Electrawinds SE

(Previously named European CleanTech I SE)

Société Européenne, having its registered office at 22, Rue Goethe, L-1673 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B 155076 (the "**Company**")

Annual Report y2013

1. MANAGEMENT REPORT

1.1. Electrawinds SE as listed company

1.1.1. Capital Markets information / Investor Relations

1.1.1.1. Introduction

The reverse asset acquisition which closed on October 11, 2012 resulted in a listing for Electrawinds on the Prime Standard segment on the Frankfurt Stock Exchange ("FSE"). Prior to that date, European CleanTech I SE (renamed into Electrawinds SE) was a listed 'special purpose acquisition company' with the sole purpose of merging with an operating business active in cleantech. This transaction was approved during an EGM held on September 28, 2012 and closed on October 11, 2012. Since that date the Electrawinds group is a listed company and 2013 was the first full calendar year for the Electrawinds-group as listed company.

In the course of 2013, contemplated capital reinforcement did not take place and as a result thereof, the going concern risk and search for funding dominated the corporate agenda. The execution of such capital reinforcement was crucial in order to execute the business plan and the strategy. In the absence of such operation taking place, the visibility on the business plan and its execution remained very low. As a result thereof, investor relations activities remained low profile and were mainly focused on keeping investors informed about the events, mainly via ad-hoc messages.

1.1.1.2. Outstanding securities

As of the date of this report and further detailed in the table below, the Company has the following outstanding securities:

- Shares:
  - 52,358,651 Class A shares outstanding, of which 5,328,608 shares are held as treasury shares.
  - 1,916,667 Class B shares which are convertible into Class A Shares under certain conditions and which have limited economic rights if not converted into A-Shares as explained in note 25 of the financial consolidated statements.

- Warrants:
  - 11,500,000 Class A Warrants with an exercise price of €11.5
  - 972,906 Class B Warrants with an exercise price of €11.5

Shares outstanding of the Company [a]	31/12/2013
A-Shares (excl. treasury shares)	47.030.043
B-2 Shares [b]	958.333
B-3 Shares [c]	958.334
Total Shares outstanding	**48.946.710**
A-Shares held as treasury shares	*5.328.608*
Total incl treasury shrs (voting rights denominator)	***54.275.318***

a) Each share entitles the holder thereof to one vote

b) Convertible into A-shares at a Trigger Price of €11.00

c) Convertible into A-shares at a Trigger Price of €12.00

Trigger Price: Volume-weighted average public share price, on 20 out of 30 consecutive trading days equals or exceeds €11.00 and €12.00 respectively

Warrants Outstanding of the Company [a]	31/12/2013	31/12/2012
Class A Warrants	11.500.000	11.500.000
Class B Warrants	972.906	972.906
Financial Warrants [b]	0	1.315.789
ESOP Warrants [b]	0	162.651
Total Warrants Outstanding:	**12.472.906**	**13.951.346**

a) Assuming cashless conversion; Strike-price €11.5; Cap €17.00

b) Warrants issued by Electrawinds NV, but the underlying security acquired upon the excercise of the warrant were exchangable into Class A- shares of the Company. The warrants have expired in the course of 2013.

As on the date of this report only 11,500,000 Class A shares as well as 11,500,000 Class A warrants are admitted for trading. Preparations have been initiated during 1H2013 to file a listing prospectus in order to request a listing on the Frankfurt Stock Exchange for the other 40,858,651 Class A shares, but this operation has not been finalized as this operation was linked to the capital reinforcement.

A-Shares issued by the Company	
Shares out. & admitted for trading	7,129,725
Shares out. & not yet admitted for trading	39,900,318
Subtotal: A-Shares outstanding	**47,030,043**
Treasury shares & admitted for trading:	4,370,275
Treasury shares & not yet admitted for trading:	958,333
Total	**52,358,651**

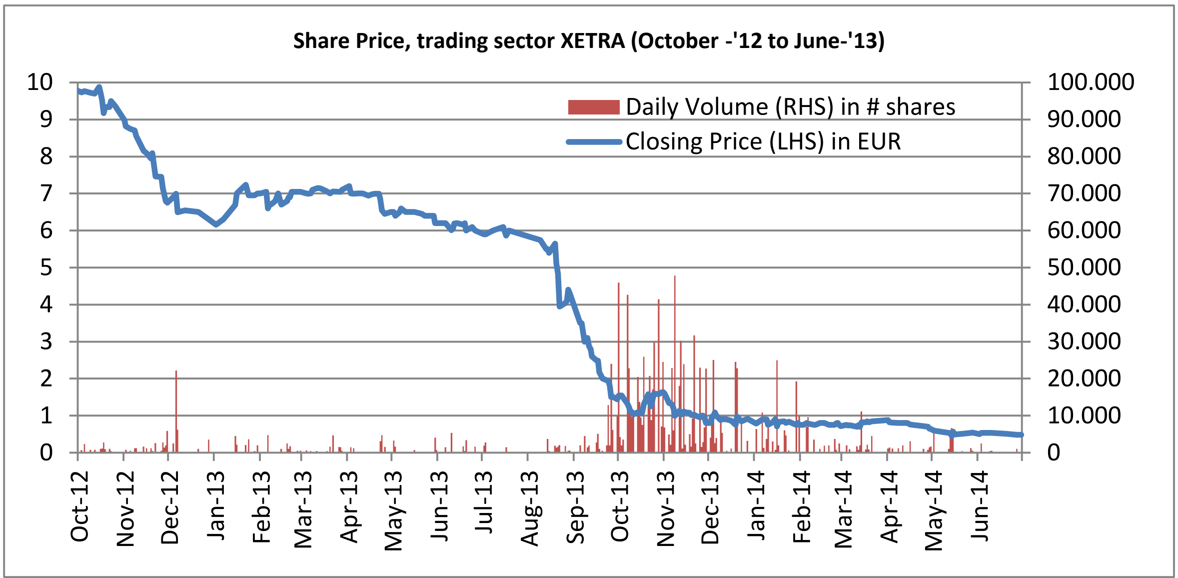
The securities admitted for trading in the financial year 2013 have the following details:

	Class A Shares	**Class A Warrants**
Ticker	EWI	EWIW
WNK	A1C4HF	A1E016
ISIN	LU0538936351	LU0538952044
#of securities adm for listing	11’500’000	11’500’000
Stock market segment	Regulated market Prime Standard	
Listing venue	Frankfurt Stock Exhange	
Designated Sponsor	Close Brothers Seydler Bank	
Specialist	Baader Bank	

1.1.1.3. Share price evolution

The listing does exist since October 2010, when the European CleanTech I SE was listed. This entity entered the consolidation scope of Electrawinds on October 11, 2012.

Just prior to the closing of the merger, the share price stood at €9.72. In the first few weeks thereafter, the share price dropped, but stabilized around €7.0 between January & April 2013. The share price dropped from €7 in mid-April to €5.5 by mid-August as Electrawinds had announced its intention to re-enforce the capital base. By the end of the summer, weak current trading as well as limited tangible progress on the capital reinforcement and widespread speculation in the (Belgian) press have caused a crash of the share price from €5.5 by mid-August to €1.0 by mid-October. After the homologation of the judicial reorganisation plan, a further drop to around €0.5 was observed. As per end-June, the share price stood at €0.485, representing a market capitalization of €23m.



The average number of traded shares on XETRA amounted to 5804 in 2013 (2012: 2236, YTD 2014: 3066). In March 2013, Close Brothers Seydler Bank AG was appointed as new Designated Sponsor in order to further enhance the liquidity of the share.

1.1.1.4. Shareholder Structure

Shareholders owning at least 5% of the voting rights as well as directors are required to make notifications to the company about transactions. This has resulted in the following overview:

Shareholder Electrawinds SE (update September 12,2014)	A Shares	B Shares	Total voting rights	% of Total voting rights (09-2014)
Winpar NV (see note #1)	14 684 353		14 684 353	27,06%
Luc Desender & Dominique Decoster	3 065 554	183 300	3 248 854	5,99%
Altizz Vermögensverwaltungsgesellschaft GmbH & Co.KG	0	81 326	81 326	0,15%
European CleanTech I Holding S.à.r.l.	889 607	66 960	956 567	1,76%
Federale Participatie - en Investeringsmaatschappij NV	3 105 127	44 000	3 149 127	5,80%
Belfius Bank	1 700 163		1 700 163	3,13%
Paul Vandekerckhove & Beatrice Steverlynck	1 829 446		1 829 446	3,37%
Mannheims Beteiligungs GmbH	0	34 854	34 854	0,06%
Paul Desender & Patricia Callewaert	325 022	889 606	1 214 628	2,24%
Subtotal of shareholders who have submitted a voting rights notification	25 599 272	1 300 046	26 899 318	49,56%
Other shareholders	13 225 299	97 000	13 322 299	24,55%
Total # of voting rights as of September 12,2014 (excl.Treasury shares)	38 824 571	1 397 046	40 221 617	
Electrawinds SE (formerly European CleanTech I S.E.) - Treasury shares	13 534 080	519 620	14 053 700	25,89%
Total # of voting rights as of September 12,2014	52 358 651	1 916 666	54 275 317	100,00%
of which admitted on the Frankfurt Stock Exchange	11 500 000	-	11 500 000	

1.2. Business development

1.2.1. Overall economic parameters:

The IMF noted that although the economic activity showed signs of stabilizing in advanced economies during the year and even accelerated somewhat in emerging market economies, it was clear that continued turbulence was likely, at least in the near term. Serious threats to global recovery during the year—faltering market confidence in Europe, the looming fiscal cliff in the United States—were averted, and financial stability grew stronger, but growth prospects remained stubbornly low, and a multiple-speed recovery emerged that threatened global recovery in an increasingly interconnected world.

1.2.2. Specific sector parameters:

1.2.2.1. Electricity:

In some counntries such as Belgium and Romania, producers of renewable electricity are exposed for part of the revenues to the evolution of electricity prices. In Belgium, an active wholesale market does exist which is organized by Belpex. Throughout 2013, the average base load spot price for electricity through the Belpex platform remained at a low level and amounted to €47.5/MWh, or a 1% increase compared to €47,0/MWh 2012. Given the existence of cross-border transmission capacity, allowing for export and import of electricity, a similar evolution could be observed in neighboring countries. The most cited reasons for this low price are:

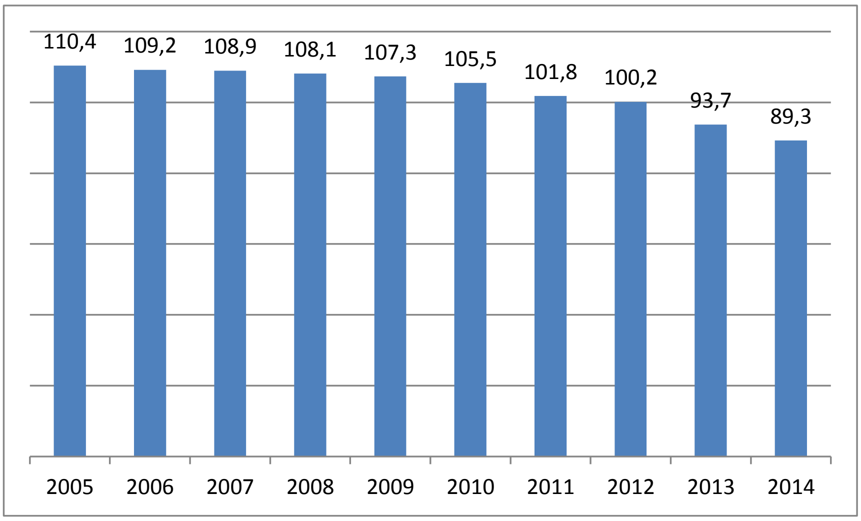
- Lower demand for electricity because the economic crisis
- Higher supply from renewable sources (mainly wind & solar)
- Cheap marginal cost for coal fired power plants as its 2 main input factors trade at very low prices: coal and carbon emission rights

Electricity generated from wind and solar is intermittent, which has an impact on the stability of the grid. Therefore, an increasing opportunity does exist for producers with flexible production capacity that is shifting from a base load modus to a peak-shaving modus.

1.2.2.2. Regulatory environment

On 27 March 2013, the European Commission published its first Renewable Energy Progress Report under the framework of the 2009 Renewable Energy Directive. Since the adoption of this directive and the introduction of legally binding renewable energy targets, most Member States experienced significant growth in renewable energy consumption. 2010 figures indicate that the EU as a whole is on its trajectory towards the 2020 targets with a renewable energy share of 12.7%. Moreover, in 2010 the majority of Member States already reached their 2011/2012 interim targets set in the Directive. However, as the trajectory grows steeper towards the end, <u>more efforts will still be needed from the Member States in order to reach the 2020 targets.</u>

But at the same time; an increasing awareness has risen about the impact of renewable energy on electricity bills and/or government budgets. This has resulted into a review of the regulatory support schemes in many countries in order to avoid overcompensation. These adjustments typically can have an impact on the regulatory support for new projects; although some side effects can have an impact on existing projects. The chart below shows the pricing for green certificates in Flanders, which remained stable between 2005 and 2010. But regulatory reforms have caused a significant drop in prices since 2011.



Source: Chart based on data from VREG, Number of bilaterally traded green certificates and average prices, 27/6/2014, p.5/14

The electricity transmission & distribution sector has to deal with the impact of an increasing share of decentralized & intermittent production from renewable sources. This leads to a higher cost and/or lower income and grid operators sometimes try to push down this burden by charging new grid fees to generators of renewable electricity. Although the 2009 Renewable Energy Directive aims to prevent and remove the existence of such barriers, such fees have been introduced in a.o. Belgium and Bulgaria.

In the sector of renewable fuel for transport, further initiatives have been taken in order to increase the sustainability. More and more countries are implementing double counting schemes which do promote the use of 2nd generation feedstock based on waste as these typically lead to the highest GreenHouse Gas ("GHG") savings. The most commonly used waste-based feedstock is Used Cooking Oils ("UCO") and cat-1 animal fats (cat 1 tallow). Volumes of biodiesel made from those feedstock counts double towards the biofuel blending mandates. In an additional effort to promote sustainable biofuels, the European Commission has launched a proposal to limit the use of first generation biodiesel based on vegetable oils such as rapeseed oil, soy oil or palm oil. More specifically, a cap of 5% is proposed. The proposal is at this date not yet adopted. If the proposal is adopted, the 10% blending target to be achieved by 2020 will need to come from a much higher share of next-generation biofuels such as waste-based biodiesel from UCO or tallow.

1.3. Results of operations, net assets and financial position

1.3.1. Results of operations

Total sales of the Group increased from €108.26mio in 2012 to €129.7mio. The increase is mainly attributable to the Bio segment, which invoiced more biodiesel sales, and also attributable to higher sales in the Wind segment.

The Wind segment increased sales by 155% to €37.6mio in 2013 (2012: €32.6mio). The Solar segment showed a slight increase in its revenue to €3.0mio in 2013 (2012: €2.8mio). The Bio segment substantially increased its sales from €67.2mio to €88.3mio in 2013 (+31,4%) due to the increased production level of biodiesel throughout 2013.

The consolidated EBITDA decreased from €28.1mio in 2012 to €18.2mio. Depreciations, amortizations and impairments dramatically increased by €98.9mio to €130.3mio in 2013 compared to €31.5mio in 2012. This increase is mainly due to impairments booked on Bio segment (€53mio), Wind segment (€ 15mio). The operating result for 2013 amounts to a loss of € -113.1mio versus € -3.6mio in 2012.
The Earnings before taxes for 2013 amount to a loss of € -137,5mio (2012: loss of € -40.8mio) including interest charges of €27.3mio (2012: €25.3mio).
The income tax charge for 2013 includes an impairment charge of the deferred tax assets amounting to €15.4mio.

The Result of the year 2013 amounts to a net loss of € -153mio versus €-42.9mio in 2012.

1.3.2. Segment reporting

1.3.2.1. Bio

External sales in this segment increased from €67.2mio in 2012 to €88.3mio in 2013. In 2013, EBITDA reached €3.1mio against €13.6mio in 2012. EBITDA in this segment was negatively impacted by high raw material costs (liquid biomass input cost for both electricity generation as well as for 2nd generation biodiesel production) and low sales prices of electricity. The Bio segment has been impacted negatively by an important impairment charge amounting to €53mio due to substantially less favorable prospects for this segment.

1.3.2.2. Wind

In the Wind segment, sales increased from €32.6mio in the previous year to €37.6mio in 2013 (+15.3%). EBITDA increased from €25.1mio to €28.9mio (+14.9%). The increase of the sales can be explained by the contribution of the Ballycadden wind farm in Ireland and better performance in France. Sales revenues were marked by moderate grey electricity prices as well as a moderate d green certificates prices.

1.3.2.3. Solar

The Solar segment achieved sales of €3.0mio during the reporting period (2012: €2.8mio) and an increased EBITDA of €2.4mio (2012: €2.3mio).

1.3.2.4. DCPM

The DCPM (Development, Construction and Portfolio Management) segment reported €0.8mio revenues compared to €5.5mio in 2012. The decrease is attributable to the reduced sales of electricity via Electrawinds Distributie NV on Belpex and the decrease of external management and development fees.

1.3.3. Balance sheet positions

As of December 31, 2013, the total assets of Electrawinds SE amounts to €365,7mio, compared to €561.4mio at the end of the previous reporting period.

Non-current assets amounting to €284,96mio in 2013, compared to €462.6mio in 2012, include intangible assets – projects in development – of €1.6mio (2012: €19.7mio) and tangible assets of €270mio (2012: €393.6mio). Goodwill decreased by €16.7mio mainly due to the impairment charge taken in 2013 following the substantially lower prospects.

Current assets amount to €80.8mio against €98.8mio in 2012. Inventory decreased by €19.4mio to €4.0mio. The decrease in inventory is mainly attributable to the transfer of the inventory of liquid biomass to the ADB Joint-Venture for the biodiesel sales production started in Q4-2013. Receivables increased (2013: €36.4mio against 2012: €24.9mio) due to the sales of liquid biomass in the Bio segment still outstanding at the reporting date. Cash and cash equivalents ended on December 31, 2013 with a balance of €29.2mio (2012: €37.5mio) of which €25mio was restricted.

Non-current liabilities decreased from €286.5mio to €217,9mio. On one hand the decrease is attributable to the fact that part of the subordinated loans of €27.9mio became current liabilities and that bank debt and leasing debt was further amortized in the different operational subsidiaries.

Current liabilities increased from €189.4mio to €220,2mio largely resulting from the subordinated loan (€74.9mio outstanding at the reporting date) becoming current including capitalized interest, and the increase of short term trade payables (+€8.2mio).

As at December 31, 2013, equity representing Electrawinds SE was negative amounting to €-72.5mio.

Net financial debt as at December 31, 2013 decreased by €38.4mio, from €361.3mio to €322.9mio.

1.3.4. Capital expenditures

Capital expenditures dropped from €79.6mio in 2012 to €10.6mio in 2013.

1.3.5. Employees

The headcount decreased from 244 on December 31, 2012 to 210 per end of 2013 (-12,5%). Whereas the headcount in operations (mainly biomass) remained stable, the headcount declined predominantly in business development activities.

On the reporting date, 122 staff members were employed in Belgium (2012: 153), 1 in Italy (2012: 8), 5 in France (2012: 6), 50 in Eastern Europe (2012: 53) and 32 in other countries (2012: 24) of which 30 in The Netherlands (2012: 23).

