amount one can earn from the asset. The amount that can be earned from the asset is the higher of the use value or the documented market value minus sale costs. The use value will be determined using a cash-value oriented procedure according to the Discounted-Cash flow-Method (DCF-Method).

The relevant payments streams will be determined based on financial plans. In these financial plans, the annual cash flow for the entire useful life of a power plant will be planned. The starting point for this planning will be the earnings assessment, information from plant manufacturers as well as experience of experts and the industry that will be supplemented by estimations of the experience-based estimates of the W.E.B Wind Energy Group.

The capitalization interest rate is the pre-tax interest rate that reflects the current market estimates of the current value of the money and the specific risks of the asset. An impairment loss will be taken into consideration in the amount by which the book value exceeds the amount that can be obtained. If the reasons for the impairment cease to be in effect in subsequent periods, appreciation in value will be recorded except for goodwill.

2.4.12 Provisions

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

If the calculated cash value of the provision as determined based on the discount interest rate of basis of the differs significantly from the nominal value, the cash value of the obligation will be applied. Expenses from the compounding of interest on provisions will be recorded as interest expenses.

2.4.13 Taxes

The expenditure for taxes on earnings or the amount of tax encompasses current and latent taxes. In the case of transactions recorded directly in the authorized capital, the related tax on earnings will be recorded as not affecting profits and losses in the authorized capital. The current taxes on the individual companies of the W.E.B Wind Energy Group will be calculated from the companies' taxable income at the tax rate applicable in the respective country.

The calculation of the latent taxes will be performed for all temporary differences between the valuations of the assets and debts in the IFRS-Corporate Group Financial Statement and their tax values with the individual companies. Furthermore the likely realizable tax advantage from the loss carry-forwards will be included in the calculation. Exceptions from this comprehensive tax deferral are found in differences from goodwill that cannot be tax-deferred as well as temporary differences associated with investments. Active latent taxes are not applied if it is not likely that the tax advantage inherent in it is realizable. As in the previous year, the calculation of latent taxes was based on the taxes rates of 30% in Germany, 30% in Italy, 33.33% in France and 19% in the Czech Republic.

2.4.14 Financial Obligations

Financial obligations will be recorded on payment in the amount of the actually received sum. Obligations in foreign currency will be valued with the exchange rate on the balance sheet reporting day.

The financial obligations will be determined on the basis of effective interest method and applied accordingly.

2.4.15 Obligations from Goods and Services and Other Obligations

Obligations from Goods and Services and Other Obligations will be valued at the updated purchase costs.

2.4.16 Earnings Realization

Revenues and Other Operational Earnings are realized once the service is performed or the point of transfer of risk under the precondition that a financial benefit will likely accrue and this can be reliably quantified.

The revenue from the sale of energy generated with our own wind parks will be realized at the time the electricity is generated according to the "Completed-Contract-Method".

Revenues for business management and other commercial and technical services will also be realized according to the "Completed-Contract-Method" at the date of complete fulfillment of the service

User fees and license earnings will be either immediately realized or deferred and recorded pro-rata depending on the financial earnings from the contracts.

2.4.17 Interest Expenses and Other Financial Results

The interest expenses encompass the accumulating interest on any external financing accepted and capital lease transactions and expenses of an interest like nature.

Included in the item "Other Financial Results" are fees, results from securities transactions as well as results from alienation of investments as well as results from changes in foreign currency exchange rates affecting financial obligations.

The interest will be recorded according to the effective interest method.

The realization of dividends will be done at the date on which the decision on dividend distribution is made.

2.4.18 Discretionary judgements and key assumptions concerning the future

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

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

- The assessment of the value retention for the hydroelectric power plant Imst with a book value of 8,215.6 TEUR as of 12.31.2012 is done based on a forecast for the cash flow over the planning horizon. A discount rate adapted to the investment risk is applied. In the reporting year this interest rate was 5.19% after taxes. The value of the power plant therefore depends to a considerable degree on the future development of electricity prices.

- The valuation of reserves for demolition costs with a book value of 4,777.7 TEUR as of 12.31.2012 will be done based on expert assessments and experiences concerning costs for demolition of comparable plants as well as under the assumption that a part of the material to be disposed of can be re-used.

- The assessment of the value retention of investment in the project planning of wind farms (advances paid and plants under constructions, book value as of 12.31.2012: 8,835.5 TEUR) is performed on the basis of the likelihood of realization of the respective wind farm. Inadequate acceptance in the population or approvals that cannot be achieved can rapidly change this likelihood of realization. To support the retention of value, forecast accounts will be created for each individual project for their possible cash flows in their 20-year planned period of operation applying a discount rate adapted to the investment risk. This interest rate was 5.80% after taxes in the reporting year.

3 Explanations of the Balance Sheet

3.1 Long-Term Assets

(1) Intangible Assets

	Software	Rights of use	Total
TEUR			
2012			
Historical cost per 1.1.2012	**384,1**	**6.639,4**	**7.023,6**
Additions	130,4	115,8	246,1
Disposals	1,6	0,0	1,6
Historical cost per 12. 31.2012	**512,9**	**6.755,2**	**7.268,1**
Cumulative changes in value per 1.1.2012	**292,5**	**2.620,9**	**2.913,4**
Depreciation 2012	57,4	333,1	390,5
Disposals	1,6	0,0	1,6
Cumulative changes in value per 12.31.2012	**348,3**	**2.954,0**	**3.302,3**
Net book value per 12.31.2012	164,6	3.801,2	3.965,8
Net book value per 12.31.2011	91,6	4.018,6	4.110,1
2011			
Historical cost per 1.1.2011	**328,2**	**6.639,4**	**6.967,6**
Currency effects	0,1	0,0	0,1
Additions	59,1	0,0	59,1
Disposals	3,2	0,0	3,2
Historical cost per 12.31.2011	**384,1**	**6.639,4**	**7.023,6**
Cumulative changes in value per 1.1.2011	**235,5**	**2.248,1**	**2.483,6**
Depreciation 2011	60,2	372,8	433,0
Disposals	3,2	0,0	3,2
Cumulative changes in value per 12.31.2011	**292,5**	**2.620,9**	**2.913,4**
Net book value per 12.31.2011	91,6	4.018,6	4.110,1
Net book value per 12.31.2010	92,6	4.391,4	4.484,0

The essential components of the intangible assets are water rights for Imst, Austria (1,065.7 TEUR) and license agreement with Wörbzig, Germany (1,027.0 TEUR). As of 12.31.2012 the remaining amortization period for the water rights Imst was 33.5 years and for the licensing agreement with Wörbzig 7 years.

(2) Tangible Assets

TEUR 2012	Land and buildings	Technical plants and machines	Financial leasing	Other fixed assets and office equipment	Advance payments, plants under construction	Total
Acquisition/Production costs Status 1.1.2012	**10,448.5**	**236,374.6**	**57,973.6**	**2,174.9**	**12,362.8**	**319,334.4**
Currency effects	0.8	296.4	0.0	0.7	5.9	303.8
Additions	540.2	17,239.9	10.4	457.5	16,962.5	35,210.5
Additions from company-acquisitions	20.2	4,093.0	0.0	0.0	0.0	4,113.2
Disposals	0.2	407.2	0.0	181.5	464.1	1,053.0
Disposals from changes to the consolidation group	1.1	0.0	0.0	0.0	1,262.1	1,263.2
Adjusting account entries	105.2	18,661.9	0.0	2.4	-18,769.5	0.0
Acquisition/Production costs Status 12.31.2012	**11,113.6**	**276,258.6**	**57,984.0**	**2,454.0**	**8,835.5**	**356,645.7**
Cumulative depreciation Status 1.1. 2012	**1,872.3**	**77,142.5**	**14,381.4**	**855.0**	**220.3**	**94,471.5**
Depreciation of tangible assets	149.1	12,700.1	2,909.4	349.1	0.0	16,107.7
Currency effects	0.0	69.1	0.0	0.5	0.0	69.6
Impairments	0.0	1,054.4	0.0	0.0	200.0	1,254.4
Disposals	0.0	148.5	0.0	123.8	420.3	692.6
Cumulative depreciation Status 12.31.2012	**2,021.4**	**90,817.6**	**17,290.8**	**1,080.8**	**0.0**	**111,210.6**
Net book value Status 12.31.2012	9,092.2	185,441.0	40,693.2	1,373.2	8,835.5	245,435.1
Net book value Status 12.31.2011	8,576.2	159,232.1	43,592.2	1,319.9	12,142.5	224,862.9

TEUR 2011	Land and buildings	Technical plants and machines	Financial leasing	Other fixed assets and office equipment	Advance payments, plants under construction	Total
Acquisition/Production costs Status 1.1.2011	**10,318.8**	**227,369.6**	**45,437.2**	**1,821.9**	**11,503.9**	**296,451.3**
Currency effects	-1.2	-372.7	0.0	0.3	-0.2	-373.8
Additions	136.9	5,241.3	142.8	441.7	19,230.9	25,193.6
Disposals	6.0	28.6	0.0	133.8	1.768.2	1,936.6
Adjusting account entries	0.0	4,165.1	12,393.6	44.9	-16,603.6	0.0
Acquisition/Production costs Status 12.31.2011	**10,448.5**	**236,374.7**	**57,973.6**	**2,175.0**	**12,362.8**	**319,334.6**
Cumulative depreciation Status 1.1. 2011	**1,729.5**	**65,538.1**	**11,530.2**	**606.4**	**220.3**	**79,624.5**
Depreciation of tangible assets	142.8	11,396.7	2,851.2	315.2	0.0	14,705.9
Currency effects	0.0	-61.1	0.0	-0.4	0.0	-61.5
Impairments	0.0	276.6	0.0	0.0	807.1	1,083.7
Disposals	0.0	7.7	0.0	66.1	807.1	880.9
Cumulative depreciation Status 12.31.2011	**1,872.3**	**77,142.6**	**14,381.4**	**855.1**	**220.3**	**94,471.7**
Net book value Status 12.31.2011	8,576.2	159,232.1	43,592.2	1,319.9	12,142.5	224,862.9
Net book value Status 12.31.2010	8,589.2	161,831.5	33,907.0	1,215.5	11,283.6	216,826.9

The significant additions in the item „Properties and Structures“ come from the purchase of properties in Austria for the windpark Dürnkrut/Götzendorf and the hydroelectric power plant at Imst. Likewise the remodeling of the office buildings at the location in Pfaffenschlag, Austria led to an acquisition (168.6 TEUR).

The largest acquisitions in the item “Technical Plants and Machines” concern the wind farm in Dürnkrut/Götzendorf,Austria (15.138,8 TEUR), the Windpark at Plaine de l’Artois, France (14.111,9 TEUR), the wind power plant in Honri Řasnice, Czech Republic (Acquisition of a company buy-out: 4,093.0 TEUR) and the photovoltaic plant in Seiersberg, Austria (1,293.5 TEUR).

The item “Paid Advances and Plants under Construction” includes essentially the projects in Deutsch-Wagram, Matzen-Klein Harras, Neuhof III, Parbasdorf II, Austria, and the projects in Dunvegan, Bucklaw, Isle Madame, Parker Mountain, Little River, Melbourne and Martock Ridge, Canada.

In the reporting year there was an impairment according to IAS 36 in the amount of 1,054.4 TEUR for the wind farm at Plaine de

l'Artois, France. The reasons for this impairment were changes in the tariff granted to the wind farm as well as higher foundation costs due to poor soil conditions. The devaluation is included in the profit and loss statement under the item "depreciation". The Right of use was used as the basis for the calculation.

Additionally, there was an impairment affecting the hydroelectric power plant project in Bodental, Austria, in the amount of 200.0 TEUR since W.E.B Wind Energy Group considers the likelihood of implementation to be low.

Statements concerning Leased Power Plants

Of the book value of the material investments for this fiscal year, 40,693.3 TEUR were accounted for by assets leased through capital leasing. These were the wind power plants of the windparks Langmannersdorf, Neuhof and Stattersdorf as well the Photovoltaic plants Montenero I and Montenero II of WEB Italia.

