



Analyst presentation Q3 2014

19 November 2014

AEG
POWER SOLUTIONS

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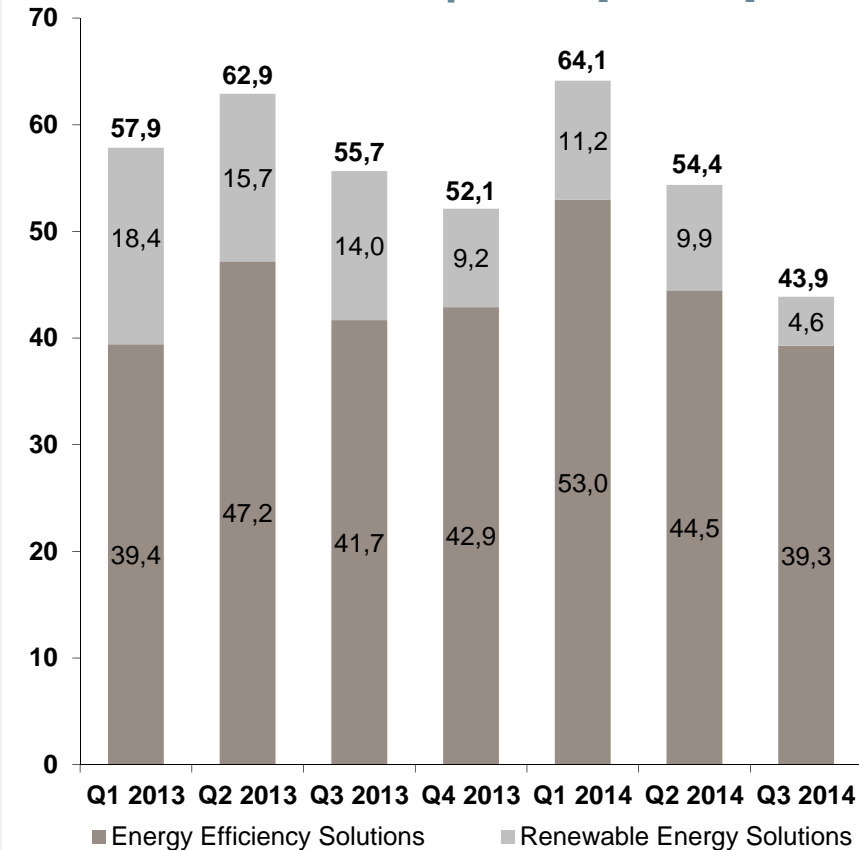
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Financials
Analyst presentation Q3 2014

Order Intake Development [EURm]