1.4. Major events

1.4.1. In the reporting period

The main events during the reporting period were mainly twofold :

- Capital re-enforcement of the Group's balance sheet
- Asset divestments & cost reductions actions implemented in order to provide necessary liquidity for going concern

Capital re-enforcement of the Group's balance sheet

- End-January 2013: The decision was taken to investigate a substantial capital raising exercise. An investment bank advisor was appointed to assist the Company in this capital raising/restructuring exercise. Proceeds of the capitals raising were to be used to finance the ready-to-build pipeline and to anticipate on the (subordinated) debt maturities of March 2013 (subordinated loan of DG/Infra+ NV of March 2008) & December 2013 (subordinated loans raised between December 2008 and August 2011 from DG Infra+ NV, Participatiemaatschappij Vlaanderen NV and the Gimv-parties (Gimv NV, Gimv-XL Partners Comm. VA, Adviesbeheer Gimv XL NV).
- 30 March 2013: Agreement to extend the repayment of the March 2008 subordinated loan of DGinfra+NV with 3 months from 30 March 2013 to 30 June 2013.
- 22 April 2013: Formal decision to reinforce the capital base with an amount of €100-150m through a combination of a conversion of subordinated debt into equity, a private placement with new cornerstone investors and a public equity raising at Euronext Brussels. The liquidity risk section of the annual report FY2012 further listed the necessity of this operation in order to safeguard the going concern.
- May 2013: FPIM (€2.5m) and Groenkracht (1.25m) have provided bridge loans to Electrawinds SE in order to cover the short term liquidity needs of Electrawinds NV and Electrawinds SE.
- 28 June 2013: In the course of 1H2013, frequent & extensive discussions took place with the senior lenders of Electrawinds NV (KBC, Belfius, ING & BNP Paribas Fortis) who requested a reduction of the short term unsecured credit lines of €42m. Based on the Board of Director's positive assessment about the likelihood of a successful capital reinforcement, Electrawinds NV agreed to sign a conditional waiver and extension agreement on 28 June 2013 whereby the short term credit facilities have been extended till mid-December 2013 subject to an extensive package of conditions:
    - Implementation of an extensive security package: share pledges on certain group subsidiaries and a pledge on most intra-group receivables on subsidiaries and on Electrawinds NV's bank accounts.
    - Availability of €10.0m extra bridge funding
    - Signing of a Memorandum of Understanding between reference shareholders & most subordinated debt holders
    - Stand-still agreements with subordinated creditors
    - Continuation and execution of divestment plan in the course of 2H2013
    - Preparations & execution of a ECM operation in the course of 2H2013
    - Strict control over the liquidity of Electrawinds NV

- 28 June 2013: standstill agreements (incl the capitalization of interest payments) have been signed with subordinated creditors subject to the granting of 2nd ranking security interests to the subordinated creditors.
- 1 July 2013: Vlaamse Energieholding CVBA (VEH) provides a €10.0m bridge loan (till 31 December 2013) secured by a second ranking pledge on part of Electrawinds NV's shares owned in Electrawinds Biostoom NV
- 2 July 2013: A Memorandum of Understanding has been signed between Winpar NV, FPIM, DG Infra+, Gimv & PMV in the presence of Electrawinds SE. This conditional plan foresaw a.o. in a substantial amount of new equity with new and existing investors, the potential conversion into equity of part of the existing debt of the group and the deleveraging of the group. As part of this negotiation, a decision was made to update the business plan consisting of the following key components:
    - Increased focus & efficiency in development & operations: Focus on selected geographical clusters (Belgium/France; Serbia/Romania & Kenya) and technologies (wind & vertically integrated biomass). This focus will enable the Electrawinds to reduce its cost base and to generate liquidity from the divestment of non-core assets (e.g. solar activities).
    - Governance: Changes to the structure of the board of directors and management team. Mr. Luc Desender will act as chairman of an Executive Committee and will also be responsible for strategy, innovation & technology; and a new CEO, still to be hired, will be appointed. For the avoidance of doubt: as the MoU has not been implemented, these proposed governance changes took no effect.
    - Financial strategy: Deleveraging of the holding and funding of new equity in projects through excess cash flows & partnerships. Over time, a sustainable dividend policy is targeted based on excess cash flows from a growing asset base in selected markets.
- 14 October 2013: Electrawinds provided an update to the market about a.o. its ongoing cost reductions and the divestment of the Belgian Solar assets (which generated liquidity to cover short term needs). Throughout 3Q2013, the search for cornerstone investors had continued in an intensive way and the Board was confident that certain promising discussions with new cornerstone investors could be completed successfully.
- 22 October2013: As discussions with certain potential cornerstone investors had unexpectedly ended, the ambitions laid out in the MoU could not be achieved and discussion continued with the main shareholders and debt providers of Electrawinds NV about a less ambitious business plan requiring a lower amount of fresh money.
- 21 November 2013: A consortium of Electrawinds' most important subordinated creditors, certain existing shareholders (the Gimv-parties & PMV) and 1 new investor (Fortino) made an investment proposal to safeguard

the going concern of the Electrawinds group. As this proposal left very little value for existing shareholders, several reference shareholders did not accept this proposal and as a consequence, the investment proposal had been withdrawn on 24 November.

- 28 November 2013: Intensive discussions were held amongst the main stakeholders, leading a.o. to an indicative proposal from reference shareholder Winpar to split the group's assets & liabilities.
- 6 December 2013: the deadline in the conditional waiver and extension agreement had lapsed and certain waiver termination events had occurred. As a consequence, the senior creditors of Electrawinds NV had cancelled their credit facilities. In the absence of any agreement amongst the key stakeholders, the senior creditors showed no flexibility to apply the proceeds of the Ballycadden divestment (signed on 28 November) to cover the short term liquidity needs. The senior creditors also announced that existing securities would be enforced.
- 9 December 2013: The Board of Directors decided to apply for a judicial reorganization for Electrawinds SE and Electrawinds NV under the law of 30 January 2009 (Wet Continuïteit Ondernemingen / Loi Continuité Entreprise) and a filing was made in this respect.
- 13-18 December 2013: Efforts to divest certain assets had been intensified. The divestments of Ballycadden and the Belgian solar assets had been completed and several indicative bids had been received for Electrawinds Biostoom NV, a substantial positive contributor to the consolidated results. However, the Gimv-parties opposed against this divestment arguing that such divestment would impede the possibility to relaunch any Gimv/Fortino rescue plan within the WCO framework. Gimv started an 'urgent' procedure in front of the Commercial Court in Ostend which resulted on 13 December 2013 in a Court order to put on hold all divestments (against a penalty of €25m for each infringement). After having heard the different parties, including Bionerga (bidder for Biosteam asset) and Winpar, the Court lifted the ban on divestments on 18 December arguing that divestments can be crucial to safeguard the going concern.
- 19 December 2013: During a Court session to discuss the request to be allowed into a judicial reorganization procedure, Tecteo communicated its intention to establish an industrial partnership and to invest ca €50m in this respect.
- 26 December 2013: The court decided to grant protection against creditors for a period of 3 months till 27 March 2014 in order to work out a reorganization plan which had to be submitted by 20 February 2014. The Court furthermore decided to replace LDS NV, represented by Mr. Luc Desender, as board member with executive powers by the 3 appointed judicial trustees because the Court questioned the ability of LDS NV to act solely in the interest of the company (its fiduciary duty as board member) as

certain obligations with private financiers might force LDS NV to act in his personal interests. The Court concluded that LDS NV and Mr. Luc Desender had not acted as a normal director and pointed out that severe shortcomings have been observed which were not necessarily erroneous/wrong.

Asset divestments & cost reduction actions implemented in order to provide necessary liquidity for going concern

By mid-2013, Electrawinds implemented a focus on selected development markets (Belgium, France, Serbia, Romania, Kenya) in only 2 technologies (wind & biomass) with a view to increase efficiency and hence substantially reduce costs.
The non-core solar assets became eligible for divestment with a view to obtain the necessary liquidity to ensure the going concern

In September 2013, AD Biodiesel SAS was established, a partnership between Diester, Akiolis, Mindest and Electrawinds (for 20%), whereby the in-feed of liquid biomass as well as the off-take of 2nd generation biodiesel was strengthened and the funding of the working capital was transferred from Electrawinds to AD Biodiesel SAS.

The Ballycadden wind farm and the solar assets in Belgium were divested in Q4-2013.

1.4.2. Post balance sheet events

- 2 January 2014: The senior lenders made available an emergency credit of €1.0m mainly used to pay salaries (incl. social security contributions) and crucial suppliers in order to secure the going concern. A floating charge of €10.0m has been implemented as requested by the lenders on top of the existing extensive security package.
- 20 January 2014: The Board of Directors had approved the offer of Bionerga to divest its 80% stake in Electrawinds Biostoom NV. As divestment proceeds were pledged to the senior creditors, an agreement had to be reached with the senior creditor in order to avoid that all proceeds would be used for senior debt reimbursement (as a consequence of the default & acceleration situation). Proceeds have been used to repay the emergency credit, the VEH bridge loan from 1 July 2013 and to reduce the short term credit facilities. An amount of €3.75m remained available to fund ongoing expenses till the end of the WCO protection period.
- 12 February 2014: Tecteo has been conducting due diligence since the beginning of January and presented on 12 February its investment offer. The Board of Directors rejected this offer as this was perceived as an offer on selected assets (mainly wind Belgium & France + related operational teams) as opposed to a recapitalization offer for the group.

- 18 February 2014: Gimv and PMV (2 large subordinated creditors) have launched an investment proposal to carve-out selected assets & liabilities from Electrawinds into a NewCo.
- 20 February 2014: Electrawinds files its reorganization plan which is based on the investment proposal made by Gimv & PMV. This plan will be submitted to a vote on 13 March 2014
- 5 March 2014: Tecteo launches a procedure to suspend the reorganization plan filed on 20 February arguing that a positive vote and homologation would be highly uncertain, citing a.o. that Groenkracht (whose positive vote is required) rejects the plan. Tecteo subsequently initiated negotiations with all stakeholders.
- 13 March 2014: Electrawinds withdraws the reorganization plan and the scheduled vote did not take place. Tecteo and Gimv/PMV have negotiated about a transfer of the subordinated loans to Tecteo. Based on this new event, Electrawinds and Tecteo have requested that the WCO (running till 27 March) would be extended with another month which would allow all parties to prepare and submit a new reorganization plan.
- 20 March 2014: The extension request is discussed by the Court but not yet approved as all parties involved had not yet reached binding agreements. Such binding agreements were crucial in order to have access to bridge funding from Tecteo, and the availability of such bridge funding was required to extend the WCO period with one month.
- 25 March 2014: As binding agreements amongst all parties had been reached on 24 March 2014, the Court approves the extension with 1 month.
- 27 March: A new reorganization plan, based on the Tecteo proposal and related agreements with the different stakeholders, is filed. This plan was submitted to a vote amongst creditors on 17 April 2014
- 22 April 2014: The Commercial Court homologates the positive vote of 17 April 2014 and herewith validated the reorganization plan.
- 28 May 2014: After appeal periods have ended, legal closing takes place with the signing of an Asset Transfer Agreement which transfers certain assets & liabilities from Electrawinds NV and Electrawinds SE to Elicio NV, the NewCo incorporated by Tecteo in this respect. In accordance with Belgian law part of this agreement needs to be further formalized as a transfer of branch, certain employees included.
- 14 July 2014: The transfer of branch from the NV Electrawinds to the NV Elicio is formalized.
- Period August – September – October 2014: the move to the new headquarters of the NV Electrawinds in the Fortstraat 27 at BE-8400 Ostend and the practical reorganization is executed.
- 29 October 2014: an agreement was signed in relation to the sale of the whole bioliquids segment of the Group to the Biopower Holding, a company incorporated under the laws of the Grand Duchy of Luxembourg and

controlled by Mr. Bertrand Bornhauser, the controlling shareholder of Mindest Holding, a company organized under the laws of Switzerland having its registered office at Chemin du Foron 16, CH-1226 Thonex. The bioliquids segment consists of:

- Electrawinds-Biomassa NV;
- Electrawinds Storage NV;
- Electrawinds Biomasse Mouscron;
- 70% of the shares in Electrawinds Refuel B.V., together with 100% of the shares in its fully owned subsidiary Electrawinds Greenfuel B.V.;
- 20% of the outstanding sharecapital in ADB Biodiesel SAS;
- Electrawinds- Distributie NV;
- 50% of the shares of Electrawinds Greenpower Oostende SA.

Upon closing of this agreement, which is subject to the completion of certain conditions precedent, this shall result in a debt reduction for the Group of 18.5mio EUR.

Further divestments are foreseen during the next months in the different countries NV Electrawinds is active and will be communicated as they are approved and finalized.

Asset divestments & cost reduction actions implemented in order to provide necessary liquidity for going concern

- On 20 January 2014, the Electrawinds SE Board of Directors approved the sale of its stake in Electrawinds Biostoom N.V.(80% shareholding) to Bionerga for € 37.5mio. These proceeds were used to repay the € 10mio V.E.H. bridge loan facility, substantially reduce the 4 bank credit facilities of Electrawinds N.V. with the remainder of € 3.75mio left to fund the operational expenditures until the end of the WCO-period.
- In Q1-2014, Electrawinds divested its stake (64%) in Energo Zelena, a 150k ton rendering facility in Serbia, to Saffelbergh Investments against the transfer of a related credit facility and guarantees.

1.5. Opportunities and risks

The Electrawinds Group is exposed to numerous risks and opportunities as part of its business activity.
The risk management strategy of the Group focuses on early and systematic detection and control of risks and to also take benefit from opportunities resulting from operating activities or improved market conditions.
The Electrawinds Group manages the risk throughout a set of measurements such as organizational structures, a framework of risk principles, risk measurement and monitoring processes. The underlying requirement is that the risks must always remain transparent and manageable.

1.5.1. Opportunities

The Board of the Group regularly debates the Group's strategic opportunities. The task of the Group's Board and management is to identify opportunities at the operational level and attain a better-than-expected earnings performance where possible.

1.5.2. Operating risk

The Electrawinds Group operates power generation equipment which, primarily in its biomass division, involves the handling of products or byproducts that are hazardous or potentially hazardous and may harm the environment. Therefore, the Electrawinds Group is subject to certain laws and regulations designed to control hazardous activities and prevent and control pollution and restore and protect wildlife and the quality of the environment.

The Electrawinds Group's main assets include, among other, wind turbines, biomass incinerators, transformers and interconnection infrastructure. Operating these assets involves risks of malfunction or unexpected service interruption as a

result of events beyond its control, including accidents, equipment or control system malfunctions and breakdowns, manufacturing defects in plant components, natural disasters, terrorist attacks and other similar events.
The Electrawinds Group is of the opinion that all plants and other assets have full approvals of operations from the authorities.

1.5.3. Regulation risk

Currently, the development and profitability of renewable energy projects is significantly dependent on the existence of **regulatory frameworks and policies** in support of such development. Some countries by regulation have provided various incentives for electricity production from renewable sources. In particular, the European Union and its principal member states, including Belgium, France and Italy, have adopted policies actively supporting renewable energy. These include measures such as:
• requirements that a specified minimum proportion of the electricity sold by distributors has to be produced from renewable energy sources or taxes on electricity produced from fossil fuels;
• ''green certificate'', or ''feed-in tariff'' programs in which electricity produced from renewable energy sources may be sold at guaranteed minimum prices;
• subsidies; and
• tax incentives such as investment credits and accelerated depreciation of assets.
Some of the currently applicable incentives have a fixed duration and may expire in the next several years. There can be no assurance that other incentive policies will not be modified, that the regulatory measures supporting renewable energy sources will not be repealed in the future or that the Electrawinds Group will continue to benefit, with respect to production from new or existing plants, from the type and level of currently applicable incentives.

The Electrawinds Group operates in a **highly regulated sector**. Its companies are subject to numerous laws and regulations in each of the countries in which they operate. The Electrawinds Group's renewable energy projects must comply with numerous legal and regulatory provisions. Among other things, these regulations relate to the design and construction of power plants (including obtaining building permits and other administrative authorizations), the operation of power plants, protection of the environment, including laws and regulations regarding protection of the landscape and noise pollution. These regulations significantly affect the manner in which the Electrawinds Group operates its business. Other areas of regulation affecting the Electrawinds Group include occupational health and safety, labor relations, competition, taxation, duties and levies.
The regulatory framework varies from country to country and is subject to changes that are difficult to foresee and which may have a negative effect on the Electrawinds Group.

1.5.4. Procurement risk

The Electrawinds Group's biomass projects require third party sourcing of feedstock to produce energy.

The Electrawinds Group's liquid biomass facilities include treatment and refining facilities that allow the use of a range of feedstock. These projects primarily use crude tallow as feedstock, although they may also use palm stearin and used cooking oils. The prices of tallow can fluctuate significantly over time. In addition, the supply of feedstock could be disrupted and, although the Electrawinds Group's projects generally maintain stocks of tallow, a sustained disruption could interfere with the production of energy at the liquid biomass facilities.
The Electrawinds Group's solid biomass operations depend on a regular source of solid biomass feedstock to operate at optimal levels. Although the Electrawinds Group has entered into long term contracts with several suppliers for the regular delivery of feedstock in sufficient quantities to meet its solid biomass fuel requirements, there can be no assurance that it will be able to renew these contracts or enter into new contracts on acceptable terms after the initial term.
Furthermore, the availability and price of biomass feedstock may be negatively affected by a number of factors largely beyond the control of the Electrawinds Group, including interruptions in production by suppliers, decisions by suppliers to allocate feedstock to other parties (which may include competitors of the Electrawinds Group), price fluctuations, increasing transport costs, climate and labor shortage.

1.5.5. Price risk

Purchase price of raw materials
The major raw materials are Tallow for the Biofuel plants and refuse derivated fuel ("RDF") for the bio steam plant. The price evolution and the continuation of delivery of the raw material are a major business risk. In order to control this risk long term delivery agreements have been concluded with the different suppliers. Over the last three years, the price per ton for crude tallow has fluctuated significantly, based on availability and demand. Significant increases in the market price of tallow will likely increase the Electrawinds Group's power generating costs, although the Electrawinds Group built a rendering plant in Serbia to produce crude tallow that can be sold at market rates, thus creating a partial hedge against increases in tallow prices.

Electricity price
In a number of countries (including Belgium) where the Group is active, it is exposed to the risk of changes in the price of electricity. Electrawinds can opt to fix the price with its suppliers for the coming quarters up to maximum 1 year.
In addition, the company uses derivative financial instruments to hedge its exposure to fluctuations in the price of electricity.
Interest rate, currency risk and liquidity risk

The Electrawinds Group is exposed to interest rate risks as part of its business activity. Derivative financial instruments are used in order to limit the interest rates risks. This relates to specific hedging of the risks arising from operational business. Financial instruments entered into and yet to be entered into are monitored at the Company's operational headquarters in Ostend.

The Electrawinds Group transacts the vast majority of its business in euro, and the capital expenditures and financing related to the development and construction of its projects are generally denominated in euro, including with respect to projects located outside of the euro zone. However, the operating revenue it generates from these projects, including those in Bulgaria, Romania, Serbia and South Africa, are in currencies other than euro, and it has projects under construction and in the pipeline in countries that do not use the euro as their functional currency. As a result, differences in the exchange rate between these local currencies and euro may affect the amount of operating revenue available to the project companies to make payments on their mainly euro-denominated debt.

Liquidity risks

Liquidity risks arise where payment obligations cannot be fulfilled or refinanced, can be partially fulfilled, or are fulfilled late due to a lack of liquidity. This risk is further detailed in note 39.

The Groups' bank accounts are all operated and managed from its headquarters.

1.5.6. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.
For the risk control assessment of customers, the Group takes into account past experience, its financial positions and other objective parameters. Accounts receivable are regularly monitored.
The Group evaluates the concentration of risk with respect to trade receivables as low.
The credit risk for cash and cash equivalents and derivate financial instruments is considered moderate, since the counterparties are reputable banks with high quality external credit ratings.

1.5.7. Personnel risks

Seen the reduced activities and scope of the group, the personnel risk is rather reduced. The availability on the market of qualified people since the overall reduced sustainable energy activities in our region, is abundant

1.5.8. IT Risks

The Electrawinds Group is dependent on technology for the efficient operation of its business. Apart from installations responsible for the production of electricity, the Electrawinds Group uses information technology systems for tracking the progress of its projects and monitoring its operations.

The computer and communications systems on which the Electrawinds Group relies could be disrupted due to various events, some of which are beyond the Electrawinds Group's control, including accidents, natural disasters, power failures, terrorist attacks, equipment failures or control system malfunctions and breakdowns, manufacturing defects, hardware and software failures, malicious software, computer viruses and hacker attacks, which in turn may lead to production downtimes with high losses or prevent the Electrawinds Group from utilizing its assets in the most efficient way.

Therefore the Electrawinds Group invests in continuous development of IT systems in order to ensure functionality and increase efficiency of the processes.

1.6. Expected development

Outlook y2014 – H1 2015

Via the execution of the reorganization plan Electrawinds has been able to secure its continuity and diminish its liabilities in a significant manner (cfr. footnote 39 on the significance of the debt reduction).

Electrawinds shall further focus on carefully selected core markets and optimize the remaining assets in its portfolio, with the determination of the usage of the proceeds resulting from the income out of earn-outs that are further to be set forth in H1 2015 for further debt reduction and general corporate purposes and Electawinds shall continue to follow this course during the following months (cfr. also note 40).

The daily management of the Company is currently under the supervision of the Chairman a.i. of the SE Electrawinds, namely the BVBA PDS Consulting, represented by Mr. Paul Desender and the new Chairman of the NV Electrawinds, the BVBA Clercus, represented by Mr. Guy De Clercq.

1.7. Corporate governance

Corporate governance consists of a set of rules and conduct in accordance with which companies are managed and controlled. It involves mechanisms by means of which company managers ensure the due and proper running and performance of the company. The company is expected to protect the assets of the shareholders and in the long term the interests of the company and those of the shareholders should converge.

Good corporate governance ensures transparent and responsible company management that focuses on long-term success and therefore also reinforces the confidence of customers, shareholders and investors. The Board of Directors are naturally committed to the principles of proper and responsible company management.

The Company follows the ten principles of corporate governance of the Luxembourg Stock Exchange (the 'Ten Principles of corporate governance'), which came into effect on January 1, 2007.