Obligations from capital financial contracts have the following maturities but being offset with paid advances in the amount of 7,219.9 TEUR (previous year: 7,219.9 TEUR):

The residual periods of the leasing contracts held by W.E.B Wind Energy Group were in a range of more than four to 16 years as of 12.31.2012.

(3) Shares in Associated Companies

Investments subject to balance sheet accounting under the equity method developed as follows:

TEUR	2012	2011
Historical cost		
Status 1.1	770.8	1,046.3
Additions and disposals from changes in the consolidation group	285.8	0.0
Additions	0.0	105.0
Reclassification	0.0	0.0
Disposal	10.9	380.4
Status 12.31	1,045.7	770.9
Cumulated increases (+) or decreases (–) in value		
Status 1.1	1,311.1	1,162.0
Depreciation	0.0	-45.5
Reversals of depreciations	245.8	19.4
Disposal	-11.9	175.1
Status 12.31	1,544.9	1,311.1
Book value as of 1.1	2,081.9	2,208.3
Book value status 12.31	**2,590.7**	**2,081.9**

Obligations from financial leasing-contracts

Maturities of the minimum leasing payments

	12.31.2012			12.31.2011		
TEUR	Nominal-value	Discounting	Cash value	Nominal-value	Discounting	Cash value
Due in up to 1 year	4,248.9	1,148.7	3,100.2	4,055.1	1,167.8	2,887.3
Due in 1 to 5 years	16,696.5	3,415.2	13,281.3	17,025.1	3,915.2	13,109.9
Due in more than 5 years	16,661.4	2,130.8	14,530.6	20,638.2	2,894.1	17,744.1
Total	**37,606.8**	**6,694.7**	**30,912.1**	**41,718.4**	**7,977.1**	**33,741.3**

The reported book values are essentially those of the Tauernwind Wind Power Plants GmbH and the Sternwind Errichtungs- und Betriebs GmbH & Co KG.

The result from balance sheet accounting using the equity method is reported as reversal of depreciation or depreciation.

The reported change in the consolidation Group concerns the SASU Energy Verte Plaine d'Artois (c.f. Section 2.2.3).

The stake in the Windkraftanlagen Eschenau GmbH (AT) was sold during the fiscal year. A loss of 11.9 TEUR was recorded for the sale of Windkraftanlagen Eschenau GmbH since, in previous fiscal years the profits earned in the company were included in the Corporate Group Financial Statement of W.E.B Wind Energy Group. No unreported losses were recorded in the reporting year.

A list of the proportional profit/loss of companies subject to balance sheet accounting according to the equity method can be seen in Appendix 2 "Finance Information".

(4) Other Financial Assets

The development of the reported financial investment proceeded as follows:

TEUR 2012	Shares in affiliated companies	Securities[1]	Investments	Loans	Total
Value before depreciation					
Status 1.1.2012	13.9	890.1	2,552.4	588.0	4,044.4
Reclassification	-10.0	0.0	0.0	0.0	-10.0
Acquisitions	35.0	4.0	38.7	0.0	77.7
Disposals	-1.3	-4.3	-1,219.8	-73.5	-1,298.9
Status 12.31.2012	37.6	889.8	1,371.3	514.5	2,813.2
Cumulative depreciation/ appreciation					
Status 1.1.2012	0.0	-312.9	-912.1	-64.4	-1,289.4
Impairments	0.0	-28.1	-500.0	0.0	-528.1
Appreciations	0.0	64.1	0.0	14.6	78.7
Disposals	0.0	0.0	990.2	0.0	990.2
Status 12.31.2012	0.0	-276.9	-421.9	-49.8	-748.6
Net carrying amount Status 1.1.2012	13.9	577.2	1,640.3	523.6	2,755.0
Net carrying amount Status 12.31.2012	**37.6**	**612.9**	**949.4**	**464.7**	**2,064.6**

[1] These are exclusively "Available for Sale"

TEUR 2011	Shares in affiliated companies	Securities[1]	Invest-ments	Loans	Total
Value before depreciation					
Status 1.1.2011	3.9	1,146.0	2,437.1	661.5	4,248.5
Reclassification	0.0	0.0	0.0	0.0	0.0
Acquisitions	10.0	0.2	115.3	0.0	125.4
Disposals	0.0	-255.9	0.0	-73.5	-329.5
Status 12.31.2011	13.9	890.1	2,552.4	588.0	4,044.4
Cumulative depreciation/ appreciation					
Status 1.1.2011	0.0	-200.2	-912.1	-33.0	-1,145.3
Impairments	0.0	-132.4	0.0	-31.3	-163.7
Appreciations	0.0	14.9	0.0	0.0	14.9
Disposals	0.0	4.7	0.0	0.0	4.7
Status 12.31.2011	0.0	-312.9	-912.1	-64.4	-1,289.4
Net carrying amount Status 1.1.2011	3.9	945.8	1,525.0	628.4	3,103.1
Net carrying amount Status 12.31.2011	**13.9**	**577.2**	**1,640.3**	**523.6**	**2,755.0**

[1] These are exclusively "Available for Sale"

Of the loans reported as of 12.31.2012, and amount of 73.5 TEUR (previous year: 73.5 TEUR) is due within a year.

The acquisition in the amount of 35.0 TEUR among the shares of affiliated companies results from the founding of the Austrian Company WEB Windkraft Betriebs GmbH in December of the business year, which was not consolidated as of 12.31.2012 due to its minor importance for the corporate group. The re-classifications in the amount of 10.0 TEUR among the shares of affiliated companies resulting from the initial consolidation of the Italian Company Società di gestione impianti fotovoltaici, which was not consolidated as of 12.31.2012 due to its minor importance to the corporate group.

Disposals in the amount of 1.3 TEUR result from the alienation of the investment in WEB Energo d.o.o. (BA).

The investments are comprised as follows:

TEUR	12.31.2012	12.31.2011
oekostrom AG	498.0	498.0
Windkraft Simonsfeld AG	286.2	286.2
Weinviertler Energie GmbH & Co KG	150.0	150.0
GESY Green Energy Systems GmbH	15.2	15.2
The Wind Company GmbH	0.0	590.3
BEB Bioenergie AG	0.0	100.6
Total	**949.4**	**1,640.3**

The value of the investment in The Wind Company GmbH was impaired in the amount of 400.0 TEUR, since the liquidation of the company was initiated and therefore no revenues are to be expected. Likewise the investment in BEB Bioenergie AG was written off in the amount of 100.00 TEUR due to the fact that the company is in bankruptcy. Both investments were consequently recorded as disposals.

The result from other investments thus encompasses in essence the correction in the value of the investments in The Wind Company and BEB Bioenergie AG.

On balance sheet reporting day there was a reciprocal shareholding arrangement with Windkraft Simonsfeld AG (2,09%); it held 1,095 shares of WEB Windenergie AG.

We refer here to Appendix 1 for the statements made in conformity with § 238 Z 2 UGB concerning the investments. A list of the proportional profits/losses from investments is found in Appendix 2 "Financial Information".

(5) Other Long-term Assets

TEUR	12.31.2012	12.31.2011
Loan Eschenau	30.0	26.2
Total	**30.0**	**26.2**

The loan listed as of 12.31.2012 was granted to Windpark Eschenau GmbH and evinced the following development:

Loan Windpark Eschenau GmbH	12.31.2012			12.31.2011		
TEUR	Updated AC (BV after VC)[1]	Interest	Cash value	Updated AC (BV after VC)[1]	Interest	Cash value
Due in up to 1 year	16.9			4.4		
Due in over 1 year	13.1			21.8		
	30.0	**7.00%**	**30.0**	**26.2**	**7.00%**	**26.2**

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

3.2 Short-term Assets

(6) Inventories

TEUR	12.31.2012	12.31.2011
Consumables and replacement parts	1,933.5	2,257.2

The inventories are primarily replacements parts for wind power plants since they can be used not just in connection with a material investment

(7) Trade Receivables

TEUR	12.31.2012	12.31.2011
Receivables from electricity supply	6,440.7	7,785.0
Receivables from leasing and renting	336.4	434.5
Other	325.6	1,008.4
Total	**7,102.7**	**9,227.9**

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

Receivables from goods and services are neither depreciated nor overdue.

(8) Receivables from Affiliated Companies

TEUR	12.31.2012	12.31.2011
Receivables from non-consolidated affiliated companies	1.1	192.9
Receivables from SASU Energy Verte Plaine d'Artois	3,460.9	0.0
Total	**3,462.0**	**192.9**

Additional Disclosures

2012	Updated Acquisition costs (BV after VC)[1]	Market value	Interest		Updated Acquisition costs
TEUR	12.31.2012	12.31.2012	Fix/ variable	Due in up to 1 Year	Due in over 1 Year
Receivables against associated companies					
SASU Energie Verte Plaine d'Artois	3,460.9	3,460.9	Fix	3,460.9	0.0
Total	**3,460.9**	**3,460.9**		**3,460.9**	**0.0**

2011	Updated Acquisition costs (BV after VC)[1]	Market value	Interest		Updated Acquisition costs
TEUR	12.31.2011	12.31.2011	Fix/ variable	Due in up to 1 Year	Due in over 1 Year
Receivables from affiliated companies (non-consolidated)					
Clearing account Regenerative Energy Bulgaria EOOD (Bulgaria)	142.9	142.9	Fix	142.9	0.0
Clearing Account WEB Energo d.o.o. (Bosnia and Herzegovina)	50.0	50.0	Fix	50.0	0.0
Total	**192.9**	**192.9**		**192.9**	**0.0**

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

(9) Other Receivables and Assets

The remaining Other Receivables are comprised as follows:

For the liquid assets, receivables from goods and services as well as for short term Other Receivables, the book values are deemed a realistic estimate of their current market values due to the short residual period.

TEUR	12.31.2012	12.31.2011
Finance Authority receivables	3,382.7	817.2
Pre-paid fees	2,187.8	778.4
Clearing accounts	386.2	288.4
Mortgaged bank balances	0.0	920.0
Market value of derivatives	0.0	5.5
Other	538.2	518.8
Total	**6,494.9**	**3,328.3**

Carrying amounts and fair values of financial assets

Receivables and Loans	Carrying amount	Provision for bad debt	Fair value
TEUR	12.31.2012	12.31.2012	12.31.2012
Due in up to 1 Year	705.4	705.4	0.0
Total	**705.4**	**705.4**	**0.0**

The value of the receivables came about due to the fact that the receivables from a company have not yet been collected since the company does not have the needed funds to pay the receivable in full.

Receivables and Loans	Carrying amount	Provision for bad debt	Fair value
TEUR	12.31.2011	12.31.2011	12.31.2011
Due in up to 1 Year	761.0	568.1	192.9
Total	**761.0**	**568.1**	**192.9**

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

(10) Liquid assets

	12.31.2012	12.31.2011
TEUR		
Short-term balances with credit institutions	5,595.0	12,795.8
Cash	9.8	7.0
Summe	**5,604.8**	**12,802.8**

Statutory restrictions on the use of the amounts contained in this item were not in effect on the balance sheet reporting day.

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

3.3 Equity

The changes are shown in the "Development of Equity of the Corporate Group".

The equity of WEB Windenergie AG is comprised as follows: 28,845,300.00 EUR (prior year: 28,845,300.00 EUR) in 288,453 Shares (prior year: 288.453). The authorized capital was paid in full.

The share capital of W.E.B consist of registered shares of limited transferability, whose nominal value 100.00 EUR per share. Their transfer is basically subject to the company's approval according to the articles of association' this approval will only be granted by the Board of Directors in consultation with the Supervisory Board.

The capital reserves come to 23,323,840.56 EUR (prior year: 23,323,840.56 EUR) and results from shareholder pay-ins (and contributions in kind) minus the allocated capital expenses.

The other reserves are comprised of the difference between the currency conversion in the amount of 8.7 TEUR (prior year: 18.7 TEUR) and the valuation reserve according to IAS 39 in the amount of -1,336.8 TEUR (prior year: 765.5 TEUR). The valuations of the securities and the securitizing transactions are also included in the valuation reserve.