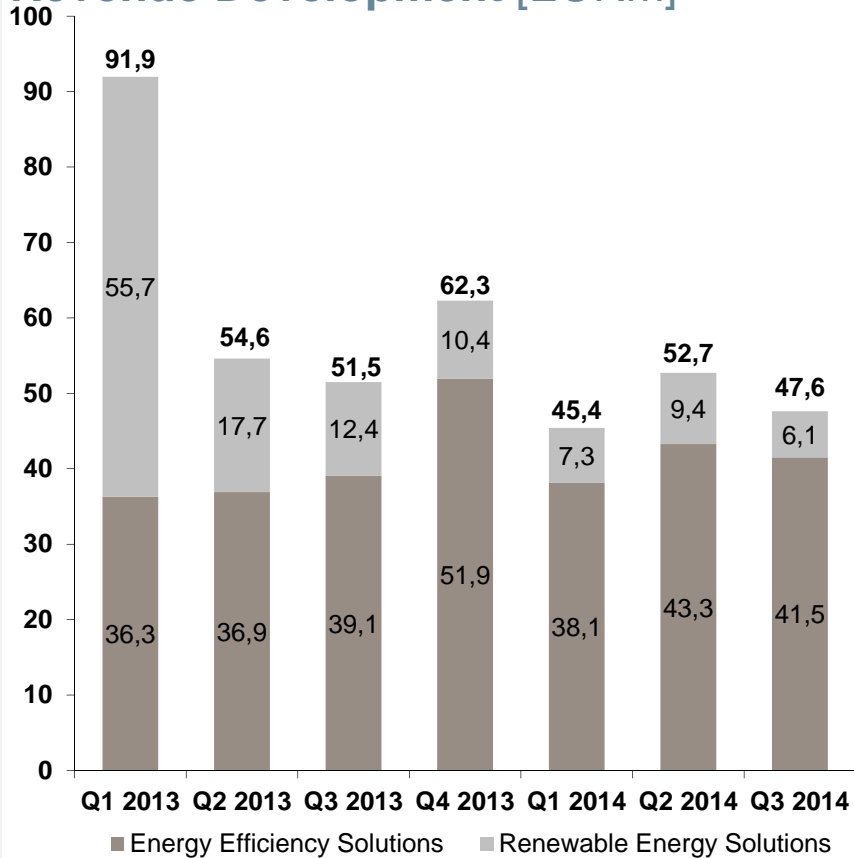


Comments

- Q3 2014 new orders were €43.9m, down 21.2% y-o-y (Q3 2013: €55.7m)
- Q3 2014 RES orders were €4.6m, down 67.1% y-o-y (Q3 2013: €14.0m), due to the weak market situation in Solar, the political developments in Eastern Europe and divestitures and closures of subsidiaries and operations
- Q3 2014 EES orders were €39.3m, down 5.8% y-o-y (Q3 2013: €41.7m), with order intake mainly driven by the Industrial Power Solutions business
- EES backlog of €86.5m indicates a solid revenue development also for Q4 2014

AEG PS GROUP – Revenue development

Revenue Development [EURm]

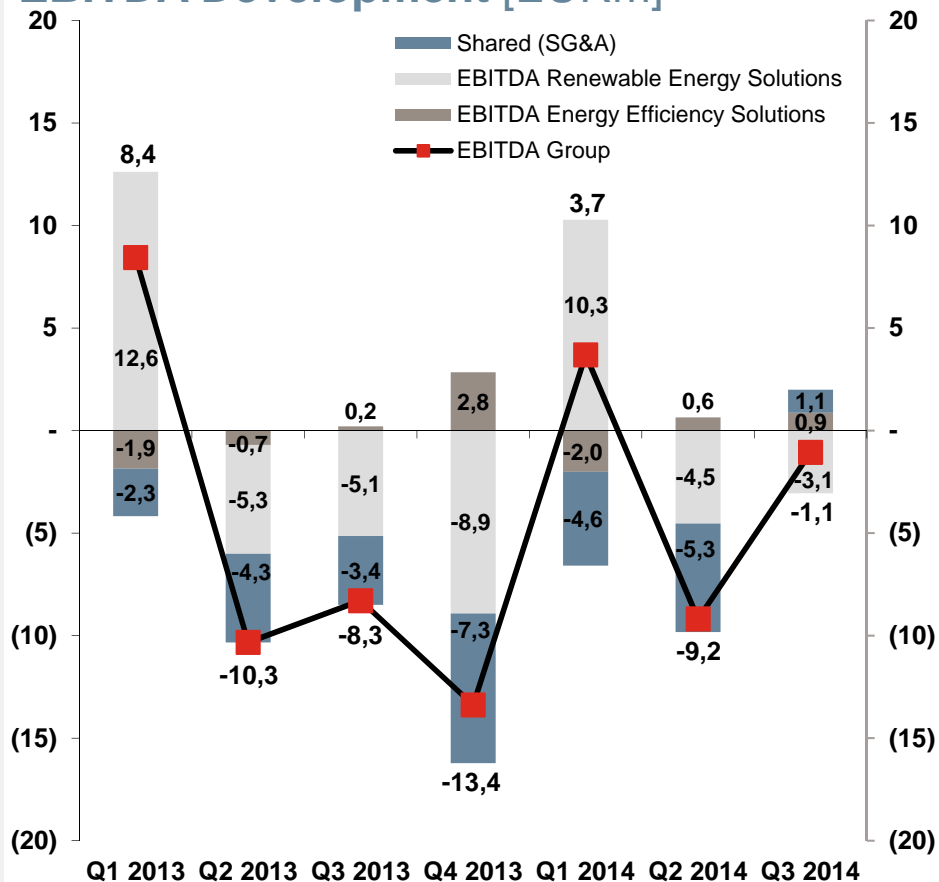


Comments

- Q3 2014 revenues were €47.6m, down 7.5% y-o-y (Q3 2013: €51.5m)
- Variance is in line with expectations and impacted by certain closures and divestitures as well as the difficult macroeconomic environment
- Q3 2014 RES revenues were €6.1m, down 50.7% y-o-y (Q2 2013: €12.4m) as a result of the drop in underlying Solar and POC markets as well as the Group's divestments
- Q3 2014 EES revenues were €41.5m, up 6.3% y-o-y (Q3 2013: €39.1m), following the high order intake in Industrial Power Solutions in the first half of 2014
- EES reported a y-o-y increase in revenue for the third consecutive quarter