The Ten Principles of corporate governance and their recommendations became an integral part of Electrawinds' business practice, contributing to the quality of our management and thereby building investor confidence.

Electrawinds' corporate governance covers the organization of the control and management of the Group. The term is also used in a narrower sense, to refer to the relationship between shareholders and management, and in particular the operation of the company’s board. Electrawinds has developed an effective model of corporate governance that enables the company to take advantage of opportunities that may arise, whilst at the same time instituting the necessary controls over the associated risks. The rules and standards of corporate governance are considered to be important factors in the creation of prosperous market economies.

1.8. Takeover law

The following disclosures are made in compliance with Article 11 of the Luxembourg Act of May 19, 2006 (the "Takeover Law")

Shares

The share capital amounts to EUR 1,302,607.63, represented by (i) 52,358,651 redeemable Class A shares listed on the Frankfurt stock exchange [I do not know how many treasury shares you hold at the moment], (ii) 958,333 redeemable Class B2 Shares and (iii) 958,334 redeemable Class B3 Shares.

The Class B2 and Class B3 shares are automatically converted into Class A shares when the conditions as set out in article 17 of the consolidated articles of association of December 21, 2012 are fulfilled. A copy of the articles of association can be found on http://ewi.electrawinds.eu/articles-of-association.asp

Class of shares	Number of shares	%
Class A	52 358 651	96.47%
Class B2	958 333	1.77%
Class B3	958 334	1.77%
Total	**54 275 318**	**100.00%**

Rights attached to shares

Each Share entitles the holder thereof to one vote.
All Shares carry equal rights as provided for by Luxembourg Law and as set forth in the Articles, including rights to receive dividends (if declared) or liquidation proceeds. However, each Class A Share is entitled to the same fraction of (and the Class B Shares are entitled to none of) any dividend distribution in excess of EUR 0.01. (Article 29).

In accordance with the Luxembourg Law of January 11, 2008, as amended (the "Transparency Law"), holders of voting rights in the Company are required to notify the Company and the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) without undue delay, and no later than within four trading days, of the level of their holdings if they reach, exceed, or fall below certain thresholds.. The thresholds, as set out in Article 8 of the Transparency Law, are 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3% of the Shares. The notification obligation also applies in defined cases in which a person is entitled to acquire, dispose of or exercise voting rights, as set out in Article 9 of the Transparency Law.

Restriction on voting rights

Each share issued and outstanding in Electrawinds SE represents one vote.
The Articles do not provide for any voting restrictions. Shareholder votes are exercisable by the persons who are shareholders on the record date as further set out in Article 8.4 of the Articles, and proxies must be received by the Company a certain time before the date of the relevant shareholder meeting, as set out in Article 12 of the Articles. In accordance with the Articles, the Company's Board of Directors may determine such other conditions as must be fulfilled by shareholders who take part in any meeting of shareholders in person or by proxy.

The Company recognizes only one holder per Share. In case a Share is owned by several persons, they must designate a single person to be considered as the sole owner of such Share in relation to the Company. The Company is entitled to suspend the exercise of all rights attached to a Share held by several owners until one owner has been designated.

In accordance with Article 28 of the Transparency Law, the exercise of voting rights related to the Shares exceeding the fraction that should have been notified under the respective provisions is suspended. The suspension of the exercise of voting rights is lifted the moment the shareholder makes the relevant notification.

Special control rights

There are no special control rights attaching to any of the shares, other than in respect to the declaration of dividend and interim dividend as set out in Article 29 and Article 30 of the Articles of Association.

Share transfer restrictions

The Class B2 and B3 shares are subject to restrictions as set out in Articles 17 and 18 of the Articles of Association.

Contractual transfer restrictions

Other than the provisions set out in Article 8 of the articles of association, Electrawinds SE is not aware of any factors, including agreements between shareholders, which may result in a restriction on the transfer of securities or voting rights.

Significant shareholdings

The Company holds 5,328,608 Class A shares, or 9.82% of the total outstanding shares, as treasury shares.

The current major shareholders (more than 5%) known to Electrawinds SE are set out as below:

Shareholders	Amount of shares notified	%
Winpar NV	14 684 353	27,06%
Luc Desender & Dominique Decoster	3 248 854	5,99%
Federale Participatie - en Investeringsmaatschappij NV	3 149 127	5,80%
Treasury Shares	14 053 700	25,89%

System of control of the employee share scheme where control rights are not exercised directly by the employee

Electrawinds SE does not currently operate such employee share scheme.

Board of directors

The Board of directors is at this date formally composed as follows:

- BVBA PDS Consulting, with its registered seat at BE-8200 Bruges, Baron de Serretstraat 61, registered under company n° 882.258.649, represented by Mr. Paul Desender;
- NV Winpar, with its registered seat at BE-1130 Brussels, Bourgetlaan 42, registered under company n° 899.511.088, represented by Mr. Luc Desender;
- NV Federale Participatie- en Investeringsmaatschappij, with its registered seat at BE-1050 Brussels, Louizalaan 32/4, registered under company n° 253.445.063, represented by Mr. Rudi Vandervennet.

Certain mandates shall need to renewed and certain members of the Board shall need to be further appointed/replaced by the GM. Reference is made to the draft minutes of the AGM as available on http://ewi.electrawinds.eu/

Appointment of Board Members, Amendments to the Articles of Association

The appointment of Board members is subject to Luxembourg law and Articles 21 and 22 of the Articles of Association. The Articles are amended in accordance with Luxembourg law and Article 14 of the Articles.

Powers of the Board of Directors

The Board of Directors is vested with the broadest powers to take any actions necessary or useful to fulfill the Company's corporate object, with the exception of the actions reserved by law or by regulation or the Articles to the general meeting of shareholders.
The Board of Directors is authorized to issue Class A Shares and Class B Shares regardless of whether such Shares are paid for in cash or in kind, to grant options to subscribe for Shares and to issue any other instruments convertible into Shares within the limit of the authorized share capital of the Company, to such persons and on such terms as the Board sees fit, and specifically to proceed to such issue without reserving a preferential subscription right for the existing

shareholders during a period of time of five years from the date of publication of the resolution of the exceptional general meeting of shareholders taken on December 20, 2012 in Luxembourg.

The effect of a takeover bid on significant agreements

Electrawinds SE is not party to any significant agreement which takes effect, alters or terminates upon a change of control of the Company following a takeover bid.

Agreements with Directors and employees

No agreements exist between Electrawinds SE and its Board of Directors or employees that provide for compensation if the Board members or employees resign or made redundant without valid reason, or if their employment ceases due to a takeover bid for the Company.

1.9. Responsibility statement

In accordance with Article 3(2) c) of the Transparency Law the undersigned confirm that, to the best of their knowledge, the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and of the undertakings included in the consolidation taken as a whole. The undersigned further declare that, to the best of their knowledge, the Management Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with the description of the principal risks and uncertainties they face.

Luxembourg, 5 November 2014

On behalf of the Board of Directos of the Company,

Mr. Paul Desender,
acting as permanent representative of PDS Consulting BVBA BVBA,
Chairman a.i. of the Board of Directors of Electrawinds SE

1.10. Forward looking statements

This annual report contains forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology. Forward-looking statements speak only as of their date and include statements relating to expectations, beliefs, future plans and strategies and anticipated results thereof, anticipated events or trends and similar matters that are not historical facts. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements including, but not limited to, the risk factors described in the Prospectus. Electrawinds SE does not intend, not shall it undertake, to update any of these forward-looking statements. Past performance is not necessarily indicative of future results.

1.11. Financial Calendar

The publication of the outstanding financial statements Q1 en H1 2014 are targeted by the 31st of January 2015 and the financial statements in relation to Q3 2014 is targeted by the end of February 2015.

After the publications mentioned above the Company will be entirely up to date in relation to the publication of financial statements.

2. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement for the year ended 31 December

'000€	Notes	December 31, 2013	December 31, 2012
Sales	7	129 703	108 156
Other operating income	7	3 334	4 660
Total operating revenue		**133 037**	**112 816**
Raw materials		-63 169	-40 684
Services and other goods		-34 197	-34 948
Employee benefits	8	-13 133	-13 958
Depreciation, amortisation & impairments		-130 381	-31 477
Depreciation		*-25 949*	*-27 419*
Impairments		*-104 431*	*-4 058*
Provisions	28	-1 034	-215
Capitalized development costs		3 029	7 744
Other operating costs	10	-7 328	-2 885
Total operating costs		**-246 214**	**-116 423**
EBITDA		**18 238**	**28 085**
Operating result		**-113 177**	**-3 607**
Share of result from equity accounted investments		-2 937	-2 086
Interest charges	9	-27 332	-25 373
Other financial charges	9	-5 155	-7 440
Other financial income	9	11 023	6 929
EBT (earnings before taxes)		**-137 579**	**-40 826**
Income taxes	12	-15 480	-2 096
Result for the year		**-153 060**	**-42 922**

The accompanying notes are integral part of the consolidated financial statements.

Attributable to:		
Owners of the parent	-147 971	-41 914
Non-controlling interests	-5 089	-1 008

Consolidated statement of comprehensive income for the year ended 31 December

'000€		December 31, 2013	December 31, 2012
Result for the period		**-153.060**	**-42.922**
Other comprehensive income:			
- Exchange differences on translation of foreign operations		73	-651
- Income tax effect			
Total comprehensive income for the period		**-152.987**	**-43.573**
Attributable to:			
Owners of the parent		-147.621	-42.415
Non-controlling interests		-5.366	-1.158
Earnings per share in €	13		
Basic earnings per share		-3,02	-0,93
Diluted earnings per share		-3,02	-0,93

The accompanying notes are integral part of the consolidated financial statements.

Consolidated statement of financial position for the year ended 31 December

Total non-current assets		**284 960**	**462 639**
Goodwill	14	18	16 698
Intangible assets	15	1 675	19 690
Property, plant and equipment	16	270 150	393 656
Investments accounted for using the equity method	18	2 564	4 516
Other financial assets	19	2 204	7 825
Other long term receivables		3 805	233
Derivative financial instruments	31	346	114
Deferred tax assets	29	4 198	19 907
Total current assets		**80 762**	**98 752**
Inventories	22	3 999	23 381
Trade receivables	23	36 412	24 865
Other receivables	23	6 353	7 330
Prepaid expenses and accrued revenues		4 794	2 691
Cash and cash equivalents	24	29 205	37 510
Derivative financial instruments	31		
Assets classified as held for sale	20		2 975
Total assets		**365 722**	**561 391**
Equity and liabilities			
Equity attributable to the owners of the parent			
Share capital	25	1 303	1 303
Share premium	25	501 952	503 899
Retained earnings		-531 332	-383 287
Treasury shares		-53 339	-53 339
Translation difference		-592	-942
Equity attributable to the owners of the parent		**-82 008**	**67 634**
Non-controlling interests		9 523	17 876
Total equity		**-72 485**	**85 510**
Total non-current liabilities		**217 975**	**286 506**
Subordinated loans		**14 755**	**27 873**
Subordinated loans -convertible			
Subordinated loans - non-convertible	26	14 755	27 873
Other non-current liabilities		**203 220**	**258 633**
Bank loans	30	155 169	192 731
Finance lease liabilities	30	19 573	34 245
Other liabilities	27	2 471	3 464
Derivative financial instruments (non-current)	31	14 463	19 160
Provisions	28	4 387	2 063
Deferred tax liabilities	29	7 157	6 970
Total current liabilities		**220 231**	**189 375**
Subordinated loans		**75 402**	**53 791**
Subordinated loans - convertible	26	500	53 791
Subordinated loans - non-convertible	26	74 902	
Other current liabilities		**144 829**	**135 583**
Trade payables	33	41 870	33 652
Short-term financial liabilities	30	87 181	90 201
Advances		1 064	90
Income tax and VAT related liabilities		2 820	763
Payroll related liabilities		1 833	1 554
Derivative financial instruments	31	-0	148
Other liabilities		3 883	4 949
Accruals and deferred revenues		6 180	4 227
Total equity and liabilities		**365 722**	**561 391**

The accompanying notes are integral part of the consolidated financial statements

Consolidated statement of changes in equity for the year ended 31 December

000€	Share capital	Share premium	Retained earnings	Treasury shares	Translation differences	Total attributable to owners of parent	Non controlling interests	Total equity
Balance at December 31, 2012	**1.303**	**503.899**	**(383.287)**	**(53.339)**	**(942)**	**67.634**	**17.876**	**85.510**
Share based payments transactions		-2.366	2.366			0		0
Dividends							-877	-877
Change in consolidation perimeter			-2021			-2.021	-2.352	-4.373
Other equity movements			0			0	242	242
Other equity movements	**0**	**-2.366**	**345**	**0**	**0**	**-2.021**	**-2.987**	**-5.008**
Result of the period		**418**	**-148.389**			**-147.971**	**-5.089**	**-153.060**
Other comprehensive income	**0**	**0**	**0**	**0**	**350**	**350**	**-277**	**73**
Exchange differences on translations foreign operations					350	350	-277	73
Balance at December 31, 2013	**1.303**	**501.952**	**(531.332)**	**(53.339)**	**(592)**	**(82.008)**	**9.523**	**(72.485)**

The accompanying notes are integral part of the consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December

Electrawinds Group '000€	December 31, 2013	December 31, 2012
Operating activities		
Operating result	-113 176	-3 607
Adjustments for non-cash items:	131 833	32 802
Share based payment transaction expense	418	760
Movements in provisions	1 034	565
Depreciation of intangible assets	139	236
Depreciation of property, plant and equipment	25 812	27 194
Impairment	104 430	4 047
Change in working capital	15 541	-13 344
Inventories	19 382	-7 948
Trade and other receivables	-14 141	413
Trade and other payables	8 218	-9 452
Prepaid expenses and accrued revenues	-2 102	-283
Taks and Payroll related liabilities	2 335	-324
Other liabilities	-101	4 817
Accrued charges and deferred income	1 950	-565
Income tax paid	-246	-136
Adjustment for non-operating items	2 089	
Total cash from operating activities	**36 041**	**15 715**
Financing activities		
Reverse acquisition - Distribution to shareholders	0	-14 562
Reverse acquisition - Own shares	0	-53 339
Reverse asset acquisition, net of cash acquired	0	107 687
Listing fee	0	9 249
Proceeds from issuance subordinated loans	8 704	10 225
Repayment of subordinated loans	-1 682	-23 205
Proceeds from loans	77 790	103 960
Repayment of loans	-90 066	-50 898
Interest paid in cash	-26 832	-24 478
Interest received in cash	537	
Other financial result in cash	860	784
Proceeds from the issue of share capital	0	4 039
Share of result from equity accounted investments	0	2 086
Total cash from financing activities	**-30 688**	**71 549**
Investing activities		
Intangible assets	-2 345	-6 522
Purchase of property, plant and equipment	-20 155	-73 036
Proceeds from disposals of property, plant and equipment	839	492
Purchase of investments in joint ventures and associates	-1 000	-1 673
Purchase of other financial assets	20	-750
Acquisition/divestment bus,combinations	9 545	-5 186
Acquisitions	0	-2 211
Proceeds from divestments	10 415	0
Assets held for sale	-870	-2 975
Provisions	0	0
Other movements	-562	0
Total cash used in investing activities	**-13 658**	**-86 675**
Net foreign exchange difference	**-37**	**-294**
Net increase in cash and cash equivalents	**-8 268**	**883**
Cash and cash equivalents at the beginning of the period	37 510	36 921
Cash and cash equivalents at the end of the period	29 204	37 510

The accompanying notes are integral part of the consolidated financial statements

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

The consolidated financial statements of Electrawinds SE and its subsidiaries (collectively, the Group) for the year ended December 31, 2013 were authorized in accordance with a resolution of the Board of Directors on 29 October 2014. Electrawinds SE (the Company) is a company incorporated as a Société Européenne under the law of Luxembourg. Electrawinds SE was incorporated on October 9, 2010 as European Cleantech I SE and renamed Electrawinds SE on December 20th, 2012. Electrawinds SE has its registered office at 40 avenue Monterey, L-2163 Luxembourg. The shares of Electrawinds SE are publicly traded on the Frankfurt Stock Exchange (Frankfurter Wertpapier-börse) since October 10, 2010.

Electrawinds SE is an international energy company operating in green energy production.

Electrawinds develops, constructs and operates renewable energy plants that produce green energy from wind, solar and biomass resources.

Information on the Group’s structure is provided in note 34. Information on other related party relationships of the Group is provided in note 39.

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting standards Board (IASB) and adopted for use in the European Union.

All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year end 2013 and adopted by the European Union are applied by Electrawinds SE.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings classified as property, plant and equipment, derivative financial instruments, available-for-sale (AFS) financial assets, contingent consideration and non-cash distribution liability that have been measured at fair value. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

The consolidated financial statements comprise the financial statements of the parent company, Electrawinds SE, and all of its subsidiaries as of 31 December 2013.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group Obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained

- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2. Adoption of new and revised accounting standards

A. The following standards and interpretations became applicable for the annual period beginning on 1 January 2013:

- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2011) (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Government Loans* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2013)
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 (revised 2011) *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013)

The IFRS accounting standards adopted as from 2013 did not have a material impact on the consolidated financial statements.

B. The following new standards and interpretations which have been issued but have not yet come into effect at the date of approval of these annual accounts were not applied by the Group prospectively to the 2013 financial year:

- IFRS 9 *Financial Instruments* and subsequent amendments (not yet approved within the European Union)
- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)

- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 January 2014, but not yet approved within the European Union)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2014, but not yet approved within the European Union)
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 19 *Employee Benefits* - *Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2017) – The Group is still investigating the potential impact.
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)

These improvements are effective for annual periods beginning on or after 1 January 2014.

Management is currently assessing the impact of these new pronouncements.

3. Significant accounting policies

3.1 Basis of preparation – going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet, next to its operational expenditures, the mandatory repayment terms of the banking facilities and subordinated loans as described in the liquidity risk disclosure.

As at 31 December 2013, the Group has incurred a net loss for the year of K€ -153.060, mainly due to depreciation, amortisation and impairments for K€ 130.381 as well as interest charges for K€ 27.332. As at 31 December 2013, the Group’s shareholders' equity amounts to K€ -82.008 and total current liabilities exceed total current assets by K€ 139.469.
During December 2013, the Group has applied for protection against its creditors and has filed a judicial reorganization plan (the Belgian equivalent to Chapter 11 in the USA) for both Electrawinds SE and its subsidiary Electrawinds NV. This plan was ultimately approved by the majority of the creditors on 17 April 2014 and the Commercial Court in Ostend has validated this plan on 22 April 2014, including a transition period to fulfill any and all further formalities.

Via the execution of the reorganization plan, the Group has been able to secure its continuity and diminish its liabilities in a significant manner (see footnote 39 on the significance of the debt reduction). The Group shall further focus on optimizing the remaining assets in its portfolio, with the determination of the usage of the proceeds through earn-outs to be further set forth in 2015 and through carefully planned and to be approved divestments for further debt reduction and general corporate purposes. The results on the divestments shall be timely communicated in line with the Company policy thereon.
Seen the multiple possibilities, the elapsed time and risk reduction the Company and the Group has realized, the Board of Directors is confident that the going concern of the Company is not at stake today and in the near future
As of the date of approval of these consolidated annual accounts, the reorganization plan has not been entirely completed. The full completion of this plan remains therefore subject to the successful realization of the envisaged divestments necessary to fully complete the reorganization plan.

3.2 Basis of consolidation

General

<u>Subsidiaries</u>
Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date at 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.
Non-controlling interests

Non-controlling interests, presented as part of equity, represent the portion of the subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Investments in associate companies and joint ventures
Entities whose economic activities are controlled jointly by the Group and other ventures independent of the Group (joint ventures) are accounted for using the equity method of accounting.

Associates are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are initially measured at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustments attributable to the Group's share in the associate are not recognized separately and is included in the amount recognized as investment in associates.
The carrying amount of the investment in associates is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policy of the Group.
Unrealized gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

3.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.
The Group recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognized in the acquirer's financial statements prior to acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.
Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognized amount of any non-controlling interest in the acquire and c) acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognized in profit immediately.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.4 Foreign currency translation

The consolidated financial statements are presented in euro, which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the euro (the Group's presentation currency) are translated into euro upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into euro at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into euro at the closing rate. Income and expenses have been translated into euro at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

3.5 Segment information

The Group is organized in 4 operating segments, representing different subsidiaries. An operating segment is a group of assets and operations engaged in providing products or services.
The executive management committee monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

3.6 Revenue recognition

General

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the entity and the amount of the revenue can be measured reliably. In case of forward energy sales contracts at a fixed fee that is independent of the delivered volumes, revenue arising from these contracts is recognized on a straight–line basis over the contract period since the fair value of the services does not substantially change over the periods. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms excluding taxes and duties.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of electricity

Electricity is delivered to clients for whom the production is measured continuously via meters. Revenue is measured monthly based on the measured production.