The result per share was determined by dividing the corporate group result by the weighted number of shares in circulation in 2012 (288,453 units). Options rights to the issue of new shares or other facts that would lead to other diluting effects did not exist.

The retained earnings encompass the profits earned in the corporate group, minus the distributed profits. The amount of these results that can be distributed to the shareholders is the sum listed in the individual financial statement of WEB Windenergie AG according to after Austrian principles of accounting.

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

3.4 Long and Short-term Debts

(11) Financial Obligations

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

Obligations to Financial Institutions	12.31.2011	12.31.2011	12.31.2011
TEUR	Total	Interest	Amortization
Due in up to 1 year	25,175.8	2,964.1	22,211.7
Due in 1 to 5 years	60,876.9	7,286.6	53,590.3
Due after more 5 years	34,792.4	2,710.4	32,082.0
Total	**120,845.1**	**12,961.1**	**107,884.0**
Obligations from capital leasing contracts	41,718.4	7,977.1	33,741.3
Total	**162,563.5**	**20,938.2**	**141,625.3**

A list of the due dates of the obligations from capital leasing contracts can be viewed under (2) Tangible assets, Information on Leased Power Plants.

The following additional collaterals are in place for the obligations to credit institutions and obligations from financial leasing:

- Chattel mortgages of the power plants
- Right to enter electrical supply contracts, purchasing agreements, Rights of use contracts, leasing contracts
- Assignment of claims from the feed-in contracts with energy utilities
- Assignment of claims from the insurance contracts on machines and operational interruptions
- Restricted personal easements to the operating properties
- Cadastral registration of ownership

The fixed interest and conditions of financial obligations are shown as follows:

Fixed interest rate until	Effective interest rate	Currency	Book value 12.31.2012
			in TEUR
2013	EURIBOR + 1.55% margin	EUR	4,994.2
2014	EURIBOR + 1.00% margin	EUR	1,442.9
2014	4.50%	EUR	877.5
2016	From EURIBOR + 1.25% margin to EURIBOR + 1.55% margin	EUR	6,507.9
2017	From EURIBOR + 1.00% margin to EURIBOR + 1.91% margin	EUR	17,861.5
2018	From EURIBOR + 1.00% margin to EURIBOR + 1.81% margin	EUR	18,406.2
2019	From EURIBOR + 0.90% margin to EURIBOR + 1.00% margin	EUR	13,868.4
2019	3.35%	EUR	8,898.6
2019	LIBOR + 1.00% margin	CHF	492.8
2020	From PRIBOR + 1.20% margin to PRIBOR + 1.50% margin	CZK	3,737.6
2020	EURIBOR + 1.38% margin	EUR	7,084.8
2021	5.92%	EUR	7,951.4
2021	From EURIBOR + 0.90% margin to EURIBOR + 1.50% margin	EUR	6,355.1
2024	EURIBOR + 1.30% margin	EUR	10,438.2
2025	From EURIBOR + 1.625 margin to EURIBOR + 1.65% margin	EUR	18,785.8
2025	PRIBOR + 2.20% margin	CZK	2,810.7
2026	PRIBOR + 3% margin	CZK	2,138.5
2026	EURIBOR + 1.65% margin	EUR	12,003.7
2028	EURIBOR + 2.40% margin	EUR	9,833.0
			154,488.8

(12) Bonds and Other Long-term Obligations

	Nominal amount	Capital cost	Book value	Prior year
TEUR	12.31.2012	12.31.2012	12.31.2012	12.31.2011
Bond 2010–2015	10,163.0	-186.4	9,976.6	9,914.5
Bond 2011–2016	6,464.0	-94.4	6,369.6	6,345.9
Total bonds	**16,627.0**	**-280.8**	**16,346.2**	**16,260.4**
Other long-term obligations			455.0	673.3
			16,801.1	**16,933.7**

As of 12.10.2010 WEB Windenergie AG issued the first wind power bond in Austria. The total issuance amount was 10,000.0 TEUR With a possible increase up to 20,000.0 TEUR. The denomination was 1.0 TEUR with an issue price of 100% (1.0 TEUR nominal). The maturity period for the first wind power bond Austria is five years – from 12.10.2010 to 12.9.2015. The bond is 100% due on 12.9.2015 at the nominal value. The interest is fixed at 5% p.a. of the nominal value. The subscription period was from 11.2.2010 to 12.3.2010. The bond is traded on the third market of the Vienna stock exchange with ISIN AT0000AOK1K9 and is registered as a collective certificate with the Austrian Kontrollbank Aktiengesellschaft. There were 310.6 TEUR in capital expenses which were distributed over the bond's maturity period using the effective interest rate method. As of 12.31.2012, the total amount of the subscripted bond comes to 9,976.6 TEUR minus the capital expenses.

On 12.16.2011 WEB Windenergie AG issued another wind power bond. The issue volume was 5,000.0 TEUR with a possible increase of up to at 8,000.0 TEUR. The denomination was 1.0 TEUR with an issue price of 100% (1.0 TEUR nominal). The maturity period for the wind power bond is five years – from 12.162011 to 12.15.2016. The bond is 100% due on 12.16.2016 at the nominal value. The interest rate is fixed at 5% p. a.. The subscription period was from 10.12.2011 to 12.9.2011. The bond is listed on the third market of the Vienna stock exchange (ISIN: AT0000A0QZH8) and is registered as a collective certificate with the Austrian Kontrollbank Aktiengesellschaft. There were 118.1 TEUR is capital expenses which were distributed over the bond's maturity period using the effective interest rate method. As of 12.31.2012, the total amount of the subscribed bond comes to 6.369,6 TEUR minus the capital expenses.

The remaining long-term obligations include Other Loans in the amount of 30.0 TEUR (prior year: 35.7 TEUR) and an obligation to a wind power plant manufacturer in connection with the re-fitting of wind power plants in the amount of 425.0 TEUR (prior year: 637.6 TEUR) with a residual period of over a year.

(13) Taxes on Earnings, Deferred Taxes

The net amount of the corporate groups' deferred taxes is derived from the balance sheet times and calculated as follows:

	12.31.2012	12.31.2011
TEUR		
Active deferred taxes	155.8	0.0
Passive deferred taxes	-9,857.5	-8,476.1
Net position	**-9,701.7**	**-8,476.1**

Taxes on earnings	2012	2011
TEUR		
Expenses for current taxes on earnings	-1,694.9	-1,426.0
Current taxes on earnings from prior periods	-428.0	-189.1
Change in deferred taxes	-1,396.3	-254.3
Taxes on earnings	**-3,519.2**	**-1,869.4**

The tax expenses for the years 2012 in the amount of 3,519.2 TEUR (Prior year: 1,869.4 TEUR) is 1,041.4 TEUR higher (Prior year: 26.0 TEUR) than the calculated tax expenses in the amount of 2,477.8 TEUR (Prior year 1,895.4 TEUR), which results from the application of the tax rate of 25% on the profits before taxes on earnings.

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

Tax Reconciliation	2012	2011
TEUR		
Pre-tax earnings	9,911.1	7,581.6
Tax rate	25%	25%
Calculated tax on earnings	-2,477.8	-1,895.4
Adjustment to foreign tax rates	-294.7	-249.0
Tax reductions due to		
Investment income	352.5	288.3
Other	0.5	0.0
Tax increases due to		
Non-deductible interest	-387.4	-396.6
Non-deductible fees	-45.6	0.0
Other	-93.5	-54.8
Tax expenses on earnings for the period	**-2,946.0**	**-2,307.5**
Current tax on earnings from prior periods	-428.0	-189.1
Adjustment of the value adjustments on deferred taxes	-145.2	627.2
Reported tax expenses	**-3,519.2**	**-1,869.4**
Effective tax rate	**35.5%**	**24.7%**
Effective tax rates (adjusted for aperiodic effects)	**29.7%**	**30.4%**

The difference valuations in the tax balance sheet and the IFRS-balance as well as the loss-carry forwards that exist and are capitalized as of balance sheet reporting day have the following effects on the latent deferred taxes reported in the balance sheet:

Latent Taxes	12.31.2012	12.31.2011
TEUR		
Assets		
Tangible fixed assets	-21,265.4	-22,116.1
Shares in associated companies	-127.3	-191.7
Other long-term assets	577.3	872.3
Other short-term assets	915.7	948.2
	-19,899.7	**-20,487.3**
Liabilities		
Financial obligations	8,601.0	9,466.4
Bonds	-75.5	-91.6
Long-term reserves	265.2	617.0
Other short-term obligations	391.2	69.6
	9,181.9	**10,061.4**
Loss carry-forwards	**1,016.1**	**1,949.8**
Net amount of deferred taxes	**-9,701.7**	**-8,476.1**

The net amount for deferred taxes changed as follows during the reporting period:

Deferred Taxes	2012	2011
TEUR		
Opening balance 1.1	-8,476.1	-8,347.5
Foreign currency difference	-2.2	0.0
Additions, changes in the consolidated group	-149.1	0.0
Disposals, changes in the consolidated group	129.3	0.0
P/L neutral changes	192.7	125.7
P/L affecting changes	-1,396.3	-254.3
Closing balance 12.31	**-9,701.7**	**-8,476.1**

In the calculation of active deferred taxes, the corporate tax rate of 25% applicable in Austria was applied. Foreign taxation will be applied at the tax rates applicable there (see 2.4.13.).

The valuation of the active deferred taxes on taxable loss carry-forwards is basically dependent on the existence of taxable profits in future periods. Moreover there is a excess of accrued passive latent taxes from the Other Items. In the planning calculations, we start from the assumptions of positive tax results.

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

	2012			2011		
TEUR	Pre-tax amount	Tax on earnings	Amount after tax	Pre-tax amount	Tax on earnings	Amount after tax
Changes from currency conversion	-3.5	0.0	-3.5	-32.7	0.0	-32.7
Changes in market value available for sale financial instruments	60.5	-16.6	43.9	-66.2	16.0	-50.2
Changes in market value cash flow hedges	-824.4	209.3	-615.1	-361.8	109.7	-252.1
Total other results	**-767.4**	**192.7**	**-574.7**	**-460.7**	**125.7**	**-335.0**

As of 12.31.2012 there are no significant temporary differences or tax loss carry-forwards for which no active deferred taxes were applied.

No tax deferrals were formed on temporary differences between the tax valuation of the investment and the proportional authorized capital from shares of the subsidiary, since one cannot assume that these differences will reverse in a foreseeable period.

The obligation under Taxes on Earnings was the corporate tax rate in the amount 325.8 TEUR (Prior year: 489.2 TEUR) and Commercial tax in the amount of 195.2 TEUR (Prior year: 422.9 TEUR).

(14) Other Reserves

The other reserves are defined as follows:

List of Reserves 2012	Status	Inputs	Input from company earnings	dissolu-tions	Usage	Interest	Currency-Adjustment	Status
TEUR	01.01.2012							12.31.2012
Demolition costs	4,203.5	328.3	30.9	0.0	0.0	209.3	5.7	4,777.7
Severance for Provisions	7.8	1.7	0.0	0.0	0.0	0.0	0.0	9.5
Total	**4,211.3**	**330.0**	**30.9**	**0.0**	**0.0**	**209.3**	**5.7**	**4,787.2**
Long term	4,211.3							4,787.2

Since there were only contribution-driven pension commitments in place on the balance sheet reporting day, and the continuing payments were made, no pension reserves were reported on balance sheet reporting day.

The reserve for demolition costs is a long-term reserve. It was discounted at 5% for reasons of contractual obligations to tear down generating plants at the end of their useful life.
The additions include P/L neutral capitalization of demolition costs in the amount of 359.2 TEUR.

