CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED MARCH 31, 2013

3W power

AEG POWER SOLUTIONS

KEY PERFORMANCE INDICATORS (KPIs)

3W POWER | AEG POWER SOLUTIONS GROUP

	Quarter to March		
in millions of euros	Q1 2013	Q1 2012[1]	% change
Backlog	90.9	160.9	-43.5%
Orders	57.9	87.9	-34.2%
Revenue	91.9	79.9	15.1%
Book to Bill	0.63	1.1	-42.8%
EBITDA	8.4	(0.7)	na
% of revenue	*9.2%*	*-0.9%*	
Normalized EBITDA	8.5	0.0	na
% of revenue	*9.2%*	*na*	
Adjusted EBIT	6.4	(2.6)	na
% of revenue	*6.9%*	*-3.2%*	
Reported EBIT	4.3	(7.7)	na
% of revenue	*4.7%*	*-9.7%*	
Net income	(1.2)	(12.1)	89.7%
Adjusted net income	0.3	(8.3)	na
Results from discontinued operations	(1.8)	(2.3)	22.6%
Earnings per share (in euros)	-0.03	-0.25	88.0%
Adjusted earnings per share (in euros)	0.00	-0.17	na
Cash from operating activities	(6.9)	(19.5)	64.5%
Cash used in investing activities	(1.5)	(4.2)	64.3%
Working capital	87.2	53.1	64.2%
Cash	33.3	58.2	-42.9%
Net (debt)	(73.7)	(51.1)	-44.2%

CONTENTS

AEG PS – RENEWABLE ENERGY SOLUTIONS (SOLAR)

	Quarter to March		
in millions of euros	Q1 2013	Q1 2012[1]	% change
Backlog	13.6	19.0	-28.4%
Orders	11.8	21.5	-45.1%
Revenue	40.6	11.6	250.6%
Book to bill	0.29	1.86	-84.3%
EBITDA	9.1	(2.4)	na
% of revenue	*22.5%*	*-20.7%*	
Normalized EBITDA	9.1	(2.4)	na
% of revenue	*22.5%*	*-20.7%*	
Adjusted EBIT	8.3	(3.6)	na
% of revenue	*20.5%*	*-30.7%*	
Reported EBIT	8.3	(3.6)	na
% of revenue	*20.5%*	*-30.7%*	

AEG PS – RENEWABLE ENERGY SOLUTIONS (POC)

	Quarter to March		
in millions of euros	Q1 2013	Q1 2012[1]	% change
Backlog	6.0	67.6	-91.1%
Orders	6.6	24.0	-72.4%
Revenue	15.0	21.4	-29.7%
Book to Bill	0.44	1.12	-60.8%
EBITDA	3.5	4.9	-28.8%
% of revenue	*23.2%*	*22.9%*	
Normalized EBITDA	3.5	4.9	-28.8%
% of revenue	*23.2%*	*22.9%*	
Adjusted EBIT	3.1	4.5	-30.6%
% of revenue	*20.6%*	*20.9%*	
Reported EBIT	2.7	1.7	61.2%
% of revenue	*18.3%*	*8.0%*	

AEG PS – ENERGY EFFICIENCY SOLUTIONS (EES)

	Quarter to March		
in millions of euros	Q1 2013	Q1 2012[1]	% change
Backlog	71.3	74.3	-4.1%
Orders	39.5	42.4	-7.0%
Revenue	36.3	46.9	-22.6%
Book to Bill	1.09	0.9	20.2%
EBITDA	(1.9)	1.2	na
% of revenue	*-5.1%*	*2.5%*	
Normalized EBITDA	(1.9)	1.2	na
% of revenue	*-5.1%*	*2.5%*	
Adjusted EBIT	(2.8)	0.3	na
% of revenue	*-7.7%*	*0.6%*	
Reported EBIT	(4.3)	(1.3)	-230.8%
% of revenue	*-11.8%*	*-2.9%*	

[1] Historical numbers have been represented for comparative purposes to reflect the classification of the telecom converter business (CVT/LED) as a discontinued operation during Q3 2012.

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

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

CHIEF EXECUTIVE OFFICER'S LETTER

DEAR SHAREHOLDERS,

3W Power S.A., the holding company of AEG Power Solutions (AEG PS), has in the first quarter 2013 performed respectably in a challenging economic environment. Orders were €57.9 million, down 34.2% year-on-year and down 47.9% on the prior quarter as a result of the drop in orders due to the ongoing weakness in POC and delays in large Solar project orders. Revenues were €91.9 million, up 15.1% year-on-year, primarily driven by Solar revenue but down 18.9% compared to the prior quarter due to a seasonally strong fourth quarter. Normalized EBITDA was €8.5 million, which excludes one-time expenses of €0.1 million compared to €0.0 million in the prior year comparable and €7.4 million in the prior quarter. The increase in EBITDA was due to strong Solar EBITDA and a reduction of €1.1 million in shared costs including one-time restructuring charges of €0.1 million.

At the end of the first quarter, the cash position of the Company was €33.1 million, down from €42.9 million at the end of 2012. This was mainly due to operating cash outflow which relates in essence to first quarter EBITDA offset by a reduction in advance customer payments (deferred income) and paid provisions as well as a cash outflow for income taxes paid. The Company's major Solar customer, with whom we experienced payment delays exacerbated by the banking situation in Cyprus, re-started their payment cycle in April and initiated large payments to the Company. At the end of April 2013, the Company's cash balance increased to €43.3 million while our gross accounts receivable balance with the customer was down to €37.8 million. Furthermore, the customer is fully current on outstanding amounts owed.

While the overall world economy continues to show slow recovery and the worldwide demand for resilient and secure distributed power for critical applications and missions grows, the need for energy/load management accelerates. AEG Power Solutions has been developing products in all of our businesses that are perfectly positioned to meet this critical demand. Our EES business has proven products well positioned to secure uninterrupted power supply; our Power Controllers technology and products provide precise and reliable power control systems and modules for industrial processes; while our Solar business supplies high-efficiency solar inverters including our market leading skytron advanced monitoring and supervision systems for utility-scale photovoltaic power plants, to convert DC to AC more efficiently than competing offerings. All of our products and services enable AEG Power Solutions to capture this exciting demand.

Looking at 2013, the Company is fortunate to have such a widespread and well-diversified business both geographically as well as across industries and markets. This has enabled us to withstand some of the turbulences in the past. However, despite our solid positioning, 2013 will be a challenging year. The most significant challenge in the business in the past year was the lack of investment in new polysilicon capacity in the market. In the past, the Company's participation in polysilicon systems through POC was a leading contributor to profitability and positive free cash flow for the Company. For the foreseeable future, the Company does not anticipate a return of this lucrative business. Despite this market volatility, the POC business remains profitable on the basis of other systems and

Bruce A. Brock, CEO

CEO AND CHAIRMAN OF 3W POWER AND AEG POWER SOLUTIONS BRUCE A. BROCK SPEARHEADS THE DAY-TO-DAY MANAGEMENT OF THE COMPANY.

applications, though at much lower revenue levels. In the meantime, POC will continue to be a center of innovation and technological strength. The Company continues to focus on developing promising new systems and applications such as advanced industrial applications and power control systems for energy storage and smart grid. These activities should in the medium-term contribute meaningful growth and profitability.

With a look on Solar, AEG Power Solutions is adjusting its strategy to capitalize on its strengths. The Company continues to expand its global reach on the solar market outside Western Europe to take advantage of the opportunities arising in emerging markets and strengthen our overall position compared to competitors more reliant on the challenging Western European markets. The Solar business has a strong footprint in growth regions around the world and the Company continues to drive growth in key Solar end-markets of Asia, Africa, the U.S, South America and Eastern Europe. While the Solar business has continued to grow and the Company has maintained healthy margins, the growth has also required a sizeable investment in working capital. Much of this working capital is tied to large projects in Eastern Europe. The Company must find ways in the near term to balance the growing demands of the Solar business including its working capital requirements with initiatives necessary to improve cash flows. Doing so will require careful planning and working capital management.