Sales of Green Certificates

The green certificates granted to the company in function of the amount of electricity and heat produced using renewable energy sources are recognized as revenue for an amount equal to their estimated realizable value based upon confirmed productions.

Sales of Heat

Steam is delivered to clients for whom the consumption is measured continuously via meters. Revenue is measured monthly based on the measured consumption.

Sales of Free Fatty Acids (FFA)

FFA (Free Fatty Acids) is a by-products from the tallow refining process and are recognized in revenue at delivery.

Sales of Refuse Derived Fuel (RDF)

These revenues relate to the gate fees paid by the suppliers of the waste burned at the biosteam plant and are recognized in revenue at delivery.

Sale of Biodiesel

The revenue of the sale of biodiesel is recognized at delivery of the biodiesel.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in interest charges.

3.8 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized.

See note 4.3 Business combinations on how goodwill is initially determined.

Goodwill is carried at cost less accumulated impairment losses. Refer to note 4.11 for a description of impairment testing procedure.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in the circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.9 Intangible assets

General

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairments.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the respective expenditures are reflected in the income statement in the year in which the expenditures are incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement under the line depreciation, amortization and impairment.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on an as-needed basis. The group has no intangible assets assigned as with indefinite useful life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

The external and internally incurred development costs (such as obtaining permits, project design, negotiating with local authorities, waste supply, engineering, etc.) are capitalized on a project-by-project basis. A project cost allocation system is in place to measure the development expenses per project. On a permanent basis, the company assesses potential need for impairment of capitalized development costs. During the project development phase, the capitalized development costs are included in the intangible assets. Once a project is in operation, the intangible assets are classified to the relevant tangible asset and depreciated according to the useful life of the tangible asset.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any impairments.

Software

Computer software costs that are identifiable and have probable economic benefits are recognized as assets. Computer software costs are amortized on a straight line basis over the period of their expected useful lives, but not exceeding 3 years.

3.10 Property, plant and equipment

Property, plant and equipment are recognized if it is probable that future economic benefits attributable to the asset will flow to the Group and if costs can be measured reliably. After initial recognition, all items of property, plant and equipment are measured at cost less any accumulated depreciation and impairments, if any.

Such cost includes the cost of replacing part of property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Such approach is also applied to the cost of major inspections of power plants which is depreciated separately over the period until the next major inspection.

Government grants related to property, plant and equipment as well as contributions by third parties for the financing of such item are deducted from the acquisition value of the asset.

Depreciation starts when an asset comes into operation. Power plants are considered available for use as from the commissioning date, ic the start of electricity production. Estimated useful lives of the major components of property, plant and equipment are as follows:

Buildings	20 years
Wind facilities	
Windmills	20 years
Foundations	20 years
Grid connections	20 years
Security systems and facilities	20 years
Biofuel facilities	
Fuel processing unit	10 years
Tank park	15 years
Energy production unit	10 years
Gas recovery unit	10 years
Steam generator	10 years
Solar farms	
Solar panels	20 years
Foundations	20 years
Grid connections	20 years
Security systems and facilities	4 years
Small tools and equipment	3 years
Vehicles	5 years
Hardware	3 years
Furniture	10 years
Office equipment	5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and assets under construction), using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

3.11 Impairment testing of non-financial assets

The Group assesses whether there is an indication that an asset may be impaired at each reporting date. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU), which identification is based largely on independent cash inflows, fair value less costs to sell and its value in use and is determined per individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as of 31 December either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.12 Financial instruments – initial recognition and subsequent measurement

3.12.1. Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

Financial assets are measured initially at fair value plus transaction costs except for those assets carried at fair value through profit and loss which are initially measured at fair value.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and derivative financial instruments

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. The Group has not designated any derivative as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance cost in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.12.2. Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults

Financial assets carried at amortized cost

For financial assets carried at amortized cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

3.12.3. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. The Group did not assign any derivatives as effective hedging instruments.

Borrowings and other interest-bearing financial liabilities are measured at amortized cost using the effective interest rate method.

At initial recognition, any fees, transaction costs, premiums and discounts are deducted from the nominal value of the related borrowings or financial liabilities. The premiums and transaction costs are included in the calculation of the effective interest rate and amortized over the expected life of the instrument.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the income statement.

Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps and forward commodity contracts to hedge its interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently revalued at fair value.

All derivative financial instruments are accounted for at fair value through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

3.12.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.12.5. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

3.13 Inventories

Inventories are stated at the lower of cost (full production cost) or net realizable value (market value less any applicable selling expenses).

The cost of inventories is comprised of all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is based on the weighted average cost.

The major inventory categories and their cost valuation can be summarized as follows:

Crude raw materials

The book value of crude inventory is determined using the moving average purchase price increased with the additional acquisition costs (transport, taxes, etc.).

Other raw materials and consumables

The other raw materials and consumables consist mainly of:

- Additives for the processing unit (silicon powder, acids, filters, methanol, etc.)
- Light fuel (for start-up and restart of the motors)
- Lubricants
- Maintenance products (salt, minerals, etc.)
- Laboratory supplies

Their book value is determined using the moving average purchase price increased with the additional acquisition costs (transport, taxes, etc.).

Biofuel (after processing crude)

The book value of the processed biofuel is determined using the moving average cost for the crude increased with the full cost of the processing and tank storage unit.

Spare parts

The book value of the spare parts is determined using the moving average purchase price increased with the additional acquisition costs (transport, taxes, etc.).

3.14 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Receivables

At initial recognition, trade receivables are recognized at fair value which generally corresponds to the nominal value. An impairment loss is recognized based on the risk of uncollectable amounts.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with maturities of three months or less.

3.17 Equity – cost of equity transactions

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

3.18 Treasury shares

The purchase by any Group entity of Electrawinds' SE equity instruments results in the recognition of treasury shares. The consideration paid is deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium.

3.19 Employee benefits

Electrawinds sponsors post-employment benefits through a defined contribution plan. For a defined contribution plan, Electrawinds pays fixed contributions usually to a separate entity and will have no legal obligation to pay further contributions, regardless of the performance of funds held to satisfy future benefit payments. The contributions are based on a forfeited amount or a percentage of the salary. The regular contribution expenses constitute an expense for the year in which they are due.

3.20 Share based payments

Employee benefits that are paid in shares are recognized as cost in accordance with IFRS 2 – *Share-based payments*.
Warrants are measured at grant date at fair value using a Black and Scholes model. The model takes into account the characteristics of the plan (exercise price, exercise period), and market assumptions at grant date (risk free interest rate, share price, volatility, expected dividends). The employee cost related to share options is recognized over the vesting period together with a direct recognition in equity.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

3.21 Government grants

A government grant is recognized in the statement of financial position initially as deferred income when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are recognized as other operating income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the company for the acquisition of an asset are presented by deducting them from the acquisition cost of the related asset in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

3.22 Provisions

In accordance with IAS 37 – *Provisions, contingent liabilities and contingent assets*, a provision is recognized when the Group has a present obligation (legal or constructive) for which it is probable the settlement will require an outflow of resources and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

Restructuring provisions

Restructuring provisions are recognized only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

3.23 Earnings per share

The group calculates both basic and diluted earnings per share in accordance with IAS 33, Earnings per share. Under IAS 33, a basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares outstanding during the period plus the dilutive effect of warrants outstanding during the period. As diluted earnings per share cannot be higher than basic earnings per share, diluted earnings per share are kept equal to basic earnings per share in case of negative net earnings.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 36.

4.2 Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Group's latest approved budget forecast. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances (see Note 29).

4.3 Impairment of goodwill

The Group tests the goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired (see Note 14 'Goodwill').

4.4 Development costs

Development costs are capitalized in accordance with the accounting policy (see note 15). Initial capitalization of costs is based on management's judgment that technological and economic feasibility is objectively confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

The Group tests the capitalized development for impairment if there are indications that capitalized development might be impaired.

4.5 Useful lives of property, plant and equipment

As described at 4.10 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

4.6 Provisions

The Group is exposed to different risks. Management assumes that the provisions cover the different risks of the Group. However, it is possible that the situation will change and the costs are not covered with the existing provisions or the costs are lower than expected. Any arising changes can have effects on future periods. For details on provisions, refer to note 28.

4.7 Earn out payments related to acquisitions

The basis for the calculation of potential earn-out payments is the managements' best estimate of the terms in the acquisition agreements. The earn-out payments are mostly conditional and based on the outcome of future development projects. If the final outcome differs from the initial estimation, such adjustment is recognized in the income statement.

4.8 Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

5. Segment information

For management purposes, the group is organized into business units based on their products and services and has four reporting segments as follows:

- Bio, Wind, Solar and DCPM. The division DCPM (Development, Construction and Portfolio Management) is the Group's developing and construction entity, gives financial, logistic and intellectual support to the Bio, Wind and Solar division and manages the portfolio of SPV's.

The executive management (chief operating decision makers) monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net result and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The segment results are as follows:

'000€	Bio	Wind	Solar	DCPM	Corporate	Consolidated 2013
External sales	88.311	37.599	2.960	833	-0	129.703
Intersegment sales	15			3.324	-3.338	
Other operating income	1.986	52	57	1.942	-705	3.334
Total operating revenues	**90.312**	**37.652**	**3.018**	**6.099**	**-4.043**	**133.037**
Raw materials	-62.617	-44		-578	69	-63.169
Services and other goods	-15.559	-7.838	-523	-13.393	3.116	-34.197
Employee benefits	-6.503	-1		-6.210	-418	-13.133
Depreciation, amortisation & impairments	-66.170	-27.308	-981	-37.496	1.575	-130.381
Depreciation	*-13.082*	*-12.220*	*-981*	*-1.472*	*1.806*	*-25.949*
Impairments	*-53.088*	*-15.088*		*-36.024*	*-232*	*-104.431*
Provisions		-147		-887		-1.034
Capitalized development costs		164		2.865		3.029
Other operating costs	-2.497	-1.059	-46	-3.865	138	-7.328
Total operating costs	-153.346	-36.231	-1.550	-59.566	4.479	-246.214
EBITDA	**3.137**	**28.874**	**2.449**	**-15.083**	**-1.138**	**18.238**
Operating result	-63.034	1.420	1.468	-53.467	436	-113.177
Share of result from equity accounted investments	-3.059	-104		226		-2.937
Interest charges	-7.122	-10.349	-997	-13.622	4.759	-27.332
Interest income	3.312	4.984	19	8.660	-5.952	11.023
Other financial result	-885	-1.495	-3	-3.966	1.194	-5.155
Listing fee						
EBT (earnings before taxes)	-70.788	-5.544	486	-62.170	436	-137.579
Income taxes	-6.403	-5.035	-147	-3.725	-170	-15.480
Result for the year	**-77.190**	**-10.580**	**339**	**-65.896**	**266**	**-153.060**

Compared to December 31, 2012, Electrawinds Distributie NV was transferred from DCPM to the Bio segment, due to a revised management reporting structure. During 2012, Electrawinds Distributie NV had total revenue of €2.7mio (2013: €5.9mio) and assets of €0.5mio (2013: €0.7mio).

The increase of the sales of the Bio segment on December 31, 2013 compared to December 31, 2012 is almost entirely attributable to the sales of the 2nd generation biodiesel, an activity which started contributing to sales as from Q3 2012. The drop in EBITDA is due to high raw material prices during 2013 and lower sales prices.

Statement of financial position:

'000€	Bio	Wind	Solar	DCPM	Corporate	Consolidated 2013
Segment assets	132 834	213 471	4 713	216 387	-204 597	365 721
Consolidated segment assets	132 834	213 471	4 713	216 387	-204 597	365 721
Segment liabilities (Debt, provisions)	149 547	194 430	3 864	163 571	-73 207	438 207
Unallocated liabilities (Equity)	-16 712	19 041	850	52 817	-128 480	-72 485
Consolidated segment liabilities	132 834	213 471	4 713	216 387	-201 685	365 721
Capital expenditure	21 996	36 610	8 074	12 876		79 556

Operating segment information as per December 31, 2012

'000€	Bio	Wind	Solar	DCPM	Intersegment	Consolidated
External sales	67,229	32,550	2,818	5,729	-170	108,156
Intersegment sales	2,139			8,424	-10,563	
Other operating income	2,702	526	33	1,656	-256	4,660
Total operating revenues	**72,070**	**33,076**	**2,851**	**15,809**	**-10,989**	**112,816**
Raw materials	-39,353	-2		-3,199	1,870	-40,684
Services and other goods	-12,941	-8,147	-568	-15,762	2,469	-34,948
Employee benefits	-5,278	-32		-8,173	-475	-13,958
Depreciation, amortisation & impairments	-15,092	-10,243	-1,193	-5,567	617	-31,477
Provisions	2	-171		-46		-215
Capitalized development costs	9	1,305		3,283	3,147	7,744
Other operating costs	-921	-1,077	-19	-867		-2,885
Total operating costs	-73,573	-18,368	-1,780	-30,330	7,629	-116,422
EBITDA	**13,586**	**25,122**	**2,264**	**-8,908**	**-3,978**	**28,086**
Operating result	-1,503	14,708	1,071	-14,521	-3,361	-3,607
Share of result from equity accounted investments	-1,788	-48		-250		-2,086
Interest charges	-6,801	-9,616	-1,000	-12,806	4,850	-25,373
Interest income	312	242	26	5,804	-4,851	1,534
Other financial result	1,505	-5,344	-2	1,794	1	-2,045
Listing fee				-9,249		-9,249
EBT (earnings before taxes)	-8,276	-57	96	-29,227	-3,361	-40,826
Income taxes	-807	-2,354	431	-508	1,142	-2,096
Result for the year	**-9,083**	**-2,411**	**526**	**-29,736**	**-2,219**	**-42,922**
Segment assets	208,228	267,806	25,825	264,129	-204,596	561,391
Consolidated segment assets	208,228	267,806	25,825	264,129	-204,596	561,391
Segment liabilities (Debt, provisions)	152,999	228,465	21,466	148,615	-75,665	475,881
Unallocated liabilities (Equity)	55,228	39,341	4,358	115,514	-128,932	85,510
Consolidated segment liabilities	208,228	267,806	25,825	264,129	-204,598	561,391
Capital expenditure	21,996	36,610	8,074	12,877		79,556

Note that the column 'intersegment' is capturing 'corporate' information as indicated in the table 2013. .

Geographical information:

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Geographic segment information as per December 31, 2013

'000€	Belgium	France	Italy	Eastern Europe	Other	Group
External sales	105.855	13.217	2.203	3.302	5.127	129.703
Non-current assets	128.770	103.416	13.906	30.820	2.923	279.835

Non-current assets are excluding financial instruments and deferred tax assets.

Geographic segment information as per December 31, 2012

'000€	Belgium	France	Italy	Eastern Europe	Other	Group
External sales	90,156	12,568	2,240	2,675	517	108,156
Non-current assets	237,519	109,272	15,813	35,549	44,466	442,619

6. Total operating revenues

The total sales are composed as follows:

Revenues '000€	December 31, 2013	December 31, 2012
Wind	**37.599**	**32.550**
Electricity sales	37.599	32.550
Bio	**88.311**	**67.230**
Electricity sales	26.448	31.476
Other sales (2nd generation biodiesel and byproducts)	61.863	35.754
Solar	**2.960**	**2.818**
Electricity sales	2.960	2.818
DCPM	**833**	**5.558**
Electricity sales	199	2.950
Management services to third parties		1.550
Sales of used cook oils	634	1.058
Corporate	0	
Total sales	**129.703**	**108.156**

In 2013, electricity sold via Belpex, by Electrawinds Distributie NV amounting to €5.9mio, is included in the sales of the Bio segment whereas in 2012 these sales were included in the DCPM segment. The increase of sales is further attributable to the Bio segment and in particular to the sales of 2nd generation biodiesel. The sales of the Wind segment increased by 16% from €32.6mio to €37.6mio due to the commissioning of a number of wind turbine parks in 2012 contributing to sales in 2013.

Other operating income

The other operating income amounts to €3.3mio compared to €4.7mio in 2012 and relates to disposal of re-invoicing of costs, insurances indemnities and other indemnities for damages (€3.1mio).

7. Employee remuneration

Employee Benefits '000€	December 31, 2013	December 31, 2012
Wages and salaries	-12.349	-12.888
Pension costs	-365	-310
Share based payments	-418	-750
Total personnel costs	**-13.133**	**-13.958**

Compared to 2012, personnel costs decreased by €0.8mio or 5,9%. The headcount decreased from 244 on December 31, 2012 to 210 per end of 2013 (-13,9%). The headcount of the operational segments remained stable on 134 per 31 December 2013. On the other hand, headcount of the business development team and supporting departments decreased from 109 (2012) to 76 (2013). Note that the main decrease in headcount was in the last quarter of 2013.

The contributions for pension schemes consist of defined contributions schemes (see note 37). For details concerning the share based payments, we refer to note 36.

8. Financial result

Interest charges are composed as follows:

Interest charges '000€	December 31, 2013	December 31, 2012
Interest on bank loans	-14.853	-12.359
Interest on subordinated loans	-9.374	-10.505
Interest on straight loans	-927	-1.278
Leasing interest	-965	-1.208
Other interest	-1.213	-23
Total	**-27.332**	**-25.373**

The other interest charges are mainly related to interests on loans with shareholders.

Other financial charges can be analyzed as hereunder:

Other financial charges '000€	December 31, 2013	December 31, 2012
Fair value losses on financial instruments at FVTPL	-1.954	-5.637
Foreign currency exchange losses	-2.320	-1.307
Other financial charges	-880	-496
Total	**-5.155**	**-7.440**

Other financial income:

Other financial income '000€	December 31, 2013	December 31, 2012
Interest income	1.351	1.534
Foreign currency exchange gains	937	1.052
Fair value gains on derivative financial instruments at FVTPL	7.125	727
Net change in fair value of financial liabilities at fair value through profit and loss	1.610	1.173
Gain from a bargain purchase	0	2.443
Total	**11.023**	**6.929**

The net change in fair value of financial liabilities at fair value through profit and loss reflects the change in the listed price of the A warrants on the Frankfurter Stock Exchange. The price decreased from 0.15€ on December 31, 2012 to 0.01€ at December 31, 2013 and caused an income of €1.6mio.
The gains and losses on the fair value on financial instruments at FVTPL are disclosed in note 31.

9. Other operating cost

Other operating costs amounting to €7.3mio (2012: €2.9mio). These costs are mainly related to the sale of Solar and Zon aan Zee NV (€0.3mio), the sale of Ballycadden (€0.7mio), project charges (€4.2mio) and non-income taxes (€2.2mio) and release to income of the remaining balance of the eliminated intercompany profit.

10. Listing fee

There is no listing fee in 2013.

In 2012, the deemed cost of the shares issued is €63.6mio. This represented the fair value of shares that Electrawinds NV would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Electrawinds NV acquiring 100 % of the shares in Electrawinds SE.
Since the carrying amount of Electrawinds SE's net assets added up to €54.3mio, the remaining difference of €9.3mio was considered as listing fee cost in profit and loss.

11. Income taxes

'000€	December 31, 2013	December 31, 2012
Current taxes	-246	-136
Deferred taxes	-15.234	-1.960
Total income taxes	**-15.480**	**-2.096**

The deferred tax costs (see note 29) are composed of costs for derecognition of deferred tax assets on taxes on loss carryforwards and investment deduction, mainly in wind companies (€9.0mio). In addition, tax costs on timing differences are included which mainly related to the positive results of MtM of the financial instruments, amounting to a deferred tax cost of €2.2mio. Note 29 discloses the reconciliation of the tax expense and the accounting result.

12. Earnings per share

Earnings per shares (EPS) are calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

a) Basic earnings per share

The calculation of basic EPS at December 31, 2013, is based on the profit attributable to the owners of the parent of €-147.971 (2012: -41.914) and the weighted average number of ordinary shares outstanding of 52,358,651 A shares and 958,333 B2 shares and 958,334 B3 shares respectively (see note 25). For the previous year the weighted average number of ordinary shares outstanding is 44,708,756 A shares and 239,583 B2 shares and 239,583 B3 shares respectively.

	December 31, 2013	December 31, 2012
Profit of the year attributable to equity holders of the company (in '000€)	-147.971	-41.914
Weighted average number of ordinary shares outstanding	48.946.710	45.187.923
Basic earnings per share (EUR/share)	**-3,02**	**-0,93**

b) Diluted earnings per share

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. The Group has 11,500,000 outstanding public warrants. The warrants are not dilutive as the average market price of the ordinary shares is below the exercise price of the warrants.

Additionally, B2 and B3 shares that are not converted to public shares on or prior to the fifth anniversary of the consummation of the reverse asset acquisition will no longer be convertible into public shares and will be redeemed.

As a result, the basic earnings per share equal the dilutive EPS.

13. Goodwill

The carrying amount of goodwill as per year end 2013 amounts to €0.018mio (2012: €16.7mio).