(15) Derivative Financial Instruments

As of 12.31.2012 the following financial derivative transactions were in place:

	Name	Description	Volume 12.31.2012	Period	Hedge-Accounting	Market value 12.31.2012	Market value 12.31.2011	Note
			TEUR			TEUR	TEUR	
1)	IRS EUR	Interest rate swap EUR/ 3M Euribor >> 2.63% fix (TEUR 20,000)	20,000.0	10.6.2014	Cash flow Hedge	-860.6	-837.4	
2)	IRS EUR	Interest rate swap EUR/ 3M Euribor >> 1.905% fix (TEUR 10,000)	10,000.0	5.25.2015	Cash flow Hedge	-395.8	-231.4	
3)	IRS EUR	Interest rate swap EUR/ 3M Euribor >> 1.08% fix (TEUR 5,000)	5,000.0	5.25.2012	Cash flow Hedge	0.0	5.5	2012 closed
4)	IRS EUR	Interest rate swap EUR/ 3M Euribor >> 1.1225% fix (TEUR 7,500)	6,971.5	7.1.2019	Cash flow Hedge	-130.9	0.0	2012 concluded
5)	IRS EUR	Interest rate swap EUR/ 3M Euribor >> 1.60% fix (TEUR 13,581)	13,581.0	12.31.2024	Cash flow Hedge	-411.4	0.0	2012 concluded
6)	IRS CZK	Interest rate swap CZK// 1M Pribor >> 1.75% fix (TEUR 2,155.8)	2,138.5	8.31.2026	Cash flow Hedge	-89.0	0.0	2012 concluded
		Total				**-1,887.7**	**-1,063.3**	

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

The securitization arrangement for P/L-neutral reporting was effective with existing financing in the fiscal year due to the valuation unit; after taking the tax effects into account there were -615.1 TEUR (Prior year: -252.1 TEUR) recorded in the hedging reserve.

Explanations concerning the derivatives existing on the reporting date:

1) Interest Rate Swap EUR
An interest rate swap using a constant base sum of 20,000.0 TEUR with a period through 10.6.2014 was concluded in 2009. With this transaction, W.E.B swapped variable interest (3-month-EURIBOR) for fixed interest (2.63%).

2) Interest Rate Swap EUR
An interest rate swap over a constant base sum of 10,000.0 TEUR with a period through 5.25.2015 was concluded in 2010. With this transaction W.E.B swapped variable interest (3-Months-EURIBOR) for fixed interest (1.905%).

3) Interest Rate Swap EUR
Closed in the reporting year.

4) Interest Rate Swap EUR
An interest rate swap on a base sum of 7,500.00 TEUR reducing parallel to the financing with a period through 7.1.2019 was concluded in 2012. With this transaction W.E.B swapped variable interest (3-Months-Euribor) for fixed interest (1.1225%).

5) Interest Rate Swap EUR
An interest rate swap on a base sum of 13,581.0 TEUR reducing parallel to the financing with a period through 12.31.2024 was concluded in 2012. With this transaction, W.E.B swapped variable interest (3-Months-Euribor) for fixed interest (1.60%).

6) Interest Rate Swap CZK
An interest rate swap on a base sum of 2,155.8 TEUR reducing parallel to the financing with a period through 8.31.2026 was concluded in 2012. With this transaction, W.E.B swapped variable interest (1-Months-Pribor) for fixed interest (1.75%).

TEUR	12.31.2012	12.31.2011
Market values of derivative Financial instruments	1,887.7	1,068.8
Trade payables	3,270.0	3,181.9
Sub-total	**5,157.8**	**4,250.7**
Payables Finance Authority	656.1	1,243.9
Payables conditional purchase price France	0.0	1,034.8
Payables to affiliated companies	649.5	447.4
Accruals for claims of employees and board members	784.7	456.7
Accruals from invoices	1,451.4	1,133.5
Other	869.1	1,012.5
Total	**9,568.6**	**9,579.5**

(16) Trade Payables and Other Payables

The other short term obligations included along with the derivative financial obligation that was shown under (15) derivative financial instruments, essentially trade payables in the amount of 3.270,0 TEUR (Prior year: 3.181,9 TEUR).

The payables for personnel expenses are essentially comprised of a payable for unused vacation in the amount of 209.4 TEUR (Prior year: 150.6 TEUR), a payable for time credit in the amount of 77.2 TEUR (Prior year: 109.2 TEUR) and a payable for bonuses of 498.1 TEUR (Prior year: 196.9 TEUR).

The other payables encompass in essence the obligation or the costs of preparing the annual financial statements in the individual companies in the amount of 14.0 TEUR (Prior year: 33.4 TEUR) and for the audit of the annual financial statement in the amount of 68,3 TEUR (Prior year: 65,5 TEUR). Additionally this item includes obligations for the preparations of the DCF-assessment in the amount of 15.0 TEUR (Prior year: 15.0 TEUR) and the preparation of the business report in the amount of 35.0 TEUR (Prior year: 27.0 TEUR) as well as the obligations for legal consulting costs in the amount of 113.2 TEUR (Prior year: 11.3 TEUR).

In the prior year the Other Obligations included an obligation to re-cultivate land deriving from government mandates in connection with a project that was abandoned in the fiscal year. The obligation came to 200.0 TEUR.

4 Explanation of the P/L Statement

(17) Revenues

Revenues break down as follows:

TEUR	2012	2011
Revenues from wind power plant electricity	42,316.8	36,002.2
Revenues from photovoltaic power plant electricity	4,471.9	4,327.0
Revenues from water power plant electricity	443.8	454.4
Other revenues	7.0	104.5
Total	**47,239.5**	**40,888.1**

Earnings from electricity were realized on the basis of the credits from the customers generated at the end of each month (largely state-owned or affiliated organizations). In the reporting year 93.2% (Prior year: 93.4%) of the planned generation was remunerated from legally regulated subsidy rates.

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

(18) Other Operative Earnings

TEUR	2012	2011
Purchase price of SASU Energie Verte Plaine d'Artois at dissolution	874.8	0.0
Revenues from operations management	372.2	57.2
Revenues from direct marketing and support activities	199.1	0.0
Revenues from invoice forwarding	187.2	1,347.3
Cost reimbursements	152.2	0.0
Earnings from release of reserves	125.3	11.0
Revenues from trade goods	111.2	64.7
Insurance compensation	75.0	535.3
Revenues from invoice forwarding, diesel	67.6	92.0
Revenues from services	35.1	19.8
Leases	34.6	73.0
Other revenues and earnings	258.2	369.9
Total	**2,492.5**	**2,570.2**

The position earnings from invoice forwarding includes earnings from the invoice forwarding for expenses that that did not affect W.E.B Wind Energy Group. In the reporting year earnings and expenses in the amount of 1,064.1 TEUR were administrated in a trusteeship for other companies, which are shown in the form of a balance for the purpose of better comprehension. In the prior year these earnings and expenses were not balanced for services drawn (1,001.5 TEUR).

(19) Expenses for material and Other Manufacturer's Services Used

TEUR	2012	2011
Network loss charges	584.8	374.3
Depreciation on inventories	317.6	0.0
Energy consumption	296.5	393.8
Cost of sales	99.8	137.4
Services of external companies	0.0	1,317.3
Total	**1,298.6**	**2,222.8**

Concerning the external services we refer to the listings under Point 18 (Other Operative Earnings).

(20) Personnel Expenses

TEUR	2012	2011
Salaries and wages	3,469.0	2,522.8
Expenses for legally mandated fees and contributions	764.8	566.4
Contributions to employee provision fund	41.7	32.5
Expenses for pension insurance	30.0	30.0
Other personnel expenses	27.8	19.2
Total	**4,333.3**	**3,170.9**

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

	2012	2011
Numbers		
Salary-earners	50.5	42.0
Wage-earners	13.0	13.0
Apprentices	0.5	0.0
Total	**64.0**	**55.0**

Part time employees are taken into account in this list on an aliquot basis.

(21) Depreciation

The depreciation on intangible assets and tangible assets in the reporting period was 16,498.2 TEUR (Prior year: 15,138.9 TEUR). Furthermore, in the reporting year there were a total of 1,254.4 TEUR in impairments reported. These were due to a decrease in value of the wind farms at Plaine de l'Artois, France, and a decrease in value of the project in Bodenthal, Austria.

In the prior year impairments in the amount of 1,083.7 TEUR were recorded in connection with project depreciation (Bulgaria and Czech Republic) and hydroelectric power plant at Imst.

(22) Other Operative Expenses

	2012	2011
TEUR		
Maintenance and operating costs, power plants	3,735.1	3,573.7
Consulting expenses	1,017.8	740.8
Leasing and rental expenses power plants	1,007.7	884.7
Value correction and write-offs of receivables	705.6	40.0
Insurance, power plants	465.5	563.2
Project planning expenses	450.7	571.2
Vehicle expenses	280.6	225.0
Advertising and PR costs	320.8	192.4
Travel costs	255.1	194.3
Czech photovoltaic fee	174.0	169.1
Maintenance operations	165.4	0.0
External business services	117.2	0.0
Final consolidation results, SASU Energie Verte Plaine d'Artois	74.9	0.0
Membership fees	56.9	54.9
Compensation to the Supervisory Board	52.0	52.0
Operating materials	45.0	49.1
Training and continuing education	35.7	38.8
Reimbursement investment (Federal Fiscal Court)	0.0	180.7
Other expenses	1,005.1	1,095.8
Total	**9,965.2**	**8,625.7**

The expenses for the audit of the financial statement in the fiscal year by KPMG Niederösterreich GmbH Financial Auditing and Tax Consulting Company and domestic network companies were in total 50.1 TEUR (Prior year: 67.8 TEUR), of which 18.0 TEUR (Prior year: 20.0 TEUR) applied to the audit of the single financial statement and 27. TEUR (Prior year: 39.3 TEUR) to the audit of the Corporate Group Financial Statement as well as 5.1 TEUR (Prior year: 8.6 TEUR) to other services.

Bad Depts

In the reporting year and the prior year, one receivable against a holding company was corrected in value, since its collectibility was no longer assumed to be given. Additionally another receivable from the area of project planning was corrected in value during the reporting year, since its collectibility is also no longer assumed to be given.

During the fiscal year, expenses for Research and Development in the amount of around 15.6 TEUR (Prior year: around 13.0 TEUR) were recorded.

(23) Interest Earnings

TEUR	2012	2011
Time deposits	68.5	13.1
Clearing accounts Lease/purchase contract	97.2	23.3
Default interest	87.5	24.7
Other	13.0	10.5
Total	**266.2**	**71.6**

(24) Interest Expenses

The interest expenses in the reporting year were 5,847.8 TEUR (Prior year: 5,404.6 TEUR). It included interest on bonds in the amount of 831.4 TEUR (Prior year: 519.9 TEUR).

In the reporting year no interest expenses (Prior year: 82.9 TEUR) as defined in the rules of the IAS 23 (External Capital Costs) were capitalized as part of the acquisition costs as assets.