AEG PS GROUP – EBITDA development

EBITDA Development [EURm]



Comments

- Q3 2014 EBITDA was - €1.1m, up 87.1% y-o-y (Q3 2013: - €8.3m) and moving closer to breakeven
- EBITDA includes several one-time items amounting to a positive net effect of €2.4m
- Savings created through operational restructuring and reductions in total operating expenses resulted in a lower cost base of €4.8 million for Q3 2014
- Normalized EBITDA was - €1.2m, up 80.4% y-o-y (Q3 2013: - €6.0m); normalized EBITDA excludes capital gains and restructuring costs
- Q3 2014 RES EBITDA was - €3.1m, up 40.6% y-o-y (Q3 2013 - €5.1m)
- Q3 2014 EES EBITDA was €0.9m, up from €0.2m y-o-y

OUTLOOK AEG POWER SOLUTIONS GROUP



- Financial and operational restructuring resulted in a strengthened balance sheet with a solid equity ratio of approx. 30% (€68 m) and improved position of cash and cash equivalents of €36.8m as at 30 September 2014.
- The effects of the operational improvements are narrowing the losses and provide evidence that the Company continues to recover and is stabilizing its position.
- Following successful restructuring of the Group's financials, asset sales and closing of affiliates, the Company can now focus its full efforts exclusively on internal measures for achieving continuous improvement and to expand market share.
- Carefully selected investments are considered in order to grow the business.
- Current CRO Jeffrey Casper has been appointed CEO and Dietrich Ehrmanntraut has been appointed COO in order to consistently focus on fostering the Group's turnaround.
- Further improvements in earnings are expected for Q4 2014.
- The Company expects revenue for 2014 to be in the range of €200 to €210m in combination with a negative Normalized EBITDA. Further progress is expected for 2015.

Strategic direction
Analyst presentation Q3 2014

OUR COMPETITIVE STRENGTHS



AEG PS Group provides high quality electrical power supply for mission critical applications

- Expertise in engineering and design of complex, customer specific systems and solutions
- High quality assembly, installation, commissioning, and field service
- R&D excellence and proven ability to bring new technologies and applications to market
- Large installed base and potential for growing services
- Strong brand recognition
- Certified supplier by major customers
- Know-how of energy storage technology

KEY PRODUCT OFFERING



Industrial & Commercial Power Supplies

Systems & Solutions

UPS



Battery charger/
DC Systems



Applications

Oil &
Gas



Power
Generation



Data & IT



Electrolysis
(H₂)



Polysilicon



Power Plants



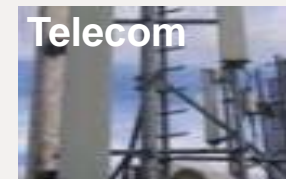
General
Industry



Transportation



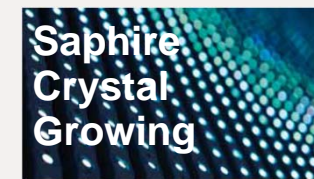
Telecom



Grid stabi-
lization



Sapphire
Crystal
Growing



Commercial



Advanced Power Systems

Power to
Gas rectifier
system



Voltage
controller



BESS

Solar
Inverter



Selected Customers



MAJOR PROJECTS- New Industrial Projects Q1 & Q2 2014

AEG PS continues to build its strong position in Oil & Gas, Transportation and Power Generation

ITALY

- Owner: Total E&P Italia
- AEG Contract Value: Ca. €1.8m
- EPC: Tecnimont
- Products: 10 redundant AC UPS and 7 redundant DC UPS systems, NiCd batteries and services
- Application: Central control room, substation
- Project: Tempa Rossa



MIDDLE EAST

- Owner: Largest Oil & gas company in Saudi Arabia
- AEG Contract Value: Ca. €1,0m
- Via our partner INMA Trading
- Products: 100 DC systems x 24 VDC systems, NiCd batteries, GRP battery box
- Application: Remote power back-up
- Project: Pipeline control system / RTU unit



GERMANY

- Owner: Ministry of Energy Kurdistan
- AEG Contract Value: Ca. €2.2m
- EPC: Siemens Turkiye
- Products: More than 220 MIP DC systems, NiCd batteries and services
- Application: Substation communication systems