The net carrying amount of goodwill can be analysed as follows:

'000€	December 31, 2013	December 31, 2012
Gross carrying amount at the beginning of the reporting period	**21.411**	**20.787**
Disposals	-789	624
Other movements		
Gross carrying amount at the end of the reporting period	**20.622**	**21.411**
Impairments at the beginning of the reporting period	**(4.713)**	**(64)**
Change in consolidation scope	56	0
Impairment loss recognised	-15.947	-4.657
Impairments at the end of the reporting period	**(20.604)**	**(4.713)**
Net carrying amount	**18**	**16.698**

The goodwill has been impaired (see note 17). The remaining balance of goodwill relates to the following cash-generating unites.

'000€	December 31, 2013	December 31, 2012
Goodwill		
Bio	0	9.524
DCPM	18	4.606
Wind	0	2.559
Solar	0	9
Goodwill	18	16.698

Based on the reviewed business plan, which includes a strategic restructuring and takes into account changed market conditions, the Group performed an impairment test at December 31, 2013 (see note 17).

The goodwill within the Bio segment decreased to €0mio due to the impairment for the full amount of 31.12.2012 of €9.5mio: at Energo Zelena (€4.6mio), Biomassa Oostende (€4.7mio) and Biomassa Moeskroen (€0.16mio).

The goodwill in the Wind segment decreased to €0mio due to the impairment for the full amount of 31.12.2012 of €2.5mio: E.W. Plus (€0.9mio), Pontedera (€0.4mio), Atmosphère (€0.4mio) and remaining amounts regarding E.W. Brugge, Brocéliande, La Tourelle and Ballycadden.

The goodwill allocated to the DCPM segment consists mainly of goodwill allocated to Norther (€0.008mio) and Greenco (€0.009mio). Under the DCPM segment, a total of €4.2mio was impaired as a result of the strategic restructuring (more in particular: Energy 5 (€0.6mio) and Elnu (€3.6mio)). For further details, we refer to the annual report of 2012.

14. Intangible assets

'000€	Software	Capitalised development	Total
Acquisition value			
Balance at December 31, 2011	**834**	**14.062**	**14.896**
Additions:			
- separately acquired/internal developments	359	6.163	6.522
Disposals	-444		-444
Currency translation differences		-376	-376
Balance at December 31, 2012	**749**	**19.849**	**20.598**
Change in consolidation scope		-2.846	-2.846
Additions:			
- separately acquired/internal developments	5	2.341	2.345
Disposals	-5		-5
Reclassification from/to tangible assets		-9.931	-9.931
Sales	-22		-22
Currency translation differences	-1	-231	-231
Balance at December 31, 2013	**727**	**9.182**	**9.909**
Amortisation			
Balance at December 31, 2011	**-351**	**-434**	**-785**
Amortisations of the year	-184	-51	-235
Disposals	115		115
Currency translation differences		-3	-3
Balance at December 31, 2012	**-420**	**-488**	**-908**
Change in consolidation scope			
Amortisations of the year	-119	-20	-139
Impairments		-7.224	-7.224
Sales	17		17
Currency translation adjustments		20	20
Other movement			
Balance at December 31, 2013	**-521**	**-7.713**	**-8.235**
Net carrying amount			
Balance at December 31, 2012	**329**	**19.361**	**19.690**
Balance at December 31, 2013	**206**	**1.469**	**1.675**

The group assessed its intangible assets for impairment, taking into account the refocus on selected core countries. This resulted in an impairment loss of €7.2mio, mainly attributable to the projects in France (€5.1mio), Bulgaria (€0.9mio) and Serbia (€1.1mio).

Electrawinds further invested in the development of core projects. Total additions amount to €2.3mio in 2013. Core projects are situated mainly Belgium (€0.7mio), Serbia (€0.7mio) and Kenya (€0.8mio).

The change in consolidation scope is related to BallyCadden Ltd (€2.8mio).

The reclassification from intangible to tangible assets is related to projects which are reclassified to tangible assets and which are also impaired (cfr. Tangible assets).

The Mkuze project was sold during the month of August 2013 for €0.1mio.

15. Property, plant and equipment

The carrying amount of the Group’s property plant and equipment is as follows:

000€	Land & Buildings	Equipment	Furniture & Vehicles	Finance lease	Under construction	Other assets	Total
Acquistion values							
Balance at January 1, 2012	**25 668**	**306 806**	**2 575**	**41 979**	**40 706**	**32**	**417 766**
Change in consolidation scope		11 985	47		243		12 275
Additions	546	3 418	282	18 722	50 067	1	73 036
Disposals		-1 438	-53	-63	-974		-2 528
Reclass from/to intangible assets		1 577			-2 564		-987
Sale	-660						-660
Other movements	7 192	41 847	995	3 238	-53 272		
Currency translation adjustments	-143	-429	-15	-12	-102		-701
Balance at December 31, 2012	**32 603**	**363 766**	**3 831**	**63 864**	**34 105**	**33**	**498 201**
Balance at January 1, 2013	**32 603**	**363 766**	**3 831**	**63 864**	**34 105**	**33**	**498 202**
Change in consolidation scope		-4 353	-14	-14 838	-34 704		-53 909
Additions	20	557	54	914	18 610		20 155
Disposals		-174	-204	-104	-1 232	-8	-1 721
Reclass from/to intangible assets		1 835			8 096		9 931
Sale	-46	-317	-113		-378		-854
Other movements	198	9 259	110	357	-9 920		4
Currency translation adjustments	-64	-929	-12	-15	-21	-0	-1 040
Balance at December 31, 2013	**32 711**	**369 644**	**3 651**	**50 178**	**14 556**	**25**	**470 766**
Depreciation							
Balance at January 1, 2012	**-3 482**	**-62 250**	**-1 247**	**-10 693**	**-5**	**-13**	**-77 690**
Change in consolidation scope			-3				-3
Depreciations of the year	-1 291	-21 443	-711	-3 744		-5	-27 194
Disposals		111	10	47			168
Currency translation adjustments		175	2			-2	175
Balance at December 31, 2012	**-4 773**	**-83 407**	**-1 949**	**-14 390**	**-5**	**-20**	**-104 545**
Balance at January 1, 2013	**-4 773**	**-83 407**	**-1 949**	**-14 390**	**-5**	**-20**	**-104 545**
Change in consolidation scope		1 507	5	1 741			3 253
Depreciations of the year	-1 537	-19 356	-632	-4 284		-3	-25 811
Disposals		121	147	91		7	366
Sale	23	22	86				131
Impairment		-56 430	-14	-4 305	-13 417		-74 166
Currency translation adjustments	3	145	3	5		0	156
Balance at December 31, 2013	**-6 284**	**-157 397**	**-2 354**	**-21 142**	**-13 422**	**-16**	**-200 616**
Net carrying amount							
At December 31, 2012	27 829	280 359	1 882	49 474	34 100	13	393 656
At December 31, 2013	26 427	212 247	1 297	29 036	1 134	9	270 150

The change of consolidation scope is fully related to Electrawinds Solar NV, Zon aan Zee NV and Ballycadden Ltd.

During 2013, the additions are mainly related to Ballycadden Ltd (€11.6mio) Electrawinds NV (€3.6mio) and Energo Zelena doo (€1.7mio).

For the purpose of the impairment testing, the impairment on tangible assets for a total amount of €74mio is related to the impairment on projects (see note 17).

Finance leases relate almost entirely to equipment such as wind turbines, engines for biofuel installations and solar parks. Finance lease liabilities are secured by the related assets under finance leases.

Assets under construction can be allocated per technology as follows:

'000€	Bio	Wind	Solar	Other	Total
Belgium	31	5.548		2.775	8.354
Netherlands	800				800
Other	332	23.084		1.530	24.946
December 31, 2012	**1.163**	**28.632**		**4.305**	**34.100**

'000€	Bio	Wind	Solar	Other	Total
Belgium	3	22	0	136	161
Netherlands	74	0	0		74
Other	67	790	0	40	897
December 31, 2013	**143**	**812**	**0**	**176**	**1.132**

Grants are deducted from the carrying amount of the asset. The grants are recognized in profit or loss over the life of the asset as a reduced depreciation expense.

In 2013 the amount of grants is not significant.

The total of property, plant and equipment is pledged as security for bank loans (see note 42).

16. Impairment testing

Impairments in the income statement can be analyzed as follows:

	Note	December 31, 2013	December 31, 2012
Impairment of goodwill	14	-15.947	-4.657
Impairment of intangible assets (excl. Goodwill)	15	-7.224	
Impairment of tangible assets	16	-74.166	-763
Impairment of long term receivable		-6.150	
Impairment of inventories	22	-8	
Impairment of receivables	23	-935	1.373
Impairment gain on the classification as asset held for sale	20	0	
Total impairments		**-104.430**	**-4.047**

The impairment of long term receivable is related to the impairment of the long term receivable against Greenpower.

Impairment testing

The recoverable amount of the CGU's are determined based on a value in use calculation using cash flow projections, covering a period of 9 years and taking into account a terminal value.

Bio

The testing of the carrying value of the goodwill of the cash generating unit Bio, which represents a major portion of the consolidated goodwill, is based upon the future cash flows derived from the Company's business plan and a terminal value for the periods thereafter or to the best estimate of the recoverable value. Note that no growth is taken into consideration.

Key assumptions for the calculation of the recoverable amounts of the Bio segment as at December 31, 2013:

Planned NOPLAT (Net operating profit less adjusted taxes) margins are established based on the observed margins during past years. The future free cash flows are derived from the assets in their current condition and taking into account future maintenance/replacement investments.
The weighted average cost of capital used for the discounting of the forecasted cash flow amounts is determined at 8.6% for Belgian and Dutch activities of the Bio segment.

The net present value of future cash flow based on the Company's business plan using the above described weighted average cost of capital is lower than the carrying value of the assets in the Bio segment, so an impairment was recorded for a total amount of €53mio at the end of 2013.

Wind

Key assumptions for the impairment testing of the Wind segment includes the long term business plan taken into account the projects installed per end of 2013 and the important value drivers such as wind yields, electricity prices, tenor of regulatory support schemes and level of regulatory support. For the WACC calculation, 3 geographies have been taken into account (BE, FR and other) and the applied WACC is based on the weighting of the carrying value per geography. The applied WACC varies between 5.4% and 7.3%. The impairment test calculates with a limited terminal value as a reflection of the option to repower the projects at the end of the project life.
An impairment was recorded for a total amount of €15. The sensitivity test, with an increase of the WACC with 1% and decrease of sales with 5%, would increase the impairment by €22.7mio.

The discount rates for the cash generating units are as follows:

	December 31, 2013	December 31, 2012
Bio	7,3% - 11,4%	7,3% - 11,4%
Wind	5.4% - 7.3%	5,1% - 6,2%

According to IAS 36, it is required to distribute the impairment charge pro rata the assets of each cash generating unit. This implies the following:

	Valuation fixed assets		
	Before impairment	Impairment	After impairment
BIO	133.701	53.088	80.613
WIND	199.015	15.088	183.927
Total impairments	**332.716**	**68.176**	**264.540**

Management is not currently aware of probable changes that would necessitate changes in its key estimates.

17. Investments accounted for using the equity method – Joint ventures and associates

At the end of the reporting period, the company accounts for 2 associates and 6 joint ventures using the equity method. All associates and joint ventures have a reporting date of December 31.

Joint ventures

			Ownership interest	
Name of joint venture	Principal activity	Date creation	December 31, 2013	December 31, 2012
Electrawinds Greenpower Oostende NV	Biomass	9/04/2009	50,00%	50,00%
Biomelec SAS	DCPM	5/10/2010	50,00%	50,00%
Norther NV	DCPM	27/10/2011	25,05%	50,00%
Pinewood Wind Ltd	DCPM	30/01/2012		50,00%
Les Royeux Energies SAS	DCPM	29/02/2012	50,00%	50,00%
Les Haut Bosquet Energies SAS	DCPM	29/02/2012	50,00%	50,00%

The share of results of joint ventures can be analyzed as follows:

Joint Ventures	December 31, 2013	December 31, 2012
Gross carrying amount at the beginning of the reporting period	**4.167**	**4.702**
Share in the result of associated companies (Joint ventures)	-2.215	-2.038
Increase	1.899	1.673
Change in consolidation scope	-1.915	-170
Carrying amount at the end of the reporting period	**1.937**	**4.167**

The capital increase of €1.9mio occurred in Greenpower (€1,17mio) and Norther (€0.7mio).

The change in scope for the amount of -€1.915mio is due to the sale of Pinewood (€0.044mio) and Norther (-€1.959mio) (percentage decrease from 50% to 25%).

The aggregate amounts of the joint ventures can be summarized as follows:

000€	December 31, 2013	December 31, 2012
Non-current assets	18.792	27.044
Current assets	1.508	2.585
Total assets	20.300	29.629
Non-current liabilities	0	14
Current liabilities	7.935	5.322
Total liabilities	7.934	5.336
Net assets	12.366	24.293
Group's share of net assets in joint ventures	1.941	4.166
Sales	5.609	812
Total gain/(loss) for the year	-12.166	-4.077
Group's share in the result for the year	**-2.215**	**-2.038**

Associates

			Ownership interest	
Name of Associate	**Principal activity**	**Date creation**	**December 31, 2013**	**December 31, 2012**
Penquer Eolien SAS	Wind	9/05/2011	40,00%	40,00%
AD Biodiesel	Bio	27/09/2013	20%	-

Electrawinds NV acquired 20% of shares of AD Biodiesel NV, which became an associate in 2013.

Associates	December 31, 2013	December 31, 2012
Gross carrying amount at the beginning of the reporting period	**349**	**1.859**
Share in the result of associated companies (Associates)	-721	-48
Increase	1.000	-1.462
Carrying amount at the end of the reporting period	**628**	**349**

The capital increase of €1mio occurred in AD Biodiesel.

The aggregate amounts of the associates can be summarized as follows:

000€	December 31, 2013	December 31, 2012
Total assets	27.531	6.385
Total liabilities	25.008	5.512
Net assets	2.524	872
Group's share of net assets in associates	627	349
Sales	12.528	750
Total gain/(loss) for the year	-3.348	-120
Group's share in the result for the year	**-721**	**-48**

The shares of the associates and the joint ventures are not publicly listed on the stock exchange and hence published price quotes are not available. The Group did not receive any dividends from joint ventures and associates.

18. Other financial assets

Other financial assets concern:

- shares in Otary RS NV, Rentel NV, Plug at Sea NV and Seastar NV, amounting to €1.9mio;

- cash guarantees, such as Belgian social security guarantees and guarantees for rental agreements, amounting to €0.3mio

totaling €2.2mio (2012: €7.8mio).

During 2013, the loan towards Electrawinds Greenpower Oostende NV (€6.2mio) is fully impaired.

19. Assets classified as held for sale

On December 31, 2012 the Group reported a total amount of €2.975mio under assets held for sale entirely attributable to the sale of Vleemo NV. The sale of Vleemo is concluded during the month of April 2013 and Electrawinds received €2.6mio in cash.

20. Financial assets and liabilities

The carrying amount presented in the financial statements relate to the following assets and liabilities. In general, the carrying amounts are assumed to be a close approximation of the fair value.

'000 €	December 31, 2013	December 31, 2012
Financial assets		
Non- current assets		
Other financial assets	2.204	7.825
Other long term receivables	3.805	233
Derivative financial instruments		
Put option electricity	346	114
Current assets		
Trade receivables	36.412	24.865
Other receivables	6.353	7.330
Cash and cash equivalents	29.205	37.510
Total	**78.325**	**77.877**
Financial liabilities		
Non-Current Liabilities		
Subordinated loans	14.755	27.873
Bank loans	155.169	192.731
Financial leasing	19.573	34.245
Other loans	2.012	1.739
Other non-current liabilities	459	1.725
Derivative financial instruments	14.463	19.160
Current Liabilities		
Subordinated loans	75.402	53.791
Short-term debts	87.181	90.201
Trade payables	41.870	33.652
Advances	1.064	90
Derivative financial instruments		
Interest rate derivatives	0	146
Total	**412.447**	**455.353**

Other long term receivable

The other long term receivables mainly relate to an advance in Cogeland of €3.7mio EUR within the framework of a loan contract for the financing of the biomass plant Labouheryre. This amount is transferred to a blocked account.

Other financial assets

A significant portion of the other financial assets consists of investments in shares of non-listed companies. The Group holds non-controlling interests (between 6% and 12.5%) in entities that develop on- and offshore wind projects. The unquoted ordinary shares have been impaired based on the net assets of the underlying.

21. Inventories

'000€	December 31, 2013	December 31, 2012
Raw materials and components	2.440	18.024
Consumables	1.420	1.801
Finished goods	221	3.563
Goods purchased for resale	0	67
Inventory impairments	-82	-74
Inventories	**3.999**	**23.381**

Inventory has decreased by €19.3mio mainly due to the inventory reduction in the liquid bio companies.

Inventories are stated at cost. The carrying value of inventories is pledged as a security against financial liabilities (note 42).

22. Trade and other receivables

Trade and other receivables '000€	December 31, 2013	December 31, 2012
Trade receivables	**36 412**	**24 865**
V.A.T. receivable	2 796	5 438
Taxes and withholding taxes to be recovered	88	85
Other receivables	3 166	1 806
Other receivables - amt written off	(494)	(169)
Other receivables	**6 353**	**7 330**

The trade receivables have increased, mainly related to the increase in sales of the bio segment. The invoices to issue relate mainly to the sale of green certificates. They are invoiced on a monthly basis after receipt from the regulators.

The level of V.A.T. receivables, amounting to €2.8mio, and the decrease compared to 2012, can be explained by the construction activities in Serbia and the construction of solar parks in Italy in 2012.

The other receivables comprise the variable portion of €1mio for the sale of Ballycadden, an earn-out of €0.4mio relating to the sale of Vleemo and a receivable of €0.9mio towards Transelectra.

The total of trade receivable is pledged as security for bank loans (see note 42).

As of December 31, 2013, other receivables of €0.5mio were impaired.

Ageing of the trade receivables not impaired:

'000€	December 31, 2013	December 31, 2012
not past due	16 949	16 632
overdue 1-30 days	3 404	4 273
overdue 31-60 days	1 290	1 606
overdue 61-90 days	1 142	247
overdue > 90 days	13 626	2 107
Total	**36 412**	**24 865**

The amount of more than 90 days overdue relates mainly to the receivable towards Mindest amounting to €12.6mio.

The grants receivable refer to government grants granted to stimulate investments in renewable energy. There are no unfulfilled conditions or other contingencies attached to these government grants.

Electrawinds has a significant concentration of sales with two customers representing more than 10% each of the Group's sales). These customers are investment grade utility providers. The largest one is in the Bio segment and represented sales of €23.0mio. The second is in the bio segment represented sales of €15.1mio.

23. Cash and cash equivalents

'000€	December 31, 2013	December 31, 2012
Short-term deposits (*)	24.200	24.581
Cash at bank and in hand (*)	5.006	12.929
(*) of which restricted cash	*25.000*	*25.300*
Cash and cash equivalents	**29.205**	**37.510**

Part of the cash and cash equivalents is considered to be restricted since it serves to maintain a minimum lever as security for certain obligations, mainly reserve accounts required by project finance lenders as security for certain short-term obligations. This level of restricted cash amounted to €25.0mio (2012: €25.3mio). The remaining cash €4.2m could not be freely used as the majority was cash of operational project companies.

The distribution of such cash is governed by the provisions of project finance agreements meaning that the cash cannot be distributed to the shareholder (i.e. Electrawinds NV in most cases) until customary distribution test have been completed. As Electrawinds NV was in default on its different loan agreements, the lenders had exercised the pledge rights on the bank accounts of Electrawinds NV, meaning that Electrawinds NV's use of cash was governed by the senior lenders.

24. Equity

Share capital of Electrawinds SE

The share capital of Electrawinds SE has developed as follows:

	EUR
Balance at December 31, 2011	345.000
Balance at January 1, 2012	345.000
Capital increase from the issuing of A shares October 11, 2012	900.170
Capital increase from the issuing of A shares December 20, 2012	57.437
Balance at December 31, 2012	**1.302.608**
Balance at December 31, 2013	**1.302.608**

The number of shares of Electrawinds SE has developed as follows:

	Total shares	A shares	B1 Shares	B2 Shares	B3 Shares
Number of shares January 1, 2010					
issuing of shares IPO October 20, 2010	14.375.000	11.500.000	958.333	958.333	958.334
Number of shares December 31, 2010	14.375.000	11.500.000	958.333	958.333	958.334
Number of shares January 1, 2011	14.375.000	11.500.000	958.333	958.333	958.334
Number of shares December 31, 2011	14.375.000	11.500.000	958.333	958.333	958.334
Number of shares January 1, 2012	14.375.000	11.500.000	958.333	958.333	958.334
Issuing of new A shares, October 11, 2012	37.507.102	37.507.102			
Conversion of B1 into A shares, October 11, 2012	0	958.333	-958.333		
Issuing of new A shares, December 20, 2012	2.393.216	2.393.216			
Number of shares December 31, 2012	54.275.318	52.358.651	0	958.333	958.334
Number of shares December 31, 2013	54.275.318	52.358.651	0	958.333	958.334

The share capital as per December 31, 2013 consists of 54,275,318 shares. The total number of shares can be divided into 52,358,651 A shares, of which 11,500,000 shares are listed on the Frankfurter Börse, including 5,328,608 A shares held by the company in treasury as a result of the business combination, 958,333 B2 shares and 958,334 B3 shares.