AEG Power Solutions' industrial business provides a solid and resilient base that helps to insulate the Company from the more volatile and cyclical POC and Solar business segments. AEG Power Solutions continues to focus on improving the profitability within its industrial business of EES whilst supporting the growth and development of Solar. The Company expects EES to grow moderately and with incremental margin improvements resulting from the business improvement initiatives introduced in 2012.

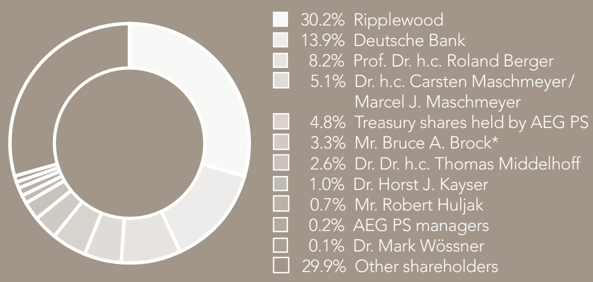
While the economic environment poses challenges, we are confident that the strength of our robust products and market diversity allow us to position ourselves for expected growth and value creation. AEG Power Solutions will continue to invest in and develop system solutions necessary not only to meet demand, but to be a leader in setting the standards for a new generation of power electronics. Within our core capabilities, we have the building blocks to drive power management and play a leading role in distributed power generation.

Yours sincerely,

Bruce A. Brock
CEO and Chairman of the Board of Directors

OUR SHARES

SHAREHOLDER STRUCTURE



As of March 13, 2013 / according to last available information

* Mr. Bruce A. Brock, USA, has informed the Group of share distributions of all the shares held by the Brock Trust LLC, a legal entity under his control and, as a result, his voting rights on 3W Power S.A., Luxembourg, have fallen below the 5% threshold of the voting rights.

SHARE PRICE DEVELOPMENT

Worldwide capital markets resumed strong momentum in the first quarter of 2013. The Dow Jones surpassed the level of 14,000 points and reached a new all-time high. The DAX, which comprises Germany's 30 most important stocks, increased significantly from roughly 7,700 points at the beginning of the year to more than 8,000 points until mid of March. The worsening debt crisis in Cyprus, associated difficulties for the banking sector combined with investors' concerns however forced a setback to approximately 7,800 points by the end of March. In the first quarter of 2013, the DAX altogether increased by 1.4%. The German ÖkoDAX, consisting of issuers from the renewable energies sector, participated in the positive market trend with a performance of 5.0% between January and March 2013.

The 3W Power share in contrast lost value during the period under review. Trading at €0.97 on January 2, 2013, the 3W Power share increased to €1.21 on January 8, 2013 and maintained quotations well above €1.00 in the following weeks. On March 20, 2013, after market close, the Company announced payment delays from a customer representing 37.5% of 3W Power's outstanding receivables that were exacerbated by the banking crisis in Cyprus. As a result of the announcement, the share price dropped substantially reaching a temporary low of €0.56 on March 21, 2013. This setback was not offset and the 3W Power share closed the first quarter at €0.67. Throughout April, the situation has been rectified and the outstanding amounts due from the customer were paid.

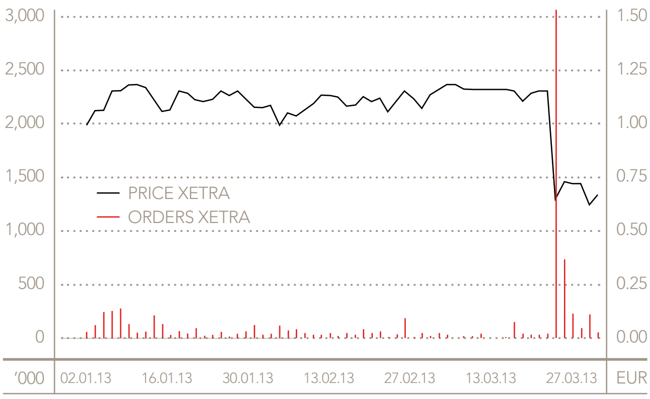
Trading volumes amounted to 7.9 million in the first quarter of 2013, up from 5.4 million shares traded in the fourth quarter of 2012. While the Company's announcement on March 20, 2013 inflated trading volumes with more than 3.0 million shares traded on a single day, the underlying trend in liquidity in the 3W Power stock generally increased. Liquidity in the Company's securities is important especially for institutional investors, as it makes the placement of larger orders more feasible.

SHARE INFORMATION

ISIN	GG00B39QCR01
Stock exchange	Frankfurt Stock Exchange, Xetra (Deutsche Börse AG), Frankfurt/Main
Symbol	3W9
Reuters symbol	GAQAu.DE
Designated sponsor	Close Brothers Seydler Bank
High in Q1 2013	€1.21 (January 8, 2013)
Low in Q1 2013	€0.56 (March 21, 2013)
Closing price on March 28, 2013	€0.67
Market capitalization on March 28, 2013	€33.61 million
Number of shares	47,816,019

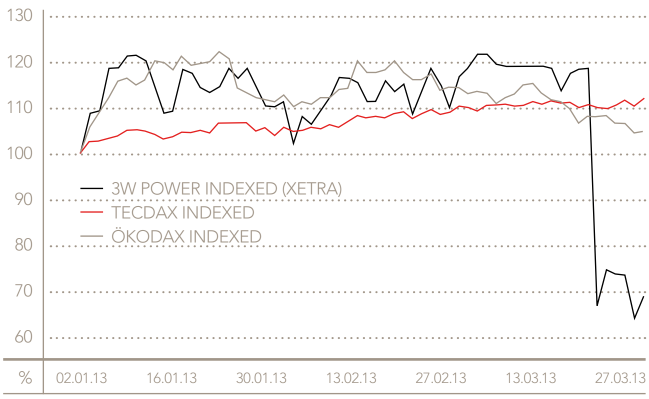
Source: Deutsche Börse

ORDER VOLUMES ('000) AND SHARE PRICE (EUR) DEVELOPMENT XETRA



From January 1 to March 31, 2013

INDEXED SHARE PRICE DEVELOPMENT (%) 3W POWER AGAINST TECDAX & ÖKODAX



From January 1 to March 31, 2013

INVESTOR RELATIONS

3W Power nurtures a continuous dialogue with its shareholders. The Company aims to strengthen its presence in the capital markets and to enhance institutional investor awareness. Between January and March 2013, 3W Power management and investor relations representatives met with existing and potential investors at two investors' conferences in Frankfurt/ Main. The Company will maintain its efforts of meeting investors during road shows and at capital market conferences and several appointments have already been scheduled for 2013.

3W Power is committed to keeping its stakeholders informed of all key business and strategic developments. This quarterly report, as well as previously published financial reports, contains information beyond statutory disclosure requirements to provide interested parties with greater insight into the Company. On its website, 3W Power provides detailed, up-to-date information including investor news, current and historic financial reports, stock and bond market data, presentations and analyst information. The investor relations section is available online at http://www.aegps.com/en/3w-power-aeg-ps-investor-relations.

EQUITY RESEARCH

3W Power is currently covered by Bankhaus Lampe, Close Brothers Seydler Research, and natureo finance. It remains one of 3W Power's objectives to increase analyst coverage and to make itself a more actively followed industrial stock in the German renewable energy sector.

INTERIM DIRECTORS' REPORT

THE DIRECTORS PRESENT THEIR REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF 3W POWER S.A. ("THE COMPANY") FOR THE PERIOD ENDED MARCH 31, 2013. THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES ARE COLLECTIVELY REFERRED TO AS THE "GROUP".

CORPORATE EVENTS

On April 18, 2013, 3W Power announced that the Company and Dr. Horst J. Kayser have agreed by mutual consent to terminate Dr. Kayser's employment effective June 30, 2013. As part of the agreement, Dr. Kayser also stepped down from his position as member of the Board of Directors of the Company. Mr. Bruce A. Brock, currently Chairman of the Board of Directors, has been appointed CEO of the Company by the Board of Directors effective immediately. Mr. Brock will continue serving as Chairman of the Company's Board of Directors until the election of the Board of Directors at the Company's upcoming Annual General Meeting.

