

Interim Management Statement

May 14, 2014

3W Power/AEG Power Solutions reports results for Q1 2014

(in € million)	Q1 2014	Q1 2013	Δ in %	Q1 2014	Q4 2013	Δ in %
Order backlog	101.9	94.0	8.4%	101.9	88.1	15.7%
Orders	64.1	60.0	7.0%	64.1	54.1	18.5%
Revenue	45.4	94.4	-51.9%	45.4	64.9	-30.0%
Book to Bill	1.4	0.6		1.4	0.8	
EBITDA	8.7	6.7	30.2%	8.7	(14.0)	
EBITDA margin	19.1%	7.1%		19.1%	-21.5%	
Normalized EBITDA	(8.3)	7.1		(8.3)	1.2	
Normalized EBITDA margin	-18.2%	7.5%		-18.2%	1.8%	

Luxembourg/ Zwanenburg, The Netherlands – May 14, 2014 – 3W Power S.A. (ISIN LU0953526265, 3W9), the holding company of AEG Power Solutions Group, a global provider of UPS systems and power electronic solutions for industrial, commercial, renewable and distributed energy markets, today announced results for Q1 2014.

Group results for Q1 2014

AEG Power Solutions finished Q1 2014 with €64.1 million of orders, a promising start to the new year, and €45.4 million in revenue. Compared to Q1 2013, orders were up 7.0% (Q1 2013: €60.0 million) however revenue was down 51.9% (Q1 2013: €94.4 million). Normalized EBITDA of -€8.3 million (Q1 2014 EBITDA: €8.7 million) was down from Q1 2013 Normalized EBITDA of €7.1 million (Q1 2013 EBITDA: €6.7 million). Normalized EBITDA excludes capital gains and restructuring costs.

In the first three months of 2014 the Group completed several major actions with respect to its global financial and operational restructuring program. The POC module business was sold to Advanced Energy Industries. The capital gain (net of proceeds) of the sale of POC modules is €20.9m. This is offset by an additional €2.6m write-off in capitalized R&D projects. The Group's affiliate in Bangalore, India was sold to Toshiba Mitsubishi-Electric Industrial Systems Corporation (TMEIC) and is expected to close in Q2 and 3W Power South Africa was sold to ACI SA. The Group's Telecom Converter

business based in Lannion, France was placed into administration and was de-consolidated from the Group.

As at 31 March 2014, the Group maintained €35.8 million in cash and cash equivalents.

Renewable Energy Systems

(in € million)	Q1 2014	Q1 2013	Δ in %	Q1 2014	Q4 2013	Δ in %
Order backlog	17.2	19.6	-12.3%	17.2	14.1	22.0%
Orders	11.2	18.4	-39.5%	11.2	9.2	21.7%
Revenue	7.3	55.7	-86.9%	7.3	10.4	-29.8%
Book to Bill	1.5	0.3		1.5	0.9	
EBITDA	14.6	12.6	15.3%	14.6	(8.9)	
EBITDA margin	200.2%	22.7%		200.2%	-86.2%	
Normalized EBITDA	(4.6)	12.6		(4.6)	(1.1)	
Normalized EBITDA margin	-63.4%	22.7%		-63.4%	-10.9%	

Orders in RES were €11.2 million in Q1 2014, down 39.5% year-on-year (Q1 2013: €18.4 million). This is fully driven by the low order intake in Solar and reduced order intake in POC. RES order backlog was €17.2 million in Q1 2014, down 12.3% year-on-year (Q1 2013: €19.6 million). RES revenue was €7.3 million in Q1 2014, down 86.9% compared to the previous year (Q1 2013: €55.7 million) as a result of last year's Poly systems revenue and particularly high Solar revenue.

RES Normalized EBITDA in Q1 2014 came to -€4.6 million (Q1 2014 EBITDA: €14.6 million), down from Normalized EBITDA in Q1 2013 of €12.6 million (Q1 2013 EBITDA: 12.6 million). Lower volume, a change in the product mix and the high level of operational expenses led to the drop in EBITDA.