At the consummation of the business combination on October 11, 2012 Electrawinds SE issued 37,507,102 new A shares and transfered them to the former owners of Electrawinds NV. The company acquired at this phase 94.2% of the shares of Electrawinds NV.

Furthermore, as a consequence of the business combination, all 958,333 B1 shares automatically have been converted into A shares at a ratio of 1 B1 share for 1 A share.

In the course of the acquisition of Electrawinds NV, 5,328,608 A shares, which have been validly redeemed for a price of 10.01€ per A share, have been transferred to the company as treasury shares. The treasury shares were deducted from equity according to IAS 32.

On December 20, 2012 the company issued 2,393,216 new A shares and transferred them to the previous owners of Electrawinds NV. The company acquired the remaining 5,8% of the shares of Electrawinds NV.

Conversion into public shares

The sponsor shares are redeemable shares in the sense of the Luxembourg Company Law and have the same rights as the public shares, except as described below.
The Sponsor Shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Sponsor Share as follows:

- the 958,333 class B2 redeemable Shares, with no nominal value, being one third of the Sponsor Shares (representing 1.77% of the Company's current share capital) will be converted into Public Shares if the Daily VWAP (as defined below) on any twenty (20) out of any thirty (30) consecutive Trading Days (as defined below) following the date of the consummation of an initial business combination of the Company equals or exceeds 11.00€;
- the 958,334 class B3 redeemable Shares, with no nominal value, being one third of the Sponsor Shares (representing 1.77% of the Company's current share capital) will be converted into Public Shares if the Daily VWAP (as defined below) on any twenty (20) out of any thirty (30) consecutive Trading Days (as defined below) following the date of the consummation of an initial business combination of the Company equals or exceeds €12.00.

For this purpose, the "**Daily VWAP**" is the per Public Share volume-weighted average price on Xetra as reported by Bloomberg in respect of a Trading Day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Public Shares on such Trading Day determined by an internationally recognized investment bank selected by the Company). If the applicable Daily VWAP threshold is met prior to the consummation of an initial business combination of the Company, the conversion will take place on the date of consummation of an initial business combination of the Company. "**Trading Day**" refers to any day (other than a

Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business.

Dividend rights

In the event that distributions are made after the date of the consummation of an initial business combination of the Company, (i) each Public Share and each Sponsor Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (€0.01) per Share and (ii) each Public Share shall be entitled to the same fraction of (and the Sponsor Shares shall be entitled to none of) any distribution in excess of one eurocent (€0.01). In the event that distributions are made prior to the date of the consummation of an initial business combination, each share shall be entitled to receive the same fraction of the annual net profits.

Voting rights

Each Sponsor B Share is entitled to one vote at any ordinary or extraordinary general meeting of Shareholders, except under circumstances in which the Articles provide otherwise. Any Sponsor B Shares that are not converted into Public Shares on or prior to the fifth anniversary of the consummation of an initial business combination of the Company will no longer be convertible into Public Shares and will be redeemed within six (6) months of such date at a price equal to €0.024 per Sponsor Share (subject to availability of sufficient funds).

Transfer restrictions

Each of the Sponsors and the Additional Investor has agreed not to sell or otherwise transfer the Sponsor Shares and its or his portion of the Public Shares that may be issued upon conversion of the Sponsor Shares for a period of twelve (12) months following the consummation of an initial business combination of the Company (subject to certain limited exceptions described herein) without the prior consent of the Managers. Such lock-up undertakings have been reconfirmed by Sponsor S.à.r.l. in connection with the Business Combination in the Sponsor Support Letter.

Redemption provisions

The Sponsor B Shares will be redeemed by the Company at a redemption price equal to their par value within six (6) months of the fifth anniversary of the consummation of the Business Combination if they have not previously been converted into Public Shares.

Listing

The Sponsor B Shares are not and will not be listed on a stock exchange.

Authorized capital

The company's authorized capital amounts to 140,000,000 shares, divided into 138,083,333 A shares, 958,333 B2 shares and 958,334 B3 shares, without nominal value.

Authorized capital	**in shares**	**in €**
Authorized capital on December 31, 2011	84.000.000	2.016.000
Authorized capital on December 31, 2012	140.000.000	3.360.000

The share premium account is as follows:

Share Premium Account	**'000€**
At December 31, 2011	**15.697**
Share based payments transactions 760	760
Issuance of share capital -15,066	-15.066
Transaction costs related to issue of share capital -9,086	-9.086
Existing shares of Electrawinds SE 110,935	110.935
Reclassification of the contribution in kind of Electrawinds NV 398,046	398.046
Founding B warrants (IFRS 2 at measurement) 2,613	2.613
At December 31, 2012	**503.899**
Ending share based payment contracts	-1.947
At December 31, 2013	**501.952**

The share based payment transactions is used to recognize the value of equity-settled share based payments provided to employees, including key management personnel, as part of their remuneration.

The transfer of €-2.366mio to the share premium account was made following the forfeiture of the ESOP warrants in the framework of the stock option plans. In addition, €0.418mio is accounted for in the profit and loss statement of 2013, resulting in a net movement of €-1.947mio on the share premium account. Refer to note 36 for further details of these plans.

The movement 'change in scope' in the equity of €-2.021mio can be explained by the decrease in shareholding percentages of Cogeland for an amount of €0.085mio (68% to 51%), Norther €1.959mio (50% to 25%), and Elnu €0.024mio (100% to 50,1%).

Treasury shares:

	Number of shares	**000€**
At December 31, 2010	0	0
At December 31, 2011	0	0
Purchase of treasury shares in the reverse asset acquisition	5.328.608	53.339
At December 31, 2012	**5.328.608**	**53.339**
At December 31, 2013	**5.328.608**	**53.339**

The book value of the treasury shares was deducted from equity. Treasury shares are recognized at cost which is the consideration paid in cash.

25. Subordinated debt

In 2013, the subordinated debt with warrants was classified to other subordinated loans due to the fact that the warrants have expired per end of December 2013. Per 31 December 2012, the total subordinated debt with warrants amounted to €53.8mio.

Other subordinated loans

The other subordinated loans comprise the following loans:

Lender	Borrower	December 31, 2013	December 31, 2012
Groenkracht	Electrawinds NV	15.369	15.369
Les Energies de l'Ouest	Park Eolien Croix des 3 Chesnots	150	150
Mindest SA	Electrawinds Biomassa Oostende NV	500	500
DG Infra Yield	Electrawinds Brugge NV	7.750	7.375
Sopaer	Electrawinds Bastogne SA	1.438	575
NIBC European Infrastructure Fund I CV	Electrawinds Maldegem NV	468	468
NIBC European Infrastructure Fund I CV	Pigeon Blanc SAS	612	612
DG Infra+	Electrawinds Berlare	1.000	1.000
Saffelberg Investments & Serge Ameye	Electrawinds BV	1.825	1.825
Saffelberg Investments & Serge Ameye	Zelena NV	500	
DG Infra+ (subordinated loan Mar'08 - Dec-'13)	Electrawinds NV	11.464	10.080
DG Infra+, Gimv (subordinated loan Dec'08 - Dec-'13)	Electrawinds NV	37.845	33.939
PMV (Aug-'11 - Dec'13)	Electrawinds NV	11.237	9.773
	TOTAL	**90.157**	**81.660**

Of which long term: €14.8mio
Of which short term: €75.4mio

Increase is mainly caused by capitalization of unpaid interests as a result of contractual arrangements.

These subordinated debts are valued at amortized costs.

26. Other liabilities

Public warrants

The other non-current liabilities contain a financial liability resulting from fair value measurement of the public warrants of €0.1mio (2012: €1.7mio).

These public warrants are outstanding on the Frankfurt Stock Exchange since the IPO of European CleanTech I SE in 2010 and have been recognized at fair value (€2.9mio) as a liability of Electrawinds at the moment of the consummation of the business combination between European CleanTech I SE and the Electrawinds-group back in October 2012.

As at December 31, 2013, the market price of one public warrant on the Frankfurt Stock Exchange (Frankfürter Wertpapierbörse) was at €0.01, hence a fair value adjustment of €1.6mio was recorded at December 31, 2013 in other financial income.

Other non-current liabilities

The other non-current liabilities are mainly related to a long term state loan in Energo Zelena doo (€1.3mio).

27. Provisions

'000€	Provisions for pensions and similar obligations	Provisions for disputes and litigations	Provisions for dismantling costs	Provisions others	TOTAL
Balance at January 1, 2013	**87**	**0**	**1.976**	**0**	**2.063**
Charged to Profit & Loss - Additions	200	221	147	652	1.221
Charged to Profit & Loss - Reversal	(108)	0	0	(79)	(187)
Currency translation adjustment	0	0	0	0	0
Other movements	(87)	0	1.377	0	1.290
Balance at December 31, 2013	**92**	**221**	**3.500**	**574**	**4.387**

The Group's provisions for pensions and similar obligations relate to a provision set up in Electrawinds NV.

The Group recognises a provision for the expected cost of dismantling the wind turbines where it is a legal obligation, as in France. In 2013 additional provisions for dismantling costs were made for an amount of €1.3mio (2012: €0.4mio). These provisions do not affect the profit and loss account for the French companies since this is part of the acquisition cost.

The provision for disputes is related to a dispute of the WCO in Electrawinds NV.

The other provisions are related to a provision for the repayment of a received grant in Electrawinds NV.

28. Deferred tax assets and liabilities

'000€	December 31, 2012	Mouvement 2013	Other mouvements	December 31, 2013
Non-current assets				
Other intangible assets	-795	-423		-1.218
Property, plant and equipment	3.673	-3.764	-4.061	-4.153
Current assets				
Inventory	193	63		256
Receivables		99		99
Non-current liabilities				
Financial instruments	1.072	-2.225		-1.153
Provisions	46	0		46
Subordinated loans	-1.277	15		-1.262
Total deferred tax on timing differences	**2.911**	**(6.235)**	**(4.061)**	**(7.385)**
Prior year adjustment	-59		234	175
Changes in consolidation perimeter				
Total deferred tax on timing differences	**2.852**	**(6.235)**	**(3.827)**	**(7.210)**
Deferred taxes on loss carryforwards	4.852	-7.291	2.864	425
Deferred taxes on tax incentives:				
On Notional Interest Deduction	58	-22	-26	11
On Investment Deduction	8.229	-1.686	-1.892	4.651
Change in consolidation scope	-3.055		2.195	-860
Deferred tax asset and liabilities, net	**12.937**	**(15.234)**	**(685)**	**(2.982)**
Deferred tax asset	19.907			4.175
Deferred tax liability	-6.970			-7.157

Tax loss carry forward

in '000€	Total amount	Tax losses without recognition of tax benefit	Tax losses with recognition of tax benefit	Deferred tax asset on recognized tax loss carried forward	Deferred tax benefit not recognized
As of December 31, 2011	**69.117**	**51.175**	**17.942**	**6.406**	**16.195**
Through income statement	**39.579**	**37.415**	**2.164**	**(647)**	**11.617**
Additions	39.382	37.415	1.967	284	11.617
Used	(102)		(102)	(38)	
Write off deferred tax asset				(931)	
Other	300		300	38	
Not recognized in prior years				38	
Other movements	(64)	0	0	(907)	0
Prior year restatement	(64)			(907)	
As of December 31, 2012	**108.632**	**88.590**	**20.107**	**4.852**	**27.812**
Through income statement					
Additions	56.086	56.086			19.064
Used					
Write off deferred tax asset			(7.582)	(4.427)	(3.154)
Other					
Not recognized in prior years					
Other movements					
Prior year restatement					
As of December 31, 2013	**164.719**	**144.677**	**12.525**	**425**	**43.722**

For the companies for which a tax return stating a loss carried forward has been filed, a deferred tax asset at the applicable corporate tax rate has been recognized. However, no deferred tax asset is recognized on tax losses unless its use against taxable profit is expected in a near future.

Movements compared to last year relate to the partial derecognition of deferred tax assets as a result of the review mentioned below, the disposal of subsidiaries and the offsetting of deferred tax assets and deferred tax liabilities by fiscal entity.

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period. The carrying of amount of deferred tax assets in connection with tax losses carried forward has been reduced at December 31, 2013 by €4.4mio as a result of insufficient expected taxable profit in the near future.

Investment deduction

	Total amount	Investments deductions without recognition of tax benefit	Investment deductions with recognition of tax benefit	Deferred tax asset on recognized investment deductions	Deferred tax benefit not recognized
As of December 31, 2011	**26.912**	**1.380**	**25.533**	**8.409**	**492**
Through income statement	(530)	0	(530)	(180)	0
Additions	3.006	0	3.006	1.022	0
Used	(3.669)		(3.669)	(1.247)	
Other	133		133	45	
As of December 31, 2012	**26.382**	**1.380**	**25.003**	**8.228**	**492**
Through income statement					
Additions					
Used	(10.326)		(10.326)	(2.629)	
Other					
As of December 31, 2013	**16.056**	**1.380**	**14.676**	**5.599**	**492**

In order to stimulate investments in energy projects the Belgian government has implemented a system of tax incentives. The company receives a tax credit of 13.5% on the amount invested in qualifying assets. The unused tax credit can be carried forward for an unlimited period.

The remaining deductible amount and the related tax benefit is for the 2 years ended December 31, 2013 and December 31, 2012 as follows:

Notional interest deduction

000€	Total amount	Notional interest deductions without recognition of tax benefit	Notional interest deductions with recognition of tax benefit	Deferred tax asset on recognized notional interest	Deferred tax benefit not recognized
As of December 31, 2011	**980**	**752**	**228**	**73**	**260**
Through income statement	-43	0	-43	-15	0
Additions	206		206	70	
Used	-251		-251	-85	0
Other	2		2	1	
As of December 31, 2012	**937**	**752**	**186**	**59**	**260**
Through income statement					
Additions	874	874			
Used				-22	
Other					
As of December 31, 2013	**1.811**	**1.625**	**186**	**37**	**260**

Under certain conditions, the Belgian companies receive a tax credit on the net equity. The tax credit is calculated as a percentage (on average 3%) of the net equity and is deductible from the taxable basis. As from January 1st, 2012, companies are not authorized to carry forward any excess notional interest deduction. Past notional interest deduction can be carried forward for 7 years.

The table below reconciles the theoretical income tax expense (income) to the effective income tax expense (income):

'000€	December 31, 2013	December 31, 2012
Result before taxes	**-137 579**	**-40 826**
Statutory tax rate	33,99%	33,99%
Normal income taxes	**46 763**	**13 877**
Adjustments for tax rate differences in foreign jurisdictions	-4 258	-1 557
Adjustments for tax exempt income		
Capital gains	0	0
Relating to equity accounted investments		-237
Adjustments for non deductible expenses		
Other non deductible expenses	-1 603	-589
Listing fee		-3 144
Adjustment on fair value of other financial liabilities		391
Transaction cost		2 046
Recognition tax benefit from tax incentive		
On tax incentive not accounted for in prior years		
Tax loss carryforward		
Investment deductions		
Recognised and used in 2009		
On current year use of recognized tax incentives		
Investment deductions	-155	-1 247
Notional interest deduction	-955	-85
On tax effect recognized on current year tax incentives		
Investment deductions		1 022
Notional interest deduction		70
Incentive used in current year without prior recognition of the tax benefit		
Investment deductions		
Notional interest deduction		
Deferred taxes on loss carryforward		
Tax losses without recognition of a deferred tax asset	-61 657	-11 617
Tax losses used in current year		-38
Recognition on deferred tax asset on prior year losses not recognized		0
Tax losses used in current year without prior recognition of the tax benefit		0
Adjustments on deferred taxes		
Impairment on tax benefit tax loss carried forward		-931
Other differences	6 384	-56
Income taxes as per consolidated income statement	**-15 480**	**-2 095**

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29. Financial Debt

The aggregate financial debt as per December 31, 2013 amounts to €261.9mio (2012: €317.2mio).

'000€	Finance Lease Liabilities	Bank Loans	Total Non Current Liabilities	Leasing - current portion	Short term liabilities and other financial liabilities	Bank debt - current portion	Short-term financial liabilities	Total
At December 31, 2012	**34 245**	**192 731**	**226 976**	**3 414**	**41 682**	**45 104**	**90 200**	**317 176**
Change in consolidation scope	-11 135	-27 481	-38 616	-579	0	-1 913	**-2 491**	-41 107
New debts	4 157	18 242	22 395	0	0	54 808	**54 808**	77 203
Repayments	-107	-2 217	-2 324	-5 372	-41 609	-40 761	**-87 742**	-90 066
Transfers	-7 579	-26 095	-33 674	6 079	0	26 272	**32 351**	-1 323
Capitalized interest	0	0	0	0	0	0	**0**	0
Reclassification to liabilities held for sale	0	0	0	0	0	0	**0**	0
Currency translation differences	-7	-9	-16	-16	2	71	**57**	41
At December 31, 2013	**19 573**	**155 169**	**174 741**	**3 527**	**75**	**83 580**	**87 182**	**261 924**

Assets held under lease agreements (including the current portion) is €23.1mio compared to €37.6mio per end of 2012.

Future minimum lease payments

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	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2013	2012	2013	2012	2013	2012
Less than one year	3.968	5.197	1.140	1.782	2.828	3.415
Between one and five years	11.562	22.210	2.831	6.580	8.731	15.630
More than five years	11.187	21.153	1.793	2.538	9.394	18.615
	26.717	**48.561**	**5.764**	**10.901**	**20.953**	**37.660**

The maturity of the financial debt is as follows:

'000€	Finance Lease Liabilities	Bank Loans	Total Non Current Liabilities	Leasing - current portion	Short term liabilities and other financial liabilities	Bank debt - current portion	Short-term financial liabilities	Total
Maturity								
Within 1 year				3.527	73	83.580	87.181	87.181
Between 2 and 5 years	6.294	67.130	73.423					73.423
More than 5 years	13.280	88.039	101.319					101.319
At December 31, 2013	**19.573**	**155.169**	**174.742**	**3.527**	**73**	**83.580**	**87.181**	**261.923**
Maturity								
Within 1 year				3.416	41.682	45.104	90.201	90.201
Between 2 and 5 years	15.621	119.613	135.234					135.234
More than 5 years	18.624	73.118	91.742					91.742
At December 31, 2012	**34.245**	**192.731**	**226.976**	**3.416**	**41.682**	**45.104**	**90.201**	**317.176**

The nominal value of the bank borrowings is €238.8mio (2011: €279.54mio).

Bank borrowings are at fixed interest rates based on Euribor 3m + a margin between 85 and 550 bps. 99

Most of the bank loans are subject to covenants testing debt service ratio’s.

At the reporting date, Electrawinds N.V. tested covenants governing short term straight loan facilities with 4 banks whereby solvency test covenants where not met. After balance sheet date, as per 27 May 2014, the company complies again with covenants agreed with the banks and subordinator creditors.

30. Derivative financial instruments

As per December 31, 2013, the outstanding derivative financial instruments represent a net liability on the statement of financial position of €14.1 million (2012: €19.2mio). The decrease of the liability is mainly due to the decreased interest rates. The changes in fair value are included in the income statement in the line item "other financial results". Note that a put option of Evolis has been added during the current year.

'000€	Fair value December 31, 2012	Change in fair value	Fair value December 31, 2013
Interest rate derivatives	-19.307	6.797	-12.510
Put option electricity	113	233	346
Other financial liabilities	0	-1.954	-1.954
Total	**-19.194**	**5.076**	**-14.118**

The fair value as per December 31, 2013 has been recorded on a contract by contract basis. Contracts for which the fair value is positive are presented as an asset, whilst contracts for which the fair value is negative are presented as a liability. In addition, a distinction has been made between current and non-current assets/liabilities in function of the maturity date of the contracts. 100

'000€	December 31, 2013	December 31, 2012
Non-current assets	**346**	**114**
Current assets	**0**	**0**
Non-current liabilities	**-14.464**	**-19.160**
Current liabilities	**0**	**-148**
Total	**-14.118**	**-19.194**

31. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 31 December 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. For the current year, for the non-quoted investments the fair value is deemed to be substantive value since business has not yet been fully start up.