(25) Other Financial results

TEUR	2012	2011
Result in foreign currency	10.7	-117.8
Disposals financial investments, valuations, results, other	-304.8	-133.0
Interest on demolition cost reserves	-209.3	-189.4
Total	**-503.4**	**-440.2**

5 Additional Information on Financial instruments

Book Values, Valuation and Market Values by Valuation Categories

			Valuation acc. to IAS 39					
2012	Valuation-category	Book value 12.31.2012	Nominal = market value	Amortized-costs	Acquisition-costs	Fair value P/L neutral	Fair value P/L effective	Fair value 12.31.2012
TEUR								
Assets								
Cash and cash equivalents	cash	5,604.8	5,604.8					5,604.8
Trade receivables	LAR	7,102.7		7,102.7				7,102.7
Loan and other receivables	LAR	7,823.3		7,823.3				7,823.3
long-term		30.0		30.0				30.0
short-term		7,793.3		7,793.3				7,793.3
Other original financial Assets								
Investments (not consolidated)	FAAC	987.0		498.0	489.0			987.0
Securities available for sale	AFS	612.9				612.9		612.9
Loans	LAR	464.7		464.7				464.7
Liabilities								
Financial obligations (incl. Leasing)	FLAC	154,488.7		154,488.7				162,534.4
Other Obligations (incl. Bond, excl. Leasing)	FLAC	22,723.0		22,723.0				22,723.0
long-term		16,780.1		16,780.1				18,024.5
short-term		5,942.9		5,942.9				5,942.9
Derivative financial debts								
Derivatives with hedge-relationship	Hedging	1,887.7				1,887.7		1,887.7

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

2011	Valuation-category	Book value 12.31.2011	Valuation acc. to IAS 39: Nominal = market value	Amortized-costs	Acquisition-costs	Fair value P/L neutral	Fair value P/L effective	Fair value 12.31.2011
TEUR								
Assets								
Cash and cash equivalents	cash	12,802.8	12,802.8					12,802.8
Trade receivables	LAR	9,227.9		9,227.9				9,227.9
Loan and other receivables	LAR	2,763.5		2,763.5				2,763.5
long-term		26.2		26.2				26.2
short-term		2,737.3		2,737.3				2,737.3
Other original financial Assets								
Investments (not consolidated)	FAAC	1,654.2		1,088.3	565.9			1,654.2
Securities available for sale	AFS	577.2				577.2		577.2
Loans	LAR	523.6		523.6				523.6
Derivative financial assets								
Derivate related to hedging	Hedging	5.5				5.5		5.5
Liabilities								
Financial obligations (incl. leasing)	FLAC	141,625.3		141,625.3				148,103.9
Other obligations (excl. leasing)	FLAC	23,016.3		23,016.3				23,016.3
long-term		16,933.6		16,933.6				16,933.6
short-term		6,082.6		6,082.6				6,082.6
Derivative financial debts								
Derivatives with hedge-relationship	Hedging	1,068.8				1,068.8		1,068.8
Other Obligations – Conditional Purchase price	FLFVPL	1,034.8					1,034.8	1,034.8

Explanations of valuation categories:
LAR ... Loans and Receivables
FAAC ... Financial Assets at Amortized Cost
AFS ... Available for Sale
FLAC ... Financial Liabilities at Amortized Cost
FLFVPL ... Financial Liabilities at Fair Value through Profit or Loss

The book values of the trade receivables, the loans and Other Receivables closely match the documented fair values since the residual periods are mostly short-term.

The other long-term assets include investments (949.4 TEUR) and non-consolidated interest in affiliated companies (37.6 TEUR), for which there is no price on an active market and whose fair value cannot be reliably determined.

The other obligations (excl. leasing and bonds) mostly have short residual periods for which reason the book values are close approximations of the fair values.

The fair values of the financial obligations (incl. leasing obligations) were calculated using a discount at an interest rate that is oriented on the market interest rates. They include, along with the obligation to credit institutions the obligations from capital leasing. The valuation techniques applied by W.E.B Wind Energy Group and the assumptions in the calculation of the fair values are based in the case of securities and shares on the market values and in the case of derivative financial instruments on value derived from the interest level.

Net results by Valuation categories

2012	From the subsequent valuation						
	At fair value affecting P/L	At fair value P/L-neutral	Currency conversion	Value correction	From disposal	Net results 2012	From Interest
TEUR							
Cash	0.0	0.0	0.0	0.0	0.0	0.0	68.5
Loans and Receivables (LAR)	0.0	0.0	0.0	-705.6	0.0	-705.6	19.4
Available for Sale (AFS)	0.0	-43.9	0.0	0.0	0.0	-43.9	0.0
Financial Liabilities at Amortized Cost (FLAC)	0.0	0.0	-15.4	0.0	0.0	-15.4	-5,221.4
Hedging	0.0	615.1	0.0	0.0	0.0	615.1	-626.1
Total	**0.0**	**571.2**	**-15.4**	**-705.6**	**0.0**	**-149.8**	**-5,759.6**

2011	From the subsequent valuation						
	At fair value affecting P/L	At fair value P/L-neutral	Currency conversion	Value correction	From disposal	Net results 2011	From Interest
TEUR							
Cash	0.0	0.0	0.0	0.0	0.0	0.0	45.7
Loans and Receivables (LAR)	0.0	0.0	0.0	-71.4	0.0	-71.4	2.5
Available for Sale (AFS)	0.0	8.1	0.0	0.0	-33.5	-25.4	0.0
Financial Liabilities at Amortized Cost (FLAC)	0.0	0.0	-72.8	0.0	0.0	-72.8	-4,771.3
Hedging	0.0	252.1	0.0	0.0	0.0	252.1	-629.8
Total	**0.0**	**260.2**	**-72.8**	**-71.4**	**-33.5**	**82.5**	**-5,352.9**

Financial Instruments Valued at Fair Value in the Balance Sheet

The following list analyzes the instruments valued at fair value by type of valuation method.

The Levels of valuation methods are defined:

- Level 1: Price quoting for identical assets or liabilities on an active market (without adjustments)
- Level 2: Inputs, which are directly (e.g. as prices) or indirectly (e.g. as derived from prices) observable for the assets and do not fall under Level 1
- Level 3: Inputs for assets or liabilities that do not reflect any data observable on the market.

The valuation of the financial instruments was done using the prices active markets (Level 1) and derived prices (Level 2).

	12.31.2012			12.31.2011		
TEUR	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Assets available for sale	612.9	0.0	0.0	577.2	0.0	0.0
Derivative financial assets	0.0	0.0	0.0	0.0	5.5	0.0
	612.9	**0.0**	**0.0**	**577.2**	**5.5**	**0.0**
Financial Liabilities						
Derivative financial liabilities	0.0	1,887.7	0.0	0.0	1,068.8	0.0
Other liabilities - conditional purchase price	0.0	0.0	0.0	0.0	0.0	1,034.8
	0.0	**1,887.7**	**0.0**	**0.0**	**1,068.8**	**1,034.8**

Concerning the dissolution of the conditional purchase price (in the prior year 1,034.8 TEUR in Level 3) see 2.2.2 Information on Company Acquisitions, SAS Energy Verte Plaine d'Artois.

There were no re-classifications between Level 1, Level 2 and Level 3 in the reporting year.

The book values of financial assets issued as securities totaled 1,152.6 TEUR (Prior year: 1,152.6 TEUR). A portion of this acted as security for the contractual obligation of W.E.B Wind Energy Group to the property owners for the demolition of wind power plants after the expiration of their useful life. The other part served as security for the obligations of W.E.B Wind Energy Group to financial institutions.

6 Risk Management

6.1 Other Liabilities and Contingent Liabilities

Liabilities to companies with which a shareholding relationship exists

A guarantee certificate was issued for a loan to the Windpark Eschenau GmbH, in which WEB Windenergie AG had an interest 30% for the purpose of construction a wind power plant. The maximum sum was 5.4 TEUR (Prior year: 65.4 TEUR). For this purpose WEB Windenergie AG transferred a bill of exchange to the bank as collateral. This bill of exchange was returned to WEB Windenergie AG by the bank, since the company sold its investment in Windpark Eschenau GmbH during the fiscal year. Therefore there is no liability on the part of WEB Windenergie AG at fiscal year end.

Financial Obligations from the Use of Assets not Reported in the Balance Sheet

The total sum of the financial obligations from the use of assets (lease payments on properties) not reported in the balance sheet for the following year will come to 1,032.9 TEUR (Prior year: 683.7 TEUR). Basically we are calculating with five times the indexed sum for the next five years, where a definitive statement for the next five years cannot be made, since the amount of the leasing payments is dependent on unknown factors (increases in the price index, adjustments coupled to the earnings brought in by the wind power Plants).

The contracted purchase obligations for assets on the balance sheet reporting date amounted to around 99,165.0 TEUR (Prior year: 108,740.0 TEUR).

There were no open payment obligations concerning financial investments (Prior year: 150,0 TEUR).

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

In 2008 a lease-to-own contract was concluded with QR Dumeier-Köbis GbR, Baunatal, Germany, for the wind power plant at the location in Vielau in Germany. The contract runs through 9.30.2017. W.E.B Wind Energy Group is the legal owner of the wind power plant for the contracting period. The lease-to-buy contract includes the option of a regular cancellation on the part of the hire purchaser. In the event of cancellation by the hire-purchaser, the power plant at the location in Vielau, Germany would revert to the financial ownership of the W.E.B Wind Energy Group. At this item the W.E.B Wind Energy Group estimates the risk of cancellation of the lease-to-buy contract on the part of the hire-purchaser as very low.

Liquidity Risk

W.E.B Wind Energy Group met all of its payment obligations (interest and amortization) from loan obligations in an orderly and timely fashion during the reporting period. This applies to other obligations to the extent that there were no legal or contentual objections.

The company strives to meet all of its payment obligations as quickly as possible, if there are no reasons questioning the validity of the obligations.

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

For the existing financing arrangements, comprehensive mortgages of plants and assignments of claims are arranged with the financial institutions. Furthermore, W.E.B Wind Energy Group has pledged to meet certain financial key figures. Failure to meet these key figures could entitle the financial institutions to call the financing immediately due and payable in full. The contractually specified key financial figures were met during the fiscal year. The effects of the fluctuations in operative payment flows (e.g. fluctuations in earnings from electricity due to the wind situation) are minimized by active liquidity management.

The investment decisions are made under consideration of the current liquidity situation and subject to the directions of the ongoing liquidity planning. The purchase commitment for tangible assets as of the balance sheet reporting day was around 99,165.0 TEUR. This purchase commitment concerns essentially preliminary call-off orders for wind power plants from the manufacturer Vestas which would only come due in the event that projects were implemented.

Financial Risk

W.E.B Wind Energy Group is subject to financial risks with respect to its financial assets, obligations and planned transactions. These include market risks as well as risk from changes in interest rates and the exchange rates. The goal of financial risk-management is to limit these market risks through constant operative and financially oriented activities. To this end, and depending on the estimate of the risk, selected derivative and non-derivative instruments of securitization are used. In principle though, only those risks are insured that could have effects on the corporate group's cash flow. Derivative financial instruments will be used exclusively as instruments of securitization and will not be used for trading or other speculative purposes.

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

Credit Risk

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

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

The risk of loss of receivables is limited by the fact that the biggest portion of the sales revenue is obtained with state or state-affiliated organizations. Risks of loss that do exist will be dealt with by means of single value corrections and lump-sum single value corrections. The credit risk from receivables is low since they are predominantly short-term receivables based on multi-year business relationships. As of 12.31.2012 The maximum default risk in connection with receivables

from goods and services was 7,102.7 TEUR (Prior year: 9,227.9 TEUR) and /or total for all receivables and loans etc.17,718.5 TEUR (Prior year: 13,298.9 TEUR).

Interest Rate Risk

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

On 12.31.2012 the proportion of financial obligations subject to variable interest rates (taking into consideration those interest rate swaps that have been concluded) for which W.E.B Wind Energy Group bears an interest rate risk was 43.3%. An increase of 1 percentage point in interest would lead to lower the annual result by 710.5 TEUR p. a. (Prior year: 746.9 TEUR p.a.) with a credit portfolio like that on balance sheet reporting day (before taxes on earnings). In the case of existing financial obligations that are subject to fixed interest rates, there is a Fair-Value-Risk in the conventional scope.

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

As of 12.31.2012 there were interest rate swaps at a nominal sum of 52,691.0 TEUR. In this matter, fixed for floating agreements were made. These interest rate swaps are designated as cash flow hedges as defined in IAS 39. A detailed presentation of the derivative financial obligations including fair values can be found in the table under (15) Derivative Financial Instruments. The average residual period is 8.0 years (prior year: 2.0 Years). Interest rate changes have effects on the valuation of the interest rate swaps and their inclusion in the equity capital.

Currency Risk

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

The currency exchange risks W.E.B Wind Energy Group result from investments, financing measures and operative activities. Foreign currency risks in the areas of investments exist for plants and projects in non-Euro countries. At this time W.E.B Wind Energy Group owns plants in Czech Republic. Here financing in the national currency is a hedge between feed-in compensation and credit payments (interest and amortization). Furthermore, since business year 2011, investments have been made in Canada in the framework of project preparations. In this context, no project financing had yet been taken out in the national currency nor have any significant investments been made. There is no interest hedge for the equity committed to the plants (around 20%).