On April 23, 2013, the Company filed the annual financial statements which were postponed due to payment delays from a large European customer which were exacerbated by the banking situation in Cyprus.

OPERATING SEGMENTS

The Group operates in three segments, Solar (including skytron), Power Controller (POC), and Energy Efficiency Solutions (EES). Untill the end of 2012, POC and Solar were combined in the segment Renewable Energy Solutions (RES). EES includes the industrial and commercial UPS business units.

In Q3 2012, management decided to divest the assets of AEG Power Solutions S.A.S. at Lannion in France ("Lannion"). Accordingly, the assets and liabilities of Lannion have been classified as held for sale and the operating loss is presented as result from discontinued operations.

In these condensed consolidated interim financial statements, 2012 numbers have been represented for the change in the operating segments and the exclusion from the Converter business unit from the EES segment.

KEY FIGURES – QUARTER ENDED MARCH

	Orders		Revenue		EBITDA		Adjusted EBIT[1]		EBIT	
in millions of euros	2013	2012[2]	2013	2012[2]	2013	2012[2]	2013	2012[2]	2013	2012[2]
Solar	11.8	21.5	40.6	11.6	9.1	(2.4)	8.3	(3.6)	8.3	(3.6)
% of revenue	–	–	–	–	*22.5%*	*-20.7%*	*20.5%*	*-30.7%*	*20.5%*	*-30.7%*
Power Controller (POC)	6.6	24.0	15.0	21.4	3.5	4.9	3.1	4.5	2.7	1.7
% of revenue	–	–	–	–	*23.2%*	*22.9%*	*20.6%*	*20.9%*	*18.3%*	*8.0%*
Energy Efficiency Solutions (EES)	39.5	42.4	36.3	46.9	(1.9)	1.2	(2.8)	0.3	(4.3)	(1.3)
% of revenue	–	–	–	–	*-5.1%*	*2.5%*	*-7.7%*	*0.6%*	*-11.8%*	*-2.9%*
Unallocated	–	–	–	–	(2.3)	(4.4)	(2.2)	(3.8)	(2.4)	(4.5)
Total	**57.9**	**87.9**	**91.9**	**79.9**	**8.4**	**(0.7)**	**6.4**	**(2.6)**	**4.3**	**(7.7)**
% of revenue	–	–	–	–	*9.2%*	*-0.9%*	*6.9%*	*-3.2%*	*4.7%*	*-9.7%*

[1] The Group has significant non-cash charges resulting from the amortization of intangible assets arising on the acquisition of AEG PS. Therefore, in addition to EBIT and net income, the Group also reports adjusted EBIT and adjusted net income. Adjusted EBIT is EBIT adjusted for the amortization of intangibles on acquisition. Adjusted net income is net income adjusted for the amortization of intangibles on acquisition, the change in the value of warrants and the estimated tax effects of these (see Appendix).

[2] 2012 comparative numbers have been represented for comparative purposes to reflect the classification of telecom converter business as a discontinued operation.

GROUP AND SEGMENT FINANCIAL REVIEW

Orders 34% lower than 2012 due to weakness in POC and delay in large project orders in Solar

Group orders in the first quarter of 2013 were €57.9 million, 34% lower than the prior-year quarter. The order intake was impacted by the ongoing weakness in POC and delay in the large project orders in Solar.

In EES, orders were 7.0% lower year-on-year at €39.5 million mainly due to weak demand.

Q1 Revenues 15% higher than 2012 due to large project sales in Solar

First quarter revenue was €91.1 million, 15% up on the same period in 2012. This increase was mainly driven by the Solar revenue at €40.6 million, an increase of 250.6% compared to €11.6 million for the same period in 2012. Solar Q1 sales included the sales coming forth from the large contract with a large Western European EPC. It covers photovoltaic utility scale equipment and services for 240 MW. AEG Power Solutions provided complete electrical systems for nine photovoltaic power plants in Eastern Europe.

POC and EES revenue for the quarter was 29.7% and 22.6% lower year-on-year. The drop in revenue in POC was anticipated. In EES, both industrial and commercial UPS revenues were impacted by the weak demand in the quarter, as the businesses suffered from project delays and investment cutbacks by customers.

Gross margin at 29.38% for first quarter 2013

Group gross margin in the first quarter of 2013 was 29.38% compared to 22.24% in 2012. This is driven by the increased Solar sales with high margin (volume effect) and low POC sales at a high margin due to reversal of inventory and warranty reserve provisions. EES margin was lower than the previous-year quarter due to the lower sales volumes and the effect of increased reserves (inventory, bad debt and warranty).

Positive EBITDA of €8.4 million in 2013

Group EBITDA in the quarter was positive at €8.4 million (including one-time expenses of €0.1 million) compared to negative EBITDA of €0.7 million in the prior year. The increase in EBITDA was due to increased EBITDA in Solar and a reduction of €1.1 million (including one-time restructuring expenses of €0.1 million) in shared costs.

POC EBITDA maintained stable at 23%. EES EBITDA in the quarter was negative at €-1.9 million, compared to €1.2 million EBITDA in the prior-year quarter.

Shared/unallocated costs were €1.1 million lower than prior year mainly due to one-time transaction-related legal fees and other consulting fees recorded in 2012.

Research & Development (R&D) costs

Gross R&D costs in the quarter to March were as follows:

in millions of euros	2013	2012
Gross R&D (before capitalization and amortization)	(4.174)	(3.967)
% of revenue	*4.5%*	*5.0%*

Gross R&D spending in Q1 2013 increased 5.2% compared to the same quarter of 2012. The Group continued to invest in developing its product offering over all business units. In POC and Solar, R&D continued to expand the power range, functionality and markets covered by AEG PS solar inverters. This included ongoing development of variants of the PV.630 inverter and modular inverters for the U.S. market as well as an upgrade of the PV.630 to PV.800. Here, the Group invested not only in standalone inverter solutions but also focused on the development of region-specific packages, systems, containers and skid-solutions. In Power Controllers, the Thyro-AX module range was extended as well as the upgrade program for the flagship product Thyro-P started. A range of customer-specific industrial systems have been designed and used in series products sold for several verticals like ballast water treatment, steel re-melting and refining and deposition processes. For smart grid and storage, product designs have been completed for grid stabilization, continued for improved power-to-gas electrolysis, battery storage and off-grid solutions. The product line for polysilicon power supplies has been extended by the Thyrobox M upgrade program and extension of the Thyrobox-PI medium-frequency power supply to improve the customer process. In EES, R&D was focused on optimizing the technology platforms for industrial rectifiers and UPS offerings with special focus on Protect 8 UPS and Protect TPR technology platforms. Special efforts have been made in the commercial UPS sector to extend the functionality in the modular data center UPS Protect Blue.

Selling, general and administrative expenses (SG&A)

SG&A expenses decreased 6.9% year-on-year to €16.5 million. A majority of the decrease was due to the inclusion in 2012 of one-time transaction-related legal fees and other consulting fees as well as charges for the executive long-term incentive plan (LTIP) which came into effect in the second quarter of 2011.

Other expenses (net)

Other expenses decreased by 50% to €1.3 million mainly due to reduced amortization charges on intangibles, offset by a €0.1 million for restructuring charges. 2012 results included €0.1 million in net operating income for EMED. EMED was sold in Q4 2012.

Net financial cost

Net financial cost in 2013 was €2.2 million compared to €3.5 million in 2012. The difference is mainly caused by the change in the net foreign exchange gains and losses. In 2013 the net foreign exchange gains is €0.8 million compared to a net loss of €0.7 million in 2012.

Taxation

In the quarter to March 2013, the Group recorded a net tax charge of €1.7 million compared to a tax benefit of €1.4 million in 2012. The tax charge in 2013 is principally due to the profitability achieved in Solar. The current tax charge is €2.4 million and is offset by a deferred tax benefit of €0.7 million, of which €0.6 million relates to tax benefits on amortization charges of intangibles assets on acquisition.