MIDDLE EAST

- Owner: Utility company in Qatar
- AEG Contract Value: Ca. €1.7m
- EPC: Siemens
- Products: Several AC (P8 inv) & DC systems, batteries and services
- Application: Substation switchgear protection
- Project: Phase 11



MAJOR PROJECTS - New Industrial Projects Q1 & Q2 2014 (Continued)

SINGAPORE

- Owner: Vietnam railways for Metro
- AEG Contract Value: Ca. €1m
- EPC: HITACHI
- Products: Several DC, all with NiCd batteries and services
- Application: Signaling and substation
- Project: Ho Chi Minh City MRT



MIDDLE EAST

- Owner: Major Electricity and Water company in Abu Dhabi
- AEG Contract Value: Ca. € 1,0 m
- Via our partner MDS Abu Dhabi
- Products: Several 125 VDC systems, NiCd batteries and services
- Application: Substation switchgear protection
- Project: 136 KV Substations



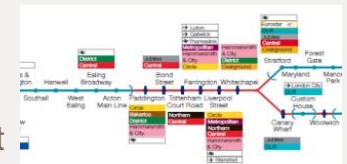
UK

- Owner: Network Rail
- AEG Contract Value: £1.2m
- Delivery: January – May 2014
- Products: SMi2000FE 48VDC power systems
- Application: Power extensions to provide mobile network connectivity
- Project: FTNX



UK

- Owner: Crossrail Ltd (Rail for London)
- Europe's largest construction project
- AEG Contract Value: £3.7m
- Delivery: 2014 – 2018
- Products: Protect 3, Protect 4 AC UPS
- Application: Station emergency lighting and communications
- Project: New rail link through London



MAJOR PROJECTS - New Industrial Projects Q1 & Q2 2014 (Continued)

AEG PS continues to build its strong position in Oil & Gas, Transportation and Power Generation

MIDDLE EAST

- Owner: Electricity Company in Saudi Arabia
- Several projects value: Ca. €1.0m
- Via our partner INMA Trading and Powerline Solutions
- Products: Several DC systems+ batteries
- Application: Substation switchgear protection
- Project: Saudi 2022



MIDDLE EAST

- Owner: Major oil & gas company in Saudi Arabia
- AEG Contract Value: Ca. €2,5m
- Via our partner INMA Trading
- Products: 245 DC systems 24VDC, NiCd batteries, GRP battery box
- Application: Remote power back-up
- Project: Pipeline control system / RTU unit



MAJOR PROJECTS - Selected New Industrial Projects Q2 & Q3 2014

AEG PS continues to build its strong position in Oil & Gas, Transportation and Power Generation

Brazil / Germany

- Owner: Eletrobrás Termonuclear S/A
- AEG Contract Value: Ca. €1.8m
- EPC: Areva GMBH
- Products: 8 Seismic proof Inverters and 8 high current DC systems, 24 x 24V 260A DC/DC converters and services
- Application: 1E qualified power supplies
- Project: ANGRA III



MIDDLE EAST

- Owner: Major oil & gas company in Saudi Arabia
- AEG Contract Value: Ca. €2,4m
- Via our partner INMA Trading
- Products: More than 200 24 VDC systems, NiCd batteries, GRP battery box
- Application: Remote power back-up
- Project: Pipeline control system / RTU unit



China / Germany

- Owner: Tianwan 3-4 NPP
- AEG Contract Value: Ca. €1,67m
- EPC: Areva GMBH
- Products: 48 pieces 24V 880A AC to DC switch mode power systems and services
- Application: 1E qualified power



Far East

- Owner: EnQuest Plc
- AEG Contract Value: Ca. €0,75 m
- EPC: ABB Pte Ltd
- Products: 8 AC UPS (P8) & ac distribution systems, NiCd batteries and services
- Application: Drill ship control system backup
- Project: Kraken Heavy Oil - FPSO



**Restructuring program
Analyst presentation Q3 2014**

RESULTS OF FINANCIAL RESTRUCTURING MEASURES




Rights Offering to Shareholders

- Capital increase of €4m successfully accomplished
- Offering was fully underwritten, all 25,109,731 new shares issued could be placed
- Subscription rate amounted to approx. 78%
- Rights not exercised by existing shareholders were sold as private placements to those conducting the underwrite
- Price of the rights offer was €0.16 per share
- Rights offer shares were included in the existing shares listing on 29 August 2014