As of 31 December 2013, the Group held the following financial instruments measured at fair value:

'000€	December 31, 2013	Level 1	Level 2	Level 3
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Put option electricity	346		346	
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Interest rate derivatives	12.508		12.510	
Other financial liabilities				1.953

'000€	December 31, 2012	Level 1	Level 2	Level 3
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Put option electricity	114		114	
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Interest rate derivatives	19.306		19.306	

Other financial assets are measured at acquisition cost since the fair value is determined being unreliable.

Electrawinds NV and Saffelberg Investments NV have entered into a sale and purchase agreement regarding the acquisition of 25% of the shares in Electrawinds Evolis Wind NV on 29 December 2011. They have also entered into a call option agreement in relation to the Shares. Electrawinds NV has hereby granted a conditional sale option to Saffelberg Investments NV on the shares owned by Saffelberg Investments NV. Electrawinds NV grants a conditional sales option during the period of 1 year which commences on 1 January 2014, for a total consideration of €2.25mio. All conditions were met per 31.12.2013.

The key assumptions for the valuation of the put option of Evolis includes the long term business plan taken into account the wind volumes and electricity prices. The applied WACC is equal to 5.80%.

32. Trade and other payables

Trade and other payables 000€	December 31, 2013	December 31, 2012
Trade payables	**41.870**	**33.652**
Income tax and VAT related liabilities	2.820	763
Payroll related liabilities	1.833	1.554
Other liabilities & advances	3.883	5.039
Other payables	**8.534**	**7.356**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 3 to 6 months. The other liabilities & advances are mainly related to the earn-out of Refuel (€2.3mio).

33. List of consolidated subsidiaries, joint venturers and associates of Electrawinds SE

Following entities are fully consolidated subsidiaries of the Group:

Company	Country of incorporation	Owership December 31, 2013	Owership December 31, 2012	Segment
Electrawinds SE	LU			DCPM
Electrawinds NV	BE	100,00%	100,00%	DCPM
Greenco NV	BE	100,00%	100,00%	DCPM
Energy Construct NV	BE	100,00%	100,00%	DCPM
Electrawinds France SAS	FR	100,00%	100,00%	DCPM
Electrawinds Italia SpA	IT	100,00%	100,00%	DCPM
Electrawinds Biomassa NV	BE	100,00%	100,00%	Bio
Electrawinds Biomasse Mouscron SA	BE	100,00%	100,00%	Bio
Electrawinds Biostoom NV	BE	80,00%	80,00%	Bio
Electrawinds Evolis Biomassa NV	BE	100,00%	100,00%	DCPM
Biomarcs SAS	FR	100,00%	100,00%	Bio
Electrawinds Brugge NV	BE	100,00%	100,00%	Wind
Electrawinds Wind Belgium NV	BE	100,00%	100,00%	Wind
Electrawinds Bastogne SA	BE	60,00%	60,00%	Wind
Electrawinds Distributie NV	BE	100,00%	100,00%	Bio
Electrawinds BV	NL	100,00%	100,00%	DCPM
Brocéliande Energies Locales SAS	FR	65,00%	65,00%	Wind
Electrawinds Evolis Wind NV	BE	75,00%	75,00%	Wind
Electrawinds Poland LTD	PL	100,00%	100,00%	DCPM
Electrawinds Pontedera srl	IT	100,00%	100,00%	Wind
Electrawinds Bulgaria PLC	BG	100,00%	100,00%	DCPM
SC Electrawinds - RSA	RO	100,00%	100,00%	DCPM
Electrawinds Solar NV	BE		100,00%	Solar
Athmosphère SRL	IT	100,00%	100,00%	DCPM
Electrawinds Bretagne 1 SAS	FR	100,00%	100,00%	Wind
Electrawinds Shabla South JSCo	BG	100,00%	100,00%	Wind
Chimconsult SRL	RO	100,00%	100,00%	Wind
Zon aan Zee NV	BE		100,00%	Solar
Societé du Parc Eolien La Tourelle SAS	FR	100,00%	100,00%	Wind
Parc Eolien Croix des 3 Chesnots SAS	FR	93,00%	93,00%	Wind
Zelena NV	BE	64,00%	64,00%	Bio
Energo Zelena doo	SR	64,00%	64,00%	Bio
Electrawinds Windpark Maldegem NV	BE	70,00%	70,00%	Wind
Electrawinds Windpark Berlare NV	BE	51,00%	51,00%	Wind
Grenslandpower NV (St-Pieters-Leeuw)	BE	50,01%	50,00%	Wind
Electrawinds Shabla JSCo	BG	100,00%	100,00%	Wind
Pigeon Blanc SAS	FR	70,00%	70,00%	Wind
Electrawinds Windpark Sint-Lievens-Houtem NV	BE	100,00%	100,00%	DCPM
Electrawinds-S (Serbia) D.o.o. Beograd	SR	100,00%	100,00%	DCPM
Electrawinds Africa & Indian OceanIslands PTY	SA	100,00%	100,00%	Wind
Electrawinds Morbihan SAS	FR	100,00%	100,00%	DCPM
Energo Services CVBA	BE	100,00%	100,00%	DCPM
Ballycadden Wind Farm Ltd	IE		51,00%	Wind
Electrawinds Offshore NV	BE	100,00%	100,00%	DCPM
Electrawinds Vran srl	RO	100,00%	100,00%	DCPM
Elnu NV	BE	50,10%	100,00%	DCPM
Electrawinds Genco Biomass srl	RO	75,00%	75,00%	DCPM
Electrawinds Storage NV	BE	100,00%	100,00%	Bio

Electrawinds Solar NV, Zon aan Zee NV and Ballycadden Wind Farm Ltd were sold in 2013.

Following entities are joint ventures of the Group and consolidated via equity method:

Company	Country of incorporation	Owership December 31, 2013	Owership December 31, 2012	Segment
Electrawinds Greenpower Oostende NV	BE	50,00%	50,00%	Bio
Biomelec SAS	FR	50,00%	50,00%	Bio
Norther SA	BE	25,05%	50,00%	DCPM
Pinewood Wind Ltd	IE		50,00%	DCPM
Les Royeux Energies SAS	FR	50,00%	50,00%	DCPM
Le Haut Bosquet Energies SAS	FR	50,00%	50,00%	DCPM

Following entities are associates of the Group and consolidated via equity method:

Company	Country of incorporation	Owership December 31, 2013	Owership December 31, 2012	Segment
Penquer Eolien SAS	FR	40,00%	40,00%	Wind
AD Biodiesel SAS	FR	20,00%		Bio

The participations in Electrawinds AWF doo, Electrawinds Mali WF, Electrawinds Coega Sonop and Parc Eolien Bois de Grisan are newly incorporated entities in 2013.

Pinewood Wind Ltd is sold on July 16, 2013.

34. Business combinations

34.1. Acquisition of subsidiaries

There were no acquisitions of subsidiaries in 2013.

In 2012, the following subsidiaries were acquired:

Reg 4 srl

The Group acquired 100% of the interests of Reg 4 srl on July 4th, 2012, as part of the expansion of the Solar segment.

Reg 4 srl operates a solar park in Italy of 0.916 MwH. Reg 4 srl contributed revenue of €0.2mio and a net loss of 36,000€ to the Group for the period July 4th, 2012 to December 31, 2012. If the acquisition had occurred on January 1st, 2012, Reg 4 srl would have contributed revenue of €0.4mio and a net gain of 67,000€.

The assets and liabilities arising from the acquisition are as follows:

Reg 4 srl **000€**		**Fair value**	**Acquiree's carying amount**
Intangible assets		99	99
Tangible fixed assets		1,590	1,590
	Assets under construction	*1,590*	*1,590*
Working capital		-1,008	-1,008
	Trade debtors	*19*	*19*
	Other debtors	*155*	*155*
	Trade payables	*-1,182*	*-1,182*
Cash and cash equivalent		1	1
Fair value of net assets		**681**	**681**
Interest part of Electrawinds NV		**100%**	
Fair value part of Reg 4 srl		**681**	
Purchase consideration at fair value settled in cash		676	
Gain on bargain purchase		**-5**	

Electrawinds San Severo srl

On January 30th, 2012, the Group acquired 75% of the shares of Enfinity San Severo (now Electrawinds San Severo srl) as part of a transaction involving Electrawinds San Severo srl, Electrawinds Alexina srl and Pinewood Wind Ltd. The purchase consideration for Electrawinds San Severo amounts to 70,000€. The goodwill on the acquisition of Electrawinds San Severo srl is impaired at December 31, 2012. The company holds a portfolio of wind projects in east of Italy. As a development company of wind projects, the company did not contribute to the 2012 results.

Electrawinds San Severo srl 000€		Fair value	Acquiree's caryïng amount
Intangible assets			324
Working capital		51	-346
	Other debtors	*61*	*61*
	Trade debts	*-10*	*-10*
	Other amounts payable		*-398*
Fair value of net assets		**51**	**-22**
Interest part of Electrawinds NV		**75%**	
Fair value part of Electrawinds NV		**38**	
Purchase consideration settled in cash		69	
Goodwill		**31**	

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Electrawinds Alexina srl

On January 30th, 2012, the Group acquired 75% of the shares of Enfinity Alexina srl (now Electrawinds Alexina srl) as part of a transaction involving Electrawinds San Severo srl, Electrawinds Alexina srl and Pinewood Wind Ltd. The purchase consideration for Electrawinds Elexina amount to 70,000€. The goodwill on the acquisition of Electrawinds Alexina srl is impaired at December 31, 2012. The company holds a portfolio of wind projects near Pescara in the east of Italy. As a development company of wind projects, the company did not contribute to the 2012 results.

Enfinity Alexina srl **000€**		**Fair value**	**Acquiree's carying amount**
Intangible assets			383
Working capital		62	-410
	Other debtors	*73*	*73*
	Trade payables	*-10*	*-10*
	Other amounts payable	*0*	*-473*
Fair value of net assets		**62**	**-28**
Interest part of Electrawinds NV		**75%**	
Fair value part of Electrawinds NV		**47**	
Purchase consideration settled in cash		69	
Goodwill		**23**	

Electrawinds Refuel BV

On April 27, 2012 Electrawinds acquired 70% of the shares of Goes on Green Energy BV (now Electrawinds Refuel BV). Goes on Green Energy BV is the 100% shareholder of Goes on Green BV (now Electrawinds Greenfuel BV). Both companies are located in Sluiskil, the Netherlands. Goes on Green Energy BV owns a biodiesel plant with a nominal capacity of 250.000MT per year. The Group acquired Electrawinds Refuel BV because of the vertically integration strategy which intends to diversify the range of products coming from the process of fat refining.

Subconso Electrawinds Refuel BV **000€**		**Fair value**	**Acquiree's carrying amount**
Tangible fixed assets		12,032	47
	Land & buildings	*11,985*	
	Plant, machinery & equipment	*47*	*47*
Working capital		-1,007	-1,232
	Inventory	225	
	Trade debtors	*0*	
	Other debtors	*234*	*234*
	Trade debts	*-888*	*-888*
	Other amounts payable	*-578*	*-578*
Financial debt		*-193*	*-193*
Cash and cash equivalent		5	5
Deferred tax assets on TLCF		907	
Deferred tax assets on timing difference		-3,055	
Fair value of net assets		**8,684**	**-1,378**
Interest part of Electrawinds NV		**70%**	
Fair value part of Electrawinds NV		**6,079**	
Purchase consideration paid in cash		1,395	
Purchase consideration as contingent liability		2,240	
Gain on bargain purchase		**-2,443**	

The installations of Goes on Green Energy BV were built in 2008 for a total amount of approximately €50.0mio and impaired in the statutory accounts. The fair value of the installations has been determined and estimated by the management, at €12.0mio.

The fair value of the deferred tax assets is determined at €0.9mio. The group is preparing the application to the Dutch tax authorities that the part, attributable to Electrawinds Refuel BV and Electrawinds Greenfuel BV, of the tax losses of the former fiscal unity can be used to compensate future benefits.

The consideration transferred in cash amounts to €1.4mio. The acquisition agreement includes a deferred contingent consideration liability of €2.2mio which is conditional depending on performance conditions for the first time based on production figures of 2013.

A gain on bargain purchase of €2.4mio is the result of the fair value assessment of the property, plant and equipment and recognized in the income statement under financial result.

From the date of the acquisition, the revenue from Biodiesel, via Electrawinds Biomassa NV, amounted to €4.9mio. It is impracticable to indicate the revenue and profit before tax if the combination had taken place at the beginning of 2012, because of the extensive initial start-up period and investments that are made to get the production plant ready in order to deliver biodiesel as intended by the management.

34.2. Acquisition of associated interests

AD Biodiesel SAS

On 27 September 2013, Electrawinds has co-founded the company AD Biodiesel SAS for the sourcing, production and marketing of 2nd generation biodiesel based on waste products (animal fats and used cooking oils). Eelctrawinds owns 20% (with the option to increase its stake to 40%), alongside key industry players Sofiproteol/Diester (60%), Akiolis (10%, part of Tessenderlo group) and Mindest (10%).

35. Share based payments

Class B Warrants

Immediately prior to the IPO of European Cleantech I SE on October 18, 2010 the Company raised further funds through a private placement of 4,968,678 Class B warrants with the founding shareholders, for an aggregate subscription price of €4,968,678 (1€ per Class B warrant). As long as the Class B Warrants are held by the founding shareholders or their affiliates: they will not be redeemable and they may be exercised on a cashless basis at the holder’s option. According to these conditions Class B Warrants are treated as equity under IFRS 2.

Class B warrants are exchangeable into Class A shares at an exercise price of €11.5.

These Class B warrants, subscribed by the founding shareholders, are measured as at the grant date, October 18, 2010, using a binominal model for an amount of €2.6mio.

A Release agreement regarding Class B warrants, dated October 11, 2012 reduced the number of Class B warrants from 4,968,678 warrants to 972,906 Class B warrants. The subscription price is set at €5.10704836849. As of date of these financial statements, none of the Class B warrants have been exercised.

There were 3,995,772 B warrants forfeited, no warrants exercised or no expired warrants in the reporting period.

ESOP Warrants Electrawinds NV

In 2008, Electrawinds NV issued 459,000 registered ESOP Warrants in the framework of the "stock option plan 2008". Electrawinds NV granted a total of 435,729 ESOP Warrants to key employees and senior managers as ESOP Participants. As per December 31, 2012, a total of 321,400 ESOP Warrants have been granted and allocated to the ESOP Participants and remain outstanding. The ESOP Warrants that have not been granted at October 11, 2012, will be canceled by Electrawinds NV. On May 2th, 2012, Electrawinds SE entered with each ESOP Participant into an agreement to sell and contribute any new ordinary registered shares in Electrawinds NV to be issued by Electrawinds NV upon the exercise of the ESOP Warrants to the Company, either on the 30th day, or at the election of the respective ESOP Participant, on the 380th day following the issuance of such shares, against issuance of new public shares by the Company, applying the same valuation as in connection with the business combination

Date of plan	Beneficiaries	# of warrants granted	#of shares upon exercise	Exercise date
November 2008	Senior & Key managers	271,400	271,400	November 2013 or exit (*)
March 2011	Senior & Key managers	50,000	50,000	March 2016 or exit (*)

Activity under the ESOP warrant plan for the two years ended 31 December was as follows:

	Number of warrants	Weighted average exercise price
Outstanding as at December 31, 2010	**271.400**	**12,50**
Granted	100.000	19,22
Forfeited		
Outstanding as at December 31, 2011	**371.400**	**14,31**
Forfeited	-50.000	
Outstanding as at December 31, 2012	**321.400**	**16,38**
Forfeited	-321.400	
Outstanding as at December 31, 2013	**0**	**0,00**

For the option plan of 2008, the warrants have expired in 2013 as the warrants were only exercisable until 17 November 2013. For the option plan of 2011, warrants have been expired due to the fact that there was an exit of the beneficiaries of the company.

The ending of the share based contract have been taken into account in the equity statement (see Note 25).

36. Retirement benefit plans

The group operates defined contribution retirement plans. The assets of the plans are held separately from those of the Group in funds under control of trustees. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognized in the consolidated income statement is not significant in 2013 (2012: €0.3mio).

The Group operates no defined benefit plans. The Group has no post-employment benefit plans to employees.

37. Operating leases

The group companies lease the land of the windmill and solar farms through long-term lease contracts. The future minimum lease payments under non-cancellable leases are analysed below:

December 31, 2013		Future payments		
'000 €	Annual rent	< 1 year	1 – 5 years	> 5 years
Windmill farms	1 216	973	3 897	12 296
Solar farms	196	141	0	0
Office buildings	213	134	741	0
Total	**1 625**	**1 248**	**4 638**	**12 296**

December 31, 2012		Future payments		
'000 €	Annual rent	< 1 year	1 – 5 years	> 5 years
Windmill farms	966	1 048	4 197	14 681
Solar farms	220	141	565	1 848
Office buildings	271	213	134	0
Total	**1 457**	**1 403**	**4 896**	**16 529**

In addition, the group companies have also entered into operational leasing agreements for the rent of small equipment and cars. The length of these contracts varies from 1 to 4 years. The expenses attributable to these contracts are as follows:

'000 €	December 31, 2013	December 31, 2012
Office rent & Land	76	974
Rent office furniture	229	76
Rent equipment	112	83
Rent cars	104	159
Rent other	42	87
External Store	1216	2 452
Total	**1 778**	**3 831**

38. Ultimate controlling parties and related party transactions

The Company has no ultimate controlling party.
Entities and natural persons (and their families) are considered related parties if they are in a position to control Electrawinds SE or to exert a significant influence on its financial and business policies. For the purpose of assessing the significant influence exercised by related parties on the financial or business policies of Electrawinds SE, the existence of fiduciary relationships is taken into account in addition to the existing control relationship.

Below table shows values in € '000.

Expenses	December 31, 2013	December 31, 2012
Board of Directors	125	200
Key management staff	1.597	2.403
Joint ventures & Associates	4.290	238
Other related parties	23.326	39.174
Income		
Key management staff	9	17
Joint ventures & Associates	140	1.530
Other related parties	23.350	5.769
Total payables		
Board of Directors	0	51
Key management staff	301	123
Joint ventures & Associates	2.075	0
Other related parties	14.905	9.848
Total receivables		
Key management staff	222	243
Joint ventures & Associates	10.117	8.092
Other related parties	14.124	2.590

Transactions with associates and joint ventures

Transactions with Joint Ventures and Associates refer to Greenpower, Vleemo, Rentel, Otary, Norther, Energy5 and AD Biodiesel. The company delivered services to Greenpower for an amount of €2.7mio (2012: €0.2mio). The Group had outstanding receivable balances with Greenpower NV for an amount of €6.8mio (2012: €7.9mio) of which €6.2 refers to a loan and €0.6mio to commercial services. On the other hand, the Group has €0.3mio outstanding payables towards Greenpower NV (2012: €0.0mio).
The Group was invoiced by AD Biodiesel for the production of biodiesel for an amount of €1.8mio (2012: 0€) of which €1.8mio was outstanding at the end of the reporting period. The Group has a receivable of €3.2mio towards AD Biodiesel.

Transactions with key management personnel

Key management of the Group are the executive members of the Board of Directors and members of the management. The remuneration of the Board of Directors for 2013 amounts to €0.1mio (2012: €0.2mio). The remuneration of key management for 2013 amounts to €1.911.748,11 (2012: €2,7mio).

The Group has no future obligations, such as post-employment benefits, termination benefits or other obligations towards key management personnel. At the end of the reporting period the Group has receivables towards (2012: €0.2mio) key management personnel for an amount of €0.2mio and payables amounting to €0.3mio (2012: €0.2mio).

Total remuneration: €2.297.498,11

Transactions with other related parties

Other related parties refer to Mindest SA and Capital Advice. Mindest SA is controlled by shareholder and former director of Electrawinds NV Bertrand Bornhauser. A supply agreement for the delivery of the raw materials for the Biomass plant was concluded between Mindest SA and Biomassa NV. The total purchases from Mindest SA amounted to €22.9 million in 2013 (€38.0 million during 2012) of which €14.0mio was outstanding as at December 31, 2013 (2012: €9.3mio). The Group supplied FFA's to Mindest for a total amount of €23.3mio (2012: 5.8mio), of which €14.1mio were outstanding at the end of 2013 (2012: €2.6). Finally, during 2006 the company Electrawinds Biomassa NV obtained a subordinated loan of €0.5 million at an interest rate of 5.00 % p.a from Mindest SA, which is still outstanding.
Capital Advice NV, of which Alexandre Vandekerckhove (former permanent representative of Winpar NV) is a shareholder and director, advises the Group on its capital structure and funding. The total fees for those services amounted to €385.750 (2012: €1.2mio) which was still outstanding at the reporting date. These fees have been submitted in the reorganization proceedings and are to be paid in 5 equal yearly payments. First payment will be due on the 15th of December 2014 and the last one on the 15th of December 2018.

All amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. All receivables of Greenpower NV and, Energy 5 have been expensed for bad or doubtful debts. (2012: €0.0).

39. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that stam directly from its operations. The Group holds available for sale investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The group's risk management is coordinated at its headquarters, in close co-operation with the Board of Directors. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Market risk

Foreign exchange risk

The foreign exchange risk on the Group's activities abroad are limited: on the one hand, operations in countries outside the Euro zone only recently started, on the other hand the foreign exchange risk on the wind and bio projects in these regions are limited as the capital expenditures as well as the financing were made in Euros.

The currency rates against euro relevant to the annual financial statements are:

	December 31, 2013	Average 2013	December 31, 2012	Average 2012
BGN	1,95538	1,95538	1,95538	1,95538
GBP	0,83370	0,83370	0,81870	0,81119
KES	119,22300	112,56800	113,11100	106,97566
PLN	4,14720	4,19140	4,08820	4,17708
RON	4,48470	4,41350	4,42870	4,45328
RSD	114,64210	112,52200	113,71830	112,43915
ZAR	14,73190	12,79050	11,43740	10,53581

Volume risk

In order to mitigate the risk related to the fact that produced electricity cannot be stored; the Group concludes long term Power Purchase Agreements with its customers.

Price risk

Purchase price of raw materials

The major raw materials are animal fats for the Biomass plants and RDF for the bio steam plant. The price evolution and the continuation of delivery of the raw material are a major business risk. In order to control this risk long term supply agreements have been concluded with the different suppliers.

Electricity price

In a number of countries (including Belgium) where the Group is active, it is exposed to the risk of changes in the price of electricity. Electrawinds can opt to fix the price with its suppliers for the coming quarters up to maximum 1 year.
In addition, the company uses derivative financial instruments to hedge its exposure to fluctuations in the price of electricity. In December 2007, Electrawinds Biostoom NV entered into a forward starting put option in order to secure a minimum price of an annual volume of 120.000 MWh during a 10-year period. A premium of €2.1mio was paid in February 2008.
In order to optimize the electricity prices the Group also buys, through its affiliate, Electrawinds Distribution NV, electricity from the operating entities in the Bio segment and resells on the Belpex spot market or sells forward in bilateral over the counter contracts to utility providers.

Interest rate risk
The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risks. The largest part of those borrowings is hedged by means of interest rate derivatives. The Group uses following types of derivatives:

Interest rate swap (IRS):
Electrawinds pays a fixed interest rate and receives a floating rate payment that matches the interest payable on the loan.

Interest rate cap:
By means of paying an upfront premium, Electrawinds effectively caps its interest charge at the strike level of the option.
The following table shows the outstanding notional amounts of the interest rate swaps:

December 31, 2013	Total	Due within 1 year	Due between 1 - 5 years	Due between 5 - 10 years	Due after 10 years
IRS	160.540	0	31.963	90.062	38.515
IRS callable	3.952		3.952		
Total	**164.492**	**0**	**35.915**	**90.062**	**38.515**

December 31, 2012	Total	Due within 1 year	Due between 1 - 5 years	Due between 5 - 10 years	Due after 10 years
IRS	200.693	12.567		103.831	84.295
IRS callable	3.952		3.952		
Total	**204.645**	**12.567**	**3.952**	**103.831**	**84.295**

Sensitivity analysis

An increase of the short term interest rates by 1% would result in an increase of financial expenses by €0.7mio and an increase of financial income by €0.3mio or a net decrease of pre-tax income of €0.4mio.

The calculations are based on a change in the short term interest rate on the reporting date. All other variables are held constant.

Public warrant fair value risk
The Group's public warrants are accounted for as financial liability recognized at fair value through the income statement. The fair value of the public warrants is based on the quoted market price at reporting date. A change in the market price of the public warrants will impact the income statement and the equity as well as the amount of the liability. An increasing market price for the public warrants would result in a higher liability and a loss in the comprehensive income.

Sensitivity analysis
The closing price for the public warrants for the year ended December 31, 2013 was quoted at 0.01€.

Regulatory support
As producer of "renewable energy" the company is entitled to "green certificates". This portion of the company's revenues is subject to governmental energy policy.

Credit risk
Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Trade receivable risk
For the risk control assessment of customers, the Group takes into account past experience, its financial positions and other objective parameters. Accounts receivable are regularly monitored.
The Group evaluates the concentration of risk with respect to trade receivables as low.

Financial instruments and cash deposits
The credit risk for cash and cash equivalents and derivate financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and cash outflows due in a day-to-day business. Cash forecast and liquidity needs are monitored, through intensive communication with the different departments and

countries, in various time bands. The Groups' bank accounts are all operated and managed from its headquarters.

Within a 12-month period following the end of the reporting period, significant debt maturities would have fallen due for a total principal amount of up to €208,5mio at consolidated group level.

On the 9th of December 2013 the Board of Directors decided to apply for a judicial reorganization for Electrawinds SE and Electrawinds NV under the law of 30 January 2009 (Wet Continuïteit Ondernemingen / Loi Continuité Entreprise) and a filing was made in this respect.

On the 26th of December 2013, the court decided to grant protection against creditors for a period of 3 months till 27 March 2014 in order to work out a reorganization plan which had to be submitted by 20 February 2014. This reorganization plan was rejected and on 27 March 2014 a new reorganization plan, based on the Tecteo proposal and related agreements with the different stakeholders, was filed. This plan was submitted to a vote amongst creditors on 17 April 2014.

On the 22nd of April 2014 the Commercial Court homologates the positive vote of 17 April 2014 and herewith validated the reorganization plan.

On the 28th of May 2014, after appeal periods have ended, legal closing takes place with the signing of an Asset Transfer Agreement which transfers certain assets & liabilities from Electrawinds NV and Electrawinds SE to Elicio NV, the NewCo incorporated by Tecteo in this respect.

After this reorganization Electrawinds NV is left with a bank debt of 1.350.000 euro and 2.010.191 euro other ordinary debt. The bank debt was, after the transaction of the 28th of May 2014, reduced by 350.000 euro, and the remaining 1.000.000 euro becomes payable in two equal payments of 500.000 euro planned for the 30th of September 2014 and the 31st of March 2015. The remaining ordinary debt of 2.010.191 euro will be repaid in 5 equal yearly payments of 402.038 euro. First payment will be due on the 15th of December 2014 and the last one on the 15th of December 2018.

Electrawinds NV has already repaid the first two bank instalments for an amount of 850.000 euro, and has no indication that there will be insufficient funds to repay the remaining outstanding debt (bank and ordinary).

As part of this judicial reorganization, the NV Electrawinds has transferred a large part of its wind assets and projects in development in Belgium, France, Kenya and 1 wind project in Romania - with a full or partial ownership in subcompanies representing a capacity of 166 Gross MW installed - and a large amount of liabilities to the newly created entity the NV Elicio, which is part of the Belgian Tecteo Group, as well as certain employees.

After the earlier announced and completed divestments of the BallycadWind Farm Ltd, the NV Electrawinds Biostoom, the biomass activities in Serbia and part of the solar assets in Italy, representing a total capacity of 48,8 Gross MW installed, the following assets and projects are at this date in Electrawinds' portfolio:

- the SE Electrawinds, 100% owner of the NV Electrawinds;
- the NV Electrawinds;
- the subcompanies - largely fully owned by Electrawinds in the following countries, representing a total capacity of 84 Gross MW installed in wind, biomass and solar:
    - In Belgium and the Netherlands: all biomass-activities, the bioliquids segment and 1 wind asset;
    - In Italy: all wind and solar assets and projects in development;
    - In Bulgaria : all wind assets and all projects in development;
    - In Romania: 1 wind assets and all projects in development;
    - In South-Africa: 1 wind asset and all projects in development.

Via the execution of the reorganization plan the Group has been able to secure its continuity and diminish its liabilities in a significant manner. In particular the Group has been able to reduce its debts to less than 33mio EUR vis-à-vis the amount as accounted on 31 December 2013 The Company shall further focus on optimizing the remaining assets in its portfolio, with the determination of the usage of the proceeds through earn-outs to be further set forth in 2015 and through carefully planned and to be approved divestments for further debt reduction and general corporate purposes. The results on the divestments shall be timely communicated in line with the Company policy thereon.

Once the divestment of the bioliquids segment (as described in 1.4.2 and note 45) shall be formally execeted the aggregated debts of the Group shall amount to 14.5mio EUR, whereby 14mio EUR is linked to the financing of operational assets.

The results on the divestments shall be timely communicated in line with the Company policy thereon.

It is the Board's assessment that the current and reasonably expected future results of these actions, should allow the Company to continue as a going-concern. However, in case the above actions would not timely materialize and/or only bring limited amounts of new capital to the company, further mitigations measures would be needed such as the acceleration of the assets divestment program, deferral of the realization of new projects, further expenses reduction, renegotiation of financing terms with the banks etc. in order to be able to continue as going-concern.

The financial liability resulting from the public warrants is not subject to liquidity risk. Public warrants will be settled net in shares and therefore the exercising of the public warrants will not trigger any cash outflows.

Balance at December 31, 2013	Less then 1 year	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	83 653	67 130	88 039	238 823
Leasings	3 527	6 294	13 280	23 101
Subordinated Debt	75 402	2 250	12 505	90 157
Derivative Financial instruments	16	0	14 447	14 463
Trade payables	41 870			41 870
Other current liabilities	3 883			3 883
TOTAL	**208 352**	**75 673**	**128 271**	**412 296**

Balance at December 31, 2012	Less then 1 year	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	86 786	119 613	73 118	279 517
Leasings	3 415	15 621	18 624	37 660
Subordinated Debt	53 791	27 873		81 664
Derivative Financial instruments	148	1 962	17 198	19 308
Trade payables	33 652			33 652
Other current liabilities	4 949			4 949
TOTAL	**182 741**	**165 069**	**108 940**	**456 750**

40. Capital risk management

The Group' s capital management objectives are:
• to ensure the Group's ability to continue as a going concern; and
• to provide an adequate return to shareholders

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Management evaluates its capital needs based on following data:

'000€	December 31, 2013	December 31, 2012
Bank borrowings and leasings	261.923	317.177
Cash and cash equivalents	-29.205	-37.510
Net financial debt	**232.718**	**279.667**
Equity	-72.485	85.510
Subordinated loans falling due within 1 year	75.402	53.791
Subordinated loans falling due after 1 year	14.755	27.873
Total equity and subordinated loans	**17.672**	**167.174**
Gearing ratio	**1317%**	**167%**

Net financial debt is calculated as a total of noncurrent and current borrowings less cash and cash equivalents.

We refer to note 39 above for more explanation and a full description of the liquidity risk.

41. Off-balance sheet commitments

In the context of project finance arrangement, it is customary to grant securities over the project's assets and material contracts, often complemented by a share pledge over the shares of the project company. In this respect the assets owned by project companies in the Wind, Bio and Solar segment are pledged to project financiers. The indebtedness of Electrawinds NV and Electrawinds SE (DCPM) was largely unsecured as of December 2012. But in order to extend short term debt facilities from June 2013 till December 2013, Electrawinds NV's senior lenders required additional securities. In the framework of the waiver and extension agreement signed in June 2013, Electrawinds NV has granted an extensive package of security interests on its participations in subsidiaries and over its intra-group receivables on direct and indirect subsidiaries. Also in June 2013 subordinated lenders of Electrawinds NV and Electrawinds SE have received junior ranking security interests on those assets where senior lenders have also received security interests As a result, the entirety of the Group's assets had been pledged in favor of the group's senior and subordinated lenders on project and holding level.

Other off-balance sheet commitments:

- Guarantee of €3.5mio with respect to the financing of the operation of AD Biodiesel. As per 31 December 2013 the equity of AD Biodiesel amounts to €3.2mio.
- The group has a capital commitment of €18.8mio with respect to the construction of a biomass plant in Labouheyre (France).

42. Contingent assets and liabilities

The Group is involved in a number of discussions and legal procedures with various suppliers related to damages.

Barry Callebaut Belgium NV had initiated legal proceedings before court against Electrawinds NV for the non-execution of a biomass project. The total claim amounts to €11.6mio (excluding legal interest since 4/02/2009). During 2012, the court rejected the claim of Barry Callebaut Belgium NV, but they appealed. The claim of Barry Callebaut has yet increased up to €14.5mio (excluding legal interest since 4/02/2009).

Best Consulting Solutions SRL initiated legal proceedings before court against Electrawinds NV. BCS SRL claims a total amount of 825.000€ or 1.5% of the total investment in the transaction between Electrawinds nv and ECT. The court has set a calendar for parties to make their case and determined the terms for submitting the conclusions: 20/05/2014 for the NV Electrawinds, 20/10/2014 for the counterparty and 20/02/2015 for Electrawinds NV. The NV Electrawinds is in the process of evaluating the conclusions as submitted by this counterparty.

In 2013 there was also a CEPANI arbitration proceeding ongoing against Baumgarte Boiler Systems GmbH launched by the Eletrawinds Biosteam NV. As part of the divestment of the Biosteam plant to the NV Bionerga in January 2014, it has been agreed between all parties involved in the share purchase agreement that in case of a positive outcome, which is expected, 50% of these proceeds shall be paid by the NV Bionerga to the NV Electrawinds. The verdict is expected in the next few months.

In addition to the above mentioned proceeding, the Group is subject to other claims and legal proceedings incidental to the normal conduct of its business.

Management considers the claims mentioned above to be unjustified and the probability that they will require settlement at the Group's expense to be remote. This evaluation is consistent with external independent legal advice. Therefor no provisions have been made.

Further information on these contingencies is omitted so as not to prejudice the Group's position in related disputes.

43. Remuneration of members of Board of Directors and the management board

The compensation of the Board members of Electrawinds SE consists of a fixed component. The mandate of each director is remunerated at €50,000 a year. The compensation of the chairman of the Board of Directors amounts also to €50,000 a year. The mandates of Mr Dirk Dewals, who has resigned in January 2014, and Mr Rudi Vander Vennet are not remunerated. During 2013, the total payments to directors amounted to €125,000 (2012: Electrawinds NV €200,000).

We refer to note 25 and note 36 for a description of the shares and warrants held by directors.

44. Events after the reporting period

2 January 2014: The senior lenders made available an emergency credit of €1.0m mainly used to pay salaries (incl. social security contributions) and crucial suppliers

in order to secure the going concern. A floating charge of €10.0m has been implemented as requested by the lenders on top of the existing extensive security package.

20 January 2014: The Board of Directors had approved the offer of Bionerga to divest its 80% stake in Electrawinds Biostoom NV. As divestment proceeds were pledged to the senior creditors, an agreement had to be reached with the senior creditor in order to avoid that all proceeds would be used for senior debt reimbursement (as a consequence of the default & acceleration situation). Proceeds have been used to repay the emergency credit, the VEH bridge loan from 1 July 2013 and to reduce the short term credit facilities. An amount of €3.75m remained available to fund ongoing expenses till the end of the WCO protection period.

12 February 2014: Tecteo has been conducting due diligence since the beginning of January and presented on 12 February its investment offer. The Board of Directors rejected this offer as this was perceived as an offer on selected assets (mainly wind Belgium & France + related operational teams) as opposed to a recapitalization offer for the group.

18 February 2014: Gimv and PMV (2 large subordinated creditors) have launched an investment proposal to carve-out selected assets & liabilities from Electrawinds into a NewCo.

20 February 2014: Electrawinds files its reorganization plan which is based on the investment proposal made by Gimv & PMV. This plan will be submitted to a vote on 13 March 2014

5 March 2014: Tecteo launches a procedure to suspend the reorganization plan filed on 20 February arguing that a positive vote and homologation would be highly uncertain, citing a.o. that Groenkracht (whose positive vote is required) rejects the plan. Tecteo subsequently initiated negotiations with all stakeholders.

13 March 2014: Electrawinds withdraws the reorganization plan and the scheduled vote did not take place. Tecteo and Gimv/PMV have negotiated about a transfer of the subordinated loans to Tecteo. Based on this new event, Electrawinds and Tecteo have requested that the WCO (running till 27 March) would be extended with another month which would allow all parties to prepare and submit a new reorganization plan.

20 March 2014: The extension request is discussed by the Court but not yet approved as all parties involved had not yet reached binding agreements. Such binding agreements were crucial in order to have access to bridge funding from

Tecteo, and the availability of such bridge funding was required to extend the WCO period with one month.

25 March 2014: As binding agreements amongst all parties had been reached on 24 March 2014, the Court approves the extension with 1 month.

27 March 2014: A new reorganization plan, based on the Tecteo proposal and related agreements with the different stakeholders, is filed. This plan was submitted to a vote amongst creditors on 17 April 2014
22 April 2014: The Commercial Court homologates the positive vote of 17 April 2014 and herewith validated the reorganization plan.

28 May 2014: After appeal periods have ended, legal closing of the WCO- period takes place with the signing of an Asset Transfer Agreement which transfers certain assets & liabilities from Electrawinds NV and Electrawinds SE to Elicio NV, the NewCo incorporated by Tecteo in this respect. In accordance with Belgian law part of this agreement needs to be further formalized as a transfer of branch, certain employees included.

14 July 2014: The transfer of branch from the NV Electrawinds to the NV Elicio is formalized.

August – September – October 2014: the move to the new headquarters of the NV Electrawinds in the Fortstraat 27 at BE-8400 Ostend and the practical reorganization is executed.

29th October 2014: an agreement was signed in relation to the sale of the whole bioliquids segment of the Group to the Biopower Holding, a company incorporated under the laws of the Grand Duchy of Luxembourg and controlled by Mr. Bertrand Bornhauser, the controlling shareholder of Mindest Holding, a company organized under the laws of Switzerland having its registered office at Chemin du Foron 16, CH-1226 Thonex. The bioliquids segment consists of:

- Electrawinds-Biomassa NV;
- Electrawinds Storage NV;
- Electrawinds Biomasse Mouscron;
- 70% of the shares in Electrawinds Refuel B.V., together with 100% of the shares in its fully owned subsidiary Electrawinds Greenfuel B.V.;
- 20% of the outstanding sharecapital in ADB Biodiesel SAS;
- Electrawinds- Distributie NV;
- 50% of the shares of Electrawinds Greenpower Oostende SA.

Upon closing of this agreement, which is subject to the completion of certain conditions precedent, this shall result in a debt reduction for the Group of 18.5mio EUR.

Further divestments are foreseen during the next months in the different countries NV Electrawinds is active and will be communicated as they are finalized.

Asset divestments & cost reduction actions implemented in order to provide necessary liquidity for going concern

On 20 January 2014, the Electrawinds SE Board of Directors approved the sale of its stake in Electrawinds Biostoom N.V.(80% shareholding) to Bionerga for € 37.5mio. These proceeds were used to repay the € 10mio V.E.H. bridge loan facility, substantially reduce the 4 bank credit facilities of Electrawinds N.V. with the remainder of € 3.75mio left to fund the operational expenditures until the end of the WCO-period.

In Q1-2014, Electrawinds divested its stake (64%) in Energo Zelena, a 150k ton rendering facility in Serbia, to Saffelbergh Investments against the transfer of a related credit facility and guarantees.

45. Authorization of financial statements

The consolidated financial statements for the year ended 2013 (including comparatives) were approved by the Board of Directors on October 29, 2014.

46. Audit report

Independent auditor's report

To the Board of Directors of

Electrawinds SE

22, rue Goethe

L-1673 Luxembourg

Report on the consolidated financial statements

Following our appointment by the General Meeting of the Shareholders dated 31 May 2013, we have audited the accompanying consolidated financial statements of Electrawinds SE, which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and 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 judgement of the "réviseur d'entreprises agréé", 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 “réviseur d’entreprises agréé” considers internal control relevant to the entity’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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, 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

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Electrawinds SE as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 3.1 to the consolidated financial statements, which describes the fact that, as at 31 December 2013, the Company's consolidated shareholders' equity amounts to K€ -82.008 and total current liabilities exceed total current assets by K€ 139.469.

During December 2013, the Group has applied for protection against its creditors and has filed a judicial reorganization plan for both Electrawinds SE and its subsidiary Electrawinds NV. This plan was ultimately approved by the majority of the creditors on 17 April 2014 and the Commercial Court in Ostend has validated this plan on 22 April 2014, including a transition period to fulfill any and all further formalities. Therefore, the Group is dependent from the financial support of its lenders.

As detailed in Notes 3.1, 39 and 44 of the consolidated financial statements, the Board of Directors justifies the application of the going concern principle based upon the partial realization of the reorganization plan including the major sale transactions concluded after year end and resulting in a significant debt reduction as well as the signature of a sale agreement of the majority of the biomass activities which is still subject to the realization of important condition precedents, and the envisaged further divestments.

However, as at the date of our report, as described above, certain steps of the reorganization plan are not yet completed and their outcome remain therefore uncertain.

These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue its operations as a going concern. The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

Report on other legal and regulatory requirements

The consolidated management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the corporate governance statement.

Ernst & Young

Société anonyme

Cabinet de révision agréé

Bruno DI BARTOLOMEO

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Luxembourg, 5 November 2014