The effective tax rate at which the Group recognizes and pays taxes depends on the profitability and tax rates in the countries in which the Group operates. In both periods, the Group had significant unrecognized deferred tax assets in the form of unrecognized tax losses, and this contributes to a high effective tax rate.

Non-current assets

During the quarter, the Company had a limited outflow of €0.7 million in expenditure of tangible fixed assets.

Additions to intangible assets in the quarter totaled €0.9 million, of which €0.8 million related to capitalized R&D.

Current assets and current liabilities

Excluding cash, current assets remained stable at €190.9 million. Trade receivables include the receivable of one major customer. At March 31, 2013, the balance for this customer was €56.0 compared to a balance of €46.6 million at December 31, 2012 with the amount overdue increasing from €8.5 million to €10.3 million due to the banking situation in Cyprus. By the end of April, the customer's receivable balance was reduced to €37.9 million.

Current liabilities at March 2013 were €112.9 million, €10.6 million lower compared to December 2012. The main reduction was €9.3 million in deferred income, €1.5 million in income tax liabilities and €1.3 million in provisions. Trade payables increased by €1.3 million.

Non-current liabilities

Non-current liabilities decreased by €0.5 million, mainly in deferred tax liabilities. The January 1, 2013 opening balance of employee benefits and deferred tax liabilities was restated as the result of the amendment to IAS 19, "Employee Benefits" that became effective as from January 1, 2013. This amendment includes that actuarial gains and losses are recognized immediately in other comprehensive income, thus removing the corridor method which the Group applied to the end of 2012. As a result of the restatement employee benefits increased with €4.4 million and the resulting tax effect caused a net decrease of €1.3 in deferred tax liabilities.

Cash and cash equivalents

The cash balance at March 31, 2013 was €33.1 million, a reduction of €9.8 million in the quarter, mainly due to operating cash outflow of €6.9 million which relates in essence to Q1 EBITDA offset by a reduction in advance customer payments (deferred income) and paid provisions. In addition, there was €3.8 million cash outflow as a result of income taxes paid.

Cash used in investing activities was €1.5 million primarily for capital expenditure and capitalized R&D. Financing activities resulted in a cash outflow of €0.9 million primarily relating to a reduction in amounts due under obligations under receivable factoring arrangements.

Equity

Total equity at the end of March 2013 stood at €95.5 million, €1.3 million lower than at December 2012. The reduction was due to the net loss after tax of €1.2 million. The net loss after tax includes the amortization of intangibles on acquisition (and related tax effects). Excluding these, the Group would have reported estimated net income after tax of €0.3 million (see Appendix).

Further information on movements in equity including retained earnings are shown in the consolidated statement of changes in equity.

OUTLOOK

The Company will continue focusing its POC business on developing new systems and applications for and driving growth in key solar markets of Asia, Africa, USA and Eastern Europe. In EES, the Company will continue the tedious process of continuous improvement of profitability within its industrial UPS business and will seek ways to reduce continued exposure to Telecommunications.

For the Group, replacing the cash flows and profitability of polysilicon systems business will be a challenge. The Company has aggressively adapted to the changing dynamics by actively managing its capital spend and redirecting efforts to capitalize on market opportunities around the world. For 2013, AEG Power Solutions still expects to achieve overall sales volumes near 2012 levels and Normalized EBITDA comparable to 2012 performance.

On a segment level for 2013, AEG Power Solutions currently anticipates the following:

- EES, excluding the telecom converter business (CVT/LED), will achieve modest year-on-year revenue growth and some profitability improvement given ongoing cost improvement initiatives.
- Solar orders and revenue are extremely difficult to predict in the current environment; however, there is a possibility that Solar will grow profitably year-on-year.
- POC orders and revenue will fall short of 2012 levels on continued weakness in the polysilicon market; POC will remain profitable even at substantially lower volumes.

Due to recent organizational changes including the appointment of a new CEO as well as President and General Manager, the central costs will increase to a run rate of over €10.0 million per annum. The Company is considering measures to reduce this level.

The cash position of the Company reduced to €33.1 million at the end of Q1 2013.

RISKS

The principal risks that could have a material impact on the Group were set out in the 2012 Annual Report and are deemed incorporated in this report.

SHARE CAPITAL

Details of the share capital (including own shares held by the Company as treasury shares) and share premium are shown in note 11.

DIRECTORS' INTERESTS AND RELATED PARTIES

The interests of Directors and related parties in the share capital of the Company are shown in note 18 of the condensed consolidated interim financial statements.

RESPONSIBILITY STATEMENT

I, Bruce Brock, Chief Executive Officer, confirm, to the best of my knowledge, that the condensed consolidated interim financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of 3W Power S.A. and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of 3W Power S.A. and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Bruce A. Brock

On behalf of the Board of Directors
May 14, 2013

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION As at

in thousands of euros	Note	March 31, 2013	December 31, 2012[1]
Assets			
Property, plant and equipment		36,157	36,617
Intangible assets		70,916	72,956
Goodwill		15,052	15,052
Other non-current financial assets		5,394	5,304
Total non-current assets		**127,519**	**129,929**
Inventories		55,739	56,883
Trade and other receivables		128,221	126,629
Prepayments		672	722
Cash and cash equivalents		33,262	42,500
Assets held for sale	6	6,290	7,310
Total current assets		**224,184**	**234,044**
Total assets		**351,703**	**363,973**
Equity			
Share capital	11	12,520	12,520
Share premium		383,836	383,836
Retained earnings		(278,927)	(277,690)
Reserve for own shares		(23,596)	(23,596)
Cumulative translation adjustment		1,679	1,730
Total equity attributable to equity holders of the Company		**95,512**	**96,800**
Liabilities			
Loans and borrowings	13	98,985	98,879
Employee benefits		27,537	27,470
Deferred tax liabilities	10	8,512	9,257
Provisions		8,163	8,089
Total non-current liabilities		**143,197**	**143,695**
Loans and borrowings	13	8,156	8,795
Trade and other payables		84,989	81,553
Income tax liabilities		450	1,825
Deferred income		7,365	16,736
Provisions	14	5,272	6,605
Liabilities held for sale	6	6,762	7,964
Total current liabilities		**112,994**	**123,478**
Total liabilities		**256,191**	**267,173**
Total equity and liabilities		**351,703**	**363,973**

[1] 2012 comparative numbers have been restated for the change in IAS 19 "Employee Benefits".

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME For the period ended March 31

in thousands of euros	Note	2013	2012[1]
CONTINUING OPERATIONS			
Revenue	5	91,947	79,880
Cost of sales		(64,933)	(62,114)
Gross profit		**27,014**	**17,766**
Selling, general and administrative expenses		(16,470)	(17.699)
Research and development expenses		(4,901)	(5,203)
Other income/(expenses)	7	(1,296)	(2,613)
(Loss) before interest and tax (EBIT)[2]		**4,347**	**(7,749)**
Finance income		1,137	955
Finance costs		(3,307)	(4,471)
Net finance (costs)	8	**(2,170)**	**(3,516)**
Profit/(loss) before income tax		**2,177**	**(11,265)**
Income tax (charge)/benefit	9	(1,671)	1,420
(Loss)/profit from continuing operations		**506**	**(9,845)**
Discontinued operations			
Loss from discontinued operations, net of tax		**(1,753)**	**(2,263)**
Net (loss)		**(1,247)**	**(12,108)**
Net (loss) attributable to:			
Owners of the Company		(1,247)	(12,108)
Non-controlling interest		–	–
Net (loss)		**(1,247)**	**(12,108)**
Earnings per share			
Basic/diluted (loss) per share (euro)		(0.03)	(0.25)
Continuing operations			
Basic/diluted income/(loss) per share (euro)		0.01	(0.20)
Discontinued operations			
Basic/diluted (loss) per share (euro)		(0.04)	(0.05)

[1] 2012 comparative numbers have been represented for comparative purposes to reflect the classification of telecom converter business as a discontinued operation.
[2] The interest referred to in earnings before interest and tax (EBIT) comprises all financial items included within net finance income/costs.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the period ended March 31

in thousands of euros	Note	2013	2012[1]
(Loss) for the period		**(1,247)**	**(12,108)**
Other comprehensive income			
Foreign currency translation differences for foreign operations		(51)	(27)
Unrealized gains and losses on pension liabilities		(232)	(1,112)
Income tax benefit on other comprehensive income		25	336
Other comprehensive income for the period		**(258)**	**(803)**
Total comprehensive income/(loss) for the period		**(1,505)**	**(12,911)**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(1,505)	(12,911)
Non-controlling interest		–	–
Total comprehensive income/(loss) for the period		**(1,505)**	**(12,911)**

[1] 2012 comparative numbers have been represented and restated for the change in IAS 19 “Employee Benefits”.