Exchange Offer to Bondholders

- Creditors of the old bond exercised their acquisition rights to the new shares amounting to approx. 82% and to the new notes amounting to approx. 84%
- New shares and new notes for which no acquisition rights were exercised or creditors of the old bond chose cash compensation have been offered in an accelerated bookbuilding on 25/26 August 2014; placement price for these shares was set at €0.26 and for these notes was set at 70%, i.e. €350
- Inclusion of new notes to trading effective since 27 August 2014 by way of trading on terms of issue; rights offer shares were included in the existing shares listing on 29 August 2014

 After successful closing of the financial restructuring, the Company can now focus exclusively on the continued operational improvement initiatives

RESULTS OF FINANCIAL RESTRUCTURING MEASURES



- Successful conversion of the bond resulted in:
 - Reduction in loans from €100m to €50m in exchange for 45.200.000 new shares (debt to equity)
 - Reduced interest expense from 9.25% p.a. (flat) to an initial rate of 4.00% p.a. with annual step up of 2% per year to a maximum of 12.00% p.a.
 - Extended maturity to 29 August 2019
 - New bond is freely pre-payable at any time
- Cash capital increase from authorized capital and successful placement of 25,109,731 new shares at a price of €0.16 means cash inflow of about €4 million

The conversion of the bond and the capital increase resulted in a substantial improvement of the company's equity which now represents some 30% (€68 million) of the total balance sheet

Appendix
Analyst presentation Q3 2014

AEG PS GROUP – Key Performance Indicators



EURm	Q3 2014	Q3 2013	% change	Q3 2014	Q2 2014	% change
Backlog	99.9	100.4	-0.5%	99.9	104.0	-4.0%
Orders	43.9	55.7	-21.2%	43.9	54.4	-19.3%
Revenue	47.6	51.5	-7.5%	47.6	52.7	-9.6%
Book to Bill	0.92	1.08	-14.8%	0.92	1.03	-10.7%
EBITDA	(1.1)	(8.3)	87.1%	(1.1)	(9.2)	88.4%
<i>% of revenue</i>	-2.2%	-16.1%		-2.2%	-17.4%	
Normalized EBITDA	(1.2)	(6.0)	80.4%	(1.2)	(5.4)	78.5%
<i>% of revenue</i>	-2.5%	-11.6%		-2.5%	-10.3%	

%-changes are not shown if considered not to be helpful in the understanding of the KPIs.

Rounding differences may occur.

Historical numbers have been represented for comparative purposes to reflect the change in classification of Lannion and the telecom converter business (CVT/LED).

RES – Key Performance Indicators



EURm	Q3 2014	Q3 2013	% change	Q3 2014	Q2 2014	% change
Backlog	13.3	17.0	-21.4%	13.3	16.7	-20.1%
Orders	4.6	14.0	-67.1%	4.6	9.9	-53.6%
Revenue	6.1	12.4	-50.7%	6.1	9.4	-35.1%
Book to Bill	0.75	1.13	-33.4%	0.75	1.05	-28.4%
EBITDA	(3.1)	(5.1)	40.6%	(3.1)	(4.5)	32.6%
<i>% of revenue</i>	<i>-49.9%</i>	<i>-41.4%</i>		<i>-49.9%</i>	<i>-48.0%</i>	
Normalized EBITDA	(5.9)	(3.9)	-50.7%	(5.9)	(4.0)	-47.3%
<i>% of revenue</i>	<i>-95.7%</i>	<i>-31.3%</i>		<i>-95.7%</i>	<i>-42.1%</i>	

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EES – Key Performance Indicators



EURm	Q3 2014	Q3 2013	% change	Q3 2014	Q2 2014	% change
Backlog	86.5	83.4	3.7%	86.5	87.3	-0.9%
Orders	39.3	41.7	-5.8%	39.3	44.5	-11.7%
Revenue	41.5	39.1	6.3%	41.5	43.3	-4.1%
Book to Bill	0.95	1.07	-11.3%	0.95	1.03	-8.0%
EBITDA	0.9	0.2		0.9	0.6	35.3%
<i>% of revenue</i>	2.1%	0.5%		2.1%	1.5%	
Normalized EBITDA	0.6	1.3	-55.3%	0.6	1.3	-56.3%
<i>% of revenue</i>	1.4%	3.3%		1.4%	3.1%	

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