Currency risks in the area of financing result from credit obligations in foreign currency. At this time there are credit obligations in Swiss Francs in the equivalent of 492.8 TEUR. There are no credit hedges for these credit obligations. Credit swaps that have been concluded are only denominated in Euro.

Invoices are done primarily in Euro. Trade receivables and payables primarily exist in the function currency of the respective corporate group company. Consequently this item yields no currency risk in the sense of IFRS 7.

Information regarding the Exchange Rate Risk acc. IFRS 7

Financial obligations	12.31.2012	12.31.2011
In thousands of units		
Sum in Reporting currency	492.8	635.4
Of that		
CHF	594.9	778.1

The effects of hypothetical changes in relevant risk variables on the results and equity can be seen in the following currency sensitivity analysis according to IFRS 7. Relevant risk variables are all non-functional currencies in which the companies of the corporate group take on financial instruments. The sensitivity analysis assumes that the values on the financial statement reporting day are representative for the entire year.

Any increase or decrease in valuation of the respective functional currencies by 10% compared to the following significant currencies would have influenced the results before taxes and the equity as follows:

2012	10% Appreciation	10% Devaluation
TEUR	Result	Result
CHF	-54.8	44.8
Total	**-54.8**	**44.8**

2011	10% Appreciation	10% Devaluation
TEUR	Result	Result
CHF	-70.6	57.8
Total	**-70.6**	**57.8**

Open Legal Disputes

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

7 Other Disclosures

7.1 Explanatory notes on the Cash Flow Statement

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

Interest returns are classified as part of investment activities and interest payments are classified as financing activities.

The payments of taxes on earnings were 2,169.0 TEUR (Prior Year : 1,615.1 TEUR) and largely stem from operative activities.

7.2 Objectives of Capital Management

The objectives of capital management are securing the continuation of the company and the continued expansion of renewabler power generation in Europe on the one hand and an adequate return on equity on the other. The objective is to achieve a long-term return on equity of between 7% and 10%. In order to securitize against company risks and at the same time optimally deploy the available equity, an authorized capital quota of between 20% and 30% is the goal over the long term. In 2012 it is possible to achieve a return on equity of 7.86% (prior year: 7.33%) with an equity quota of 29.71% (Prior year: 30.54%).

During the fiscal year there was a dividend payed of 2,884.5 TEUR (Prior year: 1,442.3 TEUR), which corresponded to dividends of EUR 10.00 (Prior year: EUR 5.00) per share. W.E.B plans that 33% of the corporate group results will be distributed as Dividends in the long run.

In 2013 the distribution of a dividend for 2012 in the amount of EUR 12.00 per share is planned. This corresponds to around 54% of the corporate group results.

7.3 Business Relationships with Affiliated Companies and Persons

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

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

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

With the investment in SASU Energy Verte Plaine d'Artois, recorded in the balance sheet according to the equity method, a loan contract was concluded during the reporting year under usual market conditions. In the reporting year, interest earnings in the amount of 113.9 TEUR (Prior year: 0.0 TEUR) were recorded – as of 12.31.2012 there were open receivables in the amount of 3,460.9 TEUR (Prior year: 0,0 TEUR).

With the investment in Tauernwind Windkraftanlagen GmbH, reported in the balance sheet according to the equity-method, there was a long term contract during the fiscal year that had been concluded in October 2011. The contract was concluded at the usual market conditions. In the reporting year interest expenses in the amount of 14.7 TEUR (Prior year: 2.4 TEUR) were recorded – as of 12.31.2012 there was an open obligation in the amount of 632.0 TEUR (Prior year: 432.0 TEUR).

There were business management contracts with the investments in Sternwind Errichtungs- und Betriebs GmbH and Sternwind Errichtungs- und Betriebs GmbH & Co KG, both reported on the balance sheet according to the equity method. They were concluded at the usual market conditions. During the reporting year sales in the amount of 20.7 TEUR (Prior year: 11.3 TEUR) were recorded – as of 12.31.2012 there were open receivables in the amount of 10.7 TEUR (Prior year: 16,4 TEUR).

There is a consulting arrangement with the law offices of Sattler and Schanda, in which a member of our Supervisory Board, Dr. Reinhard Schanda, is employed as a partner. Dr. Angela Heffermann, an attorney employed in the firm, is responsible for handling the legal consulting. In its meeting held on 6.26.2009, the supervisory board approved the continuation of the consulting arrangement. During the reporting year expenses in the amount of 52.4 TEUR were recorded – as of 12.31.2012 there were open claims from the law offices of Sattler and Schanda in the amount of 31.0 TEUR (Prior year: 0.4 TEUR).

A lease contract with a company whose shareholders are close relatives of the members of the Board of Directors and executive management for the wind power plant at the location in Vielau, Germany exists. The contract was concluded at usual market conditions. During the reporting year sales in the amount of 11.9 TEUR (Prior year: 13,2 TEUR) were recorded – as of 12.31.2012 there were open receivables in the amount of 336.4 TEUR (prior year: 434.5 TEUR).

There is a contract with the Supervisory Board Member Martin Zimmermann for investment in and care of fallow land in connection with wind power locations in Austria. During the reporting year expenses in the amount of 3.4 TEUR (Prior year: 3.1 TEUR) were recorded – as of 12.31.2012 there were no open receivables (Prior year: 0.0 TEUR).

During the fiscal year three close family members of members of the Board of Directors were employed, who drew a total usual market-rate compensation in the amount of 110.4 TEUR (Prior year: 101.1 TEUR).

Executive Body

a) Board of Directors

During the fiscal year 2012 the Board of Directors consisted of the following persons:

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

- **Dr. Frank Dumeier**, born 3.29.1962, COO since 4.1.2010, collective representation

b) Supervisory Board

In 2012 the Supervisory Board consisted of the following persons:

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

c) Authorized Officer

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

Compensation to Officers

The members of the Board of Directors received compensation in the amount of a total 522,6 TEUR (Prior year: 462,7 TEUR) in 2012. Of that, 134.9 TEUR were variable components depending of the results of 2011 (Prior year: 67.0 TEUR from the profits of 2010). No compensation was paid to former members of the Board of Directors during the fiscal year (Prior year: 0.0 TEUR).

No advances were granted to legal representatives of the company in 2011 (Prior year: 0.0 TEUR).

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

Payment to the Board of Directors in Reporting Year 52 TEUR (Prior year: 52 TEUR).

	2012
EUR	
Josef Schweighofer	15,000.00
Reinhard Schanda	13,000.00
Stefan Bauer	12,000.00
Martin Zimmermann	12,000.00
	52,000.00

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

8 Events after Balance Sheet Reporting Day

In January 2013 WEB Windenergie AG began issuing three different bonds with a nominal value of 1,000 EUR each. The issue price was set at 100% of the nominal value, thus 1,000 EUR per bond.

Offered for subscription during the subscription period from 1.31.2013 to 3.29.2013 were a bond with a period of five years to maturity and an interest rate of 4%, bond with a period of tens years, partially amortizing with an interest rate of 5.25% and a bond with a period of ten years to maturity and an interest rate of 5.5%.

In total a bond volume of 24.5 million EUR was sold by the end of the subscription period.

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

This Corporate Group Financial Statement was approved by the Board of Directors on 4.26.2013.

The individual financial statement of the parent company, which, after reconciliation with the International Financial Reporting Standards was also included in the the Corporate Group Financial Statement, was presented to the Supervisory Board for review on 4.26.2013 The Supervisory Board can approve the annual financial statement or delegate its approval to the shareholders meeting.

Pfaffenschlag, April 26th, 2013

Chair of Board of Directors
Andreas Dangl

Chief Financial Officer
DI Dr. Michael Trcka

Technical Director
Dr. Frank Dumeier

Appendix 1

Corporate Group Company

Information about Invested Companies acc. to § 238 Z 2 UGB

Company	HQ	Country	Consolidation type	Investment share	Balance reporting day	Equity TEUR	Annual surplus/deficit TEUR	Foreign currency equity	Foreign currency Annual surplus/deficit	Exchange rate
WEB Windenergie AG	Pfaffenschlag	Austria	FC		12.31.2012	62,986	3,378			
WEB Windenergie Betriebsgesellschaft Deutschland GmbH	Leer	Germany	FC	100%	12.31.2012	13,945	2,158			
WEB Energie du Vent SAS	Lezennes	France	FC	100%	12.31.2012	1,568	223			
WEB Větrná Energie s.r.o.	Brno	Czech Republic	FC	100%	12.31.2012	2,050	198	51,556,568 CZK	4,976,836 CZK	25.151
Friendly Energy s.r.o.	Brno	Czech Republic	FC	100%	12.31.2012	18	7	452,486 CZK	178,348 CZK	25.151
WEB Italia Energie Rinnovabili s.r.l.	Bozen	Italy	FC	100%	12.31.2012	1,300	554			
WEB Wind Energy North America Inc.	Ontario	Canada	FC	100%	12.31.2012	2,459	-459	3,230,766 CAD	-602,697 CAD	1.314
Regenerative Energy Bulgaria EOOD	Sofia	Bulgaria	NC	100%	12.31.2012	-38	-12	-73,347 BGN	-23,995 BGN	1.956
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EQ	20%	12.31.2012	4,348	975			
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EQ	49%	12.31.2012	614	128			
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EQ	49%	12.31.2012	2,688	197			
WEB Windenergie Betriebs GmbH	Pfaffenschlag	Austria	NC	100%	12.31.2012[1]	Founded during reporting year				
Società di gestione impianti fotovoltaici	Montenero	Italy	NC	100%	12.31.2012	-1	-11			
WEB Wind Energy Development Inc.	Ontario	Canada	FC	100%	12.31.2012[2]					
WEB Duart North Community Wind Farm GP Corp. (+ Limited Partnership Contract)	Ontario	Canada	FC	100%	12.31.2012[2]					
SWEB Development Inc. (+ Limited Partnership Contract)	New Brunswick	Canada	FC	51%	12.31.2012[2]					
WEB Wheatley Community Wind Farm GP Corp. (+ Limited Partnership Contract)	Ontario	Canada	FC	100%	12.31.2012[2]					
WEB Duart South Community Wind Farm GP Corp. (+ Limited Partnership Contract)	Ontario	Canada	FC	100%	12.31.2012[2]					
WEB Wallaceburg Community Wind Farm GP Corp. (+ Limited Partnership Contract)	Ontario	Canada	FC	100%	12.31.2012[2]					
Société d'Electricité du Nord SARL	Lille	France	FC	100%	12.31.2012	-202	-165			
SASU Energie Verte Plaine d'Artois	Lille	France	EQ	33%	12.31.2012[1]					

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

[1] At the time the financial statement was prepared, there were no values for 12.31.2012

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

Appendix 2

Financial Information about Associated Companies

						Total				Share			
Company	HQ	Country	Consolidation-type	Investment share	Reporting	Asset value	Debts	Sales-earnings	Annual surplus/deficit	Asset value	debts	Sales-earnings	Annual surplus/deficit
						TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EQ	20%	12.31.2012	10,009	5,661	3,859	975	2,002	1,132	772	195
Long term assets/Debts						9,034	4,714			1,807	943		
Short term assets/Debts						975	946			195	189		
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EQ	49%	12.31.2012	1,291	676	376	128	632	331	184	63
Long term assets/Debts						1,059	20			519	10		
Short term assets/Debts						232	656			114	321		
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EQ	49%	12.31.2012	7,826	5,138	1,804	197	3,835	2,518	884	97
Long term assets/Debts						7,468	2,397			3,660	1,174		
Short term assets/Debts						357	2,741			175	1,343		
SASU Energie Verte Plaine d'Artois	Lille	France	EQ	33%	12.31.2012[1]	0	0	0	0	0	0	0	0
Long term assets/Debts						0	0			0	0		
Short term assets/Debts						0	0			0	0		

FC ... Full consolidation; EQ ... Equity-valuation; NK ... Not consolidation

[1] At the time the financial statement was prepared, there were no values for 12.31.2012

Appendix 3

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

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

Standard and/or Interpretation		Coming into effect[1]	Effects on W.E.B Wind Energy Group
Revised Standards			
IAS 12	Changes: Assets forming the basis of recovery	1.1.2012	None
IFRS 1	Changes: Extended high inflation and fixed	1.1.2012	None
IFRS 7	Changes: Transfer of financial assets	1.1.2012	None
All	Improvements to the IFRS	1.1.2012	None

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

Through the change to the IAS 12, properties that are held as financial investments that are valued at the documented market value and for tangible assets as well as intangible assets that are valued using the revaluation model, the rebuttable presumption that the realization of the book value of an asset through alienation follows. This is significant to the extent that the valuation of deferred tax debts and/or reimbursement claims possibly depends on whether the book value of an asset will be presumably realized through use or alienation. Changes from the first use of this revised standard have no effect on the Corporate Group - Financial Statement W.E.B Wind Energy Group.