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Equity attributable to holders of the Company

in thousands of euros	Note	Share capital	Share premium	Translation reserve	Reserve for own shares	Retained earnings	Total Group equity	Non-controlling interest	Total equity
Balance as reported at January 1, 2012		**12,520**	**383,836**	**1,317**	**(24,633)**	**(96,108)**	**276,932**	**–**	**276,932**
Amendments IAS 19		–	–	–	–	326	326	–	326
Tax effects amendments IAS 19		–	–	–	–	(100)	(100)	–	(100)
Balance restated at January 1, 2012		**12,520**	**383,836**	**1,317**	**(24,633)**	**(95,882)**	**277,158**	**–**	**277,158**
Profit/(loss) for the period		–	–	–	–	(12,108)	(12,108)	–	(12,108)
Total other comprehensive income/(loss)		–	–	(27)	–	(776)	(803)	–	(803)
Total comprehensive income/(loss) for the period		**–**	**–**	**(27)**	**–**	**(12,884)**	**(12,911)**	**–**	**(12,911)**
Share-based payments/long-term incentive plan		–	–	–	–	220	220	–	220
Total contributions by and distributions to owners of the Company		**–**	**–**	**–**	**–**	**220**	**220**	**–**	**220**
Total transactions		**–**	**–**	**(27)**	**–**	**(12,664)**	**(12,691)**	**–**	**(12,691)**
Balance at March 31, 2012		**12,520**	**383,836**	**1,290**	**(24,633)**	**(108,546)**	**264,467**	**–**	**264,467**
Balance as reported at December 31, 2012		**12,520**	**383,836**	**1,730**	**(23,596)**	**(274,585)**	**99,905**	**–**	**99,905**
Amendments IAS 19		–	–	–	–	(4,448)	(4,448)	–	(4,448)
Tax effect amendments IAS 19		–	–	–	–	1,343	1,343	–	1,343
Balance restated at January 1, 2013		**12,520**	**383,836**	**1,730**	**(23,596)**	**(277,690)**	**96,800**	**–**	**96,800**
Profit/(loss) for the period		–	–	–	–	(1,247)	(1,247)	–	(1,247)
Total other comprehensive income/(loss)		–	–	(51)	–	(207)	(258)	–	(258)
Total comprehensive income/(loss) for the period		**–**	**–**	**(51)**	**–**	**(1,454)**	**(1,505)**	**–**	**(1,505)**
Share-based payments/long-term incentive plan		–	–	–	–	217	217	–	217
Total contributions by and distributions to owners of the Company		**–**	**–**	**–**	**–**	**217**	**217**	**–**	**217**
Total transactions		**–**	**–**	**(51)**	**–**	**(1,237)**	**(1,288)**	**–**	**(1,288)**
Balance at March 31, 2013		**12,520**	**383,836**	**1,679**	**(23,596)**	**(278,927)**	**95,512**	**–**	**95,512**

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS For the period ended March 31

in thousands of euros	Note	2013	2012
Cash flows from operating activities			
Income/(loss) for the period		506	(9,845)
Result of discontinued operations		(1,753)	(2,263)
Adjustments for non-cash items:			
Depreciation		1,222	1,661
Amortization and impairment of intangible assets and goodwill		2,871	5,511
Change in provisions		1,528	2,859
Charge for share-based payments		217	220
Change in other non-current financial assets		22	(72)
Finance expense/(income) (net)	8	2,167	3,595
Income tax charge/(benefit)	9	1,662	(1,450)
Cash flow from/(used in) operations before changes in working capital		**8,442**	**216**
Change in inventories		1,257	(2,543)
Change in trade and other receivables		(972)	13,524
Change in prepayments		(252)	368
Change in trade and other payables		607	(19,797)
Change in employee benefits		230	(356)
Change in provisions		(2,957)	(3,329)
Change in deferred income		(9,440)	(4,140)
Cash generated from/(used in) in working capital		**(11,527)**	**(16,273)**
Income tax paid		(3,784)	(3,457)
Net cash from operating activities		**(6,869)**	**(19,514)**
Cash flows from investing activities			
Acquisition of investment/subsidiary, net of cash acquired		–	(572)
Acquisition of property, plant and equipment		(744)	(2,377)
Proceeds from sale of property, plant and equipment		96	38
Acquisition of intangible assets		(62)	(321)
Capitalized internal development expenditure		(840)	(1,001)
Net cash used in investing activities		**(1,550)**	**(4,233)**
Cash flows from financing activities			
Interest (paid)/received (net)		(28)	28
Change in other long- and short-term debt		(857)	320
Net cash from/(used in) financing activities		**(885)**	**348**
Effect of movement in exchange rates		(543)	71
Net (decrease)/increase in cash and cash equivalents		**(9,847)**	**(23,328)**
Cash and cash equivalents at the beginning of the period		42,892	82,337
Cash and cash equivalents at the end of the period		**33,045**	**59,009**

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

3W Power S.A. (The "Company") is domiciled in Luxembourg and the address of its registered office is: 19, rue Eugène Ruppert, L-2453 Luxembourg.

On April 9, 2010 the Company changed its name from Germany1 Acquisition Limited to 3W Power Holdings S.A. On May 19, 2011 the Company changed its name to its current name of 3W Power S.A.

The Company's shares are listed on the Regulated Market (Prime Standard) of the Frankfurt stock exchange (FWB). As from December 19, 2011 the Company delisted its shares from the NYSE Euronext, Amsterdam. The Company's warrants were delisted from the NYSE Euronext, Amsterdam. The condensed consolidated interim financial statements of the Company as at and for the period ended March 31, 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended December 31, 2012 are available upon request from the Company's registered office address or at www.aegps.com.

The Group is a world provider of premium electronics. It offers comprehensive product and service portfolios in power conversion and control for customers spanning the infrastructure markets of energy, telecommunication, lighting, transportation and general industrial sectors. The Group has developed a full range of products for the solar energy industry including solar inverters, monitoring systems and turn-key solutions and is investing in solutions that will enable distributed power generation and smart micro grids.

2. BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements of the Group prepared in accordance with IFRS, as adopted by the European Union (EU), and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2012.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 14, 2013.

B) USE OF ESTIMATES AND JUDGMENTS

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

By preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2012.

C) REPRESENTED NUMBERS

In these condensed consolidated interim financial statements 2012 numbers have been represented for the change in the operating segments and the exclusion from the Converter business unit from the EES segment.

3. SIGNIFICANT ACCOUNTING POLICIES

All accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2012, except for the amendments to the IFRS-standard IAS 19 "Employee Benefits", as disclosed in note 26 of the 2012 consolidated financial statements

2012 numbers have been restated for these amendments.

4. FINANCIAL RISK MANAGEMENT

The aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2012.

Credit and customer concentration risk (update)

In Solar, one customer accounts for 80.2% and 35.4% of segment and Group revenue respectively in 2013 (2012: 25.6% and 3.7%).

This Solar customer represents 44.3% of the Group's gross trade receivable balance at March 31, 2013 (December 31, 2012: 37.5%). For March 31, the total trade receivable was €56.0 million with a bad debt provision of €8.5 million.