Energy Efficiency Solutions (EES)

(in € million)	Q1 2014	Q1 2013	Δ in %	Q1 2014	Q4 2013	Δ in %
Order backlog	84.7	74.4	13.9%	84.7	74.0	14.5%
Orders	53.0	41.5	27.6%	53.0	44.9	18.0%
Revenue	38.1	38.8	-1.6%	38.1	54.5	-30.1%
Book to Bill	1.4	1.1		1.4	0.8	
EBITDA	(2.3)	(3.6)	-36.9%	(2.3)	2.3	
EBITDA margin	-6.0%	-9.3%		-6.0%	4.2%	
Normalized EBITDA	(0.7)	(3.3)	79.1%	(0.7)	6.1	
Normalized EBITDA margin	-1.8%	-8.6%		-1.8%	11.2%	

Orders in EES were €53.0 million in Q1 2014, up 27.6% year-on-year (Q1 2013: €41.5 million). The order backlog stood at €84.7 million in Q1 2014, up 13.9% year-on-year (Q1 2013: €74.4 million). Industrial UPS reports a 35% growth compared to the prior year period. Growth comes from a new frame agreement with a large industrial customer and increased volume in the Middle-East. The Primetech acquisition in mid-2013 contributed to orders in Commercial UPS.

Revenue was €38.1 million in Q1 2014, down 1.6% compared to the prior year (Q1 2013: €38.8 million), impacted by the separation of the Telecom Converter business from the Group. UPS systems grew by 20% compared to the prior year period.

Normalized EBITDA in EES in Q1 2014 was -€0.7 million (Q1 2014 EBITDA: -€2.3 million) up 79.1% from -€3.3 million in Q1 2013 (Q1 2013 EBITDA: -€3.6 million).

Outlook

At its core, AEG Power Solutions is a power electronics company delivering high quality uninterruptable power supply systems and solutions for industrial and commercial markets. The Group is active in key vertical markets such as oil & gas, transportation, power generation and general industry. Industrial UPS comprises the core area of AEG Power Solution's competitive strength, is the source of much of the Company's technology and provides a solid and resilient revenue base. To solidify its business, worldwide sales activities in the industrial markets are in the process of being reinforced and redeployed to fit the renewed focus.

Advanced power supply systems and solutions focus on power control technology as well as applications for renewable energies and next generation distributed power generation. These include industrial processes requiring precise heat or power over time, distributed power generation, network management as well as Solar and other renewables. These new applications will follow mega trends

and have some promising applications in areas such as ballast water treatment, energy storage, and grid stabilization.

In 2010, the Company used its power electronics know how to expand into solar systems. AEG Power Solutions will focus on profitable opportunities in Solar and continue to harvest sales; however, Solar revenues are likely to remain far below previous levels.

With so many changes to the Group structure and activities, providing a fully reliable financial forecast is difficult. With the specific measures in mind, the financial outlook for the Group is expected to improve after the full implementation of the financial and operational restructuring program. As of today, management forecasts revenues of approximately €220 million in 2014, €224 million in 2015 and above €240 million in 2016. EBITDA (after extraordinary expenses) is expected to increase from an anticipated negative €24 million in 2014 to a positive €17 million in 2015 and above €20 million thereafter. At the end of fiscal year 2014 the Company expects to have liquidity of approximately €20 million.

Dr. Dirk Wolfertz, Chairman of the Board of Directors comments, "While we have made a lot of progress in our restructuring efforts in a very short time and are confident that we are on the right path, we will now focus on restoring confidence with our business partners. With the continued stability in our core end markets, I believe we can create a solid base to provide best in class products, services and solutions to our customers around the world." Jeffrey Casper, CRO of AEG Power Solutions added, "In doing that, profitability and sustainable cash-flow generation will remain key priorities for the Company."

-- End of Announcement --

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About 3W Power/AEG Power Solutions:

3W Power S.A. (WKN A1W2L4 / ISIN LU0953526265), based in Luxembourg, is the holding company of AEG Power Solutions Group. The Group is headquartered in Zwanenburg in the Netherlands. The shares of 3W Power are admitted to trading on Frankfurt Stock Exchange (ticker symbol: 3W9).

AEG Power Solutions (AEG PS) Group is a global provider of power electronics systems and solutions for all industrial and demanding commercial power requirements offering one of the most comprehensive product and service portfolios in the area of uninterruptible power supply and power management.

Thanks to its distinctive expertise bridging both AC and DC power technologies and spanning the worlds of both conventional and renewable energy, the company creates innovative solutions for next generation distributed power generation

For more information, visit www.aegps.com

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