Through changes to IFRS 1, the release rules for first uses of the IFRS were expanded to the end that they, to the extent that their functional currency was subject to pronounced high inflation during the transitional period, the assets and debts in may be listed in the IFRS-opening balance sheet at the market value.

Moreover, the fixed change-over date mentioned in IFRS 1 is changed to the date for the change-over to the IFRS. Through this, initial users must adjust those transactions, that prior to the date of the switch to the IFRS would have led to de-recognition of financial instruments or the so-called "day-1-valuation differences", would not be retrospectively adapted to balance sheet accounting rules. The Changes from the first application of this revised standard have no effects on the Corporate Group Financial Statement of W.E.B Wind Energy Group.

Thanks to the changes to the IFRS 7, the appendix information on the de-recognition of financial assets were expanded. There are now additional appendix disclosures with respect to the transferred but not (or not completely) de-recognized financial assets and concerning their relationship to the newly created obligations that arise in this. To the extent that the transferred financial assets were also completely de-recognized, detailed qualitative and quantitative information for any rights and

obligations that are retained and/or assumed in the framework of the transaction. The disclosures in the appendix also encompass the effects on the results (p/l) that derive from the transaction itself and the assessment of the retained and/or assumed rights and obligations. There were no effects on the W.E.B Wind Energy Group from this standard change.

2. IFRS and IFRIC Not yet Applicable

The IASB has concluded other standards and interpretations that were accepted by the EU and published in the official register of European Union, but whose application was not yet mandatory in fiscal year 2012. The company will not apply them early voluntarily.

Standard	Content	Coming into effect[1]
New Interpretations		
IFRIC 20	Costs for waste removal in the production phase in surface mining	1.1.2013
Revised Standards		
IAS 27	Individual financial statements	1.1.2014
IAS 28	Shares in associated companies and joint ventures	1.1.2014
IFRS 10	Corporate group financial statements	1.1.2014
IFRS 11	Joint agreements	1.1.2014
IFRS 12	Disclosures of shares in other companies	1.1.2014
IFRS 13	Determination of the documented market value	1.1.2013
Changes to Standards		
IAS 1	Presentation for the other results	7.1.2012
IAS 19	Services to employees	1.1.2013
IAS 32	Balancing financial assets and financial obligations	1.1.2014
IFRS 1	Credits from public funds	1.1.2013
IFRS 7	Balancing financial assets and financial obligations	1.1.2013

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

The following standards and/or changes in standards and interpretations which were concluded by the IASB but were **not yet accepted by the EU** at the time the Corporate Group Financial Statement:

Standard	Content	Entry into force[1]
Revised Standards		
IFRS 9	Financial instruments	1.1.2015
Changes to Standards		
IFRS 10, 12, IAS 27	Exceptions to consolidation for investment companies	1.1.2014

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

The effects from the application of pending Standards and Interpretations on the Corporate Group Financial Statement for W.E.B cannot be predicted.

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

WEB Windenergie AG,
Pfaffenschlag,

for the **year from January 1, 2012 to December 31, 2012**. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2012, 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 2012 and a summary of significant accounting policies and other explanatory notes.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2012 and of its financial performance and its cash flows for the year from 1 January to December 31, 2012 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

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

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

Mödling, April 29, 2013

KPMG Niederösterreich GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Heidi Schachinger
Wirtschaftsprüfer

Eugen Strimitzer
Wirtschaftsprüfer

(Austrian Chartered Accountants)

Report of the Supervisory Board

Compliant with § 96 AktG

Dear Shareholders;

For the entire fiscal year 2012 the Supervisory Board consisted of four persons: Josef Schweighofer (Chair), Dr. Reinhard Schanda, (Deputy Chair), as well as the members Stefan Bauer and Martin Zimmermann. The Supervisory Board held a total of six supervisory board meetings in 2012 in which it discharged the responsibilities and exercized the authority due it under law and the articles of association and also issued the required approval or rejection for certain transactions. In its meetings, the Supervisory Board discussed, on the basis of regular, timely written and oral reports from the chair concerning the operative business policy and earnings situation as well as the future strategic direction of the company including the major companies in the corporate group. The Supervisory Board constantly monitored the executive management based on the reporting form the chair. The checks that were performed in the context of an open and constructive discussion between the Board of Directors and Supervisory Board did not provide occasion for complaints.

The Board of Directors team with the Chairman of the Board Andreas Dangl, the Chief Financial Officer Dr. Michael Trcka and the Chief Operating Officer Dr. Frank Dumeier, was active year-round in 2012 in this composition. The board team was able to fulfill the established expectations with respect to realizing the market chances while simultaneously controlling risks – just as the entire fiscal year 2012 can be classified as wholly satisfactory from W.E.B's viewpoint. On the one hand external influences such as the good wind situation and the sinking interest rates had positive influences on the earnings and cost structure, while on the other hand the skill and diligence of the whole W.E.B team and especially the 5-stage W.E.B business model now fully in effect enhanced the positive effect on earnings.

With respect to the investments in fixed assets approved by the Supervisory Board and implemented by the Team, we can report that in the fiscal year 2012 around a total of 40 million Euro were invested. In the middle of 2012, 2MW Vestas power plants were connected to the grid in both Dürnkrut and Götzendorf. Furthermore, a total of eighteen wind power plants of the Type Enercon E53 with a capacity of 0,8 MW each were brought online in French Plaine de l'Artois. However, we must note that, for legal reasons, only fifteen of the plants are operated through the 100 % subsidiary WEB Energy du Vent SAS and are owned by W.E.B while the remaining three are bundled into a company in which W.E.B Wind Energy Group holds 33% of the shares. At the end of 2012 it was also possible to successfully implement a photovoltaic project consisting of two rooftop plants in the vicinity of Graz with a total capacity of 928 kW_p and connect them to the grid. Furthermore, in the middle of the year an additional Vestas wind power plant with an output of 1.8 MW in the Czech Horni Řasnice was purchased.

The attempt to bring dynamic to the expansion of windpower in Waldviertel which started in 2011, was successfully continued in 2012 by the project development department, with trail

blazing steps being taken. It was possible to sign permit contracts with some municipalities and to conclude property contracts with property owners. Furthermore, grid access points of some planned locations were secured, feasibility studies drafted and other required work completed to make it possible to bring the first wind power plants online in 2015. However, just as this report was being prepared, the efforts were dealt a set back on the political level in that an "approval moratorium" was imposed on wind power plants in Lower Austria – at least through the end of 2013. This step is for us even more incomprehensible because these are exactly the same decision makers who, a couple of years earlier, supported the Energy Road Map for wind power operators in Lower Austria and also encouraged them to plan more projects in Waldviertel and invest in them. Whether and to what extent this temporary "approval moratorium" will have a negative impact on W.E.B's planned projects in Waldviertel cannot be ascertained at this point in time. The broad range of effects extends from not-worth-mentioning to slight delays in the implementation plans to the worst case scenario of cancellation of the planned projects.

In the light of the development described here, the strategic decision to continue to increase activity abroad proved expedient and correct. The Supervisory Board released additional funds from the budget for the promising market of Canada in 2012, in order to continue the expansion of activities Nova Scotia and Ontario. In total it was possible to get the required feed-in tariff for around 33 MW of wind power capacity in the first province. Currently, together with our partner on-site, we are taking the first steps toward initiating the construction of the first individual plants which, depending on the progress made in construction, may be successfully connected to the grid by the end of 2013. Furthermore, there was a change in local management in France, in order to bring new life into this market on the project side as well. In 2012 we also added personnel to the Projects Development Department in Germany. To the extent that a reasonable business framework exists allowing for further expansion, we plan to make optimal use of them. Aside from the Czech Republic there are no other markets on the horizon right now. Note that we are, of course, looking out for countries in which business expansion is still reasonable and possible, depending on the general development of renewable energy and specifically wind energy in the respective country.

Based on the current developments on the electricity market, the Supervisory Board granted approval for the development of strategies for trading electricity and stabilizing the supply of renewable energy. The path of direct sale to local electrical utilities that we started in 2011 in Germany was successfully continued in 2012 and a considerable portion of our German electricity production was sold through this distribution channel. The Supervisory Board also granted approval to evaluating additional plant manufacturers alongside Vestas and Enercon and adding them to our portfolio, in order to be able to better conform to local requirements and frameworks in our selection of wind power plant manufacturers. For strategic and financial reasons, the shares of the wind power plants Eschenau GmbH and of the Bosnian Company WEB Energo d.o.o. were sold.

Along with the already mentioned individual plants in Canada, three additional locations to which the Supervisory Board has already granted approval in Austria shall be completed and brought online this year. Currently two new Vestas plants of the 3MW generation are being constructed in Deutsch-Wagram – they shall begin feeding "green" power into the grid in summer 2013. Furthermore, by fall 2013 at the latest, seven Vestas plants with 2MW capacity each shall be constructed in Matzen-Klein-Harras and four Vestas plants with 3 MW capacity each in Neuhof III. Photovoltaics will continue to be expanded in 2013, with the focus being in Austria. In Heidenreichstein/Lower Austria, a plant with a capacity of 126 kW_p was installed on the roof of the Janetschek printing company and in Perbersdorf in southeast Styria, two PV plants with a total of more than 600 kW_p capacity were constructed and will generate PV-electricity starting in September 2013.

The estimated volume of investments for 2013 comes to a bit more than 100 million Euro. For the purposes of financing the equity portion, the Supervisory Board approved a bond packet at the end of 2012. The bonds that were issued in three different tranches (5 year period, due and payable, 4 % interest; 10 year period, due and payable, 5.5 % interest and 10 year period, partially amortizing, 5.25 % interest) in the months February and March 2013, were able to bring in a total of 24,556,000.00 EUR. Essentially, a volume of 15 to 17 million Euro was assumed and the nearly 25 million Euro that were finally achieved constitute an above average success, which is attributable to both the lucrative conditions and the extraordinary work in the field of communications.

With respect to the strategic approach on interest rate policy, the Board of Directors has reached an Agreement with the Supervisory Board that the volume of loans with variable –not fixed– interest rates will be gradually reduced. The current trend in interest rates is being taken as an opportunity to enter into long-term fixed interest rate arrangements at favorable costs. This policy, admittedly, will cost certain advantages in the short-term that are carried by the current interest rate landscape. However, it will hedge against any increase in interest costs should the current trend of interest rates reverse.

The Supervisory Board received the Annual Financial Statement of WEB Windenergie AG dated December 31st, 2012 along with the management report from the Board of Directors. KPMG Niederösterreich GmbH, Financial Auditing and Tax Consulting Company, 2340 Mödling, which was commissioned to audit the financial statement for the business year 2012, audited the annual financial statement for the fiscal year 2012 along with the management report and issued an unqualified auditor's certificate. The annual financial statement report was discussed in a joint meeting of the Board of Directors, the Supervisory Board and financial auditor.

The Supervisory Board assented to the result of this audit and approved the annual financial statement dated December 31st, 2012 that had been submitted by the Board of Directors, approved the attached Management Report of the Board of Directors and approved the proposal

for the appropriation of profits. With that the Annual Financial Statement is determined to be compliant with § 96/4 AktG. With respect to the appropriation of profits, the Supervisory Board approved the suggestion of the Board of Directors – namely to distribute 12.– (twelve) Euros per share.