5. OPERATING SEGMENTS

The Group operates in three segments, Solar (including skytron), Power Controller (POC), and Energy Efficiency Solutions (EES). Untill the end of 2012, POC and Solar were combined in the segment Renewable Energy Solutions (RES). EES includes the industrial and commercial UPS business units.

Accordingly, the results of the Group are presented in these three segments which also reflect the presentation of information to the Group's Chief Executive, who has been identified as the chief operating decision maker ("CODM").

RESULTS BY OPERATING SEGMENT

For the period ended March 31, 2013

in thousands of euros	Solar	Power Controller (POC)	Energy Efficiency Solutions (EES)	Unallo-cated amounts	Total
Revenue	**40,629**	**15,032**	**36,286**	**–**	**91,947**
Segment operating income/(loss)	**8,163**	**3,050**	**(2,719)**	**299**	**8,793**
Restructuring income/(costs)	–	–	(3)	(138)	(141)
Capitalized development costs (net of amortization)	154	46	(92)	–	108
Central overheads	–	–	–	(2,527)	(2,527)
Amortization of intangibles on acquisition[1]	–	(346)	(1,473)	(67)	(1,886)
Income/(loss) before interest and tax (EBIT)[2]	**8,317**	**2,750**	**(4,287)**	**(2,433)**	**4,347**

[1] Relates to intangibles identified on the acquisition of AEG PS in 2009.
[2] The interest referred to in earnings before interest and tax (EBIT) comprises all financial items included within net finance income/costs.

Revenue comprises €79,710 thousand for goods and €12,237 thousand for services.

RESULTS BY OPERATING SEGMENT

For the period ended March 31, 2012

in thousands of euros	Solar	Power Controller (POC)	Energy Efficiency Solutions (EES)	Unallo-cated amounts	Total[3]
Revenue	**11,590**	**21,379**	**46,911**	**–**	**79,880**
Segment operating income/(loss)	**(3,778)**	**4,236**	**340**	**(680)**	**118**
Restructuring income/(costs)	–	–	–	(5)	(5)
Capitalized development costs (net of amortization)	222	227	(58)	–	391
Central overheads	–	–	–	(3,885)	(3,885)
Capital gain	–	–	–	112	112
Amortization of intangibles on acquisition[1]	–	(2,757)	(1,636)	(87)	(4,480)
Income/(loss) before interest and tax (EBIT)[2]	**(3,556)**	**1,706**	**(1,354)**	**(4,545)**	**(7,749)**

[1] Relates to intangibles identified on the acquisition of AEG PS in 2009.
[2] The interest referred to in earnings before interest and tax (EBIT) comprises all financial items included within net finance income/costs.
[3] 2012 comparative numbers have been represented.

Revenue comprises €67,815 thousand for goods and €12,065 thousand for services.

SEGMENT ASSETS AND REVENUE BY GEOGRAPHY

The Group monitors assets at country level rather than by operating segment. Therefore, information on assets is disclosed below on a geographical basis.

MATERIAL INFORMATION ABOUT GEOGRAPHICAL SEGMENTS

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

The country of domicile of the Company (Luxembourg) is included in the rest of Europe.

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia[2]	Americas	Held for sale	Total[1]
Revenue for the period ended March 31, 2013	12,807	19,322	57,973	1,845	–	91,947
Revenue for the period ended March 31, 2012	20,742	19,067	31,858	8,213	–	79,880

[1] 2012 comparative numbers have been represented.
[2] Includes the Cyprus-based Solar customer with its major operation in Eastern Europe.

For the period ended and as at March 31, 2013

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia	Americas	Held for sale	Total
Non-current assets [1]	43,054	56,901	5,902	1,216	–	107,073
Total assets	160,990	140,143	38,942	5,446	6,290	351,811
Total liabilities	85,663	149,320	13,422	1,132	6,762	256,299

[1] Non-current assets exclude goodwill and non-current financial assets.

For the year ended and as at December 31, 2012

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia	Americas	Held for sale	Total
Non-current assets [1]	43,814	58,319	6,192	1,248	–	109,573
Total assets	167,417	145,646	37,997	5,603	7,310	363,973
Total liabilities	93,894	148,110	13,121	979	7,964	264,068

[1] Non-current assets exclude goodwill and non-current financial assets.

6. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

AEG POWER SOLUTIONS S.A.S. AT LANNION IN FRANCE ASSET AND LIABILITIES HELD FOR SALE/DISCONTINUED OPERATION

During Q3 2012, management decided to divest the assets of AEG Power Solutions S.A.S. at Lannion ("Lannion").

The decision is consistent with the Company's ongoing effort to reduce complexity within the Group by reducing its exposure to telecommunications. The principal business activity of Lannion is telecom converters and LED. These were included in the EES segment.

ASSETS HELD FOR SALE

in thousands of euros	March 31, 2013	December 31, 2012
Property, plant and equipment	69	44
Other non-current assets	22	18
Inventories	3,041	3,498
Trade and other receivables	3,019	3,165
Cash and cash equivalents	139	585
Total assets held for sale	**6,290**	**7,310**

LIABILITIES HELD FOR SALE

in thousands of euros	March 31, 2013	December 31, 2012
Employee benefits	1,455	1,316
Provisions	236	1,274
Trade and other payables	5,071	5,374
Total liabilities held for sale	**6,762**	**7,964**

RESULT OF DISCONTINUED OPERATIONS

in thousands of euros	March 31, 2013	March 31, 2012
Revenue	2,477	3,634
Expenses	(4,239)	(5,927)
Result from operating activities	**(1,762)**	**(2,293)**
Income tax	9	30
Loss for the period	**(1,753)**	**(2,263)**
EARNINGS PER SHARE		
Basis (loss) per share (euro)	(0.04)	(0.05)

CASH FLOW FROM (USED IN) DISCONTINUED OPERATIONS

in thousands of euros	March 31, 2013	March 31, 2012
Net cash used in operating activities	(2,478)	(740)
Net cash used in investing activities	(25)	(25)
Net cash used in financing activities	(21)	(820)
Net cash flows for the period	(2,524)	(1,585)

7. OTHER INCOME/(EXPENSES)

in thousands of euros	Note	Q1 2013	Q1 2012[1]
EMED operating income (net)	6	–	110
Other		–	155
Other income		**–**	**265**
Amortization of intangible assets		(985)	(2,873)
Restructuring costs (net)		(141)	(5)
Other		(170)	–
Other (expense)		**(1,296)**	**(2,878)**
Total (expense)		**(1,296)**	**(2,613)**

[1] 2012 comparative numbers have been represented.

8. FINANCE INCOME AND COSTS

in thousands of euros	Q1 2013	Q1 2012[1]
Interest income on bank deposits	66	70
Net change in fair value of warrants	–	123
Foreign exchange income	1,071	762
Finance income	**1,137**	**955**
Interest expense on loans and payables	(90)	(80)
Interest expense on notes payable	(2,474)	(2,459)
Pension related financial expenses	(314)	(298)
Foreign exchange costs	(298)	(1,492)
Other finance costs	(131)	(142)
Finance costs	**(3,307)**	**(4,471)**
Net finance (costs)/income	**(2,170)**	**(3,516)**

[1] 2012 comparative numbers have been represented.

Interest on notes payable relates to interest accrued at 9.25% on the Notes placed in December 2010 (note 13) and the amortized portion of costs incurred in placing the notes payable. Such costs are expensed over the period that the debt is outstanding using the effective interest method.

Other finance costs include factoring charges.

9. INCOME TAX BENEFIT/(CHARGE)

The total tax (charge)/benefit including discontinued operations was €(1,680) (2012: €1,450). The net tax charges related to continuing operations are included in the statement of income as follows:

in thousands of euros	Q1 2013	Q1 2012[1]
Current tax (expense)/benefit		
Income tax charge for the period	(2,391)	(250)
Deferred tax benefit/(expense)		
Origination and reversal of temporary differences	437	1,263
Recognition of current and prior year tax losses	283	408
Other	–	(1)
Deferred tax benefit	**720**	**1,670**
Total income tax (charge)/benefit	**(1,671)**	**1,420**

[1] 2012 comparative numbers have been represented.

RECONCILIATION OF EFFECTIVE TAX RATE

in thousands of euros	Q1 2013	Q1 2012[1]
Income/(loss) for the period	506	(9,845)
Total income tax (charge)/benefit	(1,671)	1,420
Income/(loss) before income tax	**2,177**	**(11,265)**
Expected income tax benefit using the Company's domestic tax rate of 29.22% (2012: 28.8%)	(636)	3,244
Effect of different local tax rates	(236)	(173)
Tax exempt income (change in fair value of warrants)	–	35
Current year losses for which no deferred tax asset was set up	(1,551)	(1,556)
Previously recognized tax losses	–	(89)
Impact of discontinued operations	**160**	**124**
Other	592	(165)
Income tax (charge)/benefit	**(1,671)**	**1,420**

[1] 2012 comparative numbers have been represented.

10. DEFERRED TAX ASSETS AND LIABILITIES

UNRECOGNIZED DEFERRED TAX ASSETS

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

As at March 31, deferred tax assets have not been recognized in respect of the following items:

in thousands of euros	March 31, 2013	December 31, 2012
Tax losses	35,096	32,710
Deductible temporary differences	3,441	3,916
Total unrecognized deferred tax assets	**38,537**	**36,626**

Of the total unrecognized tax losses, €4.24 million expires within six to ten years, €1.62 million expires after ten years and €28.9 million have no expiration date.

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

in thousands of euros	Assets March 31, 2013	Liabilities March 31, 2013	Assets Dec. 31, 2012[1]	Liabilities Dec. 31, 2012[1]
Property, plant and equipment	53	(3,328)	29	(3,337)
Intangible assets	–	(18,642)	–	(19,225)
Inventories	19	(121)	19	(129)
Employee benefits	3,864	(333)	3,787	(327)
Provisions	568	(242)	922	(230)
Other items	745	(154)	610	(152)
Sub-total	**5,249**	**(22,820)**	**5,367**	**(23,400)**
Tax loss carry-forwards	9,059	–	8,776	–
Tax assets/(liabilities)	**14,308**	**(22,820)**	**14,143**	**(23,400)**
Set-off of deferred tax positions	(14,308)	14,308	(14,143)	14,143
Net tax assets/ (liabilities)	**–**	**(8,512)**	**–**	**(9,257)**

[1] 2012 comparative numbers have been restated for the change in IAS 19 "Employee Benefits".

MOVEMENT IN TEMPORARY DIFFERENCES DURING THE PERIOD

in thousands of euros	Balance Dec. 31, 2012[1]	Recognized in profit or loss	Recognized in other compre-hensive income	Balance March 31, 2013
Property, plant and equipment	(3,308)	33	–	(3,275)
Intangible assets	(19,225)	583	–	(18,642)
Inventories	(110)	8	–	(102)
Employee benefits	3,460	46	25	3,531
Provisions	693	(367)	–	326
Other items	457	134	–	591
Sub-total	**(18,033)**	**437**	**25**	**(17,571)**
Tax loss carry-forwards	8,776	283	–	9,059
Total	**(9,257)**	**720**	**25**	**(8,512)**

[1] 2012 comparative numbers have been restated for the change in IAS 19 "Employee Benefits".

11. CAPITAL AND RESERVES

A) SHARE CAPITAL

in number of shares	Ordinary shares	Treasury shares	Total shares
Issued at December 31, 2011	**47,706,019**	**2,530,005**	**50,236,024**
Transferred to (former) executives[1]	110,000	(110,000)	–
Issued at December 31, 2012	**47,816,019**	**2,420,005**	**50,236,024**
Issued at March 31, 2013	**47,816,019**	**2,420,005**	**50,236,024**

[1] During the year 2012, 60,000 shares were transferred to Dr. Horst J. Kayser (tranche 2 and 3, see note 17) and 50,000 shares were transferred to Gerhard Henschel under the terms of their employment contracts.

B) DIVIDEND

No dividends were declared or paid by the Company in 2013 or 2012.

12. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the result attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Loss/profit attributable to ordinary shareholders

in euros	Q1 2013	Q1 2012
Basic (loss)/earnings per share	(0.03)	(0.25)
Diluted (loss)/earnings per share	(0.03)	(0.25)

13. LOANS AND BORROWINGS

Details of the Group's loans and borrowings are as follows:

in thousands of euros	March 31, 2013	December 31, 2012
Non-current		
Notes payable	98,081	97,920
Government loans	647	653
Bank loans	257	306
Other	–	–
Total non-current	**98,985**	**98,879**
Current		
Government loans	62	56
Bank loans	185	171
Bank overdrafts	356	193
Obligations under receivable factoring arrangements	7,186	8,327
Other	367	48
Total current	**8,156**	**8,795**
Grand total of current and non-current	**107,141**	**107,674**

The main terms and conditions of outstanding loans and borrowings were as follows:

in thousands of euros	Currency	Nominal interest rate %	Year of maturity	Nominal value March 31, 2013	Carrying amount March 31, 2013	Nominal value December 31, 2012	Carrying amount December 31, 2012
Notes payable [1]	EUR	9.250	2015	100,000	98,081	100,000	97,920
Government loans [2]	EUR	–	2021-2022	709	709	709	709
Bank loan [3]	EUR	Euribor +1.5-2.75	2016	442	442	477	477
Bank overdraft [4]	EUR	Euribor +2.5-5.75	–	356	356	193	193
Obligations under receivable factoring arrangements [5]	EUR	Euribor +0.8-4.7	–	7,186	7,186	8,327	8,327
Other	EUR	–	–	367	367	48	48
Total				**109,060**	**107,141**	**109,754**	**107,674**

Non-current

[1] Unsubordinated notes payable €100,000,000, effective interest 10.11%, due December 1, 2015.
On December 1, 2010, the Company issued loan notes (the "Notes") with a nominal value of €100 million. The Notes were bought by pan-European institutional investors and asset managers. Costs of issuing the Notes amounted to EUR 3,250,000. The Notes bear interest from and including December 1, 2010 to, but excluding December 1, 2015 at a rate of 9.25% p.a. (10.11% effective interest), payable annually in arrears on December 1 of each year. The first interest payment was made on December 1, 2011.The Notes are redeemable at par on December 1, 2015. The Notes have the benefit of an unconditional and irrevocable guarantee by AEG Power Solutions B.V.
The terms and conditions of the Notes provide that the Company may, at its option, redeem the Notes, in whole but not in part, at any time after the third anniversary of the date of issue at a price of 102% of the principal amount plus accrued interest, and at any time after the fourth anniversary at a price of 101% of the principal amount plus accrued interest. The terms and conditions further provide that the Note holders may require an early redemption in whole or in part at 101% of their principal amount plus accrued interest in the event of a change of control of the Company. The Notes are traded in the Bondm segment of Stuttgart stock exchange as well as in the Open Market of the Frankfurt stock market.

Other non-current loans

[2] Includes four interest-free government loans repayable by varying annual installments in the range of €6-43 thousand. Two of these loans are secured.

[3] There are two unsecured bank loans with a nominal value of €166 thousand (0% interest) and €300 thousand (interest at Euribor +1.5%). There is one secured bank loan with a nominal value of €250 thousand (interest at Euribor +2.75%). The carrying amounts at March 31, 2013 were €17 thousand, €169 thousand and €256 thousand respectively. The loans are repayable by monthly installments over a period of three and five years respectively.

Current loans

[4] Bank overdraft
The bank overdraft is held by one of the Group's subsidiaries. Interest on the overdraft is charged at rates between Euribor +2.5% and 5.75%.

[5] Obligations under receivable factoring arrangements
The Group has entered into financing agreements which provide for trade receivable financing facilities in France, Italy and Spain, up to a maximum of €20.7 million at March 31, 2013. These finance facilities are secured by trade account receivables. The interest conditions for these finance facilities vary between Euribor plus a margin between 0.8% and 4.7%.The facilities have no fixed expiry date, but most are renewable annually.

14. PROVISIONS

Provisions included in current liabilities relate primarily to restructuring of €5.1 million. Long-term provisions relate to product warranty reserves.

15. CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

CONTRACTUAL CASH OBLIGATIONS

The following table presents minimum payments that the Group will have to make in the future under contracts and firm commitments. Amounts related to capital lease obligations are fully reflected in the consolidated statement of financial position.

March 31, 2013

in thousands of euros	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Operating leases	3,292	4,915	2,318	1,349	11,874
Unconditional purchase obligations	176	–	–	–	176
Total	**3,468**	**4,915**	**2,318**	**1,349**	**12,050**

The unconditional purchase obligations are related to the requirements to place firm commitments for tangible and intangible assets. Rental expenses under operating leases amounted to €1.5 million in 2013 (€1.5 million in 2012).

OTHER COMMITMENTS

March 31, 2013

in thousands of euros	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Guarantees	9,843	1,933	955	177	12,908

Commitments on customer contracts relate to bonds and guarantees issued and are shown net of bonds and guarantees secured by cash collateral.

TRADEMARK LICENSE AGREEMENT

With effect from July 1, 2008, AEG PS entered into a trademark license agreement (the "AEG License") with AB Electrolux which granted the Company the right to use the AEG PS trademark for an initial term of ten years. An annual royalty is payable based on a percentage of the net selling price of the respective trademark product, subject to a minimum royalty of €5.390 million for 2013 and €6.723 million for 2014. AEG PS and Electrolux amended the AEG License on July 27, 2010 to expand the range of products covered by the license and to set sale and minimum royalty targets through 2014. For the years 2015 to 2018, the amended agreement provides that the sales targets and minimum annual royalty will be no less than the sales target and minimum royalty for year 2014. The term of the license was also extended until 2028.

16. CONTINGENCIES

Management believes that any legal proceedings incidental to the conduct of its business, including employee related actions, are adequately provided for in the condensed consolidated interim financial statements or will not result in any significant costs to the Group in the future. Apart from the legal proceedings mentioned below, neither the Company nor its subsidiaries are the subject of government interventions or a party to legal, or arbitration proceedings which might significantly affect the Group's profitability. To management's best knowledge, no such proceedings are pending.

17. RELATED PARTIES

The Group's subsidiaries have related party relationships with each other and with the Company. These involve trading and other intra-Group transactions all of which are carried out on an arm's length basis. Related party relationships also exist with Board members and managers who have an interest in the equity of the Company.

A related party relationship also exists with Directors and other senior managers who receive remuneration from the Group.

RELATED PARTY INTERESTS IN THE EQUITY AND NOTES OF THE COMPANY

The interests of Directors and other related parties in the shares, warrants and notes of the Company at March 31, 2013 were as follows:

		Awards under long-term incentive plan (LTIP)	
		Part A	Part B
	No. of shares	No. of shares	No. of units
Dr. Dr. h.c. Thomas Middelhoff	1,325,518	–	–
Mr. Robert Huljak	363,136	–	–
Ripplewood	15,189,060	–	–
Mr. Bruce A. Brock	1,662,902		
Dr. Mark Wössner	30,000	–	–
Dr. Horst J. Kayser	454,000	108,000	300,000
AEG PS managers	136,434	100,000	270,000
Total	**19,161,050**	**208,000**	**570,000**

Ripplewood is the former majority owner of AEG Power Solutions B.V. and refers to Ripplewood Power Systems I L.L.C. and Ripplewood Power Systems II L.L.C., U.S. Limited Liability Companies (LLCs). The LLCs are owned by Ripplewood Holdings, in which Messrs. Lavine, Minnetian and Williams hold executive positions.

AEG PS managers refer to key executives other than Directors.

Under his service agreement, Dr. Horst J. Kayser was entitled to receive shares in the Company. Dr. Horst J. Kayser received 40,000, 30,000 and 30,000 shares in the Company on the first, second and third anniversary of his joining the Company, respectively.

Executive long-term incentive plan
At the Company's Annual General Meeting (AGM) held in May 2011, shareholders approved the adoption of a long-term incentive plan (LTIP) for senior executives including the CEO and CFO. The aim of the LTIP is to act as a strong retention mechanism for key executives and to closely align their interest with those of the shareholders by linking executive rewards with the value delivered to shareholders. For more details on the plan, we refer to the published 2012 financial statements.

18. SUBSEQUENT EVENTS

There were no significant subsequent events besides the announcement made on April 18, 2013 that the Company and Dr. Horst J. Kayser have agreed by mutual consent to terminate Dr. Kayser's employment effective June 30, 2013. As part of the agreement, Dr. Kayser also stepped down from his position as member of the Board of Directors of the Company. Mr. Bruce A. Brock, currently Chairman of the Board of Directors, has been appointed CEO of the Company by the Board of Directors effective immediately. Mr. Brock will continue serving as Chairman of the Company's Board of Directors until the election of the Board of Directors at the Company's upcoming Annual General Meeting.

APPENDIX

RECONCILIATION FROM REPORTED EBIT TO ADJUSTED EBIT

in millions of euros	March 31, 2013	March 31, 2012
Reported EBIT	**4.3**	**(7.7)**
Adjustments		
Amortization of intangibles on acquisition	1.9	4.5
Restructuring costs	0.1	–
Professional consultancy and other costs	–	0.7
Total adjustments	**2.0**	**5.2**
Adjusted EBIT	**6.3**	**(2.5)**

DERIVATION OF EBITDA

in millions of euros	March 31, 2013	March 31, 2012
Reported EBIT	**4.3**	**(7.7)**
Depreciation and amortization charges		
Amortization of intangibles on acquisition	1.9	4.5
Depreciation charge on tangible assets	1.2	1.4
Depreciation charge on intangible assets	0.3	0.5
Other	0.7	0.6
Total depreciation and amortization charges	**4.1**	**7.0**
EBITDA	**8.4**	**(0.7)**

RECONCILIATION FROM REPORTED NET INCOME TO ADJUSTED NET INCOME

in millions of euros	March 31, 2013	March 31, 2012
Reported net income	**(1.2)**	**(12.1)**
Adjustments		
Change in fair value of the warrants	–	(0.1)
Amortization of intangibles on acquistion	1.9	4.5
Restructuring costs	0.1	–
Professional consultancy and other costs	–	0.7
Estimated tax effect on the above	(0.5)	(1.3)
Total adjustments	**1.5**	**3.8**
Adjusted net income	**0.3**	**(8.3)**

DERIVATION OF NORMALIZED EBITDA

in millions of euros	March 31, 2013	March 31, 2012
EBIT adjusted	**6.3**	**(2.5)**
Adjustments		
Depreciation charges on tangible assets	1.2	1.4
Depreciation charges on intangible assets	0.3	0.5
Other	0.7	0.6
Total adjustments	**2.2**	**2.5**
Normalized EBITDA	**8.5**	**(0.0)**

GENERAL INFORMATION

BOARD OF DIRECTORS

Bruce A. Brock	Chairman and Chief Executive Officer
Dr. Horst J. Kayser	Chief Executive Officer resigned on 18 April, 2013

Keith Corbin
Robert J. Huljak
Lawrence Lavine
Dr. Dr. h.c. Thomas Middelhoff
Christopher P. Minnetian
Harris N. Williams
Dr. Mark Wössner

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REGISTRAR AND ADMINISTRATOR

Carey S.A.
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AUDITORS

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Copy deadline:
May 14, 2013

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Concept and design:
HGB Hamburger Geschäftsberichte, Hamburg

Note to the condensed consolidated interim financial statements: This is the English original of the condensed consolidated interim financial statements. The condensed consolidated interim financial statements are also translated into German. In case of deviations between these two, the English version prevails.

Note regarding the rounding of figures: Due to the rounding of figures and percentages, small deviations may occur.

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