The Supervisory Board received the consolidated annual financial statement for WEB Windenergie AG dated December 31st, 2012 along with the Corporate Group Management Report. KPMG Niederösterreich GmbH, Financial Auditing and Tax Consulting Company, 2340 Mödling, which was commissioned to audit the financial statement for the fiscal year 2012, audited the Corporate Group Financial Statement for the fiscal year 2012 along with the Corporate Group Management Report and issued an unqualified auditor's certificate. As required by law, the Corporate Group Financial Statement along with the Corporate Group Management Report were discussed in a joint meeting with the Board of Directors, the Supervisory Board and the Financial Auditor. The Supervisory Board has approvingly taken notice of the Corporate Group Financial Statement along with the Corporate Group Management Report.

In conclusion, the Supervisory Board would like to thank the Directors Andreas Dangl, Dr. Michael Trcka and Dr. Frank Dumeier as well as the employees for their hard work and dedication in fiscal year 2012.

For the Supervisory Board

Josef Schweighofer
Chair of the Supervisory Board

Pfaffenschlag, May 2013

Glossary

Company-Specific

Alternative energy sources: Alternative energy sources (also *renewable energy sources* or *green energy sources*) are energy sources and fuels that, in contrast to the finite supplies of fossil fuels, are inexhaustibly available according to human estimation (biomass, geothermal, ocean/tidal energy, solar power, hydroelectric power and wind energy).

Carbon dioxide (CO_2): *Carbon dioxide* (also called carbon dioxide in everyday speech though often incorrectly called carbonic acid) is a chemical compound of carbon and oxygen and along with carbon monoxide and the unstable compound carbon trioxide is one of the oxides of carbon. The chemical formula is CO_2. Carbon dioxide is responsible to a considerable extent for the greenhouse effect, for which reason the avoidance of CO_2 emissions was given high priority in the Kyoto Protocol and other climate initiatives.

Direct marketing: Plant operators can sale the power generated in the plant to third parties even during the subsidy period. In Germany the electricity from W.E.B plants is already being sold directly to third-party buyers such as municipal utilities. Once the subsidy period expires, the power can be sold on the free market.

EU 20-20-Guideline: The 20-20-Guideline of the E U (also the EE guideline) obligates the member states to achieve 20% of their electricity production from renewable energy by the year 2020.

Feed-in tariff: Feeding green energy into the public grid is compensated with a tariff that is mandated by law or ordinance. It is meant to facilitate the economical operation of green energy power plant by guaranteeing a fixed rate of compensation for power generated from renewable sources for a fixed period. The tariff is based on the cost for the specific type of power generation.

Fiberglass reinforced plastic (FGP): *Fiberglass reinforced plastic*, called *FGP* for short, is a fibreglass plastic composite of plastic and fiberglass. For W.E.B this material is relevant in connection with turbine houses and rotor blades.

Fossil energy: *Fossil energy* is generated from fossil fuels, such as lignite, anthracite, turf, natural gas and petroleum that are derived from the by-products of the break-down of prehistoric biological remains. Excessive extraction of these resources in recent decades has made the future supply of these energy sources uncertain for the long term.

Generating volume: The *generating volume* is the annual quantity of electricity generated in a power plant or power plant park.

Global radiance values: The *global radiance value* is the most important unit for planning solar power plants. It refers to the radiation density of solar light as a total of the direct and diffuse irradiation on the horizontal surface and is usually stated in kWh per m² of irradiated surface. How much of the energy received can be converted into heat or electrical power depends on the direction and inclination of the plant.

Green energy: The term *green energy* is used to describe electrical energy that is derived from ecological energy sources– that is those that are in harmony with nature and thus tenable from a sustainability perspective.

Green energy subsidies: Subsidizing the production of electrical power from renewable energy sources but also measures around the savings of energy and/or increase of energy efficiency, is referred to as *green energy subsidy*. See also *feed-in tariff*.

Hydroelectric power/Hydroelectric power plant (HPP): *Hydroelectric power* refers to the flow energy of flowing water being converted into mechanical energy by means of suitable machines (such as water wheels, turbines). A *hydroelectric power plant* is a power plant that uses the mechanical energy of water to generate usable energy. In earlier times the energy was used directly in mills. Today, conversion into electrical energy predominates.

kW (Kilowatt): A *kW (kilowatt)* is a unit of 1,000 Watts. This unit of power is named after the Scottish inventor James Watt and specifies the change in energy or work per time interval (1 Watt = 1 Joule per second). The output of a human heart is 1.5 Watts.

kWh (kilowatt hour): The energy unit *kWh (kilowatt hour)* is 1,000 Watt-hours. A Watt-hour is the energy that is obtained or consumed at 1 Watt of output for one hour.

MW (megawatt): An *MW (a megawatt)* equals one million watts. See the explanation for *kW*.

Photovoltaic: *Photovoltaic* refers to the direct conversion of radiant energy, primarily sunlight, into electrical energy.

Pumped storage power plant: *Pumped storage power plants* are hydroelectric power plants in which the water

can be pumped using the generated electricity into a storage unit located at a higher elevation (a reservoir or subterranean basin) in times of low demand for electricity. This allows electrical energy to be stored in greater scope and is therefore available in times when the demand for electricity increases. Pumped storage power plants therefore represent an interesting supplement to the green energy generation portfolio, because wind energy is not always readily available in times of increased demand for electricity. In this way the demand can be time- managed in certain limits.

Renewable energy (sources): see *Alternative energy sources*

Smart Grid: The term *Smart Grid*, encompasses the communicative networking and management of electricity generators, storage, electricity consumers and grid operators in electrical transmission and distribution networks. This facilitates the monitoring and optimized coordination of all components of the grid. The objective is an efficient and reliable system operation and with that a secure energy supply. It is most of all the reductions of the maximum load in the grid and the periodic load transfer in phases of low demand and makes it possible to re-dimension the infrastructure and achieve cost advantages.

Solar power plant: see *Photovoltaic*

Stabilization: Due to natural influences, the availability of energy from renewable sources fluctuates, most of all for wind and photovoltaic plants. Through the overlap of different energy sources and the de-coupling of the energy supply from the end-energy consumption, the energy flow can be stabilized and therefore kept constant.

Total availability: *Total availability* takes into account all events that could hinder the feed-in of electricity to the grid (technical availability, grid outages, ice and storm-related shut-downs, etc.)

Wind energy plant (WEP) or wind power plant (WPP): A *wind energy plant (WEP)* or a *wind power plant (WPP)* converts kinetic wind energy into electricity and feeds this into the electrical supply grid. This happens in that the kinetic energy from wind streams moves the rotor blades and turns them. The rotor then transfers the energy through a drive which adjusts the RPM to a generator which then converts the energy into electricity.

Windpark (WP): A *Windpark (WP)* is a local group several *windenergy plants (WEP)*.

Business Terminology

Bond: An instrument for the accumulation of external capital on the capital market with exactly specified conditions with respect to interest, period and repayment obligations, in which the receivables of the creditor are recorded in the form of securities.

Cash value: The *Cash value* is the value that a future payment stream currently holds.

Company value: The *company value* of W.E.B is determined annually by an independent financial auditor according to the DCF-method. The basis for the valuation is given by the plan calculations drafted by W.E.B management.

Corporate Governance/Codex of Corporate Governance: *Corporate Governance* is the international term for the responsible management and control of a company. The Austrian *Codex of Corporate Governance* combines all of the relevant rules for this topic in Austria. Compliance is strictly voluntary unless individual rules are legally compulsory.

Discounted Cash flow-Valuation (DCF): Describes a process of valuation especially for determining the market value of real properties. It builds on the mathematical concept of discounted interest on cash flow to determine capital value.

EBIT-Margin: The *EBIT-Margin* places the EBIT in relation to the achieved sales. It demonstrates the profitability of a company independent of the financial results, extraordinary items and taxes.

EURIBOR: The *EURIBOR* is the inter-bank lending rate for financial futures (futures investments, time deposits) calculated in Euro. This interest rate is set by representative banks (EURIBOR panel-banks; the panel current consists of 43 banks, who are characterized by active participation in the Euro-money market. The highest and lowest values are eliminated (each 15%).

Goodwill: *Goodwill* is, according to IFRS, the difference between the purchase price and the net real asset value of a company.

IAS: see *International Financial Reporting Standards (IFRS)*

Impairment Test: An *impairment Test* is a test of retention of value, at which the book value of an asset is compared with its actual market value (fair value/

realizable sum). If the latter is lower than the book value, we speak of an *impairment*.

International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS): The *International Financial Reporting Standards (IFRS)* are international rules and standards of accounting, that are applicable to companies in the EU. As a non-listed company, WEB Windenergie AG likewise prepares a corporate group financial statement voluntarily according to the IFRS in order to provide its company information in comparable form.

Loss of Value: see *Impairment Test*

Net Gearing: *Net Gearing* is an important key figure for assessing the ability of a company to resist crises, pressing a ratio between the net credit debt, calculated based on the long-term financial debts minus liquid assets, to the company's authorized capital.

Return on equity (ROE): The *return on equity* places the annual surplus in relation to the authorized capital used. It indicates to what extent the capital employed by the authorized capital investor earned interest after subtracting taxes on earnings in the given period.

W.E.B's key figures in the years through -2009 present a reporting day value through 12.31. This was not adjusted for reasons of ease of comparison with the last business reports.

Return on shares (Total Shareholder Return, TSR): Measurement of how the value of an investment in a share develops over a given period. This takes into account both the accumulated dividends in the monitoring period and any increases in exchange rates.

Third market of the Vienna stock exchange: Securities listed in the third market that are not admitted either for official trading nor to the regulated unofficial market. The third market is an unregulated market with admission criteria defined in the Stock Market Act.

Total Shareholder Return: see *Return on Shares*

TSR: see *Return on Shares*

Imprint

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www.bepublic.at

Creative Concept and Design
Markus Hörl, www.markushoerl.at

Photos
©iStockphoto.com/Turnervisual (Cover-Outside, p. 3, 4, 6/7, 17, 19, 20, 21, 35, 36, 43, 44, 46, 53, 54), Doris Bretterbauer, www.dorisbretterbauer.com (p. 1, 2 x p. 4 bottom, p. 5, cover interior back), WKO / Mark Glassner, www.markglassner.com (S. 2), ©iStockphoto.com/holgs (Vienna Riesenrad S. 4), ©iStockphoto.com/AleksandarNakic (Eiffelturm p. 20), Dieter Schewig, www.schewig-fotodesign.at (p. 22), with the kind permission of Wind Power Simonsfeld AG (p. 29), ©iStockphoto.com/MasterLu (Schiefer Turm von Pisa p. 36), Kommsolution (Graphic p. 42), ©iStockphoto.com/Grafissimo (Charles Bridge, Prague p. 44), ©iStockphoto.com/Nikada (Brandenburg Gate, Berlin p. 54), ©iStockphoto.com/daneger (p. 58)

WEB Windenergie AG (p. 9, 20 bottom, 3 x p. 24, 6 x p. 30, 36 bottom, 44 bottom, 54 bottom, 62)

Printing
Druckerei Janetschek GmbH, Heidenreichstein

This business report was prepared with great care. Typesetting and typographical errors cannot however not be excluded. There can also be mathematical differences in the numerical information owing to the use of electronic calculating aids. This business report also contains inferences and suppositions concerning future events. They were made on the basis of all currently available information. We note that the actual facts and the actual results can diverge from the expectations stated in this report owing to the a very wide variety of factors. We refer in this context also the reference to foreseeable developments as well as risks and uncertainties in the situation report starting on page 67. Translation errors cannot be excluded, too.

Personal formulations are to be understood as gender-neutral.

Editing finalized May 27th, 2012

Printed based on the Guidelines
of the Austrian Environmental Seal
„Low-pollutant printed matter“
Druckerei Janetschek GmbH · UWNr. 637


WEB

W.E.B wind energy—it's